

Minutes of the Financial Stability Oversight Council

Held February 1, 2012

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)

Richard Cordray, Director, Consumer Financial Protection Bureau (CFPB)

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) (*participating by telephone*)

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

Mary J. Miller, Assistant Secretary for Financial Markets

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

Jennifer McHugh, Senior Advisor to the Chairman

Commodity Futures Trading Commission

Dan Berkovitz, General Counsel

Consumer Financial Protection Bureau

Raj Date, Deputy Director

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 and Chief National Bank Examiner

Office of the Independent Member with Insurance Expertise

Chris Ledoux, Senior Advisor

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, Counsel and Manager, Government Relations, 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:

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*

Money Market Funds Reform Update

- *Eileen Rominger, Director, Division of Investment Management, SEC*
- *Robert Plaze, Associate Director for Regulation, Division of Investment Management, SEC*
- *Matthew Rutherford, Deputy Assistant Secretary for Federal Finance, Treasury*
- *Patrick McCabe, Senior Economist, Federal Reserve*

Public Comments on Notice of Proposed Rulemaking and Proposed Guidance on Nonbank Financial Company Designations

- *Lance Auer, Deputy Assistant Secretary, Financial Institutions, Treasury*

Dodd-Frank Act Update and Update on 2012 Annual Report

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

Executive Session

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 began by welcoming Richard Cordray to the Council. He then outlined 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 update on Europe; (2) an update on money market funds reform efforts; (3) public comments on the notice of proposed rulemaking and proposed guidance on nonbank financial company designations; (4) an update on the Dodd-Frank Act and the Council's 2012 annual report; and (5) consideration of, and a vote on, a resolution approving the minutes from the Council's meetings on December 5, 2011 and December 21, 2011.

1. Macro-environment Overview: Update on Europe

The Chairperson turned to the first agenda item and 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 Board, to give a macro-environment overview and update on Europe. After the presentation, members of the Council asked questions and discussed related issues.

2. Money Market Funds Reform Efforts

The Chairperson then raised the agenda item regarding the SEC's money market funds reform efforts. He called on Eileen Rominger, Director of the Division of Investment Management at the SEC; Robert Plaze, Associate Director for Regulation in the Division of Investment Management at the SEC; Matthew Rutherford, the Deputy Assistant Secretary for Federal Finance at the Treasury; and Patrick McCabe, Senior Economist at the Federal Reserve, to give the presentation. The presentation included an update on reform efforts and the SEC's plans to issue a notice of proposed rulemaking. The members of the Council asked questions about the presentation.

3. Public Comments on Notice of Proposed Rulemaking and Proposed Guidance on Nonbank Financial Company Designations

The Chairperson turned to the next item on the agenda, which was the public comments received in response to the notice of proposed rulemaking and proposed guidance on nonbank financial company designations. He called on Lance Auer, Deputy Assistant Secretary for Financial Institutions at the Treasury, to give the presentation. Mr. Auer gave a presentation on the public comments, and explained that there were 41 comments submitted on the notice of proposed rulemaking and proposed guidance from a range of companies, trade associations, other groups, and individuals. After the presentation, the Council members asked questions and discussed related issues.

4. Dodd-Frank Act Update and Update on 2012 Annual Report

The Chairperson then turned to the item on the agenda regarding implementation of the Dodd-Frank Act. The members of the Council discussed the upcoming year for Dodd-Frank Act implementation. Then the Chairperson called on Amias Gerety, Deputy Assistant Secretary for FSOC at the Treasury, to give an update on the Council's 2012 annual report. After the presentation, the Council members asked questions.

5. Resolution Approving the Minutes of the Meetings held on December 5, 2011 and December 21, 2011

“BE IT RESOLVED, by the Financial Stability Oversight Council (the “Council”) that the minutes attached hereto of the December 5, 2011 and December 21, 2011 meetings of the Council are hereby approved.”

The Chairperson asked for a motion to approve the resolution, which was made. The Council then approved the resolution by unanimous vote.

The Chairperson asked for a motion to adjourn the meeting, which was made. The Council voted to adjourn. The Chairperson adjourned the meeting at approximately 3:13 P.M. (EST).