Title: Reverse Repo Agreement Question
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I am trying to understand how the reverse repo agreements, and their astronomical rise, can apply to the situation with banks, the fed, short institutions, and GME. I hope this is the proper place for this discussion and apologize in advance if not.

As far as I understand, the overnight reverse repurchase agreements work like this:

1. The fed offers the program to offer an agreement to loan treasury bonds for a pre-specified fee
2. Banks apply to purchase the bonds with the agreement they are bought back by the fed for the agreed rate the very next day (I see .8% in many instances)
3. The next day, the participating banks receive their money back PLUS the .8%

Seems simple enough, but I am wondering what the motive is for having the program and how it applies to GME.

From what I know, the fed owns treasury bonds as this is how money in the US is created. The Government issues bonds that the fed purchases with the money it prints. The fed receives interest on these bonds once the bonds mature -- So.. is the fed essentially giving banks a piece of the treasury yield pie, or are the .8% fees also coming out of the big money printer?

On to GME - what is the relevance here? Is the idea that the reverse repo agreement amounts have ballooned as a response to the imbalance of leverage created by the SHF or Institutions/Banks? Could the reverse repo agreements be used in a way that creates collateral to stave off a margin call? I need wrinkle.