

**Meeting between Federal Reserve Board Staff
and Representatives of the Loan Syndication and Trading Association (LSTA)
May 12, 2011**

Participants: William Treacy, April Snyder, Sebastian Astrada, and Flora Ahn (Federal Reserve Board); and Rita Csejtey (Federal Reserve Bank of New York)

R. Bram Smith, Meredith Coffey and Elliot Ganz (LSTA); Gregory Stoeckle (Invesco Senior Secured Management, Inc.); and Douglas Nappi (Nappi & Hoppe, LLC)

Summary: Staff of the Federal Reserve Board met with representatives of LSTA to discuss the proposed rules to implement the requirements of section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

LSTA's representatives provided a presentation on their overall views of how the proposed risk retention rules would potentially impact the syndicated loan market and collateralized loan obligations (CLOs). Among other matters discussed during the meeting were: the statutory language and intent of the Dodd-Frank Act; differences between the CLO structure and originate-to-distribute models; the role of the CLO manager; and the proposed menu of risk retention options.

The representatives of LSTA expressed concerns regarding the potential application of risk retention rules on CLOs, asserting that risk retention would not work with the CLO structure, and advocated for an exemption from risk retention for CLOs.