

U.S. DEPARTMENT OF THE TREASURY

Press Center



Financial Stability Oversight Council Takes Critical Step to Carry Out Wall Street Reform, Prevent Future Financial Crises

10/11/2011 **WASHINGTON** – The Financial Stability Oversight Council (“the Council”) today took a key step forward to monitor and mitigate potential threats to U.S. financial stability and protect the American taxpayer by releasing details on the proposed process it will follow to determine whether a nonbank financial company should be subject to enhanced supervision. In the recent financial crisis, financial distress at certain nonbank financial companies contributed to a broad seizing up of financial markets. An important component of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”), this authority provided to the Council is one of a number of tools now available to help prevent a future financial crisis.

In its tenth meeting, the Council approved the following documents put forward during today’s session: a second notice of proposed rulemaking (NPR) and proposed interpretive guidance on the Council’s authority to require supervision and regulation of certain nonbank financial companies; Council budget information for FY2012; and the minutes of the July 18, 2011, August 8, 2011 and September 15, 2011 Council meetings.

Second NPR and Proposed Interpretive Guidance on the Authority to Require Supervision and Regulation of Certain Nonbank Financial Companies

Section 113 of the Dodd-Frank Act authorizes the Council to require a nonbank financial company to be supervised by the Board of Governors of the Federal Reserve System and be subject to prudential standards if the Council determines that material financial distress at the nonbank financial company, or the nature, scope, size, concentration, interconnectedness, or mix of the activities of the nonbank financial company, could pose a threat to the financial stability of the United States.

The NPR will have a 60-day public comment period.

An advance notice of proposed rulemaking (ANPR) on determinations regarding nonbank financial companies was approved for public comment at the Council’s October 2010 meeting. Additionally, the Council approved a first Notice of Proposed Rulemaking (NPR) on determinations regarding nonbank financial companies for public comment at its January 2011 meeting. *The second NPR, as approved by the Council today, is available at www.treasury.gov/FSOC.*

Council Budget Information for Fiscal Year 2012

The budget information, as passed by the Council, is available at www.treasury.gov/FSOC.

Minutes from the Council’s July 18, 2011, August 8, 2011 and September 15, 2011 Meetings

The minutes, as passed by the Council, are available at www.treasury.gov/FSOC.

In attendance at the Council meeting were:

- Tim Geithner, Treasury Secretary (Chairperson of the Council);
- 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;
- Martin Gruenberg, Acting Chairman of the Federal Deposit Insurance Corporation;
- 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;
- Roy Woodall, Independent Member with Insurance Expertise;
- William Haraf, Commissioner, California Department of Financial Institutions (non-voting member);
- 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); and
- Michael McRaith, Director of the Federal Insurance Office (non-voting member)

For more information about each member agency’s financial reform implementation efforts, please follow the links below.

- [Board of Governors of the Federal Reserve System](#)
- [Commodity Futures Trading Commission](#)
- [Federal Deposit Insurance Corporation](#)

- [Federal Housing Finance Agency](#)
- [National Credit Union Administration](#)
- [Office of the Comptroller of the Currency](#)
- [Securities and Exchange Commission](#)
- [Treasury Department](#)