

Minutes of the Financial Stability Oversight Council

Held December 5, 2011

PRESENT:

Timothy F. Geithner, Secretary of the Treasury and Chairperson of the Financial Stability Oversight Council

Ben Bernanke, Chairman, Board of Governors of the Federal Reserve System (Federal Reserve)

Martin J. Gruenberg, Acting Chairperson, Federal Deposit Insurance Corporation (FDIC)

Mary Schapiro, Chairman, Securities and Exchange Commission (SEC)

Gary Gensler, Chairman, Commodity Futures Trading Commission (CFTC)

Edward DeMarco, Acting Director, Federal Housing Finance Agency (FHFA)

Debbie Matz, Chairman, National Credit Union Administration (NCUA)

John Walsh, Acting Comptroller of the Currency, Office of the Comptroller of the Currency (OCC)

Roy Woodall, Independent Member with Insurance Expertise

Michael McRaith, Director, Federal Insurance Office, Department of the Treasury (non-voting member)

William Haraf, Commissioner, California Department of Financial Institutions (non-voting member)

John Huff, Director, Missouri Department of Insurance, Financial Institutions, and Professional Registration (non-voting member)

David Massey, Deputy Securities Administrator, North Carolina Department of the Secretary of State, Securities Division (non-voting member)

GUESTS:

Department of the Treasury

Neal S. Wolin, Deputy Secretary of the Treasury

Amias Gerety, Deputy Assistant Secretary for FSOC

Christopher J. Meade, Principal Deputy General Counsel

Board of Governors of the Federal Reserve System

Daniel K. Tarullo, Governor, Federal Reserve

Federal Deposit Insurance Corporation

Jason Cave, Deputy Director for Monitoring, Office of Complex Financial Institutions

Securities and Exchange Commission

Robert Cook, Director, Division of Trading and Markets

Commodity Futures Trading Commission

Timothy Karpoff, Counsel to the Chairman

Federal Housing Finance Agency
Mario Ugoletti, Special Advisor to the Director

National Credit Union Administration
John Worth, Chief Economist

Office of the Comptroller of the Currency
John Lyons, Senior Deputy Comptroller for Bank Supervision Policy and Chief National Bank Examiner

Office of the Independent Member with Insurance Expertise
Amanda Wise

Federal Reserve Bank of New York
William Dudley, President and Chief Executive Officer

Federal Insurance Office
John Nolan, Senior Policy Advisor

California Department of Financial Institutions
Michael Stevens, Senior Vice President and Director of Regulatory Affairs, Conference of State Bank Supervisors

Missouri Department of Insurance, Financial Institutions, and Professional Registration
Mark Sagat, Government Relations Policy Counsel, National Association of Insurance Commissioners

North Carolina Department of the Secretary of the State, Securities Division
Joseph Brady, Deputy General Counsel, North American Securities Administrators Association

PRESENTERS:

Presenters on Macro-environment Overview: Update on Europe

- *Lael Brainard, Under Secretary for International Affairs, Treasury*
- *Nellie Liang, Director, Office of Financial Stability Policy and Research, Federal Reserve*

Presenters on Housing Update

- *Mary J. Miller, Assistant Secretary for Financial Markets, Treasury*
- *Karen Pence, Assistant Director of Research and Statistics, Federal Reserve*
- *Mario Ugoletti, Special Advisor to the Director, FHFA*

Presenter on Dodd-Frank Coordination Update

- *Amias Gerety, Deputy Assistant Secretary for FSOC, Treasury*

Presenters on Financial Market Utilities Designation Update

- *Lance Auer, Deputy Assistant Secretary for Financial Institutions Policy, Treasury*
- *Jeff Stehm, Senior Associate Director, Financial Market Infrastructure Oversight, Federal Reserve*
- *Robert Wasserman, Associate Director, Division of Clearing and Intermediary Oversight, CFTC*
- *Peter Curley, Associate Director, Division of Trading and Markets, SEC*

Executive Session

Secretary Geithner, the Chairperson, called the executive session of the meeting of the Financial Stability Oversight Council (Council) to order at 1:00 P.M. (EST).

The Chairperson turned to the meeting agenda, which had been previously distributed to the members together with copies of the resolution and other materials. The agenda for the meeting included the following subjects: (1) a macro-environment overview and an update on Europe; (2) an update on housing market issues; (3) an update on Council efforts regarding Dodd-Frank coordination; (4) a discussion of financial market utilities; and (5) consideration of, and a vote on, a resolution approving the minutes from the Council's meetings on October 11, October 31, and November 11, 2011.

1. Macro-environment Overview: Update on Europe

The Chairperson introduced the agenda item regarding the current macro-environment overview and an update on Europe. The Chairperson asked Lael Brainard, Under Secretary for International Affairs at the Treasury, and Nellie Liang, Director of the Office of Financial Stability Policy and Research at the Federal Reserve, to make the presentation. After the presentation, members of the Council asked questions and discussed related issues.

2. Update on Housing Market Issues

The Chairperson called on Mary J. Miller, the Assistant Secretary for Financial Markets at the Treasury; Karen Pence, the Assistant Director of Research and Statistics at the Federal Reserve; and Mario Ugoletti, the Special Advisor to the Director of the FHFA, to present an update on housing market issues. The members of the Council asked questions about the presentation.

3. Update on Council Efforts to Increase Dodd-Frank Coordination

The Chairperson raised the agenda item regarding Dodd-Frank coordination. He called on Amias Gerety, Deputy Assistant Secretary for FSOC at the Treasury, to present. Building on the discussion from the October meeting, Mr. Gerety described the coordination of government agencies on the implementation of the Dodd-Frank Act, including the priorities at the agencies. After Mr. Gerety's presentation, the members of the Council discussed the coordination effort.

4. Update on Evaluation of Financial Market Utilities for Potential Designation

The Chairperson then turned to the next item on the agenda, a discussion of financial market utilities (FMUs). He called on Lance Auer, the Deputy Assistant Secretary for Financial Institutions Policy at the Treasury; Jeff Stehm, the Senior Associate Director for Financial Market Infrastructure Oversight at the Federal Reserve; Robert Wasserman, the Associate Director for the Division of Clearing and Intermediary Oversight at the CFTC; and Peter Curley, the Associate Director for the Division of Trading and Markets at the SEC, to give the presentation. The presentation included a discussion of the possible advancement of certain FMUs from stage 1 to stage 2 of the evaluation process. The members of the Council asked questions about the presentation and discussed the designation process for FMUs.

5. Consideration of and Vote on the Resolution Approving Minutes of the Meetings held on October 11, 2011, October 31, 2011, and November 11, 2011.

The Chairperson asked for a motion approving the resolution to approve the minutes from previous meetings, which was made and seconded. The Council then approved the resolution by unanimous vote.

The Chairperson then asked for a motion to adjourn the meeting. The Chairperson adjourned the meeting at approximately 3:00 P.M. (EST).