

**Meeting Between Staff of the Federal Reserve Board and Representatives from the Bank
Policy Institute and Securities Industry and Financial Markets Association (SIFMA)
August 9, 2018**

Participants: Lisa Ryu, Anna Lee Hewko, Molly Mahar, Constance Horsley, Juan Climent, Christine Graham, Joseph Cox, Hillel Kipnis, Page Conkling, Nate Cooper, Benjamin McDonough, Julie Anthony, Asad Kudiya, Mark Buresh, and Mary Watkins (Federal Reserve Board)

Brett Waxman and David Wagner (Bank Policy Institute); Carter McDowell (SIFMA); Luigi De Ghenghi (Davis Polk & Wardwell); Ben Weiner (Sullivan & Cromwell); Bipasha Majumdar (Barclays); Jessalynn Burke (Bank of America); Charlie Johnston (Capital One); Kevin Bailey (Citigroup); Joe Seidel (Credit Suisse); Dan Gottlieb (Deutsche Bank); David Sutter (Discover); Liz Ewing (Goldman Sachs); Mark Bowles (HSBC); Alistair Webster (JPMorgan); Jay Luzar (KeyBank); Sabeth Siddique (M&T); Andrew Nash (Morgan Stanley); Dominic Labitzky (PNC); Elizabeth Taylor (Regions); Joe Barry (State Street); Crosby Mulwee (SunTrust); Rudi Liotta (TD); Kevin Clarke (UBS).

Summary: Staff of the Federal Reserve Board met with representatives of The Bank Policy Institute and SIFMA to discuss the proposal issued by the Board that would revise the regulatory capital, capital plan and stress test rules and establish firm-specific stress buffer requirements. The representatives expressed support for the proposed changes in the assumptions to the supervisory stress test regarding planned capital distributions and balance sheet growth. The representatives expressed concern, however, regarding the impact of the volatility of the Board's stress test on firms' ongoing capital requirements if the proposal were adopted and suggested adjustments to mitigate this concern. The representatives also expressed concern with the incorporation of four-quarters of planned common stock dividends in a firm's stress buffer requirements, the inclusion of a stress leverage buffer requirement, and the requirement that a firm seek prior approval before making any distributions that exceed the amount included in its capital plan. The representatives also discussed technical issues relating to the proposed timing of when a firm's stress buffer requirements would be effective.