



U.S. Department of the Treasury **Office of Public Affairs**

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Readout of Financial Stability Oversight Council Meeting on March 31, 2021

Washington – U.S. Treasury Secretary Janet L. Yellen today convened a meeting of the Financial Stability Oversight Council (Council) in executive and open sessions by videoconference.

During the executive session, the Council heard an update from the Office of Financial Research (OFR) about hedge fund activities. The presentation addressed hedge fund activities during the market stresses in March 2020, including the relationship between hedge funds' deleveraging and price declines in certain financial markets. The Council also discussed recent market developments related to hedge fund activities. At the request of Chairperson Yellen, the Council will reconvene its Hedge Fund Working Group, which last reported to the Council in 2016, to enhance interagency data sharing and improve the Council's ability to identify, assess, and address potential risks to financial stability related to hedge funds.

The Council also heard an update during the executive session from staff of the Securities and Exchange Commission (SEC) regarding open-end mutual fund performance during the COVID-19 crisis. The update included a discussion of fund outflows and liquidity risk management efforts during that period. Chairperson Yellen asked interagency staff to assess potential financial stability risks associated with open-end funds, particularly focusing on liquidity risks.

In the open session, the Council heard a presentation from staff of the Board of Governors of the Federal Reserve System about climate change and its potential impact on financial stability. The presentation highlighted the channels through which climate change could pose risks to the financial system and work the Federal Reserve is undertaking to monitor and better understand climate-related risks to financial stability. After the presentation, Council members shared actions their agencies are taking or planning to take to address the risks posed by climate change.

In attendance at the Council meeting today by videoconference were the following members:

- Janet L. Yellen, Secretary of the Treasury (Chairperson of the Council)
- Jerome Powell, Chair, Board of Governors of the Federal Reserve System
- Blake Paulson, Acting Comptroller of the Currency
- David Uejio, Acting Director, Consumer Financial Protection Bureau
- Allison Herren Lee, Acting Chair, Securities and Exchange Commission
- Jelena McWilliams, Chairman, Federal Deposit Insurance Corporation
- Rostin Behnam, Acting Chairman, Commodity Futures Trading Commission
- Mark Calabria, Director, Federal Housing Finance Agency
- Todd Harper, Chairman, National Credit Union Administration
- Thomas Workman, Independent Member with Insurance Expertise
- Dino Falaschetti, Director, Office of Financial Research (non-voting member)
- Steven Seitz, Director, Federal Insurance Office (non-voting member)
- Eric Cioppa, Superintendent, Maine Bureau of Insurance (non-voting member)
- Charles G. Cooper, Commissioner, Texas Department of Banking (non-voting member)
- Melanie Lubin, Securities Commissioner, Office of the Attorney General of Maryland, Securities Division (non-voting member)

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

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