

**Minutes of the Financial Stability Oversight Board Meeting
January 26, 2017**

A meeting of the Financial Stability Oversight Board (“Board”) was held at 2:00 p.m. (EST) on Thursday, January 26, 2017, via conference call.

**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. Klima, Co-Chief of Staff,
Securities and Exchange
Commission

Ms. Moore, Special Advisor, Federal
Housing Finance Agency

STAFF PARTICIPATING:

Mr. Gonzalez, General Counsel and
Secretary

**AGENCY OFFICIALS
PARTICIPATING:**

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

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

Ms. Johnson-Kutch, Chief Homeownership
Officer, Office of Financial Stability,
Department of the Treasury

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

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

First, the Representatives considered
draft minutes from the meeting of the
Oversight Board on Friday, December 16,
2016, 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
Representatives with 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 was the latest monthly
report issued by Treasury under Section
105(a) of the Emergency Economic
Stabilization Act (“Monthly Report”), which
contains information pertaining to the
programs established by Treasury under
TARP, as well as aggregate information
regarding the allocated and disbursed amounts
under TARP.

As the meeting progressed, Representatives raised and discussed the effects of policies and programs established under TARP.

Referring to prepared materials, Treasury officials reported on recent developments in the TARP program. As of December 31, 2016, Treasury had disbursed a total of approximately \$435.0 billion, including \$411.7 billion under TARP investment programs and \$23.2 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were \$442.4 billion, including the proceeds of non-TARP common shares in American International Group (“AIG”). Treasury’s remaining investment in TARP programs was about \$310 million, all associated with CPP and CDCI.

Next, Treasury officials provided the Representatives with an update on recent developments in the CPP. As of the meeting date, Treasury’s aggregate CPP investment remained \$199.1 million in 11 institutions, of which about \$125 million was its common stock holding in First BanCorp in San Juan, Puerto Rico.

Treasury officials provided the Representatives with an update on Treasury’s recent progress under the CDCI early repurchase option, part of Treasury’s ongoing efforts to wind down the TARP program. Officials reported that during the month of December 2016, Treasury completed repurchase or redemption transactions for 19 institutions, totaling

approximately \$77.9 million in proceeds. In addition to the 18 early repurchase transactions during December, one additional CDCI redemption at par took place during the month with proceeds of \$14 million. As of the meeting date, Treasury had completed 27 early repurchases by CDCI institutions.

Treasury officials then detailed the status of TARP housing initiatives, including the MHA’s Home Affordable Modification Program (“HAMP”). Treasury officials reported that as of December 31, 2016, \$23.8 billion of MHA funds had been committed for existing MHA transactions. Of this amount, \$16.2 billion had been disbursed and \$7.6 billion committed for the payment of future financial incentives. Officials then discussed recent borrower assistance actions under HAMP, noting that nearly 9,500 new permanent HAMP modifications were initiated in December 2016, as well as more than 9,500 trial HAMP modifications. In addition, more than 1,200 new FHA-HAMP permanent modifications and roughly 2,900 new short-sale transactions were completed during the month. As of December 31, there were more than 962,000 active permanent HAMP modifications.

Treasury officials discussed recent changes to, and funding disbursed by, HHF programs in the 19 eligible jurisdictions. Officials noted that during December 2016 there had been program changes in Tennessee, Arizona, Michigan, Mississippi and Illinois. In addition, approximately \$7.0 billion of the total \$9.6 billion in HHF funds had been drawn through the end of December 2016.

Staff of the Oversight Board concluded the meeting with a brief discussion of the timing of the next quarterly report.

The meeting was adjourned at approximately 2:20 p.m. EST.

[signed electronically] _____

Mr. Gonzalez, General Counsel and
Secretary