

**Minutes of the Financial Stability Oversight Board Meeting  
September 27, 2017**

A meeting of the Financial Stability Oversight Board (the “Board”) was held at 2:30 p.m. EDT on Wednesday, September 27, 2017, at the offices of the Department of the Treasury (“Treasury”).

**MEMBER REPRESENTATIVES  
PARTICIPATING:**

Mr. Wilcox, Division Director, Federal Reserve Board (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

Ms. Moore, Special Advisor, Federal Housing Finance Agency

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

**STAFF PARTICIPATING:**

Mr. Treacy, Executive Director

**AGENCY OFFICIALS  
PARTICIPATING:**

Mr. Rasetti, Chief Financial Officer, 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

Mr. Leventis, Principal Economist, Federal Housing Finance Agency

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

The meeting was called to order by Mr. Wilcox at approximately 2:30 p.m. EDT.

The meeting began with a discussion by the Representatives of the draft minutes for the Board’s previous meeting, held on Thursday, August 17, 2017. The minutes for that meeting had been circulated in advance. 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 next 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. Throughout the meeting, Representatives raised and discussed issues relevant to the policies and programs established under TARP.

Next, Treasury officials, referring to prepared materials, provided the Representatives with a report on recent developments in the TARP program. As of August 31, 2017, Treasury had disbursed a total of more than \$437.9 billion, including approximately \$411.7 billion under TARP investment programs and more than \$26.2 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 a summary of recent sales of CPP shares in two institutions. In the first transaction, Treasury sold its entire CPP investment in Grand Mountain Bancshares, Inc. for \$3.9 million, an amount that exceeded Treasury’s invested amount of \$3.1 million. The second transaction was a partial sale of Treasury’s common share holdings in Broadway Financial Corporation for \$1.9 million. With this sale of 916,046 common shares, some 2.7 million common shares remained in Treasury’s CPP portfolio. Six institutions remained in the CPP portfolio, for a total remaining investment of \$48 million.

Treasury officials next reported on the status of the CDCI program. Since mid-August, Fairfax County Federal Credit Union and Mission Valley Bancorp had each completed a repurchase in full of their outstanding CPP shares, for proceeds of \$8 million and \$10 million, respectively. As of the meeting, 22 institutions remain in the portfolio, for a total outstanding invested amount of approximately \$76 million.

Treasury officials noted that as of August 31, 2017, there had been more than 2.9 million total homeowner assistance actions under MHA’s Home Affordable Modification Program (“HAMP”). Officials also noted that, as expected, the number of new borrower assistance actions continued to decline through August. As of August 31<sup>st</sup>, and reflecting this slowdown, there were approximately 916,000 active permanent modifications, some 21,000 fewer than on June 30. During July and August, approximately 1,700 new permanent HAMP Tier 1 modifications were started, as well as about 2,100 new permanent HAMP Tier 2 modifications and about 1,000 permanent Streamline modifications.

Next, Treasury officials discussed recent changes to the HHF programs. As of August 31, 2017, Housing Finance Agencies in the nineteen eligible jurisdictions had disbursed approximately \$6.6 billion in program funds (\$7.3 billion in total program and administrative funds), and drawn down more than \$8.4 billion in program funds. In the month of August, program changes were approved for California and North Carolina.

Representatives and officials then engaged in a roundtable discussion related to the state of the current housing markets and the ability of the programs established under TARP to provide support to the housing markets while assisting at-risk mortgage

borrowers. As part of that discussion, officials from the Federal Housing Finance Agency (“FHFA”) briefed members on developments in the housing and finance markets.

Finally, staff discussed the timing of the delivery of the Board’s second quarterly report to Congress, as well as activities of the Board for the coming months.

The meeting was adjourned at approximately 3:10 p.m. EDT.

[signed electronically]  
Mr. Treacy, Executive Director