

**Meeting between Staffs of the Prudential Regulators (Farm Credit Administration (FCA), Federal Deposit Insurance Corporation (FDIC), Federal Housing Finance Agency (FHFA), Federal Reserve Board (FRB), and Office of the Comptroller of the Currency (OCC)) and representatives of the Structured Finance Industry Group (SFIG), Chapman & Cutler, Commercial Credit Group, Deutsche Bank, Great America, JP Morgan, Lord Capital, and State Street**

**April 21, 2015**

**Participants:** Sean Campbell, Anna Harrington, Elizabeth MacDonald, Stephanie Martin, Victoria Szybillo (FRB)

Richard Katz, Jeremy Edelstein, J.C. Floyd, Tim Nerdahl, Jeremy Del Moral (FCA)

Kurt Wilhelm, Jamey Basham, Laura Gardy, Ang Middleton, Carl Kaminski (OCC)

Bob Bean, Jacob Doyle, Thomas Hearn, Bob Hendricks (FDIC)

Peggy Balsawer, Julie Paller, Thomas Joseph (FHFA)

Sairah Burki, Richard Johns, Kristi Leo (SFIG)

Christopher J Haas (Bank of America)

Preetha Gist, Ken Marin (Chapman and Cutler)

Roger Gebhart (Commercial Credit Group)

Mina Mishrikey (Deutsche Bank)

Mike Herxberger, Zach Paulson, Bob Meisterling (Great America)

Tamsin Rolls (JP Morgan)

Steve Ceurvost (Lord Capital)

Peter Hajjar (State Street)

**Summary:** Staff of the prudential regulators held a conference call with representatives from SFIG, Chapman & Cutler, Commercial Credit Group, Deutsche Bank, Great America, JP Morgan, Lord Capital, and State Street to discuss issues related to the proposed rule issued by the prudential regulators on margin requirements for covered swap entities under Title VII of the

Dodd-Frank Act. The representatives described their concerns about the application of the regulation to special purpose vehicles (SPVs). More specifically, the representatives offered support for their position that subjecting securitization SPVs to margin requirements would severely restrict the feasibility of those vehicles hedging interest rate and currency risk, making the tailoring of cash flows for the tranches of structured securities more difficult and negatively affecting the economics of such securitizations.