



U.S. Department of the Treasury

Office of Public Affairs

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READOUT: Financial Stability Oversight Council Meeting on October 18, 2024

WASHINGTON – Today, U.S. Secretary of the Treasury Janet L. Yellen convened a meeting of the Financial Stability Oversight Council (Council) in executive session at the U.S. Department of the Treasury (Treasury).

During the meeting, the Council received an update by staff of the Office of the Comptroller of the Currency and Board of Governors of the Federal Reserve System on banking and commercial real estate developments. Council members noted that depository institutions should continue proactively to manage shifts in economic and interest rate conditions and discussed efforts undertaken by institutions and supervisors to enhance resilience planning. The Council also discussed the need for continued monitoring of credit conditions, and the impact of interest rates on banks' net interest margins, deposit flows, and fair-value losses on securities.

The Council also received an update from Federal Housing Finance Agency (FHFA) staff on an FHFA proposed rule to provide the Federal Home Loan Banks (FHLBs) with more flexibility to manage intraday liquidity and FHFA guidance to FHLBs on enhancing their credit risk management practices and liquidity access for members.

The Council also heard a presentation by Treasury staff on short-term investment vehicles (STIVs). STIVs have increased their assets under management in recent years and are significant funding providers in critical short-term funding markets. The Council discussed the performance of STIVs during prior stress events and the ongoing efforts of financial regulators to enhance the resilience of short-term funding markets.

Additionally, the Council received an update by staff of Treasury and other Council member agencies on regulators' efforts to provide better visibility into private credit. Council members noted that the current lack of transparency in the private credit market can make it challenging

for regulators to fully assess the buildup of risks in the sector, and discussed member agencies' efforts to enhance monitoring of this market.

The Council also received an update by Treasury staff on the continuing development of the Council's 2024 annual report.

In addition, the Council voted to approve the minutes of its previous meeting on September 20, 2024.

In attendance at the Council meeting at Treasury or virtually were the following members:

- Janet L. Yellen, Secretary of the Treasury (Chairperson of the Council)
- Jerome H. Powell, Chair, Board of Governors of the Federal Reserve System
- Michael J. Hsu, Acting Comptroller of the Currency
- Rohit Chopra, Director, Consumer Financial Protection Bureau
- Gary Gensler, Chair, Securities and Exchange Commission
- Martin Gruenberg, Chairman, Federal Deposit Insurance Corporation
- Rostin Behnam, Chairman, Commodity Futures Trading Commission
- Sandra L. Thompson, Director, Federal Housing Finance Agency
- Todd M. Harper, Chairman, National Credit Union Administration
- Thomas Workman, Independent Member with Insurance Expertise
- James Martin, Acting Director, Office of Financial Research (non-voting member)
- Steven Seitz, Director, Federal Insurance Office (non-voting member)
- Elizabeth K. Dwyer, Superintendent of Financial Services, Rhode Island Department of Business Regulation (non-voting member)
- Adrienne A. Harris, Superintendent, New York State Department of Financial Services (non-voting member)
- Melanie Lubin, Securities Commissioner, Office of the Attorney General of Maryland, Securities Division (non-voting member)

Additional information regarding the Council, its work, and the recently approved meeting minutes is available at <http://www.fsoc.gov>.

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