



OFR OFFICE OF FINANCIAL RESEARCH

FINANCIAL RESEARCH ADVISORY COMMITTEE

Richard Berner, Director
Matthew Reed, Chief Counsel
Gregory Feldberg, Senior Manager, Research and Analysis
Linda Powell, Chief Business Officer
John Talbot, Chief Technology Officer

Council Staff: Amias Gerety, Deputy Assistant Secretary for the Financial Stability Oversight Council (the Council)

Opening:

The meeting and discussion followed the topics and general timing as presented in the agenda (Attachment A). The Financial Research Advisory Committee (the Committee) was convened for its second meeting at 9:40 a.m. (EST) on August 1, 2013 at the Securities and Exchange Commission, New York City. Andrea Ianniello, the Designated Federal Officer, welcomed the attendees and invited all of the Committee members present or on the phone to re-introduce themselves and indicate which of the Committee's three Subcommittees they represent. She then provided a brief overview of the day's agenda.

Richard Berner, Director, added his welcome to the Committee members and thanked them for their work since the Committee's creation under the Federal Advisory Committee Act and its first meeting in December 2012.

Ms. Ianniello then asked the Subcommittee chairs to provide a brief overview of the recommendations that would be presented to the Committee for its vote on whether to submit them to the OFR for the OFR's consideration.

Discussion of Subcommittee Work and Proposed Recommendations:

The Subcommittee Chairs or designees provided an overview of the recommendations of each of their Subcommittees. Copies of each recommendation prepared for consideration by the Committee are attached in Exhibit B.

Michael Atkin, Chair of the Data & Technical Subcommittee (DTS), presented the DTS's work on developing recommendations for data standards, a financial company database, and collection of FR-14 data.

Anil Kashyap, Chair of the Research Subcommittee, presented the Research Subcommittee's work on seeking ways for outside scholars to collaborate with OFR staff and improving compensation to enable the OFR to compete more effectively in attracting researchers in finance.



Andrew Kuritzkes, designee Chair for the Financial Services & Risk Management Subcommittee (FS&RM), presented the FS&RM's work on Risk Management business models and governance and developing a bank/dealer liquidity and funding map.

Committee members then engaged in discussion of the Subcommittee presentations and proposed recommendations, after which Lewis Alexander, Committee Chairman, requested a vote on the recommendations. The recommendations were unanimously adopted as presented.

Presentations by, and Discussions with, Representatives from the OFR and Financial Stability Oversight Council

Richard Berner introduced the next set of speakers, including Amias Gerety (the Council), Gregory Feldberg (OFR), Linda Powell (OFR), and John Talbot (OFR). Richard Berner then reviewed the role of the Committee and described the OFR's five strategic priorities for the coming year, including: (1) performing research and analysis on potential threats to financial stability; (2) identifying data gaps and overlaps; (3) identifying, developing, and promoting data standards and best practices; (4) improving the quality and availability of financial data for policy makers while protecting the security of sensitive information; and (5) developing and the implementing the framework for evaluating policy tools for financial stability.

Amias Gerety, Deputy Assistant Secretary for the Council, reviewed for the Committee the purpose and structure of the Council and described the relationship between the Council and the OFR. He also discussed the broad range of risks that the Council seeks to understand and evaluate.

Greg Feldberg, Senior Manager Research, described the organization of the OFR Research and Analysis Center as having two pillars: current analysis and policy studies – which generally addresses shorter term projects often done at the Council's request –, and fundamental research – which generally addresses longer term projects.

Linda Powell, Chief Business Officer, outlined the mission, focus and activities of the OFR Data Center's Data and Analytics Division (Data Division), and described how it accomplishes its mission, which is to provide data, standards, and analysis, including collecting data and filling data gaps; providing subject-matter expertise and analysis on the content, quality, and usage of data; preparing and publishing reference databases on financial companies and financial instruments; and developing strategies and implementing policies for data standards to increase efficiency and transparency in financial markets.



John Talbot, Chief Technology Officer, described the OFR's Information Technology Division for the Data Center (IT Division) as supporting the OFR and the Council by delivering effective and secure information technology solutions and programs. He outlined the IT Division's current focus on three areas (analytic environment, data management, and application development); reviewed the IT Division's short-term and long-term capabilities; and highlighted features of the OFR analytic environment.

Following the presentations, Richard Berner opened the meeting to dialogue between the OFR and Council presenters and the Committee members. The discussion included a consideration of how the OFR might look at U.S. Government policies in the context of the financial stability framework; the nature and extent of collaboration between the OFR Research and Analytics Center and the Data Center, as well as OFR's collaboration with the Council, with the academic community, and with global counterparts; the potential for development of an information dashboard that could be shared with the public; whether there is underway an analysis of the costs that financial institutions will incur in order to be able to adapt to regulatory reporting requirements; and how to determine where biases might reside in data sets.

The last session of the morning was devoted to a discussion of how the Committee could be more effective in helping the OFR. Suggestions included finding ways for members to get to know more about the other Committee members serving on the Committee and more about what the OFR itself is doing.

Closing Remarks

Andrea Ianniello concluded by acknowledging the Committee members' desire for greater interaction with the OFR within the boundaries of the Federal Advisory Committee Act. Richard Berner extended his thanks to the Committee, Andrea Ianniello and her team, and to the OFR and Council leaders who presented at the meeting. Lewis Alexander reiterated Richard Berner's thanks, added his thanks to the Subcommittee Chairs and Committee members, and expressed his interest in optimizing the involvement of Committee members with the OFR.

Andrea Ianniello adjourned the meeting at 12:23 p.m.



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Respectfully Submitted:

Andrea Ianniello, Designated Federal Officer

I hereby certify these minutes of the August 1, 2013 Financial Research Advisory Committee public meeting to be true and correct to the best of my knowledge.

Lewis Alexander, Financial Research Advisory Committee Chairman