

Minutes of the Financial Stability Oversight Board Meeting
August 17, 2017

A meeting of the Financial Stability Oversight Board (the “Board”) was held at 3:00 p.m. EDT on Thursday, August 17, 2017, via conference call.

**MEMBER REPRESENTATIVES
PARTICIPATING:**

Ms. Moore, Special Advisor, Federal Housing Finance Agency (Interim Chairperson)

Ms. Rollins, Acting Assistant Secretary for Financial Markets, Department of the Treasury

Mr. Usowski, Deputy Assistant Secretary, Office of Economic Affairs, Department of Housing and Urban Development

Mr. Wood, Director, Office of Legislative and Intergovernmental Affairs, Securities and Exchange Commission

STAFF PARTICIPATING:

Mr. Treacy, Executive Director

Mr. Gonzalez, General Counsel and Secretary

**AGENCY OFFICIALS
PARTICIPATING:**

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

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

Ms. Perkovich, Budget Director, Office of Financial Stability, Department of the Treasury

Mr. Dove, Operations Director, Homeownership Preservation Office, Office of Financial Stability, Department of the Treasury

Mr. Hall, Investments Manager, Office of Financial Stability, Department of the Treasury

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

The meeting was called to order by Ms. Moore at approximately 3:00 p.m. EDT.

The meeting commenced with a discussion by Representatives of the draft minutes for the meeting of the Board on Friday, July 28, 2017, 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.

Next, Treasury officials provided the Representatives with an update on the programs Treasury established under the Troubled Asset Relief Program (“TARP”).

The meeting discussion predominantly 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. Included in the materials distributed in advance of the meeting was the latest monthly report issued by Treasury under Section 105(a) of the Emergency Economic Stabilization Act (“Monthly Report”), which contained information related to programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP. During the course of the meeting, Representatives raised and discussed issues pertaining to the policies and programs established under TARP.

Then Treasury officials, using prepared materials, provided Representatives with a report on recent developments in the TARP program. As of July 31, 2017, Treasury had disbursed a total of nearly \$437.7 billion, including approximately \$411.7 billion under TARP investment programs and more than \$25.9 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were approximately \$442.5 billion.

Treasury officials then provided the Representatives with an overview of recent developments in the CPP. Since the last meeting, one institution, Cecil Bancorp, Inc., filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. Treasury officials indicated that a modest recovery from the institution was likely. Seven institutions remained in the CPP portfolio, for a total investment of \$52.0 million.

Treasury officials next reported on the status of the CDCI program. Since the last meeting of the Board, Treasury completed a repurchase in full of Renaissance Community Development Credit Union. As of the meeting, 24 institutions remain in the portfolio, for a total outstanding invested amount of approximately \$94 million.

Next, Treasury officials noted that they were still awaiting the final July month-end calculations of program results related to the MHA’s Home Affordable Modification Program (“HAMP”), but early data continue to suggest a significant decline in the volume of new recent borrower assistance actions under HAMP.

Treasury officials then discussed recent changes to the HHF programs. As of July 31, 2017, Housing Finance Agencies had disbursed approximately \$6.5 billion in program funds (\$7.2 billion in total program and administrative funds), and drawn down more than \$8.3 billion in program funds. In the month of July, program changes were approved for New Jersey and Ohio.

Then, Federal Housing Finance Agency (“FHFA”) officials announced modifications to the streamlined refinance program for borrowers with high loan-to-value ratios. Loans originated on or after October 1, 2017, will be eligible for the program. In the meantime, to ensure that high loan-to-value borrowers who are eligible for the Home Affordable Refinance Program (“HARP”) continue to have a refinance option, FHFA directed Fannie Mae and Freddie Mac to extend HARP through December 31, 2018.

Finally, staff of the Board discussed the timing of the next quarterly report, as well as activities of the Board for the coming months.

The meeting was adjourned at approximately 3:15 p.m. EDT.

[signed electronically]

Mr. Gonzalez, General Counsel
and Secretary