

**Minutes of the Financial Stability Oversight Board Meeting
February 22, 2017**

A meeting of the Financial Stability Oversight Board (the “Board”) was held at 2:00 p.m. EST on Wednesday, February 22, 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. Treacy, Executive Director

**AGENCY OFFICIALS
PARTICIPATING:**

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

Mr. Montano, Chief Investment Officer, 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

The Representatives first considered draft minutes for the meeting of the Board on Thursday, January 26, 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 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 contained information concerning the programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP.

During the meeting, Representatives raised and discussed matters related to the policies and programs established under TARP.

Using prepared materials, Treasury officials provided Representatives with a report on recent developments in the TARP program.

As of January 31, 2017, Treasury had disbursed a total of nearly \$435.3 billion, including approximately \$411.7 billion under TARP investment programs and nearly \$23.6 billion (including more than \$0.3 billion from the prior month) 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 officials then provided the Representatives with an update on recent developments in the CPP. There had been no repurchases or sales since the January 26, 2017, meeting of the Representatives. As of the meeting date, Treasury’s aggregate CPP investment remained approximately \$199.1 million in 11 institutions.

Treasury officials then reported on Treasury’s most 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 January 2017, Treasury completed the final two early repurchase transactions for proceeds of \$4.2 million. Additionally, Treasury also executed one partial repurchase for proceeds of approximately \$87,000. As of the meeting date, twenty-eight institutions remained in the portfolio. Because the contractual step-up in dividend or interest rates (or in some cases a contractual maturity) of CDCI investments begins in the fall of 2018, officials expect the majority of remaining CDCI institutions to exit the program between now and then.

Next, Treasury officials provided an update on the TARP housing initiatives, including the MHA’s Home Affordable Modification Program (“HAMP”). Treasury officials reported that as of January 31, 2017, there had been nearly 2.8 million total MHA homeowner assistance actions, including nearly 1.5 million total HAMP Tier 1 modifications and more than 0.2 million total HAMP Tier 2 modifications. As of December 2016, nearly 28,000 total streamline HAMP modifications and more than 960,000 active permanent HAMP modifications (including Tier 1, Tier 2 and streamline modifications) had been initiated.

Officials then discussed recent borrower assistance actions under HAMP, noting that in January 2017, more than 2,000 new permanent HAMP Tier 1 modifications and nearly 4,000 new permanent HAMP Tier 2 modifications were initiated. Also, as of December 2016, servicers reported there had been nearly 4,000 new permanent Streamline HAMP modifications begun, and more than 53,000 Streamline HAMP trial offers had been started and more than 17,100 trials were active.

Treasury officials then discussed recent changes to, and funding disbursed by, HHF programs in the 19 eligible jurisdictions. Officials noted housing finance authorities (HFAs) had introduced no HHF program changes during January. As of January 31, 2017, HFAs had disbursed approximately \$5.8 billion in program funds (\$6.5 billion in total program and administrative funds).

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

The meeting was adjourned at approximately 2:15 p.m. EST.

[signed electronically]

Mr. Treacy, Executive Director