

**Meeting Between Federal Reserve Board staff and  
Representatives of Asset Management Firms  
June 27, 2012**

**Participants:** Michael S. Gibson (Federal Reserve Board)

David Barrose and Richard Caddell (Capstone); Matt Antle (Putnam Investments); Michael Esdaile (Wellington Management); Chad Klinghoffer (Glenview Management); Craig Peskin (Highfields Capital); Wesley Phoa (Capital Research); William Seddon (Pyramis Advisors); John Sheehy (Fidelity Investments); and Eric Veiel (T. Rowe Price)

**Summary:** Board staff met with representatives from several asset management firms. The representatives from the asset management firms commented that the Board's recent proposal to pass other comprehensive income on securities through to bank earnings and capital would create volatility and procyclicality in bank capital that could exacerbate the next financial crisis. They also commented that the proposal has the undesirable feature that risk weights on some secured lending (*e.g.*, higher risk residential mortgages) could be higher than risk weights on some unsecured lending (*e.g.*, business loans).