

**Meeting Between Federal Reserve Board Staff
And Representatives of The Clearing House
March 27, 2018**

Participants: Rick Naylor, Michael Solomon, Vaishali Sack, Scott Tkacz, Keisha Patrick, and Chris Callanan (Federal Reserve Board)

Andrew Nash (Morgan Stanley); John Chartres (Goldman Sachs); Dominic Labitzky (PNC); Carl Howard (Citigroup); Dan Meade and Erin Henderson (Wells Fargo); Robert Roth (Bank of America); Rodge Cohen and Camille Orme (Sullivan & Cromwell); Kevin Clarke (UBS); Paige Pidano and David Wagner (The Clearing House)

Summary: Staff of the Federal Reserve Board met with representatives of The Clearing House and several banking organizations to discuss the recently issued Proposed LFI Ratings System. The topics of discussion included (1) the roll out of the Proposed LFI Rating System; (2) the application of the “satisfactory watch” component rating; (3) whether a Deficient-1 or Deficient-2 component ratings should result in a presumption of a firm being considered in “troubled condition”; (4) how “well managed” status should be determined; (5) the application of CCAR to the capital planning and position component rating; and (6) dialogue between the firms and examiners.