Meeting between Federal Reserve Staff
And Representatives of Association of Financial Guaranty Insurers
February 21, 2013

Participants: Pam Nardolilli, Jordan Bleicher, Anna Harrington, and Elizabeth MacDonald (Federal Reserve Board)

Teresa Casey (Association of Financial Guaranty Insurers), Andrew Hughes (Optinuity Alliance Resources Corporation), Ethan James (Debevoise & Plimpton), Bruce Stern (Assured Guaranty), and Carolyn Walsh (Patton Boggs)

Summary: Representatives of the Association of Financial Guaranty Insurers (the “representatives”) met with staff of the Federal Reserve Board to discuss the Board’s proposed single-counterparty concentration limits (SCCL) under section 165(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The representatives raised concerns about the mandatory risk-shifting component of the SCCL rule, particularly with respect to guarantees of municipal bonds, as well as the proposed definition of “counterparty.”