

## Minutes of the Financial Stability Oversight Board Meeting July 31, 2014

A meeting of the Financial Stability Oversight Board (“Board”) was held at 2:00 p.m. (EDT) on Thursday, July 31, 2014, via conference call.

### MEMBER REPRESENTATIVES PARTICIPATING:

Mr. Wilcox, Division Director, Federal Reserve Board (Chairperson)

Mr. Golding, Senior Advisor, Department of Housing and Urban Development

Ms. Williams, Deputy Chief of Staff, Securities and Exchange Commission

### STAFF PARTICIPATING:

Mr. Treacy, Executive Director

Mr. Gonzalez, General Counsel and Secretary

### AGENCY OFFICIALS PARTICIPATING:

Mr. Bowler, Acting Assistant Secretary for Financial Stability, Department of the Treasury

Ms. Florman, Senior Advisor, Office of Financial Stability, Department of the Treasury

Mr. Valverde, Senior Advisor, Office of Domestic Finance, Department of the Treasury

Mr. McArdle, Chief Homeownership Preservation Officer, Office of

Financial Stability, Department of the Treasury

Ms. Uy, Chief Investment Officer, Office of Financial Stability, Department of the Treasury

Mr. Roberts, Special Assistant, Office of Financial Stability, Department of the Treasury

Mr. Nixon, Senior Housing Policy Advisor, Department of Housing and Urban Development

Mr. Lawler, Chief Economist, Federal Housing Finance Agency

Ms. Carter, Senior Supervisory Financial Analyst, Federal Reserve Board

The meeting was called to order by Mr. Wilcox at approximately 2:00 p.m. (EDT).

The Representatives then considered draft minutes for the meeting of the Board on June 27, 2014, which had been circulated in advance of the meeting. Upon a motion duly made and seconded, the Representatives voted to approve the minutes of the meeting, subject to such technical revisions as may be received from the Representatives.

Treasury officials then provided an update on the programs established by Treasury under the Troubled Asset Relief Program (“TARP”). Discussion during the meeting focused on the Capital Purchase Program (“CPP”); the Automotive Industry Financing Program

(“AIFP”); and the Making Home Affordable (“MHA”) and Hardest Hit Fund (“HHF”) initiatives. Among the materials distributed in advance of the meeting were the latest monthly report issued by Treasury under Section 105(a) of the Emergency Economic Stabilization Act (“105(a) report”), which contains information concerning the programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP. Throughout the meeting, Representatives raised and discussed various matters on behalf of the Members with respect to the effects of the policies and programs established under TARP.

Using prepared materials, Treasury officials provided Representatives with an update on recent developments in the TARP programs. As of July 28, Treasury had disbursed a total of approximately \$424.8 billion, including \$411.7 billion under TARP investment programs and \$13.1 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were \$439.8 billion, including the proceeds of non-TARP common shares in American International Group (“AIG”). Treasury’s remaining investment in TARP programs was \$3.25 billion with approximately one-third related to bank programs (CPP and the Community Development Capital Initiative) and two-thirds related to Ally Financial, Inc. (“Ally”).

Treasury officials then provided the Representatives with an update on the CPP, including the latest cumulative repayments and sales of CPP investments along with dividends, interest, warrant sales, gains from the sale of common stock, and fee income. Officials noted

that Popular, Inc. had repaid \$946 million to Treasury on July 2, which fully retired Treasury’s largest remaining CPP investment. Also in July, Popular repurchased all outstanding warrants held by Treasury for \$3.0 million. As a result of these transactions, officials noted that remaining CPP investments were less than \$700 million. Treasury officials then provided a brief update regarding CPP institutions in bankruptcy or whose depository institution was in receivership.

Treasury officials then provided the Representatives with an update on the AIFP. Treasury continued to hold approximately 16 percent of Ally’s common stock. Officials noted that Ally had recently reported positive quarterly earnings.

Treasury officials then provided an update on the MHA program and other related housing initiatives, including the Home Affordable Modification Program (“HAMP”) and the Hardest Hit Fund (“HHF”). Treasury officials reported on the homeowner assistance actions that had been provided to at-risk borrowers since MHA’s inception, including the continuing inflow of new permanent modifications and other borrower assistance actions, as described in the most recent monthly MHA Performance Report. With regard to HHF, Treasury officials discussed the general status and funding drawn by HHF programs, noting that the Tennessee Housing Development Agency would effectively close its application process at the end of July, joining six other state housing agencies that had previously closed their application process because HHF allocated funds had been completely committed.

Staff of the Oversight Board then discussed administrative matters with the Representatives, including the timing of the Oversight Board's next quarterly report.

The meeting was adjourned at approximately 2:20 p.m. (EDT).

[signed electronically]

---

Mr. Gonzalez, General Counsel and  
Secretary