

**Meeting Between Governors of the Federal Reserve Board, Federal Reserve Staff,  
Staff of the U.S. Department of Treasury, and Members of the Treasury Borrowing  
Advisory Committee (TBAC)  
February 22, 2021**

**Participants:** Chair Jerome H. Powell, Vice Chair Richard H. Clarida, Vice Chair for Supervision Randal K. Quarles, Governor Lael Brainard, Governor Michelle W. Bowman, Governor Christopher J. Waller, Michiel De Pooter, Aleksandra Wells, Alyssa Anderson, Andrea Ajello, Andreas Lehnert, Andrew Meldrum, Ann Misback, Antulio Bomfim, Asad Kudiya, Beth Anne Wilson, Brian Doyle, Burcu Duygan-Bump, Chiara Scotti, Dan Li, David Bowman, Diana Hancock, Ellen Meade, Eric Belsky, Eric Engstrom, Felicia Ionescu, Giovanni Favara, James Clouse, Jane Ihrig, Jason Wu, Jeff Walker, Jennifer Gallagher, Joshua Gallin, Katie Ross, Kevin Stiroh, Kurt Lewis, Laura Lipscomb, Lubomir Petrasek, Margaret DeBoer, Margaret Miller, Marius Rodriguez, Mark Van Der Weide, Matthew Malloy, Michael Gibson, Michael Palumbo, Michelle Smith, Min Wei, Nancy Riley, Nicholas Tabor, Rebecca Zarutskie, Rochelle Edge, Stacey Tevlin, Stephanie Curcuru, Trevor Reeve, Wayne Passmore, Wendy Dunn, William Bassett, William Wascher, Yao-Chin Chao, and Zeynup Senyuz (Federal Reserve Board); Dina Marchioni, Ellen Correia Golay, Julie Remache, Justin Meyer, Kathryn Chen, Kathryn Franklin, Linsey Molloy, Lisa Stowe, Lorie Logan, Luis Gonzalez, Nathaniel Wuerffel, Patricia Zobel, Rania Perry, and Susan McLaughlin (Federal Reserve Bank of New York)

Nellie Liang, Michael Kiley, Brian Smith, Nicholas Steele, and Frederick Pietrangeli (U.S. Department of Treasury)

TBAC members: Beth Hammack (Goldman Sachs & Co.); Brian Sack (D.E. Shaw & Co., LP); Gregory Davis (Vanguard); Mohit Mittal (PIMCO); Deirdre K. Dunn (Citigroup Global Markets, Inc.); Ajay Rajadhyaksha (Barclays); Scott Freidenrich (Bank of New York Mellon); Gagan Singh (PNC Financial Services Group, Inc.); Zachary Harl (Bank of America); Colin Teichholtz (Element Capital Management); Christine Hurtsellers (Voya Investment Management); Irene Tse (Tse Capital Management); Mike Lillard (PGIM Fixed Income); Ellen Zentner (Morgan Stanley); Robert Miller (BlackRock)

**Summary:** Members of the TBAC met with the Board members and staff of the Federal Reserve Board, Federal Reserve Bank of New York, and U.S. Department of Treasury to discuss economic and financial market disruptions resulting from the COVID-19 pandemic and associated containment measures in spring 2020. To help ease strains in the U.S. Treasury market and facilitate the flow of credit to households and businesses, the Board had approved an interim final rule to exclude both U.S. Treasury securities and deposits at Federal Reserve Banks from a holding company's calculation of the supplementary leverage ratio (SLR) (Docket No. R-

1707) through March 31, 2021.<sup>1</sup> TBAC members highlighted some benefits of permanently excluding Reserve Bank deposits from the SLR calculation, such as increased balance sheet flexibility and improved market functioning. TBAC members also noted that, unlike Reserve Bank deposits, Treasury securities pose interest rate risk. Finally, TBAC members commented on the need to review the minimum SLR requirement with the exclusions.

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<sup>1</sup> The Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency subsequently approved a joint interim final rule on the SLR exclusions (Docket No. R-1718), which was announced on May 15, 2020.