Financial Stability Oversight Board
Quarterly Report to Congress

For the quarter ending
June 30, 2020

Submitted pursuant to section 104(g) of the Emergency Economic Stabilization Act of 2008

Statutory Members

Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System

Steven T. Mnuchin
Secretary
Department of the Treasury

Jay Clayton
Chairman
Securities and Exchange Commission

Ben Carson
Secretary
Department of Housing and Urban Development

Mark A. Calabria
Director
Federal Housing Finance Agency

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I. INTRODUCTION

This quarterly report of the Financial Stability Oversight Board ("Oversight Board"), issued pursuant to section 104(g) of the Emergency Economic Stabilization Act of 2008 ("EESA"), covers the period from April 1, 2020 to June 30, 2020 (the "quarterly period").

The Oversight Board was established by section 104 of the EESA to help oversee the Troubled Asset Relief Program ("TARP") and other emergency authorities and facilities granted to the Secretary of the Treasury ("Secretary") under the EESA. The Oversight Board is composed of the Secretary, the Chairman of the Board of Governors of the Federal Reserve System ("Federal Reserve Board"), the Director of the Federal Housing Finance Agency ("FHFA"), the Chairman of the Securities and Exchange Commission ("SEC"), and the Secretary of the Department of Housing and Urban Development ("HUD"). In accordance with the bylaws of the Oversight Board, each Member has designated an official of the same agency to serve as that Member's Representative on the Oversight Board ("Representative").[1]

Through Oversight Board meetings and other activities, the Oversight Board reviews and monitors the development, implementation, and effect of the policies and programs established under TARP to restore liquidity and stability to the U.S. financial system.

The Oversight Board met three times during the quarterly period, specifically on April 23, May 21, and June 24, 2020. As reflected in the minutes of the Oversight Board's meetings,[2] the Oversight Board regularly receives presentations and briefings from Treasury officials during these meetings to assist the Oversight Board in monitoring the actions taken by the Treasury Department under TARP and the Administration's Financial Stability Plan.

[1] The respective Members named the following Representatives: Mr. Andreas Lehnert, Division Director, Federal Reserve Board; Mr. Kipp Kranbuhl, Principal Deputy Assistant Secretary for Financial Markets, Department of the Treasury; Mr. Kurt Usowski, Deputy Assistant Secretary, Office of Economic Affairs, Department of Housing and Urban Development; Mr. Bryan Wood, Deputy Chief of Staff, Securities and Exchange Commission; and Mr. Christopher Curtis, Principal Deputy General Counsel, Federal Housing Finance Agency.

[2] Approved minutes of the Oversight Board's meetings are available at: http://www.treasury.gov/initiatives/financial-stability/about-tarp/finsob/Pages/minutes-reports.aspx.

II. THE EFFECTS AND COSTS OF EESA PROGRAMS

Housing Programs

As discussed further below, TARP housing-sector programs through the Hardest Hit Fund ("HHF") will continue to provide assistance to mortgage borrowers. On December 30, 2016, in accordance with the Consolidated Appropriations Act, 2016 ("the Act"), the Making Home Affordable ("MHA") Program closed to new applications. MHA servicers were required to evaluate applications submitted before the deadline and offer Home Affordable Modification Program ("HAMP") trial modifications to eligible applicants in accordance with program guidelines. All MHA transactions were required to be completed by December 1, 2017.

The Act also amended EESA as it relates to the HHF. The Act gave the Secretary until December 31, 2017 to commit up to $2 billion in additional TARP funds to current HHF program participants. On February 19, 2016, Treasury announced that it would exercise its authority to obligate up to $2 billion in additional TARP funds to the HHF, as authorized by the Act. Treasury allocated the funds among participating housing finance agencies (HFAs) in two phases of $1 billion each, and extended the date by which states would be required to finalize any decisions with respect to underwriting homeowner assistance or blight elimination projects to December 31, 2020. On April 24, 2020, Treasury further extended the date to June 30, 2021.

With the passage of time and maturation of TARP housing-sector programs, and years of successful performance by households under their respective housing assistance actions, the focus of Oversight Board analysis of housing-sector program effects naturally must evolve. Because MHA has closed to new applications, the volume of new MHA borrower assistance actions no longer serves as a useful indicator for its assessment of program effects. Similarly, as the bulk of HAMP modifications has already seasoned beyond four years—an important benchmark in performance analysis of mortgage lending—the Oversight Board believes that further analysis of incremental HAMP interest rate resets and re-default rates at this juncture will yield relatively little additional information on the sustainability of HAMP modifications. Instead, Oversight Board evaluation of the effects of these housing-sector programs will focus on disbursement rates of TARP resources and on homeowner completion of modifications or other respective assistance actions under TARP, for example, as those actions reach the end of their subsidy or TARP program period.

Investment Programs

Repayments and recoupments of financial sector investments have brought the remaining outstanding balances of TARP investment programs to only a small fraction of their peak levels. The Capital Purchase Program ("CPP") and the Community Development Capital Initiative ("CDCI") remain the only TARP financial-sector programs that still have outstanding balances. Accordingly, the Oversight Board evaluation of the effects of TARP financial-sector programs focuses on Treasury's administration of the financial-sector assets Treasury still owns, emphasizing the management of these assets toward exit strategies that protect taxpayers rather than the connection of these assets to overall conditions in financial markets. Evaluations of such efforts are integrated with broader discussion of investment program developments in section III.

As the participation in these programs winds down more than a decade later, it is important to highlight that in past quarterly reports, the Oversight Board indicated that financial-market shocks from the crisis were lessened by Treasury's actions under EESA, and that TARP and other government programs contributed to preventing the adverse effects of the crisis from becoming significantly more severe. The accumulated effects of Treasury's actions under TARP contributed significantly and positively to conditions in many financial markets and increased credit supply to businesses and households during subsequent quarters.

Cost of TARP Programs

Treasury provides updated cost assessments for TARP programs two times per year and prepares financial statements for TARP on an annual basis in the Agency Financial Report. The most recent lifetime cost estimates of TARP that were available during the reporting period were as of November 30, 2019 (figure 1). The TARP programs fall into two categories: Housing Programs and Investment Programs.

According to these estimates, the expected cost for the housing programs is $32.23 billion.

The expected cost for the investment programs is -$0.35 billion, broken down as follows:

- Bank Support Programs – expected *return* of $24.25 billion
- Capital Market Programs – expected *return* of $3.34 billion
- Other Programs – expected *cost* of $27.25 billion

The overall estimated cost of TARP will be approximately $31.88 billion. Using the same assumptions, Treasury also estimated that the combined overall cost of TARP and other Treasury interests in AIG will be approximately $14.33 billion.

The ultimate cost of TARP remains uncertain and will depend on how financial markets and the economy perform in the future. The individual TARP program lifetime costs are also as of November 30, 2019 (figure 1).

Figure 1

Programs as of June 30, 2020 (dollar amounts in billions)

	Obligation/ Commitment	*Disbursed as of June 30*	*Outstanding Investment Balance as of June 30*	*Estimated Lifetime Cost as of November 30, 2019*[4]
Part 1. Housing Programs				
Making Home Affordable	$ 23.47	$ 21.20	n/a	$ 22.61
Hardest Hit Fund[8]	$ 9.60	$ 9.50	n/a	$ 9.60
FHA-Refinance[9]	$ 0.05	$ 0.02	n/a	$ 0.01
Sub-total for Housing Programs	**$ 33.12**	**$ 30.72**	**n/a**	**$ 32.23**
Part 2. Investment Programs				
Bank Support Programs:				
Capital Purchase Program (CPP)[5]	$204.89	$204.89	$ 0.02	$ (16.32)
Targeted Investment Program (TIP)	$ 40.00	$ 40.00	$ -	$ (4.00)
Asset Guarantee Program (AGP)[6]	$ 5.00	$ -	$ -	$ (4.00)
Community Development Capital Initiative (CDCI)	$ 0.57	$ 0.57	$ 0.02	$ 0.06
Sub-total Bank Support Programs	**$250.46**	**$245.46**	**$ 0.04**	**$ (24.25)**
Credit Market Programs:				
Public-Private Investment Program (PPIP)	$ 18.63	$ 18.63	$ -	$ (2.73)
Term Asset Backed Securities Lending Facility (TALF)	$ 0.10	$ 0.10	$ -	$ (0.61)
Purchase SBA 7(a) Securities (SBA)	$ 0.37	$ 0.37	$ -	$ (0.00)
Sub-total Credit Market Programs	**$ 19.09**	**$ 19.09**	**$ -**	**$ (3.34)**
Other Programs:				
American International Group (AIG)	$ 67.84	$ 67.84	$ -	$ 15.18
Automotive Industry Financing Program (AIFP)	$ 79.69	$ 79.69	$ -	$ 12.07
Sub-total Other Programs	**$147.53**	**$147.53**	**$ -**	**$ 27.25**
Sub-total for Investment Programs[7]	**$417.09**	**$411.72**	**$ 0.04**	**$ (0.35)**
Part 3. Total for TARP Programs				
Sub-total for Housing Programs	**$ 33.12**	**$ 30.72**	**n/a**	**$ 32.23**
Sub-total for Investment Programs[6]	**$417.09**	**$411.72**	**$ 0.04**	**$ (0.35)**
Total for TARP Programs	**$450.20**	**$442.44**	**$ 0.04**	**$ 31.88**
Additional AIG Common Shares Held by Treasury[10]	n/a	n/a	n/a	$ (17.55)
Total for TARP Programs and Additional AIG Shares	**$450.20**	**$442.44**	**$ 0.04**	**$ 14.33**

Notes:

1	For more information, see note 10 to the Monthly TARP Update: http://www.treasury.gov/initiatives/financial-stability/reports/Pages/daily-tarp-reports.aspx
2	Treasury is continuing to disburse funds related to its housing programs, and continuing to recoup its outstanding investments.
3	Updates regarding oversight of TARP programs can be found at https://www.treasury.gov/initiatives/financial-stability/about-tarp/Pages/Oversight-and-
4	Estimated lifetime cost figures for investment programs and FHA-Refinance are as of November 30, 2019. Figures include interest on reestimates. Lifetime cost information for Making Home Affordable and Hardest Hit Fund reflect cost estimates published in the 2021 President's Budget.
5	The law creating the Small Business Lending Fund (SBLF) provided that banks could refinance securities issued under the CPP and CDCI programs with securities issued under the SBLF. A total of 137 CPP banks refinanced under the SBLF resulting in repayments of $2.21 billion in CPP investments.
6	Estimated lifetime cost for AGP includes $276 million for the termination fee Bank of America paid Treasury-OFS for the value received from the announcement of the negotiations on the guarantee and share losses on a pool of assets.
7	$411.72 is the actual amount disbursed under the various TARP investment programs as opposed to obligations totaling $412.08. This is because 28 CPP banks converted from the CPP program to the CDCI program and those conversions, totaling $363.3 million, are not reflected as new disbursements.
8	In December, 2015, Congress passed the Consolidated Appropriations Act, 2016, which gave the Secretary of the Treasury the authority to commit up to $2 billion in additional TARP funds to current HHF program participants. The additional $2 billion was obligated by Treasury as of June 2016 and is included in the total amount obligated for HHF.
9	In September 2017 the letter of credit was reduced from $100 million to $27 million. The figures in this line also include $18 million obligated for administrative expenses associated with the letter of credit.
10	As discussed in note 10 to the Monthly TARP Update, Treasury's investment in AIG common shares consisted of shares acquired in exchange for preferred stock purchased with TARP funds (TARP shares) and shares received from the trust created by the FRBNY for the benefit of Treasury as a result of its loan to AIG (non-TARP shares). Treasury managed the TARP shares and non-TARP shares together, and disposed of them pro-rata in proportion to its holdings. Only the TARP shares are included under "Other Programs—AIG" and the lifetime cost estimate shows a loss based on Treasury's cost basis in the TARP shares alone. However, a gain is shown for the non-TARP shares on the line entitled "Additional AIG Common Shares Held by Treasury" because Treasury's cost basis in such shares was deemed to be zero. When the TARP shares and non-TARP shares are considered together, Treasury's cost on a cash basis was $28.73 per share. TARP estimates include financing costs (borrowing) from the time of initial investment through the close of the program.

III. DISCUSSION OF THE ACTIONS TAKEN BY TREASURY UNDER THE EESA DURING THE QUARTERLY PERIOD

This section provides a detailed update on the various programs, policies, financial commitments, and administrative actions taken by Treasury under EESA during the quarterly period, from April 1 to June 30, 2020, subject to review and oversight of the Oversight Board.

a. Housing Stabilization and Foreclosure Mitigation

During the quarterly period, a quarterly HAMP Performance Summary was released covering program activity during the period January 2020 through March 2020.[6] A Performance Summary for HHF was also released covering the first quarter of 2020.[7] In addition, housing market indicator reports on the health of the nation's housing market produced by HUD were released for each month of the quarter.[8]

i. MHA

MHA programs provide assistance actions through first and second lien permanent modifications under HAMP, Treasury FHA HAMP, RD-HAMP (administered by the Rural Development Division of the Department of Agriculture), Second Lien Modification Program ("2MP"), and other assistance provided through Home Affordable Foreclosure Alternatives ("HAFA") transactions and Home Affordable Unemployment Program ("UP") forbearance plans. For some programs, assistance includes that provided by the Government Sponsored Enterprises ("GSEs").

The Act provided that the MHA Program would terminate on December 31, 2016, except with respect to certain loan modification applications made before such date. As set forth in program guidelines, MHA servicers were required to evaluate applications submitted before the deadline and offer trial modifications to eligible applicants. All MHA trial modification transactions were required to be completed by December 1, 2017.

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[6] The HAMP Performance Summary Report tracks the total number of HAMP permanent modifications ever begun, and their performance by type, with the delinquency percentages of modifications by year.

[7] HHF Performance Summaries are available at: http://www.treasury.gov/initiatives/financial-stability/reports/Pages/HHF.aspx

[8] The National Housing Market Indicator Report incorporates key housing market statistics from government and private sector sources and is available at: https://www.huduser.gov/portal/ushmc/hmi-update.html.

As of June 30, 2020, Treasury had disbursed $21.1 billion in incentive payments for MHA, $0.13 billion of which was disbursed during the second quarter of 2020.[9] Treasury estimated that $22.49 billion in incentive payments would ultimately be disbursed in association with all MHA assistance actions, based on actual and projected volume as of March 31, 2020.

a. HAMP

Through December 2017, more than 1.7 million HAMP permanent modifications had been completed since the start of the program. As of December 31, 2017, homeowners that received HAMP permanent modifications saved approximately $466 per month (median savings), representing a reduction of more than one third from their before-modification mortgage payment. Since HAMP began, homeowners who received permanent modifications had saved an estimated $55 billion in monthly mortgage payments.[10]

ii. HHF

As of June 30, 2020, 16 states and the District of Columbia were operating HHF programs throughout their respective jurisdictions, and collectively had drawn approximately $9.50 billion (approximately 99.0 percent) of the $9.60 billion allocated under the program (figure 2). Two states (Florida and California) have closed and completed their final repayments to Treasury. Each of these eligible jurisdictions draws down funds as they are needed. The jurisdictions have until June 30, 2021, to approve assistance actions and must have no more than five percent of their allocation on hand before they can draw down additional funds.

As of June 30, 2020, HHF has disbursed funds on behalf of 91 programs. During the quarter, Treasury approved program changes for Alabama, Indiana, Kentucky, Mississippi, and Nevada. In addition, in May, California completed its final repayment to Treasury in accordance with the terms and conditions of the HFA Participation Agreement. Program changes are outlined each month in the Monthly Report to Congress. At this late stage of the HHF program, many of the HFAs have closed or expect to close their largest programs. Treasury has and will continue its efforts to identify best practices, share lessons learned among programs, and provide robust oversight of HFAs as the program winds down.

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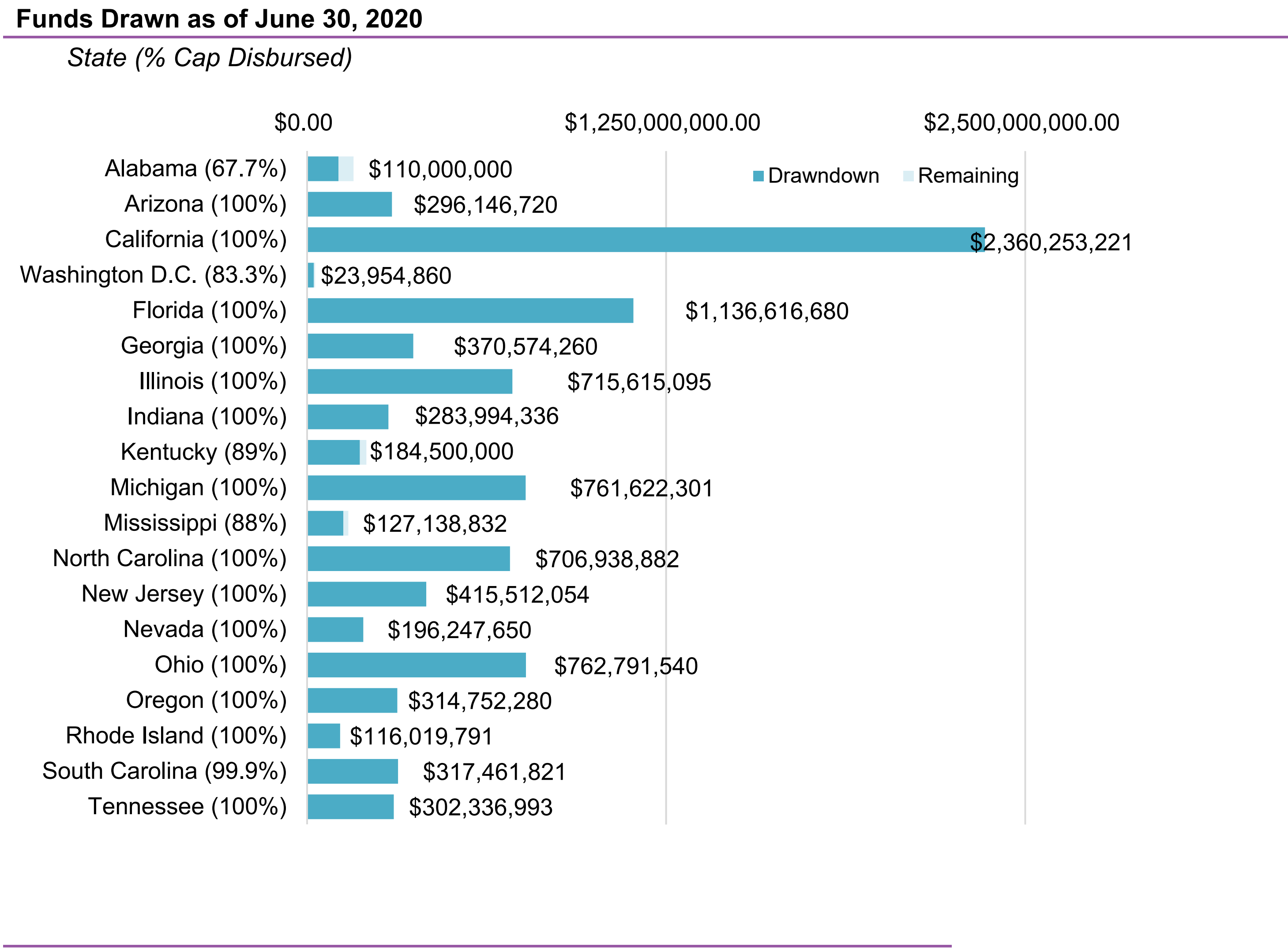
[9] Treasury's Transactions Reports (Housing), available at: http://www.treasury.gov/initiatives/financial-stability/reports/Pages/TARP-Housing-Transaction-Reports.aspx, show the adjusted cap amounts for each servicer, and the total disbursements to each servicer with respect to non-GSE loans. Incentive payments for GSE loans are borne by the GSEs and not Treasury.

[10] Treasury's Quarterly Making Home Affordable Program Performance Reports are available at: http://www.treasury.gov/initiatives/financial-stability/reports/Pages/Making-Home-Affordable-Program-Performance-Report.aspx

Figure 2

Hardest Hit Fund as of June 30, 2020



b. Capital and Guarantee Programs for Financial Institutions

i. Update on the Capital Purchase Program ("CPP")

As of June 30, 2020, two institutions remained in the CPP program with total outstanding CPP obligations of $17.4 million. As of that date, Treasury had received approximately $207.73 billion in gross proceeds from repayments and auction sales under the CPP, exceeding the $204.89 billion in total funds initially disbursed.[11]

These repayments and auction sales, along with dividends, interest, and fee income from participating bank organizations brought the total cash received from the CPP to $226.8 billion.

No additional CPP institutions filed for bankruptcy or entered receivership during the quarterly period. A total of 34 CPP recipients have been placed in receivership, bankruptcy, or have been written-off since the inception of the program (figure 3), of which 14 have exited the respective process.

[11] This amount received includes all proceeds received as of June 30, 2020 from CPP participants, including sales of common and preferred shares; institutions that refinanced to the Small Business Lending Fund ("SBLF"); and exchanges out of the CPP into the CDCI.

Figure 3

CPP Investments in Bankruptcy or with Banking Subsidiary in Receivership (cumulative since 2008)

CPP Institutions Entered into Bankruptcy/Receivership - Realized Loss/Write-Off			
Institution Name	**Bankruptcy/ Receivership Date**	**Realized Loss/ Write-Off Amount**	
CIT Group Inc.*	11/1/2009	$	2,330,000,000.00
UCBH Holdings, Inc.	11/6/2009	$	298,737,000.00
Pacific Coast National Bancorp*	11/13/2009	$	4,120,000.00
Midw est Banc Holdings, Inc.*	5/14/2010	$	84,784,000.00
Sonoma Valley Bancorp	8/20/2010	$	8,653,000.00
Pierce County Bancorp	11/5/2010	$	6,800,000.00
Tifton Banking Company*	11/12/2010	$	3,800,000.00
Legacy Bancorp, Inc.	3/11/2011	$	5,498,000.00
Superior Bancorp Inc.	4/15/2011	$	69,000,000.00
FPB Bancorp Inc.	7/15/2011	$	5,800,000.00
One Georgia Bank*	7/15/2011	$	5,500,000.00
Integra Bank Corporation	7/29/2011	$	83,586,000.00
Citizens Bancorp	9/23/2011	$	10,400,000.00
CB Holding Corp.	10/14/2011	$	4,114,000.00
Tennessee Commerce Bancorp, Inc.	1/27/2012	$	30,000,000.00
Blue River Bancshares, Inc.	2/10/2012	$	5,000,000.00
Fort Lee Federal Savings Bank*	4/20/2012	$	1,300,000.00
Gregg Bancshares, Inc.	7/13/2012	$	825,000.00
GulfSouth Private Bank*	10/19/2012	$	7,500,000.00
Investors Financial Corporation of Pettis County, Inc.	10/19/2012	$	4,000,000.00
First Place Financial Corporation*	10/29/2012	$	72,927,000.00
Princeton National Bancorp	11/2/2012	$	25,083,000.00
Premier Bank Holding Company*	8/14/2012	$	9,500,000.00
Gold Canyon Bank*	4/5/2013	$	1,607,000.00
Indiana Bank Corp.*	4/9/2013	$	1,312,000.00
Rogers Bancshares, Inc.	7/5/2013	$	25,000,000.00
Anchor Bancorp Wisconsin, Inc.*	8/12/2013	$	104,000,000.00
TCB Holding Company	12/13/2013	$	11,730,000.00
Syringa Bancorp	1/31/2014	$	8,000,000.00
Idaho Bancorp*	4/24/2014	$	6,900,000.00
Rising Sun Bancorp	10/17/2014	$	5,983,000.00
Western Community Bancshares, Inc.	11/7/2014	$	7,290,000.00
Cecil Bancorp, Inc.*	6/30/2017	$	11,560,000.00
OneFinancial Corporation (One Bank & Trust, N.A.)**	8/15/2018	$	17,300,000.00
	Total	**$**	**3,277,609,000.00**
*Institution has exited the bankruptcy/receivership process			
**Institution has not entered bankruptcy/receivership but is not collectible			

ii. Update on the Community Development Capital Initiative ("CDCI")

During the reporting period, one institution repurchased all of Treasury's outstanding investment in it at par for a total of $145 thousand. As of June 30, 2020, three CDCI institutions remained in the program for a total outstanding investment of $20.0 million.

APPENDIX A

Minutes of the Financial Stability Oversight Board Meetings
During the Quarterly Period

Minutes of the Financial Stability Oversight Board Meeting
April 23, 2020

A meeting of the Financial Stability Oversight Board (the "Board") was held at 3:00 p.m. EDT on Thursday, April 23, 2020, via teleconference.

MEMBER REPRESENTATIVES PARTICIPATING:

Mr. Lehnert, Division Director, Federal Reserve Board (Chairperson)

Mr. Patel, Assistant Secretary for Financial Institutions, Department of the Treasury

Mr. Curtis, Principal Deputy General Counsel, Federal Housing Finance Agency

Mr. Wood, Deputy Chief of Staff, Securities and Exchange Commission

Mr. Usowski, Deputy Assistant Secretary, Office of Economic Affairs, Department of Housing and Urban Development

STAFF PARTICIPATING:

Ms. Mukasa, Executive Director

Mr. Gonzalez, General Counsel and Secretary

AGENCY OFFICIALS PARTICIPATING:

Ms. Johnson-Kutch, Director, Office of Financial Stability, Department of the Treasury

Mr. Gillen, Program Director, Budget, IT, and Reporting, Office of Financial Stability, Department of the Treasury

Mr. Doerner, Supervisory Economist, Federal Housing Finance Agency

Mr. Beirne, Counsel, Federal Reserve Board

Ms. Scharlemann, Senior Economist, Federal Reserve Board

The meeting was called to order by Mr. Lehnert at approximately 3:05 p.m. EDT.

Upon commencement of the meeting, Representatives discussed draft minutes for the Board's previous meeting, held on Thursday, March 23, 2020. The minutes for that meeting had been circulated and reviewed by Representatives in advance. Upon a motion duly made and seconded, Representatives voted to approve the minutes of the meeting, subject to such technical revisions by Representatives as deemed necessary.

Treasury officials provided the Representatives with an update on the programs Treasury established under the Troubled Asset Relief Program ("TARP"). The meeting discussion predominantly focused on the Capital Purchase Program ("CPP"); the Community Development Capital Initiative ("CDCI"); and the Making Home Affordable ("MHA") and Hardest Hit Fund ("HHF") initiatives. Included in the materials distributed in advance of the meeting was the latest monthly report issued by Treasury under Section 105(a) of the Emergency Economic Stabilization Act ("Monthly Report"), which contained information related to programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP. Throughout the meeting, Representatives raised and discussed issues relevant to the policies and programs established under TARP.

Referring to prepared materials, Treasury officials provided a report on recent developments in the TARP program. As of March 31, 2020, Treasury had disbursed a total of $442.25 billion, including approximately $411.72 billion under TARP investment programs and approximately $30.53 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were approximately $443 billion.

Treasury officials provided the Representatives with a status update on TARP investment programs, beginning with CPP. As of April 20, the CPP portfolio stood at 2 institutions, with a total outstanding invested amount of $17.4 million.

Treasury officials next reported on the status of the CDCI program. As of April 20, the CDCI portfolio stood at 4 institutions, with a total outstanding invested amount of roughly $20.2 million.

Treasury officials then reported on MHA. As outlined in the Consolidated Appropriations Act, 2016, the MHA program terminated on December 31, 2016, and servicers were required to complete all MHA transactions by December 1, 2017. As such, there was no change in the number of homeowner assistance actions under MHA for March.

Treasury officials next discussed recent developments in the HHF program. As of March 31, 2020, Housing Finance Agencies in the nineteen eligible jurisdictions had disbursed approximately $8.6 billion in program funds ($9.5 billion in total program and administrative funds), and drawn down $9.4 billion in total funds. During March, program changes were approved for the state of North Carolina.

Representatives and officials then engaged in a roundtable discussion relating to recent HHF activities and research evaluating mortgage assistance programs under HHF. As part of the discussion, Federal Reserve Board officials provided a review and analysis of recent research.

Finally, Representatives and staff of the Board discussed upcoming activities of the Board.

The meeting was adjourned at approximately 3:39 p.m. EDT.

(signed electronically)

Mr. Gonzalez,
General Counsel and Secretary

Minutes of the Financial Stability Oversight Board Meeting
May 21, 2020

A meeting of the Financial Stability Oversight Board (the "Board") was held at 3:00 p.m. EDT on Thursday, May 21, 2020, via teleconference.

MEMBER REPRESENTATIVES PARTICIPATING:

Mr. Patel, Assistant Secretary for Financial Institutions, Department of the Treasury

Mr. Curtis, Principal Deputy General Counsel, Federal Housing Finance Agency

Mr. Wood, Deputy Chief of Staff, Securities and Exchange Commission

Mr. Usowski, Deputy Assistant Secretary, Office of Economic Affairs, Department of Housing and Urban Development

STAFF PARTICIPATING:

Ms. Mukasa, Executive Director

Mr. Gonzalez, General Counsel and Secretary

AGENCY OFFICIALS PARTICIPATING:

Ms. Johnson-Kutch, Director, Office of Financial Stability, Department of the Treasury

Mr. Gillen, Program Director, Budget, IT, and Reporting, Office of Financial Stability, Department of the Treasury

Mr. Beirne, Counsel, Federal Reserve Board

The meeting was called to order by Mr. Wood at approximately 3:05 p.m. EDT.

Upon commencement of the meeting, Representatives discussed draft minutes for the Board's previous meeting, held on Thursday, April 23, 2020. The minutes for that meeting had been circulated and reviewed by Representatives in advance. Upon a motion duly made and seconded, Representatives voted to approve the minutes of the meeting, subject to such technical revisions by Representatives as deemed necessary.

Treasury officials provided the Representatives with an update on the programs Treasury established under the Troubled Asset Relief Program ("TARP"). The meeting discussion predominantly focused on the Capital Purchase Program ("CPP"); the Community Development Capital Initiative ("CDCI"); and the Making Home Affordable ("MHA") and Hardest Hit Fund ("HHF") initiatives. Included in the materials distributed in advance of the meeting was the latest monthly report issued by Treasury under Section 105(a) of the Emergency Economic Stabilization Act ("Monthly Report"), which contained information related to programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP. Throughout the meeting, Representatives raised and discussed issues relevant to the policies and programs established under TARP.

Referring to prepared materials, Treasury officials provided a report on recent developments in the TARP program. As of April 30, 2020, Treasury had disbursed a total of $442.33 billion, including approximately $411.72 billion under TARP investment programs and approximately $30.61 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were approximately $443 billion.

Treasury officials provided the Representatives with a status update on TARP investment programs, beginning with CPP. As of May 20, the CPP portfolio stood at 2 institutions, with a total outstanding invested amount of $17.4 million.

Treasury officials next reported on the status of the CDCI program. As of May 20, the CDCI portfolio stood at 4 institutions, with a total outstanding invested amount of roughly $20.2 million.

Representatives and officials then engaged in a roundtable discussion relating to the remaining institutions in the CPP and CDCI portfolios.

Treasury officials then reported on MHA. As outlined in the Consolidated Appropriations Act, 2016, the MHA program terminated on December 31, 2016, and servicers were required to complete all MHA transactions by December 1, 2017. As such, there was no change in the number of homeowner assistance actions under MHA for April.

Treasury officials next discussed recent developments in the HHF program. As of April 30, 2020, Housing Finance Agencies in the nineteen eligible jurisdictions had disbursed approximately $8.6 billion in program funds ($9.5 billion in total program and administrative funds), and drawn down $9.5 billion in total funds. During April, program changes were approved for the states of Indiana, Kentucky, Mississippi, and Nevada.

Finally, Representatives and staff of the Board discussed upcoming activities of the Board.

The meeting was adjourned at approximately 3:18 p.m. EDT.

(signed electronically)

Mr. Gonzalez,
General Counsel and Secretary

Minutes of the Financial Stability Oversight Board Meeting
June 25, 2020

A meeting of the Financial Stability Oversight Board (the "Board") was held at 2:00 p.m. EDT on Thursday, June 25, 2020, via videoconference.

MEMBER REPRESENTATIVES PARTICIPATING:

Mr. Lehnert, Division Director, Federal Reserve Board (Chairperson)

Mr. Patel, Assistant Secretary for Financial Institutions, Department of the Treasury

Mr. Curtis, Principal Deputy General Counsel, Federal Housing Finance Agency

Mr. Wood, Deputy Chief of Staff, Securities and Exchange Commission

Mr. Usowski, Deputy Assistant Secretary, Office of Economic Affairs, Department of Housing and Urban Development

STAFF PARTICIPATING:

Ms. Mukasa, Executive Director

AGENCY OFFICIALS PARTICIPATING:

Ms. Johnson-Kutch, Director, Office of Financial Stability, Department of the Treasury

Ms. Christensen, Acting Director, Office of Financial Stability, Department of the Treasury

Mr. Gillen, Program Director, Budget, IT, and Reporting, Office of Financial Stability, Department of the Treasury

Mr. Doerner, Supervisory Economist, Federal Housing Finance Agency

Mr. Beirne, Counsel, Federal Reserve Board

The meeting was called to order by Mr. Lehnert at approximately 2:04 p.m. EDT.

Upon commencement of the meeting, Representatives discussed draft minutes for the Board's previous meeting, held on Thursday, May 21, 2020. The minutes for that meeting had been circulated and reviewed by Representatives in advance. Upon a motion duly made and seconded, Representatives voted to approve the minutes of the meeting, subject to such technical revisions by Representatives as deemed necessary.

Treasury officials provided the Representatives with an update on the programs Treasury established under the Troubled Asset Relief Program ("TARP"). The meeting discussion predominantly focused on the Capital Purchase Program ("CPP"); the Community Development Capital Initiative ("CDCI"); and the Making Home Affordable ("MHA") and Hardest Hit Fund ("HHF") initiatives. Included in the materials distributed in advance of the meeting was the latest monthly report issued by Treasury under Section 105(a) of the Emergency Economic Stabilization Act ("Monthly Report"), which contained information related to programs established by Treasury under TARP and aggregate information regarding the allocated and disbursed amounts under TARP. Throughout the meeting, Representatives raised and discussed issues relevant to the policies and programs established under TARP.

Referring to prepared materials, Treasury officials provided a report on recent developments in the TARP program. As of May 31, 2020, Treasury had disbursed a total of $442.40 billion, including approximately $411.72 billion under TARP investment programs and approximately $30.7 billion under TARP housing-related programs to assist at-risk homeowners. Total receipts on all TARP investment programs were approximately $443 billion.

Treasury officials provided the Representatives with a status update on TARP investment programs, beginning with CPP. As of June 23, the CPP portfolio stood at 2 institutions, with a total outstanding invested amount of $17.4 million.

Treasury officials next reported on the status of the CDCI program. During June, Treasury completed the full repurchase of Buffalo Cooperative Federal Credit Union, generating $150,000 in proceeds. As of June 23, the CDCI portfolio stood at 3 institutions, with a total outstanding invested amount of roughly $20 million.

Treasury officials then reported on MHA. As outlined in the Consolidated Appropriations Act, 2016, the MHA program terminated on December 31, 2016, and servicers were required to complete all MHA transactions by December 1, 2017. As such, there was no change in the number of homeowner assistance actions under MHA for May.

Treasury officials next discussed recent developments in the HHF program. As of May 31, 2019, Housing Finance Agencies in the nineteen eligible jurisdictions had disbursed approximately $8.6 billion in program funds ($9.5 billion in total program and administrative funds), and drawn down $9.4 billion in total funds. During May, program changes were approved for the state of Alabama. In addition, California completed its final repayment to Treasury in accordance with the terms and conditions of the HFA Participation Agreement.

Representatives and officials then engaged in a roundtable discussion related to the state of the current housing markets and the ability of the programs established under TARP to provide support to the housing markets while assisting at-risk mortgage borrowers. As part of the discussion, FHFA officials provided data related to the housing and mortgage market conditions.

Finally, Representatives and staff of the Board discussed upcoming activities of the Board.

The meeting was adjourned at approximately 2:35 p.m. EDT.

(signed electronically)

Ms. Mukasa,
Executive Director