

**Enterprise Capital Requirements Rulemaking
Proposed Rule (83 FR 33312 (July 17, 2018))**

**Meeting of the Federal Housing Finance Agency (FHFA) and USMI and other attendees
on the Enterprise Capital Requirements Proposed Rule
July 11, 2018**

USMI

Lindsey Johnson, President

Essent:

Steve Sorge, SVP

Vijay Bhasin, Chief Risk Officer

Genworth:

Marc Zinner, VP

MGIC:

Sean Dilweg, SVP

NMI:

Bill Leatherberry, EVP

Radian:

Derek Brummer, ESVP

Steve Keleher, SVP

FHFA Attendees:

Bob Ryan, Deputy Director Division of Conservatorship

Sandra Thompson, Deputy Director Division of Housing Mission and Goals

Naa Waa Tagoe, Senior Associate Director

Andrew Varrieur, Associate Director

Chris Curtis, Senior Deputy General Counsel

Sam Valverde, Principle Advisor, Division of Conservatorship

Miriam Smolen, Associate General Counsel

Summary: The subjects of the discussion was FHFA's proposed capital treatment of the Enterprises' assets including evaluation of credit risk and how mortgage insurance impacts, the use of buffers to address systemic risk, how to address the countercyclical risk and the issue of alignment across Enterprises.

Specific topics included:

- How to reconcile capital requirements for a given credit risk with the impact of mortgage insurance on that risk.
- The effect of the treatment of various risks by the proposed rule and the treatment of those risks, and others not addressed by the rule, in the Conservatorship Capital Framework (CCF).

- How the PMEIRS requirements interacts with the proposed rule and with the CCF.
- Stress assumptions used in the proposed rule and whether those stress assumptions are more or less conservator than what was seen in the financial crises.
- The mechanics and impact of including a countercyclical capital buffer.
- Whether the rule contemplates adjustments for refreshed credit scores and how that data could be obtained.
- How does the issue of Enterprise alignment apply possibly in a post-conservatorship environment?
- How expected losses are managed in the proposed rule.