

**Meeting Between Chairman Powell, Vice Chairman Clarida, Vice Chairman for Supervision Quarles, Governor Bowman, Staff of the Federal Reserve Board, and Representatives of Americans for Financial Reform, the AFL-CIO, Public Citizen, the Center for American Progress, and the Center for Responsible Lending  
January 7, 2019**

**Participants:** Chairman Jerome H. Powell, Vice Chairman Richard H. Clarida, Vice Chairman for Supervision Randal K. Quarles, Michelle W. Bowman, Michelle Smith, Margaret Shanks, Michael Gibson, Mark Van Der Weide, Laurie Schaffer, Asad Kudiya, Mary Watkins, Clinton Chen, Michael Palumbo, Darren Gersh, Lisa Ryu, Nicole Bynum, Eric Kollig, Elizabeth McDonald, Page Conkling, Greg Frischmann, Katie Ross, Eric Belsky, Joseph Firschein, Anna Boyd, Allen Fishbein, Theresa Stark, Cathy Gates, Carolyn Welch, Matthew Lambert, Sheila Clark, Diana Hancock, Brian Doyle, Antulio Bomfim, James Clouse, Linda Robertson, Andreas Lehnert, Karen Pence, John Roberts, Megan Drefshinski, Ian Spear, Nick Ehlert, Jason Kim, Julian Alcazar, and Mona Elliot (Federal Reserve Board)

Marcus Stanley, Oscar Valdes Viera, and Linda Jun (Americans for Financial Reform); Heather Slavkin (AFL-CIO); Bart Naylor (Public Citizen); Marc Jarsulic (Center for American Progress); Scott Astrada (Center for Responsible Lending)

**Summary:** Representatives of Americans for Financial Reform, the AFL-CIO, Public Citizen, the Center for American Progress, and the Center for Responsible Lending (Representatives) met with Chairman Powell, Vice Chairman Clarida, Vice Chairman for Supervision Quarles, Governor Bowman, and Federal Reserve Board staff to discuss several proposed and upcoming prudential rulemakings. The Representatives expressed an overall concern that recent regulatory proposals, in their view, emphasized cutting back on post-crisis regulatory requirements. In particular, they noted the importance of maintaining flexibility in stress testing so that the tests could respond to dynamic economic conditions, and they were concerned about efforts to reduce volatility in stress test results. A Representative also raised concerns about the proposed integration of stress testing into the Board's overall capital regime and about the potential reduction or elimination of the supplementary leverage ratio. The Representatives strongly supported the surcharge for global systemically important banking organizations (G-SIBs) but did not support a recent proposal to decrease certain regulatory requirements for large banks that are not G-SIBs and to reduce liquidity and capital requirements for certain large regional banks. With respect to the proposal to amend the regulations implementing section 13 of the Bank Holding Company Act of 1956 (commonly referred to as the "Volcker Rule"), the Representatives expressed support for the public disclosure of trading information currently reported to the agencies. The Representatives also encouraged the Board not to modify the treatment of securitizations in the current regulations implementing the Volcker Rule. The Representatives strongly encouraged the Board to finalize the net stable funding ratio and complete other pending rulemakings, including a rule on executive compensation. The Representatives stressed that an upcoming proposal to tailor prudential requirements for the U.S. operations of foreign banking organizations should ensure that U.S. operational standards apply to these organizations.

The Representatives also commented on efforts to modernize the Community Reinvestment Act (CRA), specifically the advance notice of proposed rulemaking issued by the Office of the Comptroller of the Currency. The Representatives strongly objected to the proposed metric-based approach for evaluating CRA compliance because, in their opinion, it would significantly minimize community input on local credit needs and potentially undermine the purpose of CRA. They advocated for interagency involvement in any effort to revise CRA regulations.