

**Meeting Between Board Members and Staff of the Federal Reserve Board and the Federal
Advisory Council
September 7, 2023**

Participants: Chair Jerome H. Powell, Vice Chair for Supervision Michael S. Barr, Governor Michelle W. Bowman, Governor Christopher J. Waller, Governor Lisa D. Cook, Governor Philip N. Jefferson, William Bassett, John Beebe, Eric Belsky, Hannah Benson, Cecily Boggs, Camille Bryan, David Buchholz, Mark Buresh, Gillian Burgess, Jennifer Burns, Anthony Cain, Sarah Chae, Marta Chaffee, Brian Chernoff, Juan Climent, James Clouse, Rochelle Edge, Christopher Finger, Greg Frischmann, Jennifer Gallagher, Darren Gersh, Michael Gibson, Mark Goncalves, Sarah Gosky, Christine Graham, Charles Gray, Candace Herring, Anna Lee Hewko, Jane Ihrig, Felicia Ionescu, Thomas Kaupus, Keshia King, Eric Kollig, Amy Koontz, Asad Kudiya, Andreas Lehnert, Kurt Lewis, Maria Ling, Lara Lylozian, Laura Macedo, Christopher Mejia, Ann Misback, Richard Naylor, Ben Olson, Brian Phillips, Cheryl Pohutsky, Anh Quach, Wanda Quick, Ben Ranish, Trevor Reeve, Nancy Riley, Katie Ross, Lisa Ryu, Vaishali Sack, Reena Sahni, Robert Sarama, Paula Scharf, Meaghan Shkreli, Justin Sidhu, Michelle Smith, Shahera Somuah, Dafina Stewart, Gabriel Topor, Mark Van Der Weide, Clara Vega, Todd Vermilyea, Jeff Walker, Tony Waltrich, Nancy Wang, Jean Whyte, Andrew Willis, Paul Wood, Jenny Yam, Rebecca Zarutskie, and Andrei Zlate (Federal Reserve Board)

Nandita Bakhshi, Jill Castilla, Andrew Cecere, William S. Demchak, Marianne Lake, James Lally (alternate representative for the Eighth District), Michael O’Grady (alternate representative for the Seventh District), William H. Rogers, Jeffrey M. Schweitzer Jr., John Turner, and David Zalman (Federal Advisory Councilmembers); Herb Taylor (Federal Advisory Council Secretary) and Luba Romanyuk (Federal Advisory Council Deputy Secretary)

Summary: Board members and staff of the Federal Reserve Board met with the Federal Advisory Council (Council), a statutorily created advisory group that is composed of twelve representatives of the banking industry (one member from each Federal Reserve District).¹ Council members commented on several aspects of the agencies’ Basel III endgame notice of proposed rulemaking (Basel III endgame proposal), based on their initial review of the proposal. While Council members supported the effort to modernize capital requirements, they noted several challenges that should be considered prior to finalizing the rule. Council members said the Basel III endgame proposal does not adequately align U.S. and international capital standards. Council members noted challenges with the proposed capital treatment of operational

¹ The Council ordinarily meets four times a year to provide the Board with information from the banking industry’s perspective.

risk, including how the proposed risk weights would intersect with the Board's stress tests and the calculation of banks' stress capital buffers. Council members expressed concern about the potential negative impact on consumers, particularly low- and moderate-income consumers, as a result of increased capital requirements on credit card lending and home mortgages.

The full Record of Meeting is available at: <https://www.federalreserve.gov/aboutthefed/files/fac-20230907.pdf>. The viewpoints expressed above and in the Record of Meeting are solely those of the Council.