



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

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FINANCIAL STABILITY OVERSIGHT COUNCIL MEETING JULY 31, 2015

WASHINGTON – Secretary Lew today convened a meeting of the Financial Stability Oversight Council (Council) in an executive session at the Treasury Department.

During the meeting, the Council heard updates from the Treasury Department regarding recent international and domestic market developments.

The Council also discussed its ongoing assessment of potential risks to U.S. financial stability arising from asset management products and activities. Staff updated the Council on its ongoing work, including its review of the public comments submitted in response to the Council's notice seeking comment on asset management products and activities.

The Council also followed up on the interagency staff report issued on July 13, 2015, analyzing the significant volatility in the U.S. Treasury market on October 15, 2014. The Council discussed potential next steps regarding the recommendations made in the report, as well as efforts pursuant to the recommendations in the Council's 2015 annual report regarding potential emerging threats related to changes in financial market structure.

In addition, the Council discussed its annual reviews of two nonbank financial companies designated in July 2013, American International Group (AIG) and General Electric Capital Corporation (GECC). As part of the annual review process, each company had been invited to meet with staff to discuss the review and to submit information regarding any change that the company deemed relevant to the threat the company could pose to financial stability. With respect to AIG, the company did not contest its designation in this annual review. Following a discussion of recent developments at AIG, the Council did not rescind the company's designation.

With respect to GECC, the Council acknowledged the company's April 2015 announcement regarding an anticipated restructuring of its business. GECC did not contest its designation in this annual review. Following a discussion of recent developments at GECC, the Council did not rescind the company's designation.

The Council noted that, as a general matter, if it determines in an annual review that a company has addressed the key factors in the Council's basis for its designation, the Council would rescind the designation.

Finally, the Council also voted to approve the minutes of its previous meeting on May 19.

Additional information regarding the Council, its work, and the recently approved meeting minutes is available at <http://www.fsoc.gov>.

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