

Council of Inspectors General on Financial Oversight Meeting

December 11, 2012

Main Treasury

Room 4436

Meeting Minutes

Council Members Present

Eric M. Thorson, Inspector General, Department of the Treasury, Chair

Jon T. Rymer, Inspector General, Federal Deposit Insurance Corporation and Interim
Inspector General, Securities and Exchange Commission

Mark Bialek, Inspector General, Board of Governors of the Federal Reserve System

Michael Stephens, Principal Deputy Inspector General, Federal Housing Finance
Agency

Roy Lavik, Inspector General, Commodity Futures Trading Commission

David Montoya, Inspector General, U.S. Department of Housing and Urban
Development

William DeSarno, Inspector General, National Credit Union Administration

Christy Romero, Special Inspector General for the Troubled Asset Relief Program

Others Attending

Susan Marshall, Executive Director, Council of Inspectors General on Financial
Oversight

Guests

Amias Gerety, Deputy Assistant Secretary, Office of Financial Stability Oversight
Council

The meeting was called to order at 10:00 a.m. by Chairman Eric Thorson.

The meeting began with Chairman Thorson thanking everyone for attending, especially
Mr. Amias Gerety, Deputy Assistant Secretary, Office of Financial Stability Oversight.

First, Thorson called for consideration of the minutes from the September CIGFO
meeting and asked if Council members had any corrections or additions to the minutes.
Thorson motioned for approval of the draft, it was motioned and the minutes were
approved with the request that Mr. Rymer's SEC title be modified to reflect his status as
Interim not Acting IG for SEC.

Thorson briefly summarized FSOC activities since the last CIGFO meeting, such as
those related to the designation of nonbank companies, use of FSOC's Section 120
authority to issue Money Market Fund regulatory recommendations to the SEC and
FSOC efforts to stabilize the financial sector after Hurricane Sandy hit the heart of the
financial sector, New York and New Jersey.

He then introduced, Mr. Amias Gerety, Office of Financial Stability Oversight Council and asked him to provide detail on all of those activities listed above.

Mr. Gerety discussed at length, the final stages of the nonbank holding company reviews, the FSOC's current and future expectations for Money Market Fund reform, FSOC agency emergency planning associated with Hurricane Sandy, and additional hiring and budget issues for the Office of Financial Stability Oversight Council.

After he completed his presentation there was a question and answer session during which CIGFO members asked about the types of data being used to make determinations for designations, the handling of this sensitive data, the process by which FSOC will send the SEC its final Money Market Fund reforms, as well as agency regulatory proceedings. For example, Thorson asked the date by which the Federal Reserve would finalize the regulation defining predominantly financial activity for nonbanks. Mr. Gerety suggested the regulation was close to being finalized.

Next, the discussion centered on the Office of the Financial Stability Oversight Council - its structure and budget. First, Inspector General Bialek asked Mr. Gerety how he received General Counsel assistance. Mr. Gerety replied that he had two FTE from the Treasury General Counsel's office providing legal assistance and said that his office has the expertise of an informal General Counsel Committee. He followed up by saying he has 19 FTE in place and hopes to have 24 FTE in the office in the future, working in Operations, Analysis, and Policy.

Next, Mr. Michael Stephens, FHFA and SIGTARP Romero asked Mr. Gerety about LIBOR, specifically if FSOC was discussing the index and its impact on the banks. Mr. Gerety stated that the Council was very engaged on the issue.

After this discussion Thorson thanked Mr. Gerety for taking the time to attend the CIGFO meeting.

Chairman Thorson then opened up the floor for discussion. Inspector General Bialek talked to the CIGFO members about his potential ideas for a CIGFO working group, but said that he wanted to think through the issues in-depth before presenting any of them to the group.

Thorson thanked him for his ideas and said he looked forward to working with him on a proposal.

The meeting was adjourned at 11:45 a.m.