

MEMORANDUM

TO: Public File - Notice of Public Rulemaking: Liquidity Coverage Ratio: Liquidity Risk Measurement, Standards, and Monitoring, (RIN 3064-AE04) (“Liquidity Coverage Ratio NPR”)

FROM: Sue Dawley, Senior Attorney, Legal Division

DATE: May 20, 2014

SUBJECT: Meeting with Representatives from The Clearing House, the Financial Services Roundtable, the American Bankers Association, and the Securities Industry Financial Markets Association

On March 25, 2014, FDIC staff, together with staff of the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency, met with representatives of The Clearing House, the Financial Services Roundtable, the American Bankers Association, and the Securities Industry Financial Markets Association (the “Joint Trades”).

Representatives from Joint Trades presented their concerns and views with regard to certain provisions of the Liquidity Coverage Ratio NPR, which was issued in the Federal Register of November 29, 2013 (78 FR 71818), as reflected by the attached agenda.

The FDIC representatives at this meeting were:

- Kyle Hadley, Section Chief for Examination Support, Capital Markets/RMS
- Eric Schatten, Policy Analyst, Capital Markets/RMS
- Greg Feder, Counsel, Legal Division
- Sue Dawley, Senior Attorney, Legal Division

The Joint Trades’ representatives in attendance at this meeting were:

- Joe Barry, State Street
- Martin Cooney, US Bank
- Manda D'Agata, Goldman Sachs
- Kelly Dibble, Northern Trust
- Kieran Fallon, PNC Financial Services Group
- Lisa Fitzgerald, JPMorgan Chase
- Cory Frank, Wells Fargo
- Robert Hatch, Financial Services Roundtable
- Keith Huebsch, Bank of America
- Reggie Imamura, PNC Financial Services Group
- Brandon Konigsberg, JPMorgan Chase
- Steve Linehan, Capital One
- Carter McDowell, Securities Industry Financial Markets Association
- Andrew Nash, Morgan Stanley
- Rubing Qian, BNY Mellon
- Stephen Randall, Citi
- Mason Reeves, Bank of America
- Roberto Severino, Santander
- Jordan Stevens, Huntington National Bank
- Alison Touhey, American Bankers Association

- Andrea Tokheim, Sullivan & Cromwell
- David Wagner, The Clearing House
- Scott Weaver, Wells Fargo
- Jennifer Xi, BNY Mellon

The following people participated in the Joint Trades meeting by telephone:

- Elizabeth Allison, Compass Bank
- Mark Atkinson, PNC Financial Services
- Tim Beers, US Bank
- Anjuli Bhattacharjee, Bank of America
- Kirk Bourgeois, BB&T
- Samantha Britell, HSBC
- Dennis Burke, Citi
- Beth Cleland, JPMorgan Chase
- Parijat Cheema, Cheema
- DJ Culkar, Comerica Bank
- Raj Date, Goldman Sachs
- Dwight Davidsen, RBS Citizens
- Candace Davis, Capital One
- Thomas Doody, HSBC
- Jeremy Dyme, American Express
- Scott Eckel, Charles Schwab
- Matthew Ekberg, Bankers Association for Finance & Trade
- William Falcon, PNC Financial Services
- Scott Ferguson, TD Bank
- Joe Fleming, KeyBank
- John Foreman, BB&T
- Colleen Gallahue, Santander Bank
- Rachel George, Chapman & Cutler
- Glenn Groninger, PNC Financial Services
- Rohan Gulrajani, GE Capital Corp.
- Jeff Hallmark, Bank of America
- Stephanie Hammond, Union Bank
- Franco Harris, Capital One
- Joel Hawks, PNC Financial Services
- Adam Heilemann, State Street Bank
- Jim Herzog, Comerica Bank
- Usha Joyrama, Deutsche Bank
- David Kahn, PNC Financial Services
- Travis Keltner, State Street Bank
- Srinivasa Krishnanandam, Capital One
- Bill Kugler, Capital One
- Dominic Labitzky, PNC Financial Services
- Gaurav Malhotra, Discover Financial
- Ravi Mallela, First Republic Bank
- Mark McFalls, Wells Fargo
- Rob McKeon, State Street Bank

- Aravind Menon, Deutsche Bank
- Timothy Mohan, Chapman & Cutler
- Abbas Mohib, Citi
- Roger Nath, TD Bank
- Edward Novakoff, State Street Bank
- Zach Oberman, Citi
- Matthew Peabody, State Street Bank
- Adam Perry, JPMorgan Chase
- Adam Policastro, Capital One
- Kalyan Popuri, GE Capital Corp.
- Ryan Pozin, The Clearing House
- Beth Provanzana, Northern Trust
- John Rayburn, Capital One
- Dan Rosen, Capital One
- Rich Rosen, Fifth Third Bank
- Philippe Rosset, UBS
- Tamara Sanchez, Santander Bank
- Sofia Sason, GE Capital Corp.
- John Sawhill, Huntington National Bank
- Jennifer Scott, The Clearing House
- Blair Selber, HSBC
- Saarthak Sethi, State Street Bank
- Jennifer Simons, PNC Financial Services
- Michael Smith, Huntington National Bank
- Dale Suminski, HSBC
- Chris Thornton, US Bank
- Debbie Toennies, JPMorgan Chase
- Brett Waxman, The Clearing House
- Mark Welshimer, Sullivan & Cromwell
- Stan Williams, Regions Bank
- Brennen Willingham, Fifth Third Bank
- Kim Wilson, Regions Bank
- Mark Zingale, RBS Citizens

Agenda for Joint Trade Meeting with Fed, OCC and FDIC on U.S. LCR NPR

OCC Headquarters, 400 7th St SW
March 25, 2014

Meeting 1 - 1:00-2:30 pm (ET)

1. **Daily calculations and 21-day calculations, “peak day” approach** - *Lisa Fitzgerald (JPM)[Daily], Stephen Randall (Citi) [Peak], and Jordan Stevens (Huntington) [21 day]*
2. **Operational deposits** - *BNYMellon and State Street to kick it off and then turn over to Mason Reeves (BoFA), Stephen Randall (Citi) and Lisa (JPM)*
3. **Separate IDI calculation** - *Mason Reeves (BoFA)*
4. **Accelerated implementation timetable**
5. **Secured municipal deposits** - *Scott Weaver (Wells)*
6. **Munis included as HQLA**
7. **Coordination with existing or proposed rules of other regulatory agencies** - *Andrew Nash/Other (Morgan Stanley)*

Meeting 2 - 2:30-4:00pm (ET)

1. **Collateral outflows and inflows for derivatives transactions** - *Mason Reeves (BoFA)*
2. **Maturity assumptions** - *Stephen Randall (Citi)*
3. **Outflow amounts for undrawn credit commitments to SPEs** – *Reggie Imamura (PNC)*
4. **Treatment of undrawn portions of multi-purpose credit/liquidity facilities** - *Lisa Fitzgerald (JPM)*
5. **Balances under GSE standby programs should be treated as inflows** - *Lisa Fitzgerald (JPM)*
6. **3%/5% assumed outflows for debt where bank or affiliate is primary market maker** - *Stephen Randall (Citi)*
7. **Treatment of separate legs of FX transactions**

8. **Market-based criteria should be used to determine which assets are included in HQLA. Market effects of exclusion or assigned HQLA level should be considered -** *Steve Linehan (CapOne)*
9. **Concerns with scope of HQLA -** *Mason Reeves (BoFA)/Andrew Nash (MS)*
10. **Operational requirements for HQLA –** *Manda D’Agata (Goldman Sachs)*
11. **Definition of “regulated financial company” -** *Lisa Fitzgerald (JPM)*