

## U.S. DEPARTMENT OF THE TREASURY

## Press Center

**Financial Stability Oversight Council Holds Inaugural Meeting**

10/1/2010

TG-888

***An Important Milestone Reached in Implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act***

**WASHINGTON** – Convening today for its first meeting, the Financial Stability Oversight Council took a number of important steps to fulfill its mandate under Dodd-Frank Wall Street Reform and Consumer Protection Act. As established under the Dodd-Frank Act, the Council will provide, for the first time, comprehensive monitoring to ensure the stability of our nation's financial system. The Council is charged with identifying threats to the financial stability of the United States; promoting market discipline; and responding to emerging risks to the stability of the United States financial system.

The Council approved today each of the documents and resolutions put forward. These include: (1) the Council's Bylaws; (2) the Council's Transparency Policy; (3) an Advance Notice of Proposed Rulemaking (ANPR) on designating nonbank financial companies for heightened supervision; (4) a Notice and Request for Information regarding the Council's "Volcker Rule" study and recommendations; and (5) an Integrated Implementation Roadmap for both the Council and its independent member agencies.

**The Council's Bylaws**

The Council's bylaws set forth the manner and procedures by which that body will be governed. They provide for a collaborative governance structure that promotes accountability for the work of the Council. *For a copy of the Council's bylaws, please visit [www.treas.gov/FSOC](http://www.treas.gov/FSOC).*

**The Council's Transparency Policy**

The member agencies of the Council share a collective desire to bring efficiency and transparency to the financial reform implementation process. The transparency policy approved today ensures that the Council will engage stakeholders in an open process based on consistent principles of transparency and accountability. The Council adopted a transparency policy that will include open meetings as appropriate, with provisions to close meetings in situations where the discussion includes market sensitive or confidential supervisory information. *For a copy of the Council's Transparency Policy, please visit [www.treas.gov/FSOC](http://www.treas.gov/FSOC).*

**ANPR Regarding Authority to Require Supervision and Regulation of Certain Nonbank Financial Companies**

The Dodd-Frank Act gives the Council a mandate to designate systemically important nonbank financial firms for heightened supervision, in order to ensure that these institutions cannot escape tough oversight or threaten the stability of the broader financial sector. The ANPR is an initial step in the process by which the Council intends to develop a robust and disciplined framework for the designation of nonbank financial companies for heightened supervision. The ANPR consists of fifteen questions to solicit public comment regarding the implementation of these provisions and will have a 30-day public comment period. The ANPR will inform development of a specific regulatory proposal expected to be published for comment near year-end, with Final Council action on the designation criteria and process is expected by March 31, 2011. *The final ANPR, as agreed to today, will be posted at [www.treas.gov/FSOC](http://www.treas.gov/FSOC) upon publication by the Federal Register.*

**Notice and Request for Information Regarding the Council's "Volcker Rule" Study and Recommendations**

The Dodd-Frank Act requires the Council to conduct a study and make recommendations by January 22, 2011, to inform coordinated agency rulemaking on the "Volcker Rule." The Volcker Rule will help improve the safety of our nation's banking system by prohibiting proprietary trading activities and certain private fund investments. The Notice and Request for Information (RFI) provides an effective mechanism for soliciting public and industry input during the development of the Council's formal study and recommendations. The RFI will have a 30-day public comment period. *The final Notice, as agreed to today, will be posted at [www.treas.gov/FSOC](http://www.treas.gov/FSOC) upon publication by the Federal Register.*

**Integrated Implementation Roadmap**

The "Integrated Implementation Roadmap" outlines a coordinated timeline of goals, both of the Council and its independent member agencies, to fully implement the Dodd-Frank Act. This roadmap is the product of a mutual effort to provide transparency as financial regulatory agencies move forward with financial reform. This roadmap includes statutory deadlines as well as non-statutory targets for agency work that may be updated over time. *For a copy of the Integrated Implementation Roadmap, please visit [www.treas.gov/FSOC](http://www.treas.gov/FSOC).*

In attendance at the Council meeting were:

- Tim Geithner, Treasury Secretary (Chairperson of the Council);
- Sheila Bair, Chairman of the Federal Deposit Insurance Corporation;
- Ben Bernanke, Chairman of the Board of Governors of the Federal Reserve System;
- Edward DeMarco, Acting Director of the Federal Housing Finance Agency;
- Gary Gensler, Chairman of the Commodity Futures Trading Commission;
- Debbie Matz, Chairman of the National Credit Union Administration ;
- Mary Schapiro, Chairman of the U.S. Securities and Exchange Commission;

- John Walsh, Acting Comptroller of the Currency;
- William Haraf, Commissioner, California Department of Financial Institutions (non-voting member); and
- John Huff, Director, Missouri Department of Insurance, Financial Institutions, and Professional Registration (non-voting member);
- David Massey, Deputy Securities Administrator, North Carolina Department of the Secretary of State, Securities Division (non-voting member).

For more information on each member agency's financial reform implementation, please follow the links below.

- [Board of Governors of the Federal Reserve System \(FRB\)](#)
- [Commodity Futures Trading Commission \(CFTC\)](#)
- [Federal Deposit Insurance Corporation \(FDIC\)](#)
- [Federal Housing Finance Agency \(FHFA\)](#)
- [National Credit Union Administration \(NCUA\)](#)
- [Office of the Comptroller of the Currency \(OCC\)](#)
- [Securities and Exchange Commission \(SEC\)](#)
- [Treasury Department](#)

###