



**Summary Minutes of the
Department of the Treasury
Office of Financial Research (OFR)
FINANCIAL RESEARCH ADVISORY COMMITTEE
Public Meeting
December 5, 2012**

Committee Members

Present:

Lewis Alexander, Chair	Maurine Haver
Don Kohn, Vice Chair	Ron Jordan
David Allen	Anil Kashyap
Caryl Athanasiu	Andrew Kuritzkes
Michael Atkin	Clinton Lively
Peter Cherasia	Andrew Lo
Suzanne Christensen	Robert Merton
Robert Engle	Jim Northey
Anna Ewing	Peter Serenita
Jean-Pierre Fouque	Prakash Shimpi
Steve Galbraith	Damon Silvers
Ben Golub	Ken Traub
Stacey Goodman	Nancy Wallace
Trevor Harris	Tom Wipf

Committee Members

Absent:

Charles Goodhart	Maureen O'Hara
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Date and Time: December 5, 2012 – 10:00 a.m. to 12:00 p.m. & 3:30 p.m. to 5:00 p.m.
(EST)

Location: U.S. Department of the Treasury - 1500 Pennsylvania Avenue, NW,
Washington, D.C. (Cash Room)

Purpose: Public Meeting

OFR Staff:

Andrea Ianniello, Designated Federal Officer
Matthew Reed, Chief Counsel
Dessa Glasser, Deputy Director - Data Center
Jonathan Sokobin, Acting Deputy Director – Research and Analysis
Center



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Speakers: Richard Berner, Counselor to the Secretary (OFR Director as of 1/2/13)
Neal Wolin, Deputy Secretary of the Department of Treasury
Amias Gerety, Deputy Assistant Secretary for the Financial Stability Oversight Council (Council)

Morning Session (Open to the Public)

Opening:

The meeting and discussion followed the topics and general timing as presented in the agenda (Attachment A). The Financial Research Advisory Committee (“the Committee”) was convened for its inaugural meeting at 10:00 a.m. (EST) on December 5, 2012, at the U.S. Department of the Treasury, Washington, D.C. Richard Berner, Counselor to the Secretary of the Treasury, introduced the Committee Chair, Lewis Alexander, and Vice-Chair, Donald Kohn. Berner provided an overview of the purpose and structure of the OFR.

Summary of Speakers and Topics:

Amias Gerety, Deputy Assistant Secretary for the Council, delivered a summary of the purpose and agenda of the Council.

Andrea Ianniello, the Designated Federal Officer for the Committee, from the Department of the Treasury’s Office of Financial Research (OFR), introduced Lewis Alexander, who noted he had worked at Treasury and that, during his last six months there, had been involved with the initial work of setting up the OFR. He also provided other introductory remarks about the importance of the OFR and the Committee.

At the invitation of Ianniello, committee members introduced themselves, stated their titles, and affiliations.

Richard Berner discussed the five strategic goals of the OFR, as mandated by the Dodd-Frank Act, and noted that the goals are contained in the OFR’s Strategic Framework posted on the OFR website. He outlined four ways that the OFR is supporting, or will support, the Council, its member organizations, and the public.

Matthew Reed, Chief Counsel to the OFR, spoke of the purposes of the OFR and the authorities that the Dodd-Frank Act has given the OFR, the limitations on those authorities, and how the Committee can work consistent with the statute to help the OFR achieve its mission. In addition, Reed addressed the framework that was being established to ensure data confidentiality and security.



Jonathan Sokobin, Acting Deputy Director of the OFR's Research and Analysis Center, provided an overview of the Research and Analysis Center to the Committee. He provided a context for how the center develops research strategies and agendas. Sokobin concluded by speaking about the Research and Analysis Center's implementation and outputs.

Dessa Glasser, Deputy Director of the OFR's Data Center, provided an overview of the Data Center, including the framework in which the Data Center operates and the services that the center provides. She outlined several examples of Data Center priorities.

Ianniello opened the floor for questions from the Committee for the previous speakers.

At 11:55 a.m. the morning portion of the Committee session was recessed for lunch, administrative activities and initial subcommittee discussions. It was reconvened at 3:00 p.m. this same day by Ianniello.

Afternoon Session (Open to the Public)

Subcommittee Rapporteur Session:

Ianniello began the afternoon portion of the meeting by discussing the afternoon agenda. She stated that during the break, the three subcommittees (Research, Data and Technology, and Financial Services and Risk Management) had met to review potential discussion topics developed by the OFR staff in conjunction with the subcommittee chairs. Ianniello requested that the subcommittee chairs provide rapporteur summaries of their discussions, with any questions to follow.

Anil Kashyap, Research Subcommittee Chair, said the subcommittee had considered the eight mandates specified for the OFR by the Dodd-Frank Act. He said the subcommittee members discussed how to establish their priorities, based on importance, difficulty, and individual expertise. The subcommittee also conferred on how to engage outside researchers to assist in taking on important issues, how to further focus on stress testing, initiation of the utilization of innovative approaches, the possibility of establishing metrics for measuring systemic risks, and additional areas of potential consideration for the subcommittee.

Michael Atkin, Data and Technology Subcommittee Chair, described three outputs that the subcommittee had defined: (1) establishing a common language of Data and Technology subcommittee terminology, (2) identifying 13 topics for further consideration, along with definitions of the components, and (3) developing a matrix to establish an operating model of how the subcommittee would work.



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Clinton Lively, Financial Services and Risk Management Subcommittee Chair, provided an overview of his subcommittee meeting and said the objective was to establish the goals and mission of the subcommittee, while leveraging the expertise of the members. The subcommittee members discussed their potential stakeholders and the recipients of their outputs. They also reviewed the subcommittee's potential work within the context of the five goals of the OFR. In addition, other potential initiatives were discussed.

Committee members then posed questions and offered comments based on each Subcommittee Chairs' comments.

Closing Remarks:

Alexander concluded by reiterating some of the main points highlighted over the course of the day, recapping the need to coordinate across groups and to work through the Subcommittee Chairs to ensure that this occurred.

Berner thanked everyone for their participation in the Committee and stressed the ongoing need for coordination across groups and to work to push for results. He also encouraged the Committee members not to hesitate to request more information about the activities and initiatives of the FSOC and OFR to further the objectives of the Committee.

Ianniello adjourned the Committee meeting at 4:57 p.m.



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Respectfully Submitted:

Andrea Ianniello, Designated Federal Officer

I hereby certify these minutes of the December 5, 2012 Financial Research Advisory Committee public meeting to be true and correct to the best of my knowledge.

Lewis Alexander, Financial Research Advisory Committee Chairman



FINANCIAL RESEARCH ADVISORY COMMITTEE

AGENDA

**Department of the Treasury, Washington, D.C.
Wednesday, December 5, 2012**

<u>Time</u>	<u>Topic</u>	<u>Venue</u>
	<i>Morning Session (Open to Public)</i>	<i>Cash Room/ Webcast</i>
10:00 a.m.	Introduction and Overview of Committee Andrea Ianniello, Designated Federal Officer Richard Berner, Counselor to the Secretary Lewis Alexander, Chair of the Committee	
10:10 a.m.	Committee Member Introductions Andrea Ianniello, Designated Federal Officer Committee Members	
10:30 a.m.	Overview of Financial Stability Oversight Council Amias Gerety, Deputy Assistant Secretary of the Office of Financial Stability Oversight Council	
	Overview of Office of Financial Research (OFR) Richard Berner, Counselor to the Secretary	
	OFR Presentations and Discussion Matthew Reed, Chief Counsel, OFR Jonathan Sokobin, Acting Deputy Director, Research & Analysis Center Dessa Glasser, Deputy Director, Data Center	
11:30 a.m.	Remarks to the Committee Neal S. Wolin, Deputy Secretary of the Treasury	
12:00 p.m.	Break	
	<i>Lunch and Subcommittee Sessions</i>	EXHIBIT A <i>Media Room</i>



12:15 p.m. Lunch

Orientation - Overview of FACA and Ethics Briefing

Rochelle Granat, Office of the General Counsel

Matthew Reed, Chief Counsel, OFR

1:30 p.m. Concurrent Subcommittee Discussions

Anil Kashyap, Research Subcommittee Chair

Michael Atkin, Data & Technology Subcommittee Chair

Clinton Lively, Financial Services & Risk Management Subcommittee Chair

3:00 p.m. Break

Afternoon Session (Open to Public)

Cash Room/ Webcast

3:30 p.m. Subcommittee Rapporteur Session

Andrea Ianniello, Designated Federal Officer

Richard Berner, Counselor to the Secretary

Anil Kashyap, Research Subcommittee Chair

Michael Atkin, Data & Technology Subcommittee Chair

Clinton Lively, Financial Services & Risk Management Subcommittee Chair

4:30 p.m. Closing Discussion and Remarks

Lewis Alexander, Chair of the Committee

Don Kohn, Vice-Chair of the Committee

Richard Berner, Counselor to the Secretary

Andrea Ianniello, Designated Federal Officer

5:00 p.m. Adjournment

EXHIBIT A