

# The Office of Financial Research

## **Establishment of the Office**

*The Dodd-Frank Wall Street Reform and Consumer Protection Act established the Office of Financial Research (OFR) within the Treasury Department.*

Section 153(a) of the Dodd-Frank Act charges the OFR with supporting the Financial Stability Oversight Council (Council) and member agencies by:

1. collecting data on behalf of the Council, and providing such data to the Council and member agencies;
2. standardizing the types and formats of data reported and collected;
3. performing applied research and essential long-term research;
4. developing tools for risk measurement and monitoring;
5. performing other related services;
6. making the results of the activities of the Office available to financial regulatory agencies; and
7. assisting such member agencies in determining the types and formats of data authorized by this Act to be collected by such member agencies.

## **Organizational Structure and Responsibilities of the Primary Programmatic Units**

Section 154 of the Dodd-Frank Act establishes within the Office, to carry out the programmatic responsibilities of the Office, the Data Center and the Research and Analysis Center.

The Data Center, on behalf of the Council, shall collect, validate, and maintain all data necessary to carry out the duties of the Data Center. The data assembled shall be obtained from member agencies, commercial data providers, publicly available data sources, and financial entities under certain statutory authority detailed in the law.

The Research and Analysis Center, on behalf of the Council, shall develop and maintain independent analytical capabilities and computing resources—

- A. to develop and maintain metrics and reporting systems for risks to the financial stability of the United States;
- B. to monitor, investigate, and report on changes in systemwide risk levels and patterns to the Council and Congress;
- C. to conduct, coordinate, and sponsor research to support and improve regulation of financial entities and markets;

- D. to evaluate and report on stress tests or other stability-related evaluations of financial entities overseen by the member agencies;
- E. to maintain expertise in such areas as may be necessary to support specific requests for advice and assistance from financial regulators;
- F. to investigate disruptions and failures in the financial markets, report findings, and make recommendations to the Council based on those findings;
- G. to conduct studies and provide advice on the impact of policies related to systemic risk; and
- H. to promote best practices for financial risk management.

### **Statutory Requirements for the Annual Report**

Section 154(d)(2) of the Dodd-Frank Act requires an Annual Report that assesses the state of the United States financial system including:

- A. an analysis of any threats to the financial stability of the United States;
- B. the status of the efforts of the Office in meeting the mission of the Office; and
- C. key findings from the research and analysis of the financial system by the Office.

### **Abbreviations for Federal Agencies and Offices Referred to in the Report**

- Department of the Treasury (Treasury)
- Financial Stability Oversight Council (FSOC or Council)
- Board of Governors of the Federal Reserve System (FRB or Federal Reserve)
- Office of the Comptroller of the Currency (OCC)
- Consumer Financial Protection Bureau (CFPB)
- Securities and Exchange Commission (SEC)
- Federal Deposit Insurance Corporation (FDIC)
- Commodity Futures Trading Commission (CFTC)
- Federal Housing Finance Agency (FHFA)
- National Credit Union Administration Board (NCUA)
- Federal Insurance Office (FIO)