

**Meeting Between Staff of the Federal Reserve Board
and Members of The Clearing House
October 10, 2017**

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

Ross Heins (Bank of America); Al Ciafre (Capital One); Jee Kymm (Citigroup); Scott Essex (Citizens); Al Silipigni (HSBC); Brad Griffin (JP Morgan); Mary Clouthier (KeyBank); Gregg Imm (M&T); Mike Little (PNC); Peter Mahoney (SunTrust); Ken Marcuse (TD Bank); Gregg Rozansky (The Clearing House)

Summary: Staff of the Federal Reserve Board met with compliance officers of several large financial institutions to discuss the recently issued Proposed LFI Rating System and the Proposed Guidance on Supervisory Expectation for Boards of Directors relating to the principles of effective boards of directors.

The topics of discussion included the roll out of the Proposed LFI Rating System, how the rating system differs from the current RFI ratings system, how the “satisfactory watch” component rating would work, and how the proposed board effectiveness guidance would factor into the governance and controls component rating. Several attendees expressed the preference for the LFI ratings system to include an additional “satisfactory” rating to offset the two deficient ratings under the proposed rating system.