



OFFICE OF FINANCIAL RESEARCH

**FINANCIAL RESEARCH
ADVISORY COMMITTEE**

**Summary Minutes of the
Department of the Treasury
Office of Financial Research (OFR) FINANCIAL RESEARCH ADVISORY
COMMITTEE
Public Meeting
February 25, 2016**

Committee Members Present:

Lewis Alexander, Chairman
Joseph Abate
Michael Atkin (telephone)
John Campbell
Larry Lannom
Lou Crandall
Stephen Daffron
Bennett Golub
Beth Hammack
Simon Johnson
Ron Jordan
Randall Kroszner (telephone)

Andy Kuritzkes
Andrew Lo
Kim Schoenholtz
Lynn Stout
Prakash Shimpi
Chester Spatt
Kay Vicino (telephone)
Nancy Wallace
Tom Wipf
Andrew Metrick
Damon Silvers

Committee Members Absent:

Stacey Goodman
Peter Cherasia
Janice Eberly

Trevor Harris
Darryll Hendricks
David Puth

Date and Time: February 25, 2016 – 9:30 a.m. to 12:00 p.m. & 1:00 p.m. to 2:45 p.m.

Location: Main Treasury, 1500 Pennsylvania Ave, Cash Room, Washington, D.C.

Purpose: Public Meeting

OFR Staff
Richard Berner, Director
Susan Stiehm, Designated Federal Officer
Stacey Schreft, Deputy Director, Research & Analysis
Con Crowley, Deputy Director, Data



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Welcome and Opening Remarks:

The Office of Financial Research's (OFR) Designated Federal Officer, Susan Stiehm, and Chairman of the Financial Research Advisory Committee (FRAC), Lewis Alexander, welcomed the committee members to the seventh bi-annual FRAC meeting.

Following their remarks, OFR Director Richard Berner recognized the subcommittee chairs and the eighteen past FRAC recommendations that have helped guide research at the OFR.

Subcommittee Updates:

John Campbell, chairman of the Research Subcommittee (RS), provided FRAC members with an update on the subcommittee's progress.

Chairwoman of the Financial Services and Risk Management (FSRM) Subcommittee, Beth Hammack, briefed the FRAC on the work of the two FSRM working groups.

Lewis Alexander, Chairman of the FRAC, provided FRAC members with an update on the Data and Technology Subcommittee's efforts.

Discussion Topic: OFR Programmatic Approach

Director Dick Berner discussed the OFR's strategic plan and how it was implemented to give staff and stakeholders a clear vision of how the OFR plans to achieve its mission.

Discussion Topic: Monitors Program

Deputy Director Stacey Schreft offered an update on the Monitors Program. Committee members offered a number of constructive suggestions for further development.

Discussion Topic: Central Counterparties Program

Deputy Director Stacey Schreft introduced the discussion. She noted how the OFR has begun to evaluate and measure vulnerabilities in central clearing and in central counterparties (CCPs). Member discussion focused on potential financial stability risks associated with CCPs.



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Discussion Topic: Data Quality, Scope, and Accessibility Programs

Chief Data Officer, Con Crowley, reported on the progress and staging of components for three related programs: Data Quality, Scope and Accessibility. The committee discussed and provided helpful advice on the scope of the programs as well as the individual components including standards development and contemplated data collections.

Discussion Topic: Stress Test Program

Deputy Director Stacey Schreft presented the OFR's Stress Test Program and noted it is the core component of the OFR's efforts to fulfil its mandate in the Dodd-Frank act to evaluate and report on stress tests. The committee discussed various aspects of the OFR's objectives for the stress test program.

Discussion Topic: Risks in Financial Institutions Program

Deputy Director Stacey Schreft presented the OFR's program on financial institutions. Given the large amounts of recent regulation, the committee suggested that the OFR review case studies of institutions and identify its unintended consequences

Discussion Topic: Market Structure Program

Deputy Director Stacey Schreft presented the OFR's program on market structure. The committee recognized the forces shifting market structure vary by asset class but contain four common themes; technology, information, market making capital, and regulation.

Closing Remarks

Richard Berner, Director of the OFR, gave closing remarks.

Chairman of the FRAC, Lewis Alexander, thanked everyone for a productive and engaging discussion.

Susan Stiehm formally adjourned the public meeting.

Lewis Alexander
5/10/16

Susan Stiehm
5/10/16