

Minutes of the Financial Stability Oversight Board Meeting October 7, 2008

The initial meeting of the Financial Stability Oversight Board (“Board”) was held at the offices of the United States Department of the Treasury (“Treasury”) on Tuesday, October 7, 2008, at 2:15 p.m. (EDT).

Mr. Cartwright, General Counsel,
Securities and Exchange Commission

Mr. Sirri, Director, Division of Trading
and Markets, Securities and
Exchange Commission

MEMBERS PRESENT:

Mr. Bernanke
Mr. Paulson
Mr. Cox
Mr. Preston
Mr. Lockhart

Mr. Montgomery, Assistant Secretary for
Housing and Commissioner of the
Federal Housing Administration,
Department of Housing and Urban
Development

Mr. Borchert, Senior Advisor to the
Secretary of the Department of
Housing and Urban Development

AGENCY STAFF PRESENT:

Mr. Kashkari, Interim Assistant
Secretary of the Treasury for
Financial Stability and
Assistant Secretary of the
Treasury for International
Economics and Development

Mr. DeMarco, Chief Operating Officer
and Deputy Director for Housing
Goals and Mission, Federal Housing
Finance Agency

The meeting was called to Order
by Mr. Paulson.

Mr. Hoyt, General Counsel,
Department of the Treasury

A discussion among the Members
ensued regarding the governance and
potential staffing needs of the Board.
Using materials provided in advance of
the meeting, Mr. Hoyt then reviewed the
terms of the proposed bylaws for the
Board. Following a discussion of the
proposed bylaws, the Members adopted
the following resolution:

Mr. Laughton, Senior Counsel,
Department of the Treasury

Mr. Wilcox, Deputy Director,
Division of Research and
Statistics, Board of Governors
of the Federal Reserve System

RESOLUTION TO ADOPT BYLAWS

Mr. Covitz, Assistant Director,
Division of Research and
Statistics, Board of Governors
of the Federal Reserve System

*“Whereas, there is presented to
the Board, Bylaws that describe the
organizational structure of the Board and
establish the general operational
procedures by which the Board will carry
out its oversight functions and duties,*

Mr. Fallon, Assistant General Counsel,
Board of Governors of the Federal
Reserve System

Therefore, after discussion among the Board members and on motion duly made, seconded and unanimously carried, it was

Resolved, that the Board approve and adopt the Bylaws as presented to the Board.”

A discussion then occurred regarding the position of Chairperson of the Board. Following this discussion, the Board, with Mr. Bernanke abstaining, adopted the following resolution:

RESOLUTION TO ELECT A CHAIRPERSON

“Whereas, Section 104 of the Emergency Economic Stabilization Act of 2008 provides for the election by members of the Financial Stability Oversight Board (Board) of a Chairperson from among the members of the Board other than the Secretary of the Treasury,

Therefore, after discussion among the Board members and on motion duly made, seconded and carried, it was

Resolved, that the Chairman of the Board of Governors of the Federal Reserve System, Mr. Bernanke, is hereby elected Chairperson of the Board.”

Mr. Paulson and other officials of the Treasury, using materials provided,

then briefed the Board with respect to the steps that Treasury had taken and proposed to take to implement the Troubled Asset Relief Program (“TARP”) and related provisions of the Emergency Economic Stabilization Act of 2008 (“EESA”) to help promote stability in the U.S. financial system. A discussion among Treasury officials and Members of the Board ensued concerning the types of programs that Treasury planned to implement under the TARP, as well as the potential ability of the TARP to provide capital to financial institutions. Members and staff also discussed expected operations, policies procedures and systems to ensure compliance with the requirements of the EESA and potential policies governing executive compensation and the prevention of avoidable foreclosures. In addition, Members and staff discussed the progress being made by Treasury in identifying and hiring officers for the TARP, as well as the development of requests for proposals and the selection of financial agents and contractors for the TARP, including investment management advisers, custodians, asset managers, and accounting firms.

The meeting was adjourned at approximately 3:15 pm (EDT).

[Signed Electronically]

Jason A. Gonzalez
Secretary