

**Conference Call Between Staff of the Prudential Regulators (Farm Credit Administration, Federal Deposit Insurance Corporation, Federal Housing Finance Agency, Federal Reserve Board , and the Office of the Comptroller of the Currency) and Representatives of the Structured Finance Industry Group (SFIG) and Certain of its Members (Bank of America, Commercial Credit Group Inc., Deutsche Bank, Great America Financial Services Corporation, JP Morgan, Lord Capital LLC, and State Street Global Advisors, and Chapman and Cutler LLP)**  
**April 21, 2015**

**Participants:** Sean Campbell, Anna Harrington, Elizabeth MacDonald, Stephanie Martin, Victoria Szybillo (Federal Reserve Board)

Richard Katz, Jeremy Edelstein, J.C. Floyd, Tim Nerdahl, Jeremy Del Moral (Farm Credit Association)

Kurt Wilhelm, Jamey Basham, Laura Gardy, Ang Middleton, Carl Kaminski (Office of the Comptroller of the Currency)

Bob Bean, Jacob Doyle, Thomas Hearn, Bob Hendricks (Federal Deposit Insurance Corporation)

Peggy Balsawer, Julie Paller, Thomas Joseph (Federal Housing Finance Agency)

Sairah Burki, Richard Johns and Kristi Leo (SFIG), Christopher J. Haas (Bank of America), Roger Gebhart (Commercial Credit Group Inc.), Mina Mishrikey (Deutsche Bank), Mike Herxberger, Zach Paulson and Bob Meisterling (Great America Financial Services Corporation), Tamsin Rolls (JP Morgan), Steve Ceurvost (Lord Capital LLC), Peter Hajjar (State Street Global Advisors), Preetha Gist and Ken Marin (Chapman and Cutler LLP)

**Summary:** Staff of the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the Farm Credit Administration and the Office of the Comptroller of the Currency (the “Prudential Regulators”) held a conference call with representatives from SFIG and certain of its members (the “Representatives”) to discuss concerns related to the proposed rule issued by the Prudential Regulators on margin requirements for covered swap entities under Title VII of the Dodd-Frank Act. During the conference call, the Representatives described their concerns, as further articulated in the comment letter filed by SFIG in response to the request for public comment to the proposed rule. The Representatives described the challenges the securitization industry would face if the Prudential Regulators’ final rule requires securitization special purpose vehicles (“SPVs”) to post variation margin for uncleared swaps. The Representatives stated that a requirement for securitization SPVs to post cash variation margin on a daily basis is unnecessary because securitization SPVs do not give rise to systemic risk and existing market practices with respect to swaps with securitization SPVs provide substantial and sufficient protections for covered swap entities. The Representatives also discussed their desire for global harmonization with respect to the proposed rule and the

proposed rules of other jurisdictions. Lastly, the Representatives discussed proposed criteria that would provide that swaps with financial end users be exempt from the requirement to post initial margin and daily cash variation margin.