

Minutes of the Financial Stability Oversight Board Meeting April 20, 2011

A meeting of the Financial Stability Oversight Board (“Board”) was held at 2:30 p.m. (EST) on Wednesday, April 20, 2011, via teleconference.

MEMBERS PARTICIPATING:

Mr. Bernanke, Chairperson
Mr. Donovan
Ms. Schapiro
Mr. DeMarco

STAFF PARTICIPATING:

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

AGENCY OFFICIALS PARTICIPATING:

Mr. Massad, Acting Assistant Secretary
for Financial Stability, Department
of the Treasury

Ms. Caldwell, Chief of Homeownership
Preservation Office, Office of
Financial Stability, Department of
the Treasury

Mr. Pendo, Director of Investments,
Office of Financial Stability,
Department of the Treasury

Mr. Clair, Senior Advisor to the
Acting Assistant Secretary for
Financial Stability, Department of
the Treasury

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

Mr. Delfin, Special Counsel to the
Chairman, Securities and Exchange
Commission

Mr. Lawler, Chief Economist,
Federal Housing Finance Agency

Chairperson Bernanke called the
meeting to order at approximately
2:35 p.m. (EST).

The Board first considered draft
minutes for the meeting of the Board on
March 28, 2011, which had been
circulated in advance of the meeting.
Upon a motion duly made and seconded,
the Members voted to approve the
minutes of the meeting, subject to such
technical revisions as may be received
from the Members.

Treasury officials then provided an
update on the programs established by
Treasury under the Troubled Asset Relief
Program (“TARP”). Discussion during
the meeting focused on the Automotive
Industry Financing Program (“AIFP”);
the American International Group, Inc.
 (“AIG”); the Capital Purchase Program
 (“CPP”); and the Making Home
Affordable (“MHA”) program and related
initiatives. Among the materials
distributed in advance of the meeting was
the monthly report issued by Treasury
under Section 105(a) of the Emergency
Economic Stabilization Act (“EESA”),
which contains information concerning
the programs established by Treasury
under TARP and aggregate information
regarding the allocated and disbursed
amounts under TARP. During the
meeting, Members raised and discussed
various matters with respect to the effects

of the policies and programs established under TARP.

Using prepared materials, Treasury officials provided an update on the expected final cost of TARP programs. Treasury officials discussed with Members the results of Treasury's daily TARP update for April 1, 2011, which showed for each TARP program the amount of funds obligated, the amount actually disbursed, repayments and income received, and any losses with regard to individual TARP investments. Officials noted that Treasury had recovered approximately \$251 billion from the capital and banking programs established under the TARP through repayments, dividends, interest and other income. This amount exceeds Treasury's aggregate investment in these programs by approximately \$6 billion.

Treasury officials then provided an update on the status of the U.S. Government investments in General Motors, Inc. ("GM"), Chrysler Group LLC ("Chrysler") and Ally Financial, Inc. ("Ally"), including the potential public and private options available to exit from Treasury's equity investments under the AIFP. Officials noted that on March 31, 2011, Ally filed a registration statement with the Securities and Exchange Commission for a proposed public offering of common shares in which Treasury could participate by selling shares it owned. Treasury will retain the right, at all times, to decide whether and at what level to participate in the offering.

Using prepared materials, Treasury officials then reported on the status of AIG's ongoing efforts to repay the assistance provided to the company by the U.S. government.

Treasury officials then provided an update on recent transactions under the CPP, including Treasury's recent sales of warrants received under the CPP and exchanges of Treasury's CPP investments in certain institutions for other assets. Officials noted that, as of March 31, 2011, Treasury had received approximately \$178.74 billion in total repayments under the CPP. As part of this discussion, Members and officials also discussed the twenty-five largest remaining CPP investments, the likely pace of future repayments, and the influence of such repayments on the ultimate return to taxpayers. Officials also discussed the status of missed dividend or interest payments by institutions participating in the CPP, along with Treasury's contractual right to appoint up to two directors to the board of directors of any institution that has missed six payments. Officials noted that Treasury has interviewed some potential candidates to serve as directors in such cases and expected to begin the corporate and regulatory procedures to nominate directors to certain of these institutions shortly.

Using prepared materials, Treasury officials then provided an update on the MHA and other related housing initiatives, including the Home Affordable Modification Program ("HAMP"). Among the matters discussed were: the numbers of temporary and permanent modifications made under HAMP and the status of the Second Lien Modification Program, Unemployment Forbearance Program and the Home Affordable Foreclosure Alternatives ("HAFA") program. As part of this discussion, Members and officials also discussed FHA's progress in reviewing loans to homeowners who had

not been offered modifications through the Federal Housing Administration-HAMP, to ensure that their exclusion was appropriate.

Members and officials then engaged in a discussion regarding the Board's quarterly report to Congress for the quarter ending December 31, 2010, that will be issued by the Board pursuant to section 104(g) of the EESA. Members and officials discussed, among other things, the timing and potential content of the report.

The meeting was adjourned at approximately 3:30 p.m. (EST).

[Signed Electronically]

Jason A. Gonzalez
General Counsel and Secretary