

Secretary Mnuchin Statement on the MetLife, Inc. v. Financial Stability Oversight Council Appeal

January 18, 2018

Washington – U.S. Secretary of the Treasury Steven T. Mnuchin issued the following statement today regarding the Financial Stability Oversight Council’s (FSOC) appeal in the case of *MetLife, Inc. v. Financial Stability Oversight Council*:

“I am pleased that the Justice Department has settled the MetLife case, consistent with the recommendation by a majority of FSOC voting members. Treasury has recommended specific reforms to make the designation process more analytically rigorous, clear, and transparent. As Chair of FSOC, I will be working with the Council to clarify and revise the nonbank designation rule and guidance. Our recommendations would directly address the concerns identified by the district court in the MetLife case.”

In a November 2017 report, Treasury made several recommendations to enhance the analytical process, engagement, and transparency of FSOC’s nonbank financial company designation process, including the following:

- FSOC should revise its guidance to provide that FSOC will assess the likelihood of a firm’s material financial distress as part of the analysis;
- FSOC should revise its guidance to provide that FSOC will conduct a cost-benefit analysis, and should only designate a company if the expected benefits to financial stability outweigh the costs of designation;
- FSOC should enhance its communication with nonbank financial companies under review and their primary financial regulators; and
- FSOC should provide a clear “off-ramp” to designated nonbank financial companies and adopt a more robust and transparent process for its annual reevaluations.

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