

FINANCIAL STABILITY OVERSIGHT BOARD

AMENDED AND RESTATED BYLAWS

A. Authority.

Section 104 of the Emergency Economic Stabilization Act of 2008, Pub. L. 110-343, 122 Stat. 3765 (Oct. 3, 2008) (the “Act”), established the Financial Stability Oversight Board (the “Board”).

B. Composition.

1. Board. The members of the Board are the Secretary of the Treasury (the “Secretary”), the Secretary of Housing and Urban Development, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Securities and Exchange Commission, and the Director of the Federal Housing Finance Agency. The Chairperson of the Board shall be elected by the members of the Board from among its members with only the Secretary of the Treasury ineligible.

2. Acting Board members. A person at the time of a meeting of the Board who is serving in an acting capacity as the Secretary of the Treasury, the Secretary of Housing and Urban Development, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Securities and Exchange Commission, or the Director of the Federal Housing Finance Agency shall serve as a Board member with the same authority and effect as the designated Board member.

3. Designation of Representatives. Each Board member may designate, in writing, an official of the same agency, not below the level of Deputy Assistant Secretary or equivalent, to serve as the member's representative (“Representative”). A Board member's Representative may act on behalf of the Board member for all purposes under these bylaws unless otherwise specified in writing by the Board member whom the Representative represents.

C. Meetings.

1. Frequency; location; agendas. The Chairperson shall provide notice of, and preside over, the Board’s meetings, which shall occur no later than the date that is 2 weeks after the first exercise of the Secretary's purchase authority under the Act, and monthly thereafter. The location of all meetings shall be 1500 Pennsylvania Avenue, N.W., Washington, D.C. unless Board members are notified otherwise. Whenever possible, the Chairperson shall provide agendas, information, and materials in advance of each meeting.

2. Special meetings. Any Board member may call a special meeting after giving written notice to the Chairperson, with electronic mail constituting an acceptable form of written notice. Whenever possible, the Board member calling a special meeting shall provide agendas, information, and materials in advance of the special meeting to the Secretary of the Board.

3. Participate by communications equipment; in-person meetings; actions between meetings. Any Board member may participate in a meeting by telephone or other communications equipment that allows persons participating in the meeting simultaneously to speak and hear each other. Any member so participating in a meeting shall be deemed present for all purposes. Any action that may be taken by the Board at a meeting may be acted on by the Board through the communication of member votes to the Chairperson in writing and any action approved in this manner shall have the same effect as an action taken at a meeting.

4. Quorum; Voting. A majority of the Board members shall constitute a quorum for the purpose of conducting business. In the absence of a quorum, the Chairperson or the Chairperson's Representative shall reschedule the meeting. All decisions and determinations of the Board shall be made by a majority vote of the voting members. Votes of the Board's decisions and determinations shall be recorded in the minutes.

5. Executive Director of the Board. The Chairperson shall designate an individual to serve as Executive Director of the Board. The Executive Director shall advise and assist the Board in carrying out its responsibilities under the Act, provide general direction with respect to the administration of the Board's actions, direct the activities of the staff, and perform such other duties as the Board may require.

6. General Counsel of the Board. The Chairperson shall designate an individual to serve as General Counsel of the Board. The General Counsel shall provide legal advice relating to the responsibilities of the Board and perform such other duties as the Board or Executive Director may require.

7. Secretary to the Board. The Chairperson shall designate an individual to serve as the Secretary to the Board. The Secretary shall prepare minutes of all meetings, maintain a complete record of all votes and actions taken by the Board, retain custody of all records of the Board, and perform such other duties as the Board or Executive Director may require. As soon as practicable after each meeting, a draft of the minutes of the meeting shall be distributed to each Board member for review and correction. To the extent practicable, the minutes will be approved at the next meeting of the Board.

D. Conflict of interest.

Any Board member may disqualify himself or herself from participation in a Board discussion or action on any matter if the Board member may have, or may appear to have, a conflict of interest. The conflicted Board member shall notify the other Board members of any such disqualification. The Representative of the disqualified Board member, acting independently of that member, may act on the matter in the place of the Board member.

E. Duties and functions.

1. General. The Board shall be responsible for, and take such action to fulfill its responsibility for:

- a. Reviewing the exercise of authority by the Secretary under a program developed in accordance with section 101 or section 102 of the Act, including:
 - (1) The policies implemented by the Secretary and the Office of Financial Stability created under such sections, including—
 - (i) The appointment of financial agents;
 - (ii) The designation of asset classes to be purchased; and
 - (iii) Plans for the structure of vehicles used to purchase troubled assets; and
 - (2) The effect of such actions in assisting American families in preserving home ownership, stabilizing financial markets, and protecting taxpayers;
- b. Making recommendations, as appropriate, to the Secretary regarding use of the authority under the Act;
- c. Reporting any suspected fraud, misrepresentation, or malfeasance to the Special Inspector General for the Troubled Assets Relief Program or the Attorney General of the United States consistent with 28 U.S.C. § 535(b); and
- d. Ensuring that the policies implemented by the Secretary are:
 - (1) In accordance with the purposes of the Act;
 - (2) In the economic interests of the United States; and
 - (3) Consistent with protecting taxpayers in accordance with section 113(a) of the Act.

2. Credit Review Committee. The Board may appoint a credit review committee for the purpose of evaluating the exercise of the purchase authority provided under the Act and the assets acquired through the exercise of such authority, as the Board determines appropriate.

3. Reports. The Board shall report to the appropriate committees of Congress and the Congressional Oversight Panel established under section 125 of the Act, not less frequently than quarterly on the matters described in paragraph E.1.a.(1) and (2).

F. Termination.

The Board and its authority shall terminate on the expiration of the 15-day period beginning upon the later of (a) the date the last troubled asset acquired by the Secretary under section 101 of the Act has been sold or transferred out of the ownership or control of the Federal Government or (b) the date of expiration of the last insurance contract issued under section 102 of the Act.

G. Amendment of Bylaws.

The power to alter, amend, or repeal these bylaws, or to adopt new bylaws, is vested in the Board, acting by the affirmative vote of a majority of the Board members.