Minutes of the Financial Stability Oversight Board Meeting March 19, 2009

A meeting of the Financial Stability Oversight Board ("Board") was held at 11:30 a.m. (EDT) on Thursday, March 19, 2009, at the offices of the Department of the Treasury ("Treasury"). Due to unanticipated scheduling demands, the meeting was not called to order by Chairperson Bernanke until approximately 11:45 a.m. (EDT) and was adjourned at 12:00 p.m. (EDT). Accordingly, the Members received an abbreviated briefing from Treasury officials on the recent and expected actions to be taken under the Troubled Assets Relief Program ("TARP") and agreed to reconvene at a mutually agreeable date and time.

MEMBERS PRESENT:

Mr. Bernanke, Chairperson
Mr. Geithner
Ms. Schapiro
Mr. Lockhart

STAFF PRESENT:

Mr. Treacy, Executive Director
Mr. Fallon, General Counsel
Mr. Gonzalez, Secretary

AGENCY OFFICIALS PARTICIPATING:

Mr. Kashkari, Interim Assistant Secretary of the Treasury for Financial Stability and Assistant Secretary of the Treasury for International Economics and Development[1]

Mr. Albrecht, Counselor to the General Counsel, Department of the Treasury

Mr. Scott, Senior Advisor to the Chairman, Securities and Exchange Commission

Mr. Becker, General Counsel and Senior Policy Director, Securities and Exchange Commission

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

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

Treasury officials first provided a briefing on the actions, which Treasury expected to announce that afternoon, to help stabilize and restore credit flows in the automotive industry by establishing an automotive Supplier Support Program ("SSP"). Treasury officials reviewed and discussed the key terms, conditions and eligibility requirements of the SSP, under which Treasury would commit up to $5 billion under the TARP to provide financial protection to qualified automotive supply companies in connection with the receivables arising from the provision of supplies to the domestic automotive manufactures, and potentially take other measures to provide these automotive supply companies with liquidity.

Treasury officials also reviewed and discussed with the Members the key components of the Public-Private

[1] Mr. Kashkari participated by telephone.

Investment Partnership ("PPIP") program announced by Treasury on March 23, 2009, which is designed to draw new private capital into the market for legacy assets through the provision of government equity co-investment and public financing. The PPIP is also intended to repair the balance sheets of financial institutions that hold legacy assets, and help restore liquidity to the markets for these assets.

Treasury officials first reviewed and discussed with the Members the general terms, conditions and eligibility requirements of the legacy securities component of the PPIP, under which Treasury would use capital from the TARP to partner with private investors to support the market for certain legacy mortgage- and asset- backed securities originated prior to 2009 with a rating of AAA at origination. Treasury officials explained that Treasury would invest equity capital from the TARP on a dollar-for-dollar basis with participating private investors. In addition, the asset managers, which Treasury would select under the program, would have the ability, if their investment fund structures meet certain guidelines, to subscribe to senior debt for the investment fund from Treasury.

Treasury officials then reviewed and discussed with the Members the key terms, conditions and eligibility requirements of the legacy loans component of the PPIP, under which Treasury and the Federal Deposit Insurance Corporation ("FDIC") proposed to establish several public-private investment funds to purchase and manage pools of legacy loans and other assets held by U.S. banks and savings associations. Members and officials discussed, among other things, the manner in which the investment funds would be chartered.

Treasury officials also noted that, in conjunction with the legacy securities program, Treasury was working with the Federal Reserve regarding potential expansion of the Term Asset-Backed Securities Loan Facility ("TALF") to include certain types of legacy assets. Officials noted, among other things, that the agencies were considering whether to expand the facility to include certain non-agency residential mortgage-backed securities that were originally rated AAA, and outstanding commercial mortgage-backed securities and ABS that are rated AAA.

[Electronically Signed]

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Jason A. Gonzalez
Secretary