

**Meeting Between Staff from the Prudential Regulators and
Representatives of International Swaps and Derivatives Association
December 12, 2014**

Participants: Sean Campbell, Anna Harrington, Elizabeth MacDonald, Stephanie Martin, and Victoria Syzbillo (Federal Reserve Board)

Jamey Basham, Laura Gardy, Carl Kaminiski, Ang Middleton, and Kurt Wilhelm (OCC)

Bob Bean, Jacob Doyle, Thomas Hearn, and Karl Reitz (FDIC)

Robert Collender, Thomas Joseph, James Jordan, and Julie Paller (FHFA)

Jeremy Edelstein, J.C. Floyd, and Richard Katz (FCA)

Athanassios Diplas and Mary Johannes (ISDA); David Felsenthal (Clifford Chance); Tomo Kodama (Bank of America); Oliver Frankel (Goldman Sachs); Paulo Peres (JPMorgan)

Summary: Representatives from the International Swaps and Derivatives Association (the “Representatives”) met with staff from the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Farm Credit Administration, and the Federal Housing Finance Agency (the “Prudential Regulators”) to discuss issues related to the proposed rule issued by the Prudential Regulators on margin requirements for covered swap entities under Title VII of the Dodd-Frank Act.

Among matters discussed in the meeting were the Representative’s views on certain aspects of the proposal, which they had also raised in their comment letter, including: providing additional time for implementation of the margin requirements; permitting a longer period for collection of initial margin; raising the level of the material swap exposure threshold to that proposed in the BCBS/IOSCO international framework; certain requirements for initial margin models; providing an exemption for inter-affiliate swaps; the application of thresholds to inter-affiliate swaps; the treatment of legacy swaps under eligible master netting agreements and required elements of those agreements, including walkaway clauses; and certain cross-border aspects of the proposal, including the necessity of posting margin to non-U.S. financial end users and a possible de minimis exemption for jurisdictions for which there is no recognition of netting arrangements.