

**Meeting Between Representatives of the Federal Banking Agencies  
and the American Bankers Association (ABA)  
August 13, 2013**

**Participants:** David Palmer (Federal Reserve Board); Bill Haas and Kari Falkenborg (Office of the Comptroller of the Currency); and Ryan Sheller and Mark Flanigan (Federal Deposit Insurance Corporation)

Hugh Carney (ABA)

Representatives from several ABA member institutions

Representatives of the federal banking agencies met via conference call with representatives from the ABA and from ABA member institutions to discuss stress testing for \$10-\$50 billion companies, required under section 165 of the Dodd-Frank Act. Agency staff provided a review of the proposed supervisory guidance on stress testing for the \$10-\$50 billion companies and clarified the relationship between the proposed guidance and the final stress testing guidance issued by the agencies in May 2012. Questions/topics raised by the ABA call participants included:

- Tailoring in the proposed stress testing guidance;
- Expectations for stress testing practices to evolve over time, and steps the agencies may take in the future to advance stress testing practices;
- Supervisory focus on well-documented and sound processes, not just results;
- How loss estimates contribute to ALLL estimates in stress testing;
- Treatment of operational risk in stress testing;
- Linking capital and liquidity stress testing and differences in those expectations compared to firms \$50 billion and over;
- Expectations for public disclosure in stress testing.