**Conference Call between Federal Reserve Board Staff**
**and Representatives of The Clearing House**
**October 1, 2014**

**Participants:** Jordan Bleicher, Anna Harrington, Pam Nardolilli, Sean Campbell, and Lucy Chang (Federal Reserve Board Staff)

Edward Berliner, Damian Kudelka, and John Colie (Bank of America); Jennifer Xi and Robert Radocaj (Bank of New York Mellon); Chris Holliman (Barclays); Subhadeep Basu, Carl Howard, and Ed Handelman (Citigroup); Peter Bruzzese, Frank Cosentino, and Alessandro Hillman (Deutsche Bank); Chris Jackson and Andrew Girling (Ernst & Young); Craig Bricker and Soohyun Lee (Goldman Sachs); Robin Doyle and Adrianne Threatt (JP Morgan); Andrew Nash (Morgan Stanley); James Keller (PNC); Robert McKeon and Glen Horner (State Street); and Sridhar Iyer and Gregg Rozansky (The Clearing House).

**Summary:** Federal Reserve Board staff participated in a conference call with representatives of The Clearing House ("TCH") to discuss the proposed rules for single-counterparty credit limits under section 165(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. TCH expressed support for the Basel Committee on Banking Supervision's Supervisory framework for measuring and controlling large exposures in a number of areas, including: (1) use of the Basel Committee's new standardized approach for counterparty credit risk (SA-CCR) for measuring certain derivative exposures; (2) exemptions for sovereign exposures and intragroup exposures; and (3) certain aspects of the "connected counterparty" definition.

The TCH representatives also requested further clarity regarding the aggregation of exposures to investment fund families and states and municipalities. The TCH representatives expressed support for exempting exposures to U.S. government-sponsored enterprises, as well as for exempting intraday exposures to banks and other counterparties. The TCH representatives also expressed support for the definition of "financial collateral" from the U.S. Basel III rules. In terms of the application to foreign banking organizations, the TCH representatives expressed support for global consistency and argued that it made sense to apply section 165(e) concentration limits to a foreign bank's U.S. subsidiary operations but not to its U.S. branch and agency network.