

## Minutes of the Financial Stability Oversight Board Meeting April 30, 2015

A meeting of the Financial Stability Oversight Board (“Board”) was held at 1:00 p.m. (EDT) on Thursday, April 30, 2015, via conference call.

### MEMBER REPRESENTATIVES PARTICIPATING:

Mr. Ugoletti, Special Advisor, Federal Housing Finance Agency (Interim Chair)

Mr. Carpenter, Acting Under Secretary for Domestic Finance, Department of Treasury

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

### STAFF PARTICIPATING:

Mr. Treacy, Executive Director

### AGENCY OFFICIALS PARTICIPATING:

Ms. Florman, Chief of Staff, Office of Financial Stability, Department of the Treasury

Mr. McArdle, Chief Homeownership Preservation Officer, Office of Financial Stability, Department of the Treasury

Mr. Montano, Chief Investment Officer, Office of Financial Stability, Department of the Treasury

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

Ms. Nolan, Supervisory Financial Analyst, Federal Reserve Board

The meeting was called to order by Mr. Ugoletti at approximately 1:05 p.m. (EDT).

The Representatives then considered draft minutes for the meeting of the Board on March 23, 2015, 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 Community Development Capital Initiative (“CDCI”); 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, beginning with CPP.

As of meeting date, Treasury's remaining aggregate CPP investment in 30 institutions was approximately \$329 million. Treasury officials reported that since the last Oversight Board meeting, one institution (Chambers Bancshares, Inc.), had exited the CPP program. Officials also reported that, during the month of April, Citizens First Corporation had repurchased outstanding warrants. As of April 30, Treasury's largest CPP investment remains its common stock holdings in First BanCorp ("FBP"). As of the meeting date, Treasury's remaining investment in FBP totaled approximately \$125 million.

Treasury officials then briefly discussed the CDCI program, noting that 64 institutions remained in the program. Officials then noted that the dividend rate on CDCI shares (2 percent) is lower than that for CPP shares, and the dividend-rate step-ups take place after eight years rather than five years for CPP.

Treasury officials then provided an update on the TARP housing initiatives, including the MHA's Home Affordable Modification Program ("HAMP").

Treasury officials reported on the number of homeowner assistance actions that had been provided to at-risk borrowers since MHA's inception, including the continuing inflow of new HAMP permanent modifications and other borrower assistance actions. Treasury officials noted that some 10,000 new permanent HAMP modifications were initiated in February 2015. As of February 2015, there were more than 973,000 active permanent HAMP modifications in place.

Treasury officials then discussed recent changes to, and funding drawn by, HHF programs in the 19 eligible jurisdictions. Officials briefly described recent program changes in California and Michigan, to better assist at-risk borrowers. Since the inception of HHF, participating housing finance agencies have disbursed an estimated \$4.0 billion in Hardest Hit Fund assistance, or 59 percent of total program allocations. Officials also noted that some 233,000 borrowers had been assisted since the beginning of the program.

Staff of the Oversight Board then discussed the timing of the next quarterly report.

The meeting was adjourned at approximately 1:30 p.m. (EDT).

[signed electronically]

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William F. Treacy,  
Executive Director