



Annual Performance Report 2020

May 2021

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM



Annual Performance Report 2020

May 2021

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Contents

Preface	1
Introduction	3
Key 2020 Accomplishments	5
Monetary Policy and Financial Stability	9
Objective 1.1: Support the Board’s and the Federal Open Market Committee’s policy deliberations through the timely provision of high-quality research, analysis, and other information that enables sound and objective decisionmaking.	9
Objective 1.2: Actively pursue research, analysis, monitoring, and measurement to advance the public’s understanding of key economic and financial issues.	10
Objective 1.3: Further promote transparency, accountability, communication, and public education in monetary policy, economic research, and financial stability.	11
Objective 1.4: Broaden capabilities to effectively and efficiently fulfill the Board’s research mission through investment in people, technology, and data.	13
Monetary Policy and Financial Stability COVID-19 Response	15
Supervision	19
Objective 2.1: Continue to refine rules, practices, and tools to enhance the efficiency and effectiveness of supervision.	19
Objective 2.2: Improve forward-looking risk-identification and assessment capabilities to inform policy and support timely and effective risk mitigation through supervision.	21
Objective 2.3: Further promote transparency, accountability, communication, diversity of perspectives, and public outreach to support the System’s supervisory responsibilities.	21
Objective 2.4: Further improve supervisory and regulatory activities to support financial system stability.	21
Objective 2.5: Broaden capabilities to effectively and efficiently execute supervisory responsibilities through investment in people, technology, and data.	22
Supervision COVID-19 Response	25
Supervisory Actions	25
Regulatory Actions	27
Consumer-Related Actions	28
Payment System and Reserve Bank Oversight	29
Objective 3.1: Support payment infrastructure modernization to serve changing stakeholder needs.	29
Objective 3.2: Maintain an effective and secure U.S. currency program.	29

Objective 3.3: Continue evolving Reserve Bank oversight approach.	30
Objective 3.4: Advance diversity in System leadership.	30
Objective 3.5: Broaden capabilities to effectively and efficiently execute oversight responsibilities for payment systems and Reserve Banks through investment in people, technology, and data.	30
Payment System and Reserve Bank COVID-19 Response	31
Public Engagement and Community Development	33
Objective 4.1: Develop strategies to identify and engage audiences with a balanced and broad range of diverse perspectives.	33
Objective 4.2: Expand communication and outreach efforts to increase transparency and understanding of the Federal Reserve’s mission and activities and better inform decisions.	34
Objective 4.3: Continue adapting and improving information management processes and communication vehicles.	35
Objective 4.4: Promote understanding of community development and consumer risks.	35
Public Engagement and Community Development COVID-19 Response	39
Mission Enablement	41
Objective 5.1: Attract, develop, and retain diverse talent with varied experiences and perspectives to ensure the Board is able to meet workforce needs in a rapidly changing environment.	41
Objective 5.2: Optimize the Board’s workspace strategy and use of resources by leveraging opportunities to increase collaboration, efficiency, and productivity.	43
Objective 5.3: Enhance organizational efficiencies and capabilities to provide automation solutions that respond to stakeholder needs.	44
Objective 5.4: Accelerate the ability to obtain, integrate, analyze, and share data and information throughout the organization.	45
Mission Enablement COVID-19 Response	47

Preface

Congress founded the Federal Reserve System (System) in 1913 as the central bank of the United States. While established as an independent central bank, it is subject to oversight by the Congress and must work within the framework of the overall objectives of economic and financial policy established by its enabling statutes. Over time, the Congress has expanded the Federal Reserve's role in the economy and the financial system, as reflected in its mission:

As the nation's central bank, the fundamental mission of the Federal Reserve System is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems and to promote optimal economic performance.

As the governing body of the System, the Board of Governors (Board) guides the operations of the System to promote the goals and fulfill the responsibilities established by the Federal Reserve Act. The Board conducts research, analysis, and policymaking related to domestic and international financial and economic matters; supervises and regulates certain U.S. financial institutions and activities; oversees the operations and activities of the Federal Reserve Banks, including important aspects of the nation's payments system; and plays an important role in promoting consumer protection, fair lending, and community development. The mission and activities of the Board are grounded in its institutional values.

- **Public interest.** In its actions and policies, the Board seeks to promote the public interest. It is

accountable to the general public and the Congress.

- **Integrity.** The Board adheres to the highest standards of integrity in its dealings with the public, the U.S. government, the financial community, and its employees.
- **Excellence.** The conduct of monetary policy, responsibility for supervision, and maintenance of the payment system demand high-quality analysis; high performance standards; and a secure, robust infrastructure. The pursuit of excellence drives the Board's policies concerning recruitment, selection, and retention of employees.
- **Efficiency and effectiveness.** In carrying out its functions, the Board recognizes its obligation to manage resources efficiently and effectively on behalf of the U.S. taxpayer.
- **Independence of views.** The Board values the diversity of its employees, input from a variety of sources, and independent professional judgment fostered by the System's regional structure. It relies on strong teamwork and consensus building to mold independent viewpoints into coherent, effective policies.

Additional information on the Board and the System can be found in its *Purposes & Functions* document and throughout its public website.¹

¹ The *Purposes & Functions* document is available at <https://www.federalreserve.gov/aboutthefed/pf.htm>, and additional information is available on the public website at <https://www.federalreserve.gov/>.

Introduction

The Board of Governors of the Federal Reserve System’s (Board) *Strategic Plan 2020–23* (Plan) identifies and frames the organization’s strategic goals and objectives.² On December 27, 2019, the Board published its current *Plan*, which outlines the organization’s priorities within five functional areas for maintaining the stability, integrity, and efficiency of the nation’s monetary, financial, and payment systems:

- [Monetary Policy and Financial Stability](#)
- [Supervision](#)
- [Payment System and Reserve Bank Oversight](#)
- [Public Engagement and Community Development](#)
- [Mission Enablement](#)

This document summarizes the Board’s accomplishments toward achieving the objectives identified in the *Annual Performance Plan 2020*, as well as the Board’s response to the 2020 COVID-19 pandemic.³ However, given the large scope of work performed by the Board, not all activities are identified within this document. Throughout this performance period, senior leadership reassessed priorities, taking into account changing circumstances and environmental factors, and adjusted specific activities and resources to best fulfill the Federal Reserve’s congressional mandate to promote maximum employment and price stability, including the stability of the financial system.

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The COVID-19 virus spread quickly around the world leaving a tragic toll of illness and lives lost. In addi-

tion to the human suffering, the economic dislocations caused by the COVID-19 pandemic resulted in an abrupt shock to financial markets and affected many channels that households, businesses, and state and local governments rely on for credit. In response, the Federal Reserve pivoted from many of its planned priorities and normal business activities to provide essential support to the U.S. economy through the introduction of measures to meet the challenges of an unprecedented disruption to economic activity and the financial system and a surge in unemployment.

Since the beginning of the COVID-19 pandemic, the Federal Reserve has taken forceful actions to provide relief and stability, to limit lasting damage to the economy, and to ensure that the recovery will be as strong as possible. These actions included monetary policy changes to support economic activity; regulatory relief; facilitation of the flow of credit; and supervisory guidance to encourage financial institutions to work with borrowers affected by COVID-19. The Federal Reserve remains committed to using its full range of tools to support households, businesses, state and local governments, and the U.S. economy overall in this challenging time.

The Board issues these reports in the spirit of *The Government Performance and Results Act of 1993* (GPRA), which requires federal agencies to prepare a strategic plan covering a multiyear period and submit an annual performance plan and an annual performance report. Although the Board is not covered by GPRA, the Board voluntarily complies with the spirit of GPRA and, like other federal agencies, prepares a strategic plan as well as an annual performance plan and an annual performance report.⁴

² The *Strategic Plan 2020–23* is available at <https://www.federalreserve.gov/publications/2020-23-strategic-plan.htm>.

³ The *Annual Performance Plan 2020* is available at <https://www.federalreserve.gov/publications/files/2020-gpra-performance-plan.pdf>.

⁴ GPRA reports are available at <https://www.federalreserve.gov/publications/gpra.htm>.

As required by the Federal Reserve Act, the Board also annually submits to the Congress the *Annual Report* describing the operations of the Federal Reserve System for the previous year, as well as a

detailed explanation of the plans and resources discussed in the approved budgets of the Board and the 12 Federal Reserve Banks.⁵

⁵ The *Annual Report* is available at <https://www.federalreserve.gov/publications/annual-report>.

Key 2020 Accomplishments

Although 2020 was an unprecedented year, the Board accomplished many of its planned projects and initiatives in support of its mission, while also rising to meet the serious challenges presented by the COVID-19 pandemic. While not an exhaustive list, the following highlights key organizational accomplishments throughout the year.

At the onset of the global pandemic, the organization, in close coordination with counterparts at the U.S. Treasury, quickly stood up a number of lending programs to address acute liquidity needs.⁶ These programs provided up to a collective maximum of \$2.3 trillion in lending to support the economy and enabled the flow of credit during a period of constrained economic activity. Low interest rates, the Federal Reserve's asset purchases, the establishment of emergency lending facilities, and other extraordinary actions, together with fiscal policy, continued to support the flow of credit in the economy and smooth market functioning.

The Board further buttressed the economy, together with other financial regulatory agencies, by issuing a number of rules to temporarily adjust regulations and releasing joint statements to communicate modifications in supervisory approach. The Board also engaged in extensive outreach and communication throughout the year to help both supervised firms and examiners stay informed of the organization's actions, including developing the *Consumer Resources* and *Community Development and Small Business Resources* webpage to provide information and transparency to the public on the Board's COVID-19 pandemic response.⁷

The Federal Reserve continuously seeks ways to improve its policy process and decisions. To that

effect, the Federal Open Market Committee (FOMC) unanimously approved the update to the *Statement on Longer-Run Goals and Monetary Policy Strategy*.⁸ This important milestone marked the key outcome of the FOMC's first ever public review of its monetary policy, strategy, tools, and communication practices. The review was motivated by changes in the U.S. economy that affect monetary policy, including the global decline in the general level of interest rates and the reduced sensitivity of inflation to labor market tightness.

The revised statement acknowledges the changes in the economy over recent decades and articulates how policymakers are taking these changes into account in conducting monetary policy, including by seeking to mitigate shortfalls of employment from the FOMC's broad-based and inclusive assessment of its maximum level, and achieving inflation that averages 2 percent over time.

A key pillar of the review was a series of *Fed Listens* events throughout the country. These events engaged a wide range of stakeholders—employee groups and union members, small business owners, residents of low- and moderate-income communities, workforce development organizations and community colleges, retirees, and others—to hear about how monetary policy affects peoples' daily lives and livelihoods.

In 2020, the Board published several reports and articles to enhance transparency and provide detailed communication and analysis on important areas affecting the banking system and U.S. economy. These include the following publications:

- *Fed Listens: Perspectives from the Public*, summarized the 15 Fed Listens events held by the Board and the Federal Reserve Banks (FRBs) since the

⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/funding-credit-liquidity-and-loan-facilities.htm>.

⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/community-development-small-business-resources-covid-19.htm>.

⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/monetarypolicy/review-of-monetary-policy-strategy-tools-and-communications-statement-on-longer-run-goals-monetary-policy-strategy.htm>.

beginning of 2019, which included an additional meeting in May 2020 to hear specifically about the effects of the COVID-19 pandemic on communities around the United States.⁹

- Reports on economic and financial conditions—such as the *Financial Stability Report*, *Monetary Policy Report*, and *Supervision and Regulation Report*—which assessed the resilience of the U.S. financial system, provided the public with key monetary policy and economic developments, and summarized banking conditions and supervisory and regulatory activities, including insight into the Federal Reserve’s response to the pandemic.¹⁰
- A *Consumer and Community Context* article series—*Two Tales of Changes in Retail Banking* and *The Pandemic’s Early Effects*—provided an analysis about the financial conditions and experiences of consumers and communities, including traditionally underserved and economically vulnerable households and neighborhoods.¹¹
- The *Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020* draws from the Board’s seventh annual Survey of Household Economics and Decisionmaking (SHED), which examines the economic well-being and financial lives of U.S. adults and their families. The 2019 complete survey was conducted in October 2019. To obtain updated information amid the COVID-19 pandemic and closures and stay-at-home orders, a smaller supplemental survey was conducted in April 2020, focusing on labor market effects and households’ overall financial circumstances.¹²
- The *Update on the Economic Well-Being of U.S. Households: July 2020 Results*: Recognizing the unprecedented financial disruptions caused by the COVID-19 pandemic, the Federal Reserve conducted a supplemental survey in July 2020 to

monitor changes in the financial well-being of Americans.¹³

Throughout the year, the Board worked collaboratively with a variety of academic, community, and financial stakeholders to understand the diverse perspectives on issues germane to economic stability while continuing to foster public engagement and accountability. More than 300 community development financial institutions participated in the *Ask the Fed* webinar for Small Business Administration-qualified lenders that are not depository institutions. The Board also established a centralized 13(3) Lending Facilities Data Repository to include all the emergency lending facilities data in support of research and explorative analysis.

The Board advanced structural efforts to further safety and efficiency in the domestic payment system by announcing details of a new 24x7x365 interbank settlement service, *FedNow*SM Service, with clearing functionality to support instant payment across the U.S. Additionally, the organization worked closely with counterparts at the Bureau of Engraving and Printing (BEP) on new banknote designs, as well as counterfeit deterrence capabilities.

Sustained efforts continued to advance the Board’s long-standing commitment to promoting equal employment and workforce diversity, while fostering an inclusive, collaborative work environment that recognizes, appreciates, and effectively utilizes the talent, skills, and perspectives of every employee. Notable progress in these important areas include the implementation of the new paid parental leave benefit, as well as the adoption of new inclusion guidelines on gender identity.

Board leadership also chose to respond proactively to the racial unrest experienced across the country as a result of the tragic death of George Floyd, beginning with a strong denunciation of racism, discrimination, injustice, and violence followed by Board-wide listening events for employees. Chair Powell also hosted a Boardwide event, *From COVID-19 to George Floyd: Exploring Our Emotions and Moving Forward with Intention and Purpose*.

⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/fed-listens-perspectives-from-the-public.htm>.

¹⁰ See the Federal Reserve’s website for the *Monetary Policy Report* at https://www.federalreserve.gov/monetarypolicy/mpr_default.htm; the *Financial Stability Report* at <https://www.federalreserve.gov/publications/financial-stability-report.htm>; and the *Supervision and Regulation Report* at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

¹¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

¹² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20200514a.htm> and the full report at <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>.

¹³ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/2020-update-economic-well-being-of-us-households-preface.htm> and the full report at <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-update-202009.pdf>.

The Board sponsored, together with the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies' respective Offices of Minority and Women Inclusion, an event entitled *Beyond Words: Race, Work, and Allyship amid the George Floyd Tragedy*.

To minimize the risk of illness to employees, the Board shifted to a maximum telework posture early on in the pandemic, conducting the entire pandemic response and FOMC meetings virtually. The Board also conducted virtual hiring and onboarding processes and facilitated a virtual internship program for approximately 100 summer interns. The Board pivoted planned in-person employee training, such as *Civil Treatment* and *Leading with Conscious Inclusion*, to virtual formats and progressed the implementation of the e-learning content library to provide employees with new skills in an on-demand format.

The Board evolved its data capabilities and technological infrastructure, upgrading the architecture and document ingestion process speed of the Federal Reserve Integrated Records Management Architecture (FIRMA) from 3,000 documents to 25,000 documents daily. The upgrade enabled the Board to quickly collect, ingest, and make immediately accessible for release in response to Freedom of Information and other requests for information over 35,000 documents relating to the establishment and oversight of 13(3) lending facilities.

Additional modernization efforts included the development of a public-statement repository, which

incorporates speeches and testimony, and the enrichment of established taxonomies to support public-statement search capabilities. The organization also progressed its transition to cloud-based technology, drafting cloud security policies and standards and launching a cyber-enterprise risk-management program.

Work continued to advance on the Board's planned, longer-term physical infrastructure projects. The LEED-certified renovation of the Martin Building accomplished many significant milestones as preparations progressed for the subsequent renovations of the Eccles and 1951 Constitution Avenue buildings.¹⁴

In 2020, the Board also published, together with the System, its combined annual audited financial statements. The FRBs collectively provided for payments of approximately \$88.5 billion of their estimated 2020 net income to the U.S. Treasury.

Lastly, Christopher J. Waller was sworn in by Chair Powell as a member of the Board of Governors on December 18.¹⁵

¹⁴ Leadership in Energy and Environmental Design (LEED) standard is a certification program devised in 1994 by the U.S. Green Building Council to encourage sustainable practices design and development by means of tools and criteria for performance measurement.

¹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20201218a.htm>.

Monetary Policy and Financial Stability

Goal 1: Facilitate efforts that support the congressional mandate for maximum employment and price stability through monetary policy.

Objective 1.1: Support the Board’s and the Federal Open Market Committee’s policy deliberations through the timely provision of high-quality research, analysis, and other information that enables sound and objective decisionmaking.

Projects and Initiatives

- **Identify and analyze economic and financial developments in support of the Federal Reserve’s mission.**

—Unanimously approved updates to the *Statement on Longer-Run Goals and Monetary Policy Strategy*, marking an important milestone in the FOMC’s first-ever public review of its monetary policy, strategy, tools, and communications.¹⁶

- The new statement was announced by Chair Powell, via webcast, during his keynote address at the economic policy symposium *New Economic Challenges and the Fed’s Monetary Policy Review at Navigating the Decade Ahead: Implications for Monetary Policy*, sponsored by the FRB Kansas City.¹⁷
- The updates reflected changes in the economy over the past decade and the ways policymakers accounted for these changes in conducting monetary policy. The updated consensus statement is intended to enhance the trans-

parency, accountability, and effectiveness of monetary policy.

- Updated the framework review section of the Board’s public website to provide comprehensive information on the revised statement, the review process undertaken, and a Q&A section.¹⁸ One new feature presents a *Guide to Changes in the Statement on Longer Run Goals and Monetary Policy Strategy*, which contains a tracked-changes version of the statement clearly showing the changes relative to the prior version as well as interactive elements that link certain aspects of the new text with explanatory questions and answers.¹⁹

—Provided extensive analysis and support for the FOMC’s review of its monetary policy strategy, tools, and communication practices, culminating in the FOMC’s updated Statement on Longer-Run Goals and Monetary Policy Strategy (also known as the consensus statement).²⁰

- The review included extensive Systemwide analysis to provide background for the FOMC’s discussions, an academic conference

¹⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/review-of-monetary-policy-strategy-tools-and-communications-statement-on-longer-run-goals-monetary-policy-strategy.htm>.

¹⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/powell20200827a.htm>.

¹⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/review-of-monetary-policy-strategy-tools-and-communications.htm>.

¹⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/monetarypolicy/guide-to-changes-in-statement-on-longer-run-goals-monetary-policy-strategy.htm>.

²⁰ For further details, see Board of Governors of the Federal Reserve System, “Review of Monetary Policy Strategy, Tools, and Communications,” web page, 2020, <https://www.federalreserve.gov/monetarypolicy/review-of-monetary-policy-strategy-tools-and-communications.htm>; and David Altig, Jeff Fuhrer, Marc P. Giannoni, and Thomas Laubach (2020), “The Federal Reserve’s Review of Its Monetary Policy Framework: A Roadmap,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, August 27, 2020), <https://www.federalreserve.gov/econres/notes/feds-notes/the-federal-reserves-review-of-its-monetary-policy-framework-a-roadmap-20200827.htm>.

with leading experts in the field, and the *Fed Listens* outreach events to hear from diverse groups affected by the Federal Reserve's policy decisions.

- Discussed aspects of the FOMC's monetary policy framework at five FOMC meetings between July 2019 and January 2020. These discussions were informed by analytical work by research staff across the System. The FOMC's discussions were summarized in meeting minutes, and the staff's analytical work was released to the public in a series of notes and papers.²¹
- Supported the policy process by providing ongoing assessments of domestic and global economic and financial developments and financial stability to the Board and FOMC through the semiannual *Financial Stability Report* and *Monetary Policy Report*, as well as Tealbooks, memos, and briefings.
- Stay abreast of technological and other changes to the financial system and assess potential impacts on the economy.
 - Developed plans, in close coordination with the FRB New York, for conducting open market operations from a telework posture and evaluated the effectiveness of those programs in supporting market functioning and fostering accommodative financial conditions.
 - Supported the continuing evolution of the global financial system away from the London Inter-Bank Offered Rate (LIBOR) and toward alternative reference rates.
 - On July 1, 2020, issued joint statement SR 20-17/CA 20-12 with the Federal Financial Institutions Examination Council (FFIEC) that highlights the risks that will result from the expected discontinuation of LIBOR and encourages supervised institutions to continue their efforts to transition to alternative reference rates to mitigate associated risks.²²
 - On October 20, 2020, issued statement SR 20-22 encouraging firms to consider adhering to the ISDA IBOR Fallback Protocol in order

to facilitate the transition away from LIBOR.²³

- On November 6, 2020, issued a statement with the FDIC and OCC that reiterates that they are not endorsing a specific replacement rate for LIBOR for loans and that a bank may use any reference rate it determines to be appropriate for its loans.²⁴
- On November 30, 2020, issued a statement with the FDIC and OCC encouraging banks to cease entering into new contracts that use U.S. dollar LIBOR as a reference rate no later than December 31, 2021.²⁵
- Tracked and assessed the growth of small business finance at fintech lenders, and analyzed recent innovations in digital payments, including proposals for global stablecoins, such as Libra, and central bank digital currencies.
- Assessed the monetary policy implications of implementing the *FedNow* Service, which will allow the movement of funds among banks overnight and on weekends and holidays.

Objective 1.2: Actively pursue research, analysis, monitoring, and measurement to advance the public's understanding of key economic and financial issues.

- Pursue research that promotes understanding of labor markets, inflation, and the financial system, including differences by demographic groups and areas, and implications for the functioning of the economy.
 - Researched a wide range of issues including on topics related to monetary policy strategy and implementation, price measurement and the behavior of inflation and inflation expectations,

²¹ The roadmap of the Federal Reserve's review of its monetary policy framework is available at <https://www.federalreserve.gov/econres/notes/feds-notes/the-federal-reserves-review-of-its-monetary-policy-framework-a-roadmap-20200827.htm>.

²² See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2017.htm>.

²³ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2022.pdf>.

²⁴ See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, "Interagency Statement—Reference Rates for Loans," November 6, 2020, <https://www.federalreserve.gov/supervisionreg/srletters/SR2025.pdf>.

²⁵ See Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, "Agencies Issue Statement on LIBOR Transition," joint press release, November 30, 2020, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201130a.htm>.

the cyclical behavior of unemployment and job vacancies, the effects of fiscal policy on economic activity, risk premiums in financial asset prices, liquidity and volatility in financial markets, exchange rates, capital flows, financial regulation, lending by banks and nonbank financial institutions, the aggregate and distributional economic consequences of the COVID-19 pandemic, the effects of central bank swap lines, and the efficacy of domestic central bank liquidity and credit facilities.

—Disseminated research by preparing working papers, publications, Finance and Economics Discussion (FEDS) Papers, FEDS Notes, and International Finance Discussion Papers (IFDP) articles, in addition to presenting seminars at the Board, FRBs, universities, and professional conferences.

- Wrote more than 150 papers for the Board’s two working paper series, together with more than 80 research notes.²⁶
- Published more than 140 papers in research journals, with many appearing in top-tier journals.
- Increased awareness of Board research among academia and the public through the @FedResearch Twitter account.²⁷

—Hosted more than 140 economic seminars and workshops involving internal and external speakers on topics such as “Macroeconomic Implications of COVID-19: Can Negative Supply Shocks Cause Demand Shortages?” and “Bond Markets in the Spring of 2020 and the Response of the Federal Reserve.”

—Sponsored or co-sponsored conferences including a conference on short-term funding markets, a Latin American policy roundtable discussion, the conference “Dynamic International Trade,” a conference on the distributional effects of U.S. monetary policy, and a conference on gender issues in the economics profession.

- Incorporate diversity of thought, perspective, and experience into the Board’s research program.
 - Continued to improve recruiting practices to identify and attract staff with different perspectives and experiences.

²⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/econres.htm>.

²⁷ Access the Federal Reserve’s Twitter page at <https://twitter.com/fedresearch>.

- Partnered new research staff or staff working in new research areas with more-experienced colleagues to help them identify specific topics, appropriately apply analytic methods, and create contacts in professional communities.

—Initiated a new ongoing seminar series titled “Race, Racism, and Economic Research,” with approximately 400 staff attending each event.

- The series began by orienting the Board’s research community to compelling and critical issues of racial disparities in numerous economic and financial outcomes in the United States and explaining how contributions to economic research can elucidate and help address them.
- Hosted a discussion by Professor William Spriggs of Howard University centered on his recent open letter to the economics profession titled “Is This a Learning Moment for Economists?”

—Committed resources to Howard University to host the American Economics Association’s Summer Program for five years, beginning in 2021.

- The Board will provide economic staff each summer to support an advanced-level Research Methods class. The economists will serve as instructors as well as mentors to students from underrepresented communities within the economics profession.

—Released the report, *Fed Listens: Perspectives from the Public*, summarizing the 15 *Fed Listens* events held by the Board and FRBs since the beginning of 2019, which included an additional virtual meeting in May 2020 focused on the effects of the COVID-19 pandemic on communities around the United States.²⁸

Objective 1.3: Further promote transparency, accountability, communication, and public education in monetary policy, economic research, and financial stability.

- Foster public education and effective communication across a wide range of audiences.

²⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/fed-listens-perspectives-from-the-public.htm>.

- Transitioned public outreach and educational initiatives to online platforms.²⁹
 - Nearly 3,500 individuals viewed the “Exploring Careers in Economics” live event in November 2020, an approximate 400 percent increase from the previous year’s event.
 - Continued the teaching and mentoring partnership online with Howard University’s Department of Economics for a Financial Literacy/Statistical Software Programming class, with approximately 45 staff members involved as instructors, teaching assistants, and research mentors to 18 students.
 - Held the College Fed Challenge virtually with 85 schools from across the nation submitting video presentations or participating in local virtual competitions.³⁰
 - Hosted the “Coffee with an Economist” program, an online discussion between Board economists and groups of college students.
- Engaged with D.C. metropolitan high school students on financial literacy and economics through The FedEd initiative, which reached more than 1,000 students in the 2019–20 school year, the highest total to date.
- Communicated regularly with representatives of other U.S. regulatory agencies; international organizations such as the International Monetary Fund (IMF), World Bank, and Basel Committee on Banking Supervision; as well as foreign central banks.
 - Interacted with the IMF and World Bank as part of its Financial Sector Assessment Program (FSAP).³¹
- Chair Powell spoke via webcast on the policy panel at the European Central Bank (ECB) Forum on Central Banking 2020, together with Christine Lagarde, president of the ECB, and

Andrew Bailey, governor at the Bank of England.³²

- Chair Powell led three key committees of the Bank for International Settlements (BIS): Economic Consultative Committee (ECC), Global Economy Meeting (GEM), and BIS Innovation Hub (BISIH) Advisory Group.
- Governor Brainard served as Chair of the Working Party Three (WP3), a subcommittee of the Economic Policy Committee at the Organisation for Economic Co-operation and Development.
- Improve delivery of and public access to information that effectively communicates the Board’s understanding of economic and financial conditions, financial stability, and the impact and efficacy of monetary policy.
 - Submitted the semiannual *Monetary Policy Report*, in February and June, to the Senate Committee on Banking, Housing, and Urban Affairs and to the House Committee on Financial Services, along with Chair Powell’s supporting testimony.³³
 - Published the semiannual *Financial Stability Report*, in May and November, which included analysis of the effects of actions taken to support the economy and financial stability during the COVID-19 pandemic.³⁴
 - Hosted the international Group of Seven (G7).
 - Organized the G7 deputies, in close coordination with the U.S. Treasury, meeting in Baltimore in early March, and then transitioning to virtual meetings thereafter.
 - Co-led the G7 Digital Payments Experts Group, culminating in the report on *Central Bank Digital Currencies: Foundational Principles and Core Features*.³⁵

²⁹ Additional information on the Board’s public outreach programs to foster awareness can be found at <https://www.federalreserve.gov/economic-disparities-outreach.htm>.

³⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20201120a.htm>.

³¹ *The United States: Financial System Stability Assessment* is available on the IMF’s website at <https://www.imf.org/en/Publications/CR/Issues/2020/08/07/United-States-Financial-System-Stability-Assessment-49651>.

³² See the ECB’s website at https://www.ecb.europa.eu/pub/conferences/html/20201111_ecb_forum_on_central_banking.en.html.

³³ See the Federal Reserve’s website at https://www.federalreserve.gov/monetarypolicy/mpr_default.htm.

³⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/financial-stability-report.htm>.

³⁵ Bank for International Settlements, *Central Bank Digital Currencies: Foundational Principles and Core Features* (Basel: BIS, 2020), <https://www.bis.org/publ/othp33.pdf>.

Objective 1.4: Broaden capabilities to effectively and efficiently fulfill the Board’s research mission through investment in people, technology, and data.

- Ensure applicable expertise and a broad range of perspectives are available and used in economic research and analysis to strengthen understanding of economic developments and their implications for monetary policy and financial stability.
 - Continued to update recruiting practices to increase diversity of backgrounds of economist candidates.
 - Revised job advertisements to reflect diversity and inclusion (D&I) policies.
 - Asked candidates for a diversity statement.
 - Updated candidate evaluation criteria.
 - Developed recruiting best practices that promote skill-based candidate evaluation to overcome implicit biases and network effects.
 - Took concrete actions to improve the communication of potential research projects, allocation of assignments, and dissemination of research priorities through centralized processes to create a more-equitable distribution of opportunities for career growth.
 - Developed processes, such as internal blogs, to solicit alternative views and disseminated improved guidance on making meetings and seminars more inclusive.
 - Continued to provide economists and staff time to pursue self-directed, mission-relevant research.
- Enhance technological and data capabilities to conduct research, analysis, monitoring, and measurement that inform the public and policymakers, while meeting cybersecurity standards.
 - Expanded use of highly parallel distributed computing and storage capabilities and deployed a new technical architecture to expand the use of advanced machine learning on graphical processing units.
 - Promoted broader use of interactive visualization tools to provide effective exploratory analysis of complex and high-frequency data and utilized advanced data production pipelines to include more version control, robustness to errors, and reproducibility.
- Worked with researchers and analysts across the System to reduce redundancies in processing a large bank regulatory filings data set for policy and research purposes and simplify the use of these critical data with other data sets.
- Enhance the Board’s ability to collaborate with internal and external colleagues on research and analysis through technology, automation, infrastructure, and process advancements.
 - Supported early adopters in a testing group for enterprise collaboration tools on cloud-based software to enhance internal collaboration by supporting mobile devices and persistent chat.
 - Worked to solve common storage and sharing challenges encountered when using data to perform policy and research work.
- Sustain and nurture an inclusive culture and support a collaborative environment that encourages diversity of perspectives.
 - Developed a Workplace Inclusion Core Values statement, a Gender Identity Inclusion campaign, guidance for inclusive meetings, and a mandatory “Green Dot” Bystander Training program.
 - Held monthly economics divisions’ D&I Council meetings, open to all staff, to discuss topics and initiatives related to D&I topics.
 - Created a curated list of books, articles, movies, and other materials that staff can reference to learn about D&I issues.
 - Launched a “Policy Chat” series to encourage informal conversation among staff members and share information relating to policy issues of interest.
 - Instituted a “Workplace Ally” program to offer staff an additional outlet to discuss workplace concerns.
 - Trained current research assistants and Board staff to lead recurring virtual office hours for prospective research assistants.
 - Continued outreach to diverse organizations within the economics profession, universities, and high schools, and collaborated on developing best practices for virtual outreach efforts.

- Hosted, via webcast, the *Meet the Fed: Board Economists and the Job Market* seminar, with over 70 external participants.
- Hosted a virtual seminar with Chair Powell for participants in the American Economic Association Summer Program.
- Held a question and answer session with Vice Chair Clarida for 45 FedEd and Advanced Placement Economics high school students.

Monetary Policy and Financial Stability COVID-19 Response

With the onset of the COVID-19 pandemic, work focused immediately on tracking and assessing its effects on the economy and the financial system. In light of the unprecedented uncertainty associated with the pandemic, a range of approaches were employed to assess the rapidly changing environment and to support the policymaking process. For example, staff produced alternative scenarios to assess the many possible ways the pandemic could evolve and influence global economic and financial outcomes. Other analysis evaluated the effects on financial conditions and on the economy of monetary and fiscal policy actions taken to mitigate the economic fallout.

In addition, the organization developed methodologies, in some cases partnering with private institutions, to produce and assess a variety of nontraditional, high-frequency indicators to help gauge economic developments. The organization monitored changes to domestic and global financial systems and analyzed developments in the trading of U.S. Treasury securities and the behavior of market participants. Additionally, the organization designed and implemented, together with partner agencies, emergency facilities, temporary swap lines, and repurchase operations to stabilize financial conditions, restore smooth market functioning, and ensure that credit to households and businesses remained available.

Key activities taken under the Monetary Policy and Financial Stability Goal area are listed below.

- Issued FOMC statements reaffirming the Federal Reserve's commitment to using its full range of tools to support the U.S. economy in this challenging time, thereby promoting its maximum employment and price stability goals.
- Evaluated the observed and potential effects of the pandemic on the banking sector, and especially focused on the potential implications of the crisis for credit availability and the financial condition of depository institutions.
- Analyzed the acute stresses in core financial markets in the early spring and the roles of different types of financial institutions.
- Convened two unscheduled FOMC meetings in March 2020 to proactively address the near-term consequences of the pandemic on the economy, resulting in the lowering of interest rates to near zero in order to bring down borrowing costs and support the economy.
 - Rapidly pivoted to conducting FOMC meetings in a fully remote environment while ensuring adherence to information security and record management standards.
- Analyzed the international economic and financial stability consequences of the COVID-19 pandemic and policy responses abroad, adjusting projections and assessment of uncertainty, tracking financial stability risks, and altering existing and designing new products to improve understanding of the rapidly evolving economic situation.
- Established facilities that had the capacity to provide up to \$2.3 trillion in lending to support the economy and enable the flow of credit, with financial backing from the Congress and U.S. Treasury. Though actual lending volumes were much lower than that capacity, market participants stressed that the presence of the facilities as potential backstops if conditions deteriorated allowed private credit markets to function more normally throughout 2020.³⁶ The facilities included the below programs:
 - Primary and Secondary Market Corporate Credit Facilities (PMCCF and SMCCF)*: Increasing the flow of credit through capital markets by buying a broad and diversified portfolio of corporate bonds to support market liquidity and the availability of credit for large employers; the PMCCF and SMCCF are administered by the FRB New York.

³⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/funding-credit-liquidity-and-loan-facilities.htm>.

—*Term Asset-Backed Securities Loan Facility (TALF)*: Broadening the range of eligible assets than the previous version of the TALF; including the triple-A-rated tranches of both outstanding commercial mortgage-backed securities and newly issued collateralized loan obligations; the TALF is administered by the FRB New York.

—*Money Market Mutual Fund Liquidity Facility (MMLF)*: Making loans available through the FRB Boston to eligible financial institutions secured by high-quality assets purchased by the financial institutions from money market mutual funds to ensure the flow of credit to households and businesses.

—*Commercial Paper Funding Facility (CPFF)*: Providing liquidity to U.S. issuers of commercial paper in the event that credit was not available in the market. By providing liquidity to the commercial paper market, the CPFF encouraged investors to resume lending in the market; the CPFF is administered by the FRB New York.

—*Primary Dealer Credit Facility (PDCF)*: Offering overnight and term funding with maturities up to 90 days to allow primary dealers to support smooth market functioning and facilitate the availability of credit to businesses and households; the PDCF is administered by the FRB New York, with operational assistance provided by the FRB Atlanta and FRB Chicago.

—*Main Street Lending Program (MSLP)*: Ensuring credit flows to small and mid-sized businesses, administered by the FRB Boston, by purchasing up to \$600 billion in eligible loans, which included five-year loans to companies in good standing that employ less than 15,000 workers or with revenues of less than \$5 billion.

—*Paycheck Protection Program Liquidity Facility (PPPLF)*: Supplying liquidity to participating financial institutions through term financing backed by loans to small businesses that are guaranteed by the Small Business Administration's Paycheck Protection Program (PPP); the PPPLF is administered by the FRB Minneapolis.

—*Municipal Liquidity Facility (MLF)*: Helping state and local governments manage cash flow stresses caused by the COVID-19 pandemic by offering up to \$500 billion in lending to states and municipalities; the MLF is administered by the FRB New York.

- Committed to providing the public and Congress detailed information about the Federal Reserve's actions to support the economy during the COVID-19 pandemic, including disclosing the names of borrowers from several of its emergency lending facilities backed by U.S. taxpayer money from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- Filed reports with the Congress pursuant to section 13(3) of the Federal Reserve Act concerning the lending facilities established by the Board.
- Chair Powell testified on the CARES Act before the Committee on Banking, Housing, and Urban Affairs, U.S. Senate.³⁷
- Released official correspondence from Chair Powell to U.S. Treasury Secretary Mnuchin to indicate forthcoming arrangements to return the unused portion of the funds allocated to the CARES Act facilities in connection with their year-end termination.³⁸
- Announced an extension, through March 31, 2021, for several Federal Reserve lending facilities that were generally set to expire on December 31, 2020.³⁹
- Issued a statement encouraging depository institutions to utilize intraday credit extended by the FRBs on both a collateralized and uncollateralized basis.⁴⁰
 - Subsequently, announced the extension of temporary actions aimed at increasing the availability of intraday credit.⁴¹
- Effective March 26, the Board reduced reserve requirement ratios to zero percent.⁴²
- Directed efforts, in collaboration with the FRB New York, to rapidly expand the dollar liquidity provision of the Federal Reserve's standing swap lines with five major central banks, to reinstitute dollar swap facilities with the nine additional cen-

³⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/testimony/powell20201201a.htm>.

³⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/foia/letter-from-chair-powell-to-secretary-mnuchin-20201120.htm>.

³⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201130a.htm>.

⁴⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20200423a.htm>.

⁴¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20201001a.htm>.

⁴² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>.

tral banks that received such swap lines during the global financial crisis, and to design and implement a foreign and international monetary authorities (FIMA) repurchase agreement (repo) facility. These facilities delivered approximately \$500 billion in global liquidity.

—Announced the extension of the Board temporary U.S. dollar liquidity swap lines and the temporary repurchase agreement facility for FIMA repo facilities through September 31, 2021.⁴³

- Issued two statements, as a result of the pandemic, to temporarily change the supplementary leverage ratio.

—An interim final rule that made temporary changes to ease strains in the U.S. Treasury market and increase banking organization ability to provide credit to households and businesses.⁴⁴

—A joint statement, together with the FDIC and OCC, to increase banking organizations' ability to support credit to households and businesses.⁴⁵

⁴³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201216c.htm>.

⁴⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200401a.htm>.

⁴⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200515a.htm>.

- Board Members spoke at a wide variety of events and participated in numerous panel discussions to convey the Federal Reserve's approach and proactive response to supporting the economy.⁴⁶
- Acquired additional sources of high-frequency data from a variety of public and private organizations to improve the analysis and forecasts provided to the Board and FOMC, including indicators of service-sector activity, aggregated measures of population mobility, and aggregate information on pandemic including case counts, hospitalizations, and deaths.⁴⁷
- Updated processes and security measures for the deployment of computing equipment; enhancements to support automation, applications, processes, and infrastructure; and delivery of access to collaboration tools, mobile contingency information and employee lists, and other technology solutions to enable effective collaboration with internal and external colleagues.

⁴⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speeches.htm>.

⁴⁷ The Board's program to use high-frequency data for economic measurement and to improve understanding of economic developments increased in importance during the pandemic, as such data better capture rapid changes, are typically timelier than other data, and frequently have levels of granularity not found elsewhere.

Supervision

Goal 2: Promote safety, soundness, and stability of financial institutions and consumer protection through supervision and regulation.

Objective 2.1: Continue to refine rules, practices, and tools to enhance the efficiency and effectiveness of supervision.

Projects and Initiatives

- **Identify and implement refinements to supervision that appropriately enhance transparency, promote accountability, and maintain fairness.**
 - Adopted a final rule to simplify and increase the transparency of the rules for determining control of a banking organization.⁴⁸
 - Adopted a final rule to simplify the capital rules for large banks, preserving the strong requirements already in place.⁴⁹
 - Adopted a final rule to implement technical, clarifying updates to the Freedom of Information Act (FOIA) procedures and changes to rules for the disclosure of confidential supervisory information.⁵⁰
 - Issued joint statement SR 20-19, together with the FDIC, NCUA, and OCC that further clarifies enforcement of the Bank Secrecy Act (BSA) and the conditions that require the issuance of a mandatory cease and desist order under section 8(s) of the Federal Deposit Insurance Act

and section 206(q) of the Federal Credit Union Act.⁵¹

- Issued a joint regulatory statement and press release, together with the FDIC, Financial Crimes Enforcement Network (FinCEN), NCUA, and OCC, providing additional information for certain BSA due diligence requirements.⁵²
- Held an Open Board Meeting to vote on the release of an Advance Notice of Proposed Rule-making (ANPR) on an approach to modernize regulations that implement the Community Reinvestment Act (CRA).⁵³
- Issued a proposal for public comment that would update the Board’s capital planning requirements to be consistent with the Board’s tailoring framework, finalized in October 2019, including that firms in the lowest risk category are on a two-year stress test cycle and are not subject to company-run stress test requirements.⁵⁴
- Announced, together with the CFPB, FDIC, OCC, and NCUA, a public comment period on a joint proposal outlining and confirming the agencies’ use of supervisory guidance for regulated institutions.⁵⁵

⁴⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200130a.htm>.

⁴⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200304a.htm>.

⁵⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200724a.htm>.

⁵¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2019.htm>.

⁵² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200821a.htm>.

⁵³ See the Federal Reserve’s website at <https://www.federalreserve.gov/aboutthefed/boardmeetings/20200921open.htm>.

⁵⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200930a.htm>.

⁵⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201029a.htm>.

- Issued guidance describing financial institutions which are subject to the Large Institution Supervision Coordinating Committee program.⁵⁶
- Finalized rule to extend by 18 months the initial compliance dates for certain parts of the single-counterparty credit limit rule.⁵⁷
- Finalized the modernization of the Board’s independent, intra-agency process to review appeals of material supervisory determinations.⁵⁸
- Issued final rule modifying the annual assessment fees for supervision and regulation of large financial companies.⁵⁹
- Issued two joint final rules, together with the FDIC and OCC, related to large banks:
 - Reduced the impact of large-bank failures by limiting the interconnectedness and impact from failure of the largest banking organizations.
 - Strengthened resilience of large banks by requiring them to maintain a minimum level of stable funding over a one-year period.⁶⁰
- Issued CA Letter, CA 20-9, to inform state member banks of a recent determination made under the Public Welfare Investment provision of the Federal Reserve Act that certain investments in “elevated poverty areas” qualify as investments in low- or moderate-income areas.⁶¹
- Enhance community bank supervision through improvements in efficiency, communication, outreach, and regulatory coordination.
- Announced, together with the CFPB and OCC, that the threshold for exempting smaller loans from special appraisal requirements for higher-priced mortgage loans during 2021 would remain the same as the exemption threshold from the prior year.⁶²
- Engaged with representatives from state chapters of the American Banker Association to better understand their concerns involving supervision for the CRA and fintech, as well as other topics of interest on tailoring of supervisory oversight for community banks.
- Provided community banks with information about emerging risks, changing regulations and guidance, and other topics of interest, including expanded content in connection with the COVID event via the quarterly editions of the *Community Bank Connections* and *Consumer Compliance Outlook* publications.⁶³
- Sponsored the Community Banking in the 21st Century research and policy conference, together with the FDIC and Conference of State Bank Supervisors (CSBS), to bring together community bankers, academics, policymakers, and bank regulators to discuss the latest research on community banking.⁶⁴
- Engaged in outreach and communications through the *Ask the Fed* program, doubling the number of registrants and tripling the number of sessions offered from 2019 to 2020.
- Governor Bowman and System Supervision leadership conducted an *Ask the Fed* program to provide an update on the Federal Reserve’s examination pause and supervisory posture for small banks during the COVID event.
- Governor Bowman conducted direct outreach with the chief executive officers of more than 100 state member community banks and regional banking organizations.

⁵⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/sr2030.htm>.

⁵⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200501a.htm>.

⁵⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2028.htm>.

⁵⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201119a.htm>.

⁶⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201020a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201020b.htm>.

⁶¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2009.htm>.

⁶² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201118a.htm>.

⁶³ See the *Community Bank Connections* at <https://www.communitybankingconnections.org/> and the *Consumer Compliance Outlook* at <https://consumercomplianceoutlook.org/>.

⁶⁴ See website at <https://www.communitybanking.org/>.

Objective 2.2: Improve forward-looking risk-identification and assessment capabilities to inform policy and support timely and effective risk mitigation through supervision.

- Enhance the supervision and regulation of operational resilience for supervised firms.
 - Announced, together with the FDIC and OCC, a proposal that would require supervised banking organizations to promptly notify their primary federal regulator in the event of a computer security incident.⁶⁵
 - Issued a notice of proposed rulemaking with the FDIC and OCC to require banking organizations to provide notifications to their regulators of computer security incidents.⁶⁶
- Monitor financial markets’ consumer compliance risks to inform and direct supervision.
 - Released a joint paper, *Sound Practices to Strengthen Operational Resilience*, with the FDIC and OCC on operational resilience, including practices that are grounded in effective governance and risk-management techniques, consider third-party risks, and include resilient information systems.⁶⁷

Objective 2.3: Further promote transparency, accountability, communication, diversity of perspectives, and public outreach to support the System’s supervisory responsibilities.

- Implement new capabilities and conduct regular outreach for sharing and exchanging information with external constituencies and diverse stakeholders.

⁶⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201218a.htm>.

⁶⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201218a.htm>.

⁶⁷ Board of Governors of the Federal Reserve System, FDIC, and OCC, “Agencies Release Paper on Operational Resilience,” news release, October 30, 2020, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201030a.htm>.

- Released the *Minority Depository Institutions (MDI) Annual Report to the Congress* detailing the actions taken to fulfill requirements outlined in section 308 of the FIRREA of 1989, as amended by the Dodd-Frank Act.⁶⁸
- Partnered with the FRB Kansas City on development and promotion of “Banking and the Economy: A Forum for Minorities in Banking” virtual conference; the forum was designed to gather high-potential middle management to senior-level minority leaders in the financial services sector and deliver industry, leadership, and professional development experiences that will enhance their careers and networks.
- Hosted a conference on bank supervision, together with Harvard Law School and the Wharton School of the University of Pennsylvania, entitled “Bank Supervision: Past, Present, and Future;” Vice Chair for Supervision Quarles spoke via webcast, on the evolution of bank supervision.⁶⁹
- Published the semiannual *Supervision and Regulation Report* summarizing banking conditions and the Federal Reserve’s supervisory and regulatory activities, in conjunction with semiannual testimony before Congress by Vice Chair for Supervision Quarles.⁷⁰

Objective 2.4: Further improve supervisory and regulatory activities to support financial system stability.

- Investigate new ways to identify risks impacting financial stability.
 - Announced the Board was joining the global Network of Central Banks and Supervisors for Greening the Financial System, which supports the exchange of ideas, research, and best prac-

⁶⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/2020-may-preserving-minority-deposit-institutions.htm>.

⁶⁹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/quarles20201211a.htm>.

⁷⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>. Video recording of Vice Chair for Supervision Quarles’s testimony is available from both the U.S. Senate Committee on Banking, Housing, and Urban Affairs hearing on November 10 at <https://www.banking.senate.gov/hearings/10/23/2020/oversight-of-financial-regulators> and the U.S. House Committee on Financial Services hearing on November 12 at <https://financialservices.house.gov/calendar/eventsingle.aspx?EventID=406870>.

tices on the development of environment and climate risk management for the financial sector.⁷¹

—Conducted the Dodd-Frank Act Stress Tests and published the results in June 2020 along with additional sensitivity analysis.⁷²

- Created multiple hypothetical severe recession scenarios to support additional sensitivity analysis to explore banking sector resilience given pandemic driven uncertainty in the economic outlook.⁷³

- Released, in December of 2020, the results of a second round of stress tests, which showed that large banks had strong capital levels under two separate hypothetical recessions.⁷⁴

- Collaborate with domestic and international groups to maintain coordination, develop policies and approaches, and gain broader understanding of the economy and the financial system.

—Hosted a three-day virtual workshop for consumer-risk professionals from agencies throughout the government charged with overseeing consumer protection in financial services; five sessions of the seminar focused on balancing macro- and micro-consumer risks with data-driven tools and innovative techniques for identifying heightened risks to consumers.

—Engaged with peers at domestic and international agencies to understand various viewpoints and inform the Board’s efforts; participated in the following international working groups.

- Financial Stability Board (FSB)
- G7 Digital Payments Experts Group
- G7 Technical Experts on Cross Border Data in Financial Services

- Group of Twenty (G20) Framework Working Group on Strong, Sustainable, and Balanced Growth

- G20 International Financial Architecture Working Group

- The Bureau of the Comptroller and Global Financial Services (CGFS) Working Group on Dollar Funding

- CGFS Working Group on Changing Pattern of Capital Flows

- Developed new Financial Stability Oversight Council (FSOC) guidance for nonbank financial company designations that implements an activities-based approach for identifying and addressing potential risks to financial stability.⁷⁵

- Provided and coordinated support for the Board members’ participation in the FSOC, FSB (including Vice Chair for Supervision Quarles’ chairmanship of the FSB), and other domestic and international meetings related to financial stability throughout the year, including substantial contributions to multiple staff-level workstreams and committees.

- Released a joint statement, together with the FDIC, NCUA, OCC, and state regulators, recognizing the serious impact of Hurricane Laura and the California wildfires on the customers and operations of many financial institutions and will provide appropriate assistance to affected institutions subject to their supervision.⁷⁶

Objective 2.5: Broaden capabilities to effectively and efficiently execute supervisory responsibilities through investment in people, technology, and data.

- Investigate the use of new and emerging technologies to improve supervisory activities and examination processes.

—Issued SR Letter, SR 20-20, on the new process to facilitate the electronic collection and transmission of fingerprints to the Federal Bureau of Investigation for background investigations

⁷¹ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201215a.htm>.

⁷² See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200625c.htm>.

⁷³ The Federal Reserve’s 2020 stress testing and the December 2020 capital plan resubmissions are discussed further in the Supervision COVID-19 Response section below. More information is also available in the Federal Reserve’s *Supervision and Regulation Reports* at <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

⁷⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201218b.htm>.

⁷⁵ See the FSOC’s final guidance at <https://home.treasury.gov/system/files/261/Interpretive-Guidance-on-Nonbank-Financial-Company-Determinations.pdf>.

⁷⁶ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200901b.htm>.

associated with changes to the board of directors or executive management of supervised financial institutions.⁷⁷

—Prepared for the Board’s January 2021 symposium on the use of artificial intelligence (AI) in financial services focused on understanding AI’s application to financial services, assessing meth-

⁷⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2020.htm>.

ods for managing risks arising from this technology, and determining where banking regulators can support responsible use of AI.⁷⁸

- Enhance the efficiency of mergers and acquisitions applications processes.

—Resources were reallocated to other critical priorities.

⁷⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/brainard20210112a.htm>.

Supervision COVID-19 Response

During the COVID-19 pandemic in 2020, the Federal Reserve's supervision function supported the economy by providing supervisory relief measures to regulated entities, encouraging financial institutions to work prudently with borrowers, and conducting outreach to help financial institutions of all sizes as they adapted to the challenges and risks of the current environment. Key activities taken under the Supervision Goal in response to the COVID-19 pandemic are listed below.

Supervisory Actions

- Shifted the overall supervisory approach in response to the COVID-19 pandemic.
 - Allowed firms to focus on heightened risks and assist consumers, granting additional time for resolving noncritical existing supervisory findings.
 - Temporarily reduced examination activities, in March of 2020, to minimize disruption at financial institutions, with the greatest reduction in activities occurring at the smallest banks.⁷⁹ In June of 2020, announced a resumption of examination activities after firms had time to implement contingency operating plans and adapt their operations.⁸⁰
 - Used the 33 large-bank capital plans submitted for the Board's Comprehensive Capital Analysis and Review (CCAR) to monitor how firms managed their capital during the COVID-19 pandemic.
- Encouraged financial institutions to review guidance previously issued in 2013 (SR 13-6/CA 13-3 Letter) with respect to major disasters or emergencies.⁸¹
 - Issued joint regulatory agency CA Letter, CA 20-4, indicating that agencies will favorably consider retail banking services and retail lending activities in a financial institution's assessment areas that are responsive to the needs of low- and moderate-income individuals, small businesses, and small farms affected by the COVID-19 pandemic consistent with safe and sound banking practices.⁸²
- Issued an interagency statement, together with the FDIC and OCC, encouraging banks to use the Federal Reserve's discount window.⁸³
- Engaged in extensive outreach and communications to help examiners and supervised firms stay informed of the Federal Reserve's actions and their impact, including posting responses to public Frequently Asked Questions (FAQs) and internal FAQs for System supervision staff, and conducting *Rapid Response*, *Ask the Fed*, and *Ask the Regulators* webinar sessions to discuss the latest supervisory and regulatory developments.⁸⁴
- Issued a statement, together with the FDIC and OCC, and following the Board's March 15 statement, on the use of capital and liquidity buffers.⁸⁵
 - The March 15 statement encouraged banks to use their capital and liquidity buffers as they lend to households and businesses who are affected by the COVID-19 pandemic and for

⁷⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200324a.htm>.

⁸⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200615a.htm>.

⁸¹ See SR 13-6/13-3 Letter at Federal Reserve's website <https://www.federalreserve.gov/supervisionreg/srletters/sr1306.htm>; and SR 20-4/CA 20-3 Letter at <https://www.federalreserve.gov/supervisionreg/srletters/SR2004.htm>.

⁸² See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2004.htm>.

⁸³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20200316a1.pdf>.

⁸⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/covid-19-supervisory-regulatory-faqs.htm>.

⁸⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200317a.htm>.

banks to use their capital and liquidity buffers to lend and undertake supportive actions in a safe and sound manner.⁸⁶

- Issued SR Letter SR 20-6, informing supervised financial institutions that the Cybersecurity and Infrastructure Security Agency (CISA) of the Department of Homeland Security has identified essential critical infrastructure workers in the financial services sector.⁸⁷
- Announced the Federal Reserve will not take action against a financial institution with \$5 billion or less in total assets for submitting its March 31, 2020, Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) or Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11) after the official filing deadline.⁸⁸
- Issued a joint statement, SR 20-7/CA 20-5, together with the CFPB, FDIC, NCUA, and OCC, encouraging banks, savings associations, and credit unions to offer responsible small dollar loans to consumers and small businesses in response to the COVID-19 pandemic.⁸⁹
- Issued a joint policy statement with the CFPB, CSBS, FDIC, NCUA, and OCC providing needed regulatory flexibility to enable mortgage servicers to work with struggling consumers affected by the COVID-19 pandemic.⁹⁰
- Issued a revised interagency statement, together with the CFPB, FDIC, NCUA, and OCC, encouraging financial institutions to work constructively with borrowers affected by the COVID-19 pandemic and providing additional information regarding loan modifications. The revised statement also provided the agencies' views on consumer protection considerations.⁹¹
- Issued SR Letter, SR 20-10, informing supervised financial institutions about several forms of relief available to small businesses affected by the COVID-19 pandemic as a result of the CARES Act.⁹²
- Issued a joint statement with the FDIC to extend comment period on updates to resolution plan guidance for large foreign banks.⁹³
- Issued a joint press release with the FDIC to extend two resolution plan deadlines for Barclays, Credit Suisse, Deutsche Bank, and UBS, as well as banks in Category II and Category III of the large bank regulatory framework.⁹⁴
- Issued interagency examiner guidance, SR 20-15, together with the FDIC, NCUA, and OCC and in conjunction with state financial regulators, for assessing safety and soundness considering the effect of the COVID-19 pandemic on institutions.⁹⁵
- Issued a joint regulatory letter, SR 20-18/CA 20-13 Letter, together with the FFIEC, to provide risk-management principles relevant to institutions that work with their borrowers as loans near the end of initial loan accommodation periods related to the pandemic.⁹⁶
- Announced an extension for several measures to ensure that large banks maintain a high level of capital resilience, including prohibiting banks with more than \$100 billion in total assets from making share repurchases and capping dividend payments to a formula based on recent income.⁹⁷
- Actively monitored the performance and operational preparedness of several financial market intermediaries (FMIs) as well as the FRB financial services and open market operations during the COVID-19 pandemic.

⁸⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>.

⁸⁷ For more information, please see the March 24, 2020, press release from the U.S. Department of the Treasury, <https://home.treasury.gov/news/press-releases/sm956>; and SR 20-6 Letter at <https://www.federalreserve.gov/supervisionreg/srletters/SR2006.htm>.

⁸⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200326b.htm>.

⁸⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200326a.htm>; SR 20-7/CA 20-5 Letter is available at <https://www.federalreserve.gov/supervisionreg/srletters/SR2007.htm>.

⁹⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200403a.htm>.

⁹¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200407a.htm>.

⁹² See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2010.htm>.

⁹³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200427a.htm>.

⁹⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200506a.htm>.

⁹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/sr2015.htm>.

⁹⁶ See the Federal Reserve's website at The Fed - SR 20-18 / CA 20-13: Joint Statement on Additional Loan Accommodations Related to COVID-19 (federalreserve.gov) and the joint letter at https://www.ffiec.gov/press/PDF/Statement_for_Loans_Nearing_the_End_of_Relief_Period.pdf.

⁹⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200930b.htm>.

- Engaged extensively with stakeholders including other U.S. and foreign financial regulatory agencies and foreign central banks to ensure effective information sharing and coordination.
- Contributed to four workstreams formed under the FSB to evaluate financial stability issues associated with the COVID-19 pandemic.

Regulatory Actions

- Announced an interim final rule, together with the FDIC and OCC, modifying the agencies' capital rules so that financial institutions receive credit for the low risk of their MMLF activities, reflecting the fact that institutions would be taking no credit or market risk in association with such activities.⁹⁸
- Adopted an interim final rule, across the federal banking agencies that revises the definition of eligible retained income.⁹⁹
- Announced an interim final rule to convey a technical change supporting the economy and allowing banks to continue lending to creditworthy households and businesses.¹⁰⁰
- Announced two actions, together with the FDIC and OCC, to support the U.S. economy and allow banking organizations to continue lending to households and businesses.¹⁰¹
 - Allowed early adoption of a new methodology on how certain banking organizations are required to measure counterparty credit risk derivatives contracts.
 - Provided an optional extension of the regulatory capital transition for the new credit loss accounting standard.
- Issued a joint statement, together with the FDIC and OCC, to clarify the interaction between the Revised Transition of the Current Expected Credit Losses Methodology for Allowances interim final rule and the CARES Act for purposes of regulatory capital requirements.¹⁰²

⁹⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200319a.htm>.

⁹⁹ See the Federal Reserve's website at <https://www.federalregister.gov/documents/2020/03/20/2020-06051/regulatory-capital-rule-eligible-retained-income>.

¹⁰⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200323a.htm>.

¹⁰¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200327a.htm>.

¹⁰² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200331a.htm>.

- Announced a six-month delay of the effective date for the Federal Reserve's revised framework for determining when one company controls another company for purposes of the Bank Holding Company Act and Home Owners' Loan Act, to reduce operational burden and allow institutions to focus on current economic conditions.¹⁰³
- Announced the issuance of two interim final rules, together with the FDIC and OCC, providing temporary relief to community banking organizations and implementing a requirement under the CARES Act for the agencies to temporarily lower the community bank leverage ratio.¹⁰⁴
 - The community bank leverage ratio was 8 percent beginning in the second quarter 2020 and for the remainder of calendar year, 8.5 percent for calendar year 2021, and 9 percent thereafter.
 - The interim final rules maintain a two-quarter grace period for a qualifying community banking organization whose leverage ratio falls no more than 1 percent below the applicable community bank leverage ratio.
- Announced an interim final rule, together with the other federal bank regulatory agencies, to encourage lending to small businesses through the Small Business Administration's PPP.¹⁰⁵
- Announced an interim final rule to amend Regulation D (Reserve Requirements of Depository Institutions) to allow customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits at a time when financial events associated with the coronavirus pandemic have made such access more urgent.¹⁰⁶
- Finalized rule to extend by 18 months the initial compliance dates for certain parts of its single-counterparty credit limit rule.¹⁰⁷
- Announced an interim final rule, together with the FDIC and OCC, modifying the agencies' liquidity coverage ratio (LCR) rule to support banking

¹⁰³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200406a.htm>.

¹⁰⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200409a.htm>.

¹⁰⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200424a.htm>.

¹⁰⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200501a.htm>.

¹⁰⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200505a.htm>.

organizations' participation in the MMLF and PPPLF.¹⁰⁸

- Announced the issuance of three joint final rules, together with the FDIC and OCC.¹⁰⁹
 - A final rule that temporarily modifies the community bank leverage ratio, as required by the CARES Act.
 - A final rule that makes more gradual the automatic restrictions on distributions if a banking organization's capital levels decline below certain levels, as intended.
 - A final rule that allows institutions that adopt the current expected credit losses (CECL) accounting standard in 2020 to mitigate the estimated effects of CECL on regulatory capital for two years.
- Issued two final rules, together with the FDIC and OCC, which are either identical or substantially similar to interim final rules currently in effect and issued earlier in the year.¹¹⁰
 - An interim final rule, with the CFPB, FDIC, NCUA, and OCC, to temporarily defer real estate-related appraisals and evaluations under the agencies' interagency appraisal regulations.
 - A final rule that neutralizes, due to the lack of credit and market risk, the regulatory capital and liquidity effects for banks that participate in certain Federal Reserve liquidity facilities.
- Announced an interim final rule, together with the FDIC and OCC, providing temporary relief for

¹⁰⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200826a.htm>.

¹⁰⁹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200929a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20200929a1.pdf>.

¹¹⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200929a.htm> and <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20200929a1.pdf>.

certain banking organizations related to certain regulations and reporting requirements as a result, in large part, of their growth in size from the COVID-19 pandemic response.¹¹¹

Consumer-Related Actions

- Issued guidance, together with the CFPB, CSBS, FDIC, NCU, and OCC, to encourage financial institutions to meet financial needs of customers and members affected by the pandemic.¹¹²
- Issued CA Letter, CA 20-7, responding to state member banks' questions on flood insurance compliance requirements during the national emergency due to the COVID-19 pandemic.¹¹³
- Issued joint supervisory CA Letter, SR 20-14/CA 20-8, to encourage supervised banks, savings associations and credit unions (collectively, "financial institutions") to offer responsible small-dollar loans to their customers for both consumers and small businesses.¹¹⁴
- Issued CA Letter, CA 20-10, FAQs on the CRA consideration for activities in response to the COVID-19 pandemic, to clarify the corresponding March 19, 2020, statement on CRA on how agencies will consider activities responsive to community needs.¹¹⁵
- Issued CA Letter, CA 20-11, to develop examination procedures for the credit reporting and mortgage servicing provisions of the CARES Act.¹¹⁶

¹¹¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20201120a.htm>.

¹¹² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200309a.htm>.

¹¹³ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2007.htm>.

¹¹⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/srletters/SR2014.htm>.

¹¹⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2010.htm>.

¹¹⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/supervisionreg/caletters/caltr2011.htm>.

Payment System and Reserve Bank Oversight

Goal 3: Foster a safe, efficient, and accessible payment and settlement system through Reserve Bank oversight.

Objective 3.1: Support payment infrastructure modernization to serve changing stakeholder needs.

Projects and Initiatives

- **Conduct policy analysis of expanding operating hours for the Fedwire Funds Service and National Settlement Service in conjunction with Reserve Banks.**
 - Assessed policy and operational considerations related to expanded operating hours for Federal Reserve wholesale services; actively engaged with Board and System principals and leadership to understand the implications, including costs and risks, of expanding wholesale operating hours up to 24x7x365.
 - Announced details of the *FedNow* Service, the new 24x7x365 interbank settlement service, with clearing functionality to support instant payment in the U.S.
- Support efforts to build the *FedNow* Service by working collectively with the Reserve Banks, including assessing public comments and issuing applicable notice in the *Federal Register*.
 - Worked with the FRBs to advance possible partnerships to implement the *FedNow* Service while also considering desired features of the service.
 - Announced the Board’s approval of the *FedNow* Service’s visual identity and features.
- Conduct research and support international efforts related to digital innovations in payments.
 - Progressed work on the discovery and design phases of a new mobile app to supplement the web-based training course on uscurrency.gov.

- Advanced the Board’s research and experimentation with distributed ledger technology platforms and digital currencies.
 - Began work with the BIS and select central banks on the opportunities around central bank digital currencies.
 - Contributed to G20 priorities on enhancing cross-border payments and regulation and supervision of stablecoins by participating in the FSB, Committee on Payments and Market Infrastructures (CPMI), and CPMI-International Organization of Securities Commission.
- Coordinated holistic Boardwide research and analysis of stablecoins.

Objective 3.2: Maintain an effective and secure U.S. currency program.

- Identify opportunities to enhance and sustain production and new banknote design processes at the Bureau of Engraving and Printing (BEP) to improve the performance, cost, and quality of Federal Reserve notes.
 - Worked with the BEP to ensure rapid release of quality \$20 banknotes, using a streamlined quality hold review process to meet increased demand.
 - Resumed work on the \$100 Federal Reserve banknote testing facility in Washington, DC, including restarting production of the \$100 banknotes to address the increased demand.
 - Co-led the Design/Catalyst Pilot to assess the Banknote Development Plan to evaluate the next family of banknotes and provide manufacturing information for counterfeit resistance,

new security features, and integration into a test design.

- Pursue research and education strategies to advance counterfeit deterrence capabilities and support public confidence in the integrity and availability of Federal Reserve notes.
 - Established the U.S. Currency Program Adversarial Analysis Working Group to coordinate and lead strategy and research around the counterfeit resilience of security features.
 - Progressed future U.S. government counterfeit processing capabilities, as well as launched an initiative to determine end-user needs for counterfeiting information across the U.S. government.
 - Hosted counterfeit training webinars with the central banks of Ecuador, El Salvador, and Honduras.
 - Communicated to businesses and consumers about currency issues, including disseminating information about changes in counterfeit currency processing capabilities and providing information about the circulation of older design \$100 notes.

Objective 3.3: Continue evolving Reserve Bank oversight approach.

- Enhance capabilities to assess Reserve Bank risk-management activities, including information sharing and accountability for fiscal stewardship.
 - Announced the approval of fee schedules, effective January 4, 2021, for payment services the FRBs provide to depository institutions (priced services).¹¹⁷
 - Discussed risk-management oversight approach with System leadership committees.
 - Communicated summaries on Financial Market Intermediaries operational preparedness across the System.

¹¹⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20201110a.htm>.

Objective 3.4: Advance diversity in System leadership.

- Connect with a broad set of diverse stakeholders and potential candidates for future System leadership positions.
 - Highlighted key leadership aspects through the FRB leadership reappointment assessment rubrics to include fostering a diverse workforce as well as developing strong diverse pipelines for senior leadership roles.
 - Reviewed reappointment assessment materials submitted by the FRB Boards of Directors; provided an overview to the Committee on Federal Reserve Bank Affairs, highlighting the range of engagement activities and research interests as well as cultural changes initiated by senior leaders across the System.
 - Announced the appointment of the chairs and deputy chairs of the FRBs for 2021.¹¹⁸
 - Approximately 75 percent of Class C directors, those appointed by the Board, self-identified as diverse in terms of race, ethnicity, and/or gender in 2020.

Objective 3.5: Broaden capabilities to effectively and efficiently execute oversight responsibilities for payment systems and Reserve Banks through investment in people, technology, and data.

- Strengthen hiring, development, alignment, and retention of talent in support of long-term workforce development and growth.
 - Developed a toolkit for the integration of management culture assessments into ongoing oversight of the FRB functions.

¹¹⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20201223a.htm>.

Payment System and Reserve Bank COVID-19 Response

During 2020, the Federal Reserve provided robust support to the economy by providing relief measures aimed at stabilizing and buttressing the economy during the current period of constrained economic activity. Key activities taken under the Payment System and Reserve Bank Goal are listed below.

- Coordinated across the System and the U.S. federal government on communicating to businesses and consumers about currency and coin issues during the COVID-19 pandemic, including providing updated information about changes in suspect counterfeit currency processing procedures.
 - Conducted a virtual System counterfeit training event.
 - Met the high demands for cash due to the COVID-19 pandemic, prioritizing and increasing production of \$1, \$20, and \$100 notes and increasing the order for new currency by 1 billion notes.
 - Increased the rate of issuing new notes to the FRBs through production capabilities for new currency at the two BEP facilities.
 - Approved alternate configurations of high-speed processing machines in order to maximize the number of fit notes available in inventory.
 - Approved cash sort configuration to help meet an increased demand for \$100 notes.
- Developed and implemented a policy on enforcing holds on notes received from Asia or any subsequent CDC-2/CDC-3 designated country.
- Used additional transport vehicles to preposition notes regionally.
- Worked with the Cash Product Office and FRBs to adjust controls in order to protect employees and ensure sustained cash operations.
- Developed and implemented a policy to allow for appropriate views of the currency facility while preserving social distancing.
- Launched the System’s *Get Coin Moving* campaign to support the circulation of coins in the economy after the pandemic disrupted the normal circulation pattern for coins.¹¹⁹
- Announced intent to maintain the current schedule of prices for most payment services that the FRBs provide to depository institutions (priced services) in 2021 and approved the associated fee schedule.¹²⁰

¹¹⁹ See the FRBServices website at <https://frbservices.org/news/communications/063020-federal-reserve-convenes-us-coin-task-force.html>.

¹²⁰ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/pressreleases/other20200721a.htm>.

Public Engagement and Community Development

Goal 4: Promote broader, ongoing engagement with external individuals and groups and improved understanding of the Board’s mission through outreach and public engagement.

Objective 4.1: Develop strategies to identify and engage audiences with a balanced and broad range of diverse perspectives.

Projects and Initiatives

- **Increase public outreach and engagement on the Federal Reserve’s mission and responsibilities, including interaction with community and affinity groups.**
 - Hosted an *Ask the Fed* webinar for nondepository institution Small Business Administration-qualified lenders with over 300 Community Development Financial Institutions (CDFIs) participating.
- Maximize opportunities to share broad and diverse perspectives among stakeholders and increase understanding of a wide range of community needs.
 - Furthered progress on increasing diversity of perspective among the FRB and Branch directors with approximately 75 percent of Class C directors, those appointed by the Board, self-identifying as diverse in terms of race, ethnicity, and/or gender in 2020.
 - Responded to a request for comment on a legislative proposal to apply a “Rooney rule” for the selection of FRB directors by providing detailed

information regarding the System’s processes for identifying and recruiting highly qualified, diverse director candidates.¹²¹

- Implemented changes to the Board’s Orientation Program for new FRB and Branch directors to maximize opportunities for attendees to exchange diverse thoughts and perspectives with Governors and other Board leaders.
- Executed an ad hoc two-day meeting of the Conference of Reserve Bank Chairs and Deputy Chairs focused on providing meeting attendees an opportunity to exchange diverse perspectives with a panel of outside guests, Board members, and other System leaders regarding the economic implications of racial inequity.
- Conducted virtual meetings with advisory councils with the Community Advisory Council (CAC), Community Depository Institutions Advisory Council (CDIAC), and Federal Advisory Council (FAC) and other outside groups to advise the Board on issues affecting consumers and communities, depository institutions, and other matters.

¹²¹ The “Rooney rule” is a National Football League policy that requires league teams to interview ethnic-minority candidates for head coaching and senior football operation jobs.

Objective 4.2: Expand communication and outreach efforts to increase transparency and understanding of the Federal Reserve’s mission and activities and better inform decisions.

- Facilitate communications with the public, the media, and the Congress to ensure timely and accurate dissemination of information.
 - Provided information to the Congress, news media, and public interest groups regarding the structure and composition of the FRB and Branch boards, including the demographic characteristics of the System’s directors.
 - Ensured publications, such as CDIAC and FAC meeting minutes, could be accessed by individuals with disabilities in compliance with section 508 requirements.
 - Established an email account to monitor incoming comments related to bank holding company applications from the public.
 - Leveraged a variety of media channels to communicate with the press and public.
 - Posted approximately 1,461 new documents to the public website, including reports, transcripts, FOMC materials, research papers, stat releases, and testimonies.
 - Posted 30 videos on the Federal Reserve Board’s YouTube channel and public website.¹²²
 - Issued 234 press releases, 56 Board members’ speeches, and 11 testimonies.
 - Posted 801 regularly scheduled data releases.
 - Fielded 15,806 emails and 94 letters from the public.
 - Published 85 FEDS Notes, 41 IFDPs, and 107 FEDS Working Papers.¹²³
 - Table 1 captures the communication with the public during 2020.

¹²² See the Federal Reserve’s YouTube channel at <https://www.youtube.com/channel/UCAzht9DmG6PnHXjmJTvRGQ>.

¹²³ See the Federal Reserve’s website at <https://www.federalreserve.gov/econres.htm>.

Table 1. Communication with the public, as of December 31, 2019

Type of communication	Announcements	Followers
Federal Reserve Board Facebook account (@federalreserve)	439	32,450
Federal Reserve Board LinkedIn network	447	64,363
Federal Reserve Board Twitter account	655	689,844
Fed Careers Twitter account	955	9,344
Press Releases on the public website	234	n/a
Letters from public	94	n/a
Emails from public	15,806	n/a

n/a not applicable.

- Expand educational events, programs, and online resources about the Federal Reserve’s mission and responsibilities.
 - Published the fourth issue of *Consumer & Community Context* featuring analysis of how consumer, communities, and community development organizations have responded to the pandemic.¹²⁴
 - *Two Tales of Changes in Retail Banking* and *The Pandemic’s Early Effects*, provided an analysis about the financial conditions and experiences of consumers and communities, including traditionally underserved and economically vulnerable households and neighborhoods.¹²⁵
 - Hosted the *Rapid Response* examiner training *Fair Lending in a Digital Age*, where civil rights and economic justice leaders from the National Fair Housing Alliance and the Center for Responsible Lending discussed strategies for promoting a fair and inclusive financial marketplace.
- Enhance public access to information through effective records management practices and in compliance with the Freedom of Information Act.
 - Provided Board records to members of the public in response to over 550 unique requests for information pursuant to the FOIA.

¹²⁴ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/consumer-community-context.htm>.

¹²⁵ See the Federal Reserve’s website at <https://www.federalreserve.gov/publications/2020-August-consumer-community-context.htm>.

- Uploaded over 730,000 documents into FIRMA through automated interfaces with systems, SharePoint sites and shared drives, and by manual upload, making them accessible for the FOIA and other reference requests. FIRMA holds 4,332,900 documents.
- Investigate ways to expand outreach and broaden understanding of the Ombudsman function to increase transparency of the Federal Reserve’s regulatory and supervisory actions.
 - Communicated information about the Ombudsman’s Office, including an updated brochure, public website, and recently published articles, to Reserve Bank staff as well as to external industry groups in association with National Ombudsman Day and other outreach efforts.
 - Published an article about the revised Ombudsman Policy and Material Supervisory Determinations Appeal Policy in the *Community Banking Connections* and *Consumer Compliance Outlook* publications.¹²⁶
 - Presented information about the Ombudsman program to nearly 100 government, private-sector, and legal professionals as part of a panel hosted by the International Institute for Conflict Prevention and Resolution.
- Governor Brainard spoke at the event on *Strengthening Diversity and Inclusion in Economics*.¹²⁸
- Developed a social media campaign to address fraud and scams made to look like they came from the Federal Reserve.¹²⁹
- Assess information-management practices and resources to modernize technology in support of effective and efficient communication and the Board’s decisionmaking.
 - Upgraded FIRMA architecture and ingestion process, resulting in increased ingestion speed from 3,000 documents a day to 25,000 documents a day.
 - Completed extensive analysis of user experiences and preferences to improve FIRMA’s search capabilities.
 - Issued recordkeeping guidance for the Board and FRB implementation of Microsoft 365 including SharePoint Online, Teams, and Channels and added the capability to capture and preserve records from the Microsoft 365 platform in FIRMA and the Records Email Vault.
 - Issued annual records management training for all Board, FRB reserves administration, and FRB supervision and regulation staff to educate on recordkeeping responsibilities.
 - Expanded functionality of electronic voting systems, enabling access through multiple channels of secure computing devices.

Objective 4.3: Continue adapting and improving information management processes and communication vehicles.

- Assess future needs for the public website and social media platforms to expand and improve the content strategy and usability to better inform the public.
 - Hosted a live webcast on the Board’s YouTube channel to welcome students nationwide and discuss career opportunities and diversity in economics and to learn about career paths with the Federal Reserve System.¹²⁷

¹²⁶ See website at <https://consumercomplianceoutlook.org/2020/third-issue/the-federal-reserve-systems-ombudsman-and-amendments-to-the-material-supervisory-determination/>.

¹²⁷ See the Federal Reserve’s website at <https://www.federalreserve.gov/conferences/exploring-careers-in-economics-fall-2020.htm>.

Objective 4.4: Promote understanding of community development and consumer risks.

- Conduct research and engage stakeholders to broaden perspectives, inform approaches, and understand challenges and opportunities in community development and risks to consumers in financial markets.
 - Conducted efforts to enhance the public’s understanding of the Board’s approach to modernize the regulations that implement the CRA in the

¹²⁸ See the Federal Reserve’s website at <https://www.federalreserve.gov/newsevents/speech/brainard20201117a.htm>.

¹²⁹ See the Federal Reserve’s website at <https://itb.frb.gov/2020/2020-dec-public-information-outreach-develops-social-media-campaign.htm>.

September 21, 2020, Advance Notice of Proposed Rulemaking.¹³⁰ Governor Brainard spoke via webcast at the following events.

- *Modernizing and Strengthening CRA Regulations: A Conversation with the Consumer Bankers Association* at the Consumer Bankers Association CRA Committee Meeting.¹³¹
- *Modernizing and Strengthening CRA Regulations: A Conversation with the Chicago Community Trust* at the Chicago Community Trust.¹³²
- *Modernizing and Strengthening CRA Regulations: A Conversation with the National Congress of American Indians* at the National Congress of American Indians 77th Annual Convention & Marketplace.¹³³
- *Modernizing and Strengthening CRA Regulations: A Conversation with the Housing Community* at the National Housing Conference National Advisory Council Meeting.¹³⁴
- *Modernizing and Strengthening CRA Regulations: A Conversation with Minority Depository Institutions* at the National Bankers Association.¹³⁵
- *Modernizing and Strengthening CRA Regulations* at The Independent Community Bankers of America Fall Leadership Meeting.¹³⁶
- *Exploring Proposals to Update and Strengthen Community Reinvestment Act Regulations* at The Urban Institute.¹³⁷

—Published the article *Effective Bank Communications to Enhance Compliance* in the *Consumer*

Compliance Outlook publication, in partnership with the FRB Philadelphia.¹³⁸

- Engaged with state member banks and the FRB personnel to investigate and facilitate the resolution of examination issues following a material supervisory determination appeal filed by supervised financial institutions.
- Participated in the *Connecting Communities* webinar series on research surrounding the purpose and influence of community development financial institutions.¹³⁹
- Hosted five virtual meetings with representatives from state chapters of the American Bankers Association with Governor Bowman, where over 700 community bankers attended and discussed issues facing the community banking sector.
- Virtually hosted the CAC and CDIAC for the semiannual meeting with members of the Board of Governors.¹⁴⁰
- Support the CRA modernization efforts through research, analysis, and external engagement.
 - Published the CRA Analytics Data Tables, which combines Home Mortgage Disclosure Act data, CRA small business and small farm data, and manually extracted data from CRA performance evaluations to provide insight into the historical relationship between bank lending activity and regulatory assessments.¹⁴¹
- Disseminate research on the financial conditions and experiences of households and communities, including those traditionally underserved and economically vulnerable.
 - Published the *Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020* draws from the Board's seventh annual Survey of Household Economics and Decisionmaking (SHED), which examines the economic well-being and

¹³⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200921a.htm>.

¹³¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201217a.htm>.

¹³² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201201a.htm>.

¹³³ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201110a.htm>.

¹³⁴ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201020a.htm>.

¹³⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201015a.htm>.

¹³⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20201001a.htm>.

¹³⁷ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/brainard20200921a.htm>.

¹³⁸ See the Federal Reserve's website at <https://consumercomplianceoutlook.org/2020/third-issue/effective-bank-communications-enhance-compliance/>.

¹³⁹ See the website at <https://bsr.stlouisfed.org/connectingcommunities/>.

¹⁴⁰ See the Federal Reserve's website at <https://www.federalreserve.gov/aboutthefed/files/cac-20201001.pdf>.

¹⁴¹ See Federal Reserve's website at https://www.federalreserve.gov/consumerscommunities/data_tables.htm.

financial lives of U.S. adults and their families.¹⁴²

- The 2019 complete survey was conducted in October 2019. To obtain updated information amid the COVID-19 pandemic and closures and stay-at-home orders, a smaller supplemental survey was conducted in April 2020, focusing on labor market effects and households' overall financial circumstances.

—Issued *Update on the Economic Well-Being of U.S. Households: July 2020 Results*. Recognizing the unprecedented financial disruptions caused by the COVID-19 pandemic, the Federal Reserve conducted a supplemental survey

in July 2020 to monitor changes in the financial well-being of Americans.¹⁴³

- Released companion videos on the *Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020*, as well as the *Update on the Economic Well-Being of U.S. Households: July 2020 Results* on the Board's YouTube channel.¹⁴⁴
- Participated in Brookings Institution's *Future of the Middle Class Initiative* to discuss the results of the SHED survey and its implications on financial security and household stability in the current environment.

¹⁴² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/other20200514a.htm> and the full report at <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>.

¹⁴³ See the Federal Reserve's website at <https://www.federalreserve.gov/publications/2020-update-economic-well-being-of-us-households-preface.htm> and the full report at <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-update-202009.pdf>.

¹⁴⁴ See the Federal Reserve's YouTube channel at <https://www.youtube.com/watch?v=vubA-QoATbg> and <https://www.youtube.com/watch?v=4iu8NoH-KWw>.

Public Engagement and Community Development COVID-19 Response

During 2020, the Federal Reserve provided robust support to the economy by providing relief measures aimed at stabilizing and buttressing the economy during the current period of constrained economic activity. Key activities taken under the Public Engagement and Community Development Goal are listed below.

- Enhanced procedures and technology resources to facilitate efficient and timely official decision-making as actions commonly required immediate attention by, for example, enabling access on mobile devices and providing a central location from which decisionmakers can review and act on matters.
- Ensured timely and accurate dissemination of information and facilitated public understanding of the Federal Reserve's actions to support the economy.
 - Collected and ingested over 35,000 records from 33 repositories documenting the establishment and oversight of 13(3) lending facilities for preservation into FIRMA, the Board's electronic recordkeeping system.
 - Exported over 670,000 messages from the Records Email Vault to respond to requests for records relating to the establishment and oversight of 13(3) lending facilities.
 - Responded to over 100 requests for information pursuant to the FOIA, from public interest groups, news media organizations, educational institutions, and individuals on monetary policy actions, supervisory and regulatory actions, corporate bond purchases, and the establishment of emergency lending and liquidity facilities.
 - Through the Ombudsman program, received and responded to over 50 inquiries or comments from individuals, consumers, public interest and trade groups, and business owners relating to or resulting from the pandemic, including concerns with the Federal Reserve's monetary policy actions, corporate bond purchases, and the MSLP, PMCCF, and MLF programs.
- Issued record management guidance in support of remote work, including establishing an approval process for the recording of remote meetings through collaboration tools.
- Captured and reported the Federal Reserve's actions in the weekly H.2 report.¹⁴⁵
- Employed various technology platforms to provide Board members and senior leaders with access to a wide range of diverse perspectives through meetings with outside groups, including advisory councils and FRB directors, to help inform decision-making and to serve as a link between the Federal Reserve and the private sector.
- Developed the *Consumer Resources and Community Development* and *Small Business Resources* webpage to provide information and transparency to the public on the Board's COVID-19 pandemic response.¹⁴⁶
- Updated the CRA page on the Board's public website to provide access to materials on the proposed rulemaking, including the Advance Notice of Proposed Rulemaking, speeches, data, and other CRA information.¹⁴⁷
- Issued a press release on the expanded PPPLF to additional lenders, including CDFIs.¹⁴⁸
- Published information on conditions resulting from the COVID-19 pandemic and how

¹⁴⁵ See the Federal Reserve's website at <https://www.federalreserve.gov/releases/h2/>.

¹⁴⁶ See the Federal Reserve's website at <https://www.federalreserve.gov/consumer-resources-covid-19.htm> and <https://www.federalreserve.gov/community-development-small-business-resources-covid-19.htm>.

¹⁴⁷ See Federal Reserve website at https://www.federalreserve.gov/consumerscommunities/cra_about.htm.

¹⁴⁸ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200430b.htm>.

community banks can help in the *Consumer Compliance Outlook* publication.¹⁴⁹

- Hosted two CAC meetings addressing the impact of the COVID-19 pandemic on lower-income communities and households.
- Partnered with System Community Development to develop *Perspectives from Main Street: The Impact of COVID-19 on Low- to Moderate-Income Communities and the Entities Serving Them, August 2020*, a report that aims to understand the effects of the COVID-19 pandemic on low- to moderate-income communities.¹⁵⁰

¹⁴⁹ See website at <https://consumercomplianceoutlook.org/2020/>.

¹⁵⁰ See website at <https://fedcommunities.org/data/main-street-covid19-survey-2020/>.

- Governor Bowman spoke via webcast on *The Pandemic's Effect on the Economy and Banking* at the Kansas Bankers Association CEO and Senior Management Forum/Annual Meeting.¹⁵¹
- Governor Bowman spoke via webcast on *Mortgage Market Regulation and Access to Mortgage Credit* at Opportunities and Challenges for Homeownership, a Virtual Roundtable Discussion, Jake Jobs College of Business and Entrepreneurship, Montana State University.¹⁵²

¹⁵¹ See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/bowman20200826a.htm>.

¹⁵² See the Federal Reserve's website at <https://www.federalreserve.gov/newsevents/speech/bowman20201001a.htm>.

Mission Enablement

Goal 5: Optimize operations and capabilities through efficient, effective, and sustainable stewardship and governance of resources.

Objective 5.1: Attract, develop, and retain diverse talent with varied experiences and perspectives to ensure the Board is able to meet workforce needs in a rapidly changing environment.

Projects and Initiatives

- **Foster employee engagement and an inclusive culture through organizational activities.**

- Conducted virtual *No FEAR Act* training in compliance with the Notification of Federal Employee Anti-Discrimination and Retaliation Act of 2002.
 - Launched a new online *No FEAR Act* training program. The new training modules better align with Board Equal Employment Opportunity (EEO) policies and procedures and the Diversity and Inclusion Strategic Plan; 97 percent of the Board employees completed the biennial training.
- Demonstrated leaderships' commitment to EEO in a variety of ways, including affirming EEO policies, hosting town halls, functioning as executive sponsors of Employee Resource Groups (ERGs), and hosting events addressing 2020 social unrest regarding racial injustice.
- Supported seven active ERGs to further promote a culture of inclusivity: Advocacy for the DiVerse Abilities, Needs, and Contributions of Employees ERG (ADVANCE); the African American ERG (AAERG); the Asian American Pacific Islander ERG; the Hispanic ERG; the

Lesbian, Gay, Bisexual, Transgender, Queer, and Allies + (LGBTQA+) ERG; the Veterans ERG; and the Women's ERG (WERG).

- The ERGs are open to all employees and participation is encouraged to introduce others to diverse cultures and perspectives. ERGs focus their annual programming around four key pillars to support the Board: recruitment and retention, career development, workforce engagement, and equitable policies and practices.
- Hosted and participated in several engagements related to the George Floyd tragedy to provide opportunities for discussion.
 - Chair Powell hosted a Boardwide event, *From COVID-19 to George Floyd: Exploring Our Emotions and Moving Forward with Intention and Purpose*; the event was attended by over 1,400 employees.
 - Sponsored, together with the FIRREA agencies' respective Offices of Minority and Women Inclusion, an event focusing on the George Floyd tragedy, *Beyond Words: Race, Work, and Allyship amid the George Floyd Tragedy*.
 - Divisions hosted listening sessions and facilitated discussion sessions, which varied by division from facilitated officer sessions to townhall meetings related to the events in Minneapolis and many cities across the country.
 - Posted a joint message of unity from the ERGs denouncing racism, discrimination, injustice, and violence in response to recent events.

- Sheila Clark, Program Director of the Office of Diversity and Inclusion, testified before the Committee on Financial Services, Subcommittee on Diversity and Inclusion, U.S. House of Representatives to discuss the Board’s diversity and inclusion efforts.
- Awarded a total of \$280,127,689 in contracts for goods and services.¹⁵³
 - Of this total, \$45,531,320, or 16.25 percent, was awarded to Minority- and Women-owned Businesses (M/WOBs), including \$32,043,997, or 11.44 percent, to minority-owned businesses and \$13,487,323, or 4.81 percent, to non-minority women-owned businesses.
- Adopted inclusion guidelines on gender identity resulting from collaborative work across the organization and the LGBTQA+ ERG.
- Implemented a new paid parental leave benefit resulting from collaborative work across the organization and the Women’s ERG.
- Developed a comprehensive set of practices to guide decisions about historical displays in workspaces on appropriate ways to recognize historic figures and put them in an appropriate context.
- Expanded content of the Board’s *Report to the Congress on the Office of Minority and Women Inclusion* to include gender and racial/ethnicity data for FRB and Branch directors.¹⁵⁴
- Strategically source highly qualified, diverse talent using market information, data analytics, targeted outreach, and leading recruiting practices.
 - Conducted campus recruiting informational sessions and engagements at 68 colleges and universities to expand outreach efforts, more than doubling the number of schools year over year.
 - Expanded the talent acquisition outreach effort at Historically Black Colleges and Universities (HBCU) and Hispanic Serving Institutions (HSI).
 - Hosted virtual information sessions at 27 HBCUs and 18 HSIs.
 - Formed new unlimited job posting and resume database access partnerships with the National Black MBA Association, National Society of Black Engineers, and Prospanica to increase the visibility of Board posting announcements and to increase the direct sourcing pipeline of diverse talent.
- Launched the Board Ambassador Program in which employees represent the Board while attending professional networking engagements, campus recruiting and alumni events, and community outreach engagements; this program is designed to attract candidates by connecting them with Board employees from diverse backgrounds who represent a variety of job families.
 - Throughout the year, 146 ambassadors participated in recruiting outreach and/or intern-related programs.
- Expanded the recruiting outreach of the research assistant and internship program to an increasingly diverse range of schools and students by posting vacancy announcements via online recruitment platforms.
- Worked with ERGs to ensure new opportunities and ideas were integrated into recruitment pipelining strategies, including expanded sourcing efforts through pilot programs with veteran and individuals with disabilities groups.
- Created a database of contact information for local and national affinity groups, professional associations, student groups, and LinkedIn groups to use in outreach efforts.
- Assessed the organization’s human resource programs to ensure they meet the needs of the current workforce in an effort to remain competitive in the labor market.
 - Conducted external research on employee promotability to understand the Board’s metrics as compared with other agencies and FRBs.
- Provide targeted learning and development opportunities to cultivate current and future leaders to ensure readiness for leadership roles.
 - Offered 10 redesigned, virtual sessions of *Leading with Conscious Inclusion* for officers

¹⁵³ This report describes the contracts awarded by the Board for the period January 1, 2020, through December 31, 2020, and includes contracts for the Board’s Office of Inspector General as well as the Board’s currency program. The dollar amount shown represents the total obligated amount of the contracts rather than the actual amounts paid to contractors.

¹⁵⁴ See Federal Reserve’s website at <https://www.federalreserve.gov/publications/minority-women-inclusion.htm>.

- and managers, focused on the mindset and behaviors required of leaders to lead inclusively, the organizational impact of personal bias on a leader's behaviors and decisions, and spotting and addressing micro-aggressions.
- Offered a revised *Civil Treatment* virtual training for staff, and launched a corresponding course for leadership, *Civil Treatment for Leaders*, focused on providing participants with resources and tools to create a more inclusive, productive, and compliant workplace.
 - Progressed rollout and implementation of an organizational e-learning content library, containing 8,000+ on-demand, digital courses taught by industry experts pertaining to business, technology, and creative topics.
 - Continued to offer *Effectively Hiring Top Talent without Bias* to increase awareness among hiring managers about unconscious bias in the hiring process and how to create a positive, inclusive candidate experience.
 - Continued to offer *Conveying Your Best Self* to help prepare internal employees of varying experience levels for the application and interview process within the Board.
 - Continued to support the *Manager Quick-Start* training program, an eight-session, cohort-based leadership development program, designed to help new managers develop critical skills needed to be effective in their role.
 - Three cohorts of the program were offered in 2020 with a total enrollment of 48 managers. Twenty participants (42 percent) were female and 12 (25 percent) were minorities.
 - Continued to support the Executive Coaching Program, which provides a collaborative, individualized learning opportunity for Board leaders to focus on their current and/or next role development with an external coach in a manner that builds competencies.
 - One hundred fifty-two officers, managers, and senior-level staff participated in the program, of which 83 participants (55 percent) were female and 46 (30 percent) were minorities.
 - Progressed the redesign of the *Leading at the Board* Officer Development Program, which is a cohort-based, multi-session program for officers, focused on three core areas: leading self, leading others, and leading the organization; the updated design will include flexible options to accommodate flexible training for blended on-site and telework participants.
 - One cohort was offered in 2020 with a total enrollment of 17 officers, of which seven participants (41 percent) were female and six (35 percent) were minorities.
 - Conduct comprehensive workforce planning reviews throughout the organization to assess current human capital and to guide future workforce requirements.
 - Progressed workforce planning activities throughout the organization by analyzing the current business environment, conducting gap analyses to identify the skillsets needed for future work, and facilitating focus groups with employees at all levels.
 - Hosted a panel discussion, *Hispanic and LatinX Career Development at the Board*, with a special introduction by the Board's COO.

Objective 5.2: Optimize the Board's workspace strategy and use of resources by leveraging opportunities to increase collaboration, efficiency, and productivity.

- Implement the Board's long-term space strategy ensuring appropriate stewardship of resources.
 - Received preliminary approval from the Commission of Fine Arts and the National Capital Planning Commission on the design of the Martin Building north garage and east fountain, as well as conceptual design approval from the Commission of Fine Arts for the Eccles and 1951 Constitution Avenue Building projects.
 - Progressed construction in many areas of the Martin Building; the building is weather tight and heating, ventilation, and air conditioning (HVAC) systems are operational.

- Awarded a contract for early abatement and demolition at the 1951 Constitution Avenue Building and for the construction management services for the Eccles and 1951 Building projects.
- Completed the restroom renovations and awarded a modernization project for all four elevators at the New York Avenue Building.
- Reconfigured office space in the Eccles Building for use as a workplace strategy pilot.
- Support implementation of updated technology to modernize the human capital and financial management platform and other administrative functions.
 - Initiated multiple workstreams related to a project to evolve and replace the Board’s enterprise financial, procurement, and human capital management systems.
- Evaluate communication tools to improve user experience with conferencing and collaboration technology in support of an intuitive digital workplace.
 - Revised the Outlook mail retention and auto-archiving policy to make employees’ older emails more easily accessible.
 - Progressed evaluation to determine the feasibility for the Enterprise Security Access Management system to support Active Directory validation automation.

Objective 5.3: Enhance organizational efficiencies and capabilities to provide automation solutions that respond to stakeholder needs.

- Enhance the computing environment by applying innovative technologies, including the expansion of cloud services and the exploration of AI technologies to advance business capabilities.
 - Progressed work related to AI and machine learning to explore potential business use cases to demonstrate the benefits of the technology to support the statistics function, and continued to scope and refine use cases.
 - Launched a Cloud Resource Center site for staff to obtain information and guidance about cloud-related initiatives, services, and processes and policies for implementation.

- Build upon existing electronic collaboration platforms, including increasing mobile access, to enhance communication, collaboration, and flexibility with both internal and external stakeholders.
 - Enhanced the knowledge exchange sites of the Information Technology Architecture (ITA) and Software Review Board to improve communication and coordination with stakeholders.
 - Hosted a 24-hour Boardwide hackathon to develop strategies for web scraping of financial market infrastructure websites.
- Enhance cybersecurity continuous diagnostic and monitoring capabilities, perform security assessments, and implement processes to ensure environments that host Board data are in compliance with security and privacy policies.
 - Drafted cloud security policies and security standards to enhance policies, standards, and risk-governance processes, to ensure that cloud services hosting Board information meet security and privacy requirements.
 - Created a cloud control baseline, based on the H.R. 3941 FedRAMP controls.¹⁵⁵
 - Began adding cloud requirements to the Board Trust Model established between the Board and FRBs.
 - Initiated a Cyber Enterprise Risk-Management Program.
 - Implemented a threat-modeling process for all IT applications under the direction of the ITA group.
 - Refined requirements for management of testing, automated deployment, and containerization guidance for integration in the DevOps pipeline in support of cloud enablement.
 - Implemented new Threat Modeling rubric.
 - Implemented the Enterprise Security Access Management system releases to include automated provisioning of Financial Data Repository and Board Data Platform assets.

¹⁵⁵ FedRAMP stands for the Federal Risk and Authorization Management Program. It standardizes security assessment and authorization for cloud products and services used by U.S. federal agencies. The goal is to make sure federal data are consistently protected at a high level in the cloud.

—Progressed work with the Department of Homeland Security to implement the Continuous Diagnostic and Monitoring program.

Objective 5.4: Accelerate the ability to obtain, integrate, analyze, and share data and information throughout the organization.

- Ensure compliance with the OPEN (Open, Public, Electronic, and Necessary) Government Data Act, including updating the Information Resource Management Strategic Plan, creating an inventory of data assets for the Federal Data Catalog, and adopting applicable standards.
 - Initiated organizational response to OPEN Government Data Act (OGDA).
 - Developed an Information Resource Management Plan to meet requirements under the OGDA (OMB Circular A-130).
 - Conducted analysis of mandatory metadata elements for the Open Data catalog.
 - Participated in the FIRREA agencies' meetings on Data Governance.
 - Added a content analytics dashboard for Board public statements to enable analysis of trends

and patterns in the Board's official communication on 2,000 topics.

- Create an enterprise Data Strategic Plan that outlines the future state of large, enterprise data and technological capabilities.
 - Appointed a new chief data officer for the organization.
 - Began work on significant enhancements in data and information management services by updating the Board's data strategy and closely collaborating with business lines.
- Enrich content and functionality of data search and discovery tools to improve findability and facilitate analysis of unstructured content necessary to support business needs.
 - Expanded DataNexus' public statements search capability and enabled topic analysis through the content analytics dashboard to include FOMC press conference transcripts and public speeches and testimony through 1913.
 - Completed hardware and architecture enhancements to the Advanced Data Analytics platform to allow stakeholders expanded use of the platform, in support of exploring the use of technologies such as AI, machine learning, and natural language processing.

Mission Enablement COVID-19 Response

During 2020, the Federal Reserve provided robust support to the economy by providing relief measures aimed at stabilizing and buttressing the economy during the current period of constrained economic activity. Key activities taken under the Mission Enablement Goal are listed below.

- Transitioned Board employees to telework as a result of the COVID-19 pandemic, with no impact on mission readiness and completion.
- Contracted with a public health expert to advise the Board throughout the COVID-19 pandemic and assist in developing a safe return to the office strategy.
- Completed a Johns Hopkins Contact Tracing certification program and debriefed the Safety Emergency and Preparedness team to share insights and potential areas of application to current processes.
- Initiated a risk assessment and evaluation of all Board facilities in order to recommend consistent, practical, mitigation methods, and measures to assure the occupants normal state of health under the COVID-19 pandemic conditions.
- Adjusted hiring and onboarding processes to an entirely virtual approach, maintaining seamless support of the organization's workforce during the COVID-19 pandemic.
- Implemented a virtual summer internship program for 2020 and provided additional guidance to divisions with handbook updates.
- Leveraged the International SOS program through the Board's travel vendor to assist in the safe return of Federal Reserve employees abroad to the U.S. during the COVID-19 pandemic.
- Launched a centralized 13(3) Lending Facilities Data Repository to include all the emergency lending facilities data in support of research and explorative analysis across the System.
 - Established a website to support the establishment of the centralized 13(3) Lending Facilities Data Repository to share program information, data governance policies, and upcoming roadmap for building the data repository.
- Acquired dozens of new datasets to help the Board better understand the pandemic's effects on the financial and economic situation, as well as the effects of Board and FOMC policy actions in response to the crisis, many of which were incorporated into the Board Data Platform.
 - Added the COVID-19 Impact Survey data, conducted for the Data Foundation by the National Opinion Research Center at the University of Chicago, to the Board Data Platform.
- Issued guidance establishing process for the management of remote meetings records.
- Formalized contingency planning to support potential delays of the H.R. 3941 FedRAMP, which affects how agencies select and implement cloud services.
- Updated and communicated the Media Sanitization and Disposal Standard to provide instructions for media destruction and sanitization during extended period of telework.
- Issued guidance to employees to clarify the impact of the CARES Act on Federal Reserve System benefits.
- Launched the first live procurement webcast with over 175 participants to inform vendors of upcoming acquisitions, major capital projects, and pandemic resources.
- Accelerated equipment and hardware purchases to mitigate potential supply chain disruptions due to the COVID-19 pandemic.
- Conducted an organizational telework survey to better understand the benefits and challenges staff experienced as the organization transitioned to a maximum telework posture.
- Provided timely and proactive communication to all employees in response to the COVID-19

pandemic through the organizational's internal website and email communications.

- Activated critical care procedures and crisis backup care programs to assist staff as they adjusted to the new work-at-home environment as a result of the COVID-19 pandemic.

—Employees had access to resources through the Employee Assistance Program that focused on

best practice tips for managing during the pandemic, coping with stress, and ways to identify burnout.

- Implemented secure conferencing tool to meet the increased demand for external collaboration during extended period of remote work.

