

Council of Inspectors General on Financial Oversight (CIGFO)

May 20, 2025

Video Conference Call

11:00 a.m.

Meeting Minutes

Council Members Present

- Loren Sciorba, Acting Chair, Deputy Inspector General, Department of the Treasury (Treasury) OIG
- Jennifer Fain, Inspector General, Federal Deposit Insurance Corporation (FDIC) OIG
- Christopher Skinner, Inspector General, Commodity Futures Trading Commission (CFTC) OIG
- James Lisle, Audit Director, Federal Housing Finance Agency (FHFA) OIG
- Marta Erceg, National Credit Union Administration (NCUA) OIG
- Jacqueline Becker, Senior Advisor and Senior Associate Inspector General, Board of Governors of the Federal Reserve System (Board) OIG

Council Members Not Present

U.S. Department of Housing and Urban Development (HUD) OIG

U.S. Securities and Exchange Commission (SEC) OIG

Guests

Jonathan Lebruto, Chief of Staff, FDIC OIG

Pauletta Battle, Acting Assistant Inspector General for Audit, Treasury OIG

Amy Altemus, Acting Counsel to the Inspector General, Treasury OIG

Virginia Shirley, Acting Deputy Assistant Inspector General for Audit, Treasury OIG

Anne Halamar, Acting Audit Director, Treasury OIG

Kevin Smithers, Auditor, Treasury OIG

Dianna Jones, Audit Director, Treasury OIG

Camille Callender, Assistant Counsel, Treasury OIG

At 11:02 a.m., Loren Sciorba, Acting Chair and Deputy Inspector General at Treasury OIG, called the meeting to order and welcomed everyone.

Mr. Sciorba then asked for consideration of the March 5, 2025, meeting minutes and asked if the members had any corrections or additions. Hearing none, Mr. Sciorba called for a motion to approve the minutes which were made and seconded. The minutes were approved by unanimous consent.

Ms. Halamar then updated the group on the CIGFO Working Group (WG) project, the *Financial Stability Oversight Council's (FSOC) Designation of Nonbank Financial Companies*. Since the March update, the WG has entered the fieldwork phase of the

audit, which involves WG members collecting responses to the questionnaire from their respective FSOC members. The WG received responses from about half of the FSOC members; the remaining members requested extensions due to the current environment that is in a state of flux. Ms. Halamar noted that the WG hoped to receive all completed questionnaires by the first week of June.

Ms. Halamar also provided an update on the GAO Engagement on the *Private Credit Sector and Federal Oversight*, which has some potential overlap with the CIGFO WG audit. GAO is reviewing the regulatory and supervisory tools available to monitor, identify, and mitigate potential risks to financial stability in the private credit sector. Treasury OIG met with GAO to discuss potential overlap and determined that both engagements could proceed. Additionally, Treasury OIG attended GAO's entrance conference with the Office of Financial Research (OFR) last month.

OFR began monitoring the private credit sector in 2019 as a potential risk to financial stability and reports its findings in its Annual Report. To date, OFR has not shared private credit data with FSOC. If shared, the data would be transmitted bilaterally.

Ms. Halamar also provided an update on the CIGFO 2025 Annual Report. All individual submissions were received. Treasury OIG compiled the submissions in a draft report and circulated the draft among the CIGFO members on May 15, 2025 for review. Once Treasury OIG receives feedback and makes any additional edits, the final draft will be sent to the CIGFO principals for their final review and vote to approve the report for issuance. Once approved, Treasury OIG will prepare and issue the final report. The CIGFO Annual Report is on target for issuance in July.

Ms. Amy Altemus, Acting Counsel to the Inspector General at Treasury OIG, provided updates related to legislative developments. Specifically, she discussed the April 29, 2025 House Committee on Financial Services Banking Subcommittee on Financial Institutions hearing entitled *Regulator Overreach: The Price Tag on American Prosperity*. Of 15 pieces of proposed legislation with which the hearing was concerned, Ms. Altemus discussed two:

1. "Taking Account of Institutions with Low Operation Risk (TAILOR) Act of 2025" and the "CAMELS Rating Modernization Act of 2025." The TAILOR Act would apply to OCC, the FRB, FDIC, NCUA, and CFPB. It requires each regulator to "tailor the regulatory actions applicable to an institution, or type of institution, in a manner that limits the regulator impact, including cost, human resource allocation, and other burdens, on the institution or type of institution, as is appropriate for the risk profile and business model involved."
2. The "CAMELS Rating Modernization Act of 2025" (CAMELS Act) would require the Federal Financial Institutions Examination Council of 1978 or FFIEC, to revise the weighting of each CAMELS component and either eliminate the

management component of the rating or to revise the management component to limit the assessment to objective measure of governance and controls used to manage the risk profile; to ensure the composite ratings are determined based on a transparent methodology limited to objective criteria.

Ms. Altemus noted that other proposed legislation seeks to remove reputational risk, alternate or extend examination cycles, and raise consolidated asset thresholds. These are matters that may have a direct and substantial impact on the work FSOC does: while legislative reform may provide many benefits, it may also directly lead to the kind of financial institution behavior that was a direct cause of the financial crisis and the ensuing additional requirements, as well as the establishment of FSOC and CIGFO.

Mr. Sciurba then asked if anyone had any additional business to discuss. Hearing none, he asked for a motion to adjourn. A motion was made and seconded and was approved by all.

The meeting adjourned at 11:18 a.m.