

Council of Inspectors General on Financial Oversight  
Meeting  
September 18, 2012  
Main Treasury  
Room 4436

**Council Members Present**

Eric M. Thorson, IG, Department of the Treasury, Chair  
Jon T. Rymer, IG, Federal Deposit Insurance Corporation (Acting IG SEC)  
Mark Bialek, IG, Board of Governors of the Federal Reserve  
Roy Lavik, IG, Commodity Futures Trading Commission  
Steve Linick, IG, Federal Housing Finance Agency  
William DeSarno, IG, National Credit Union Administration  
Eric Lippold, Chief of Staff to the IG, Housing and Urban Development (for Inspector General David Montoya)

**Guests**

The Honorable Sheila Bair, Chair, Systemic Risk Council, Pew Charitable Trusts  
Jason Derr, Counsel, Office of Inspector General, Board of Governors of the Federal Reserve System

**Others Attending**

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

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

Thorson called for consideration of the minutes from the May 21, 2012 meeting. Mark Bialek noted the absence of his name as one of the attendees at the meeting, and because he was at the meeting requested it be added. With that addition, a motion was laid on the table for approval and the minutes approved.

Next, Chairman Thorson introduced special guest, the Honorable Sheila Bair to CIGFO members. As former Chairperson of the Federal Deposit Insurance Corporation and Chair of the Systemic Risk Council at Pew Charitable Trusts, Ms. Bair was invited to provide her perspective on systemic risk in the financial system as it relates to the current regulatory landscape.

Ms. Bair, a John F. Kennedy Profile in Courage Award winner, discussed the benefits of involving Inspectors General in the financial community in the process of eliminating gaps and reducing vulnerabilities in the financial system.

After a lengthy roundtable discussion of the issues with Ms. Bair, CIGFO proceeded to a presentation from the Office of Inspector General, Board of Governors of the Federal Reserve System (Federal Reserve), regarding the newly released regulations for FSOC designated Financial Market Utilities. These entities, previously unregulated by the Federal Reserve, now must comply with additional supervisory rules. In the future FSOC will determine whether these firms should remain on the designation list or be taken off it and no longer under the supervision of the Federal Reserve.

Chairman Thorson thanked Jason Derr, Federal Reserve IG Counsel, for the presentation and a question and answer period followed.

Finally, an open discussion was held where issues of interest were raised and FSOC documents reviewed.

The meeting adjourned at 11:20 a.m.