

## Minutes of the Financial Stability Oversight Board Meeting October 7, 2008

The initial meeting of the Financial Stability Oversight Board (“Board”) was held at the offices of the United States Department of the Treasury (“Treasury”) on Tuesday, October 7, 2008, at 2:15 p.m. (EDT).

Mr. Cartwright, General Counsel,  
Securities and Exchange Commission

Mr. Sirri, Director, Division of Trading  
and Markets, Securities and  
Exchange Commission

### MEMBERS PRESENT:

Mr. Bernanke  
Mr. Paulson  
Mr. Cox  
Mr. Preston  
Mr. Lockhart

Mr. Montgomery, Assistant Secretary for  
Housing and Commissioner of the  
Federal Housing Administration,  
Department of Housing and Urban  
Development

Mr. Borchert, Senior Advisor to the  
Secretary of the Department of  
Housing and Urban Development

### AGENCY STAFF PRESENT:

Mr. Kashkari, Interim Assistant  
Secretary of the Treasury for  
Financial Stability and  
Assistant Secretary of the  
Treasury for International  
Economics and Development

Mr. DeMarco, Chief Operating Officer  
and Deputy Director for Housing  
Goals and Mission, Federal Housing  
Finance Agency

The meeting was called to Order  
by Mr. Paulson.

Mr. Hoyt, General Counsel,  
Department of the Treasury

A discussion among the Members  
ensued regarding the governance and  
potential staffing needs of the Board.  
Using materials provided in advance of  
the meeting, Mr. Hoyt then reviewed the  
terms of the proposed bylaws for the  
Board. Following a discussion of the  
proposed bylaws, the Members adopted  
the following resolution:

Mr. Laughton, Senior Counsel,  
Department of the Treasury

Mr. Wilcox, Deputy Director,  
Division of Research and  
Statistics, Board of Governors  
of the Federal Reserve System

### RESOLUTION TO ADOPT BYLAWS

Mr. Covitz, Assistant Director,  
Division of Research and  
Statistics, Board of Governors  
of the Federal Reserve System

*“Whereas, there is presented to  
the Board, Bylaws that describe the  
organizational structure of the Board and  
establish the general operational  
procedures by which the Board will carry  
out its oversight functions and duties,*

Mr. Fallon, Assistant General Counsel,  
Board of Governors of the Federal  
Reserve System

*Therefore, after discussion among the Board members and on motion duly made, seconded and unanimously carried, it was*

*Resolved, that the Board approve and adopt the Bylaws as presented to the Board.”*

A discussion then occurred regarding the position of Chairperson of the Board. Following this discussion, the Board, with Mr. Bernanke abstaining, adopted the following resolution:

RESOLUTION TO ELECT A CHAIRPERSON

*“Whereas, Section 104 of the Emergency Economic Stabilization Act of 2008 provides for the election by members of the Financial Stability Oversight Board (Board) of a Chairperson from among the members of the Board other than the Secretary of the Treasury,*

*Therefore, after discussion among the Board members and on motion duly made, seconded and carried, it was*

*Resolved, that the Chairman of the Board of Governors of the Federal Reserve System, Mr. Bernanke, is hereby elected Chairperson of the Board.”*

Mr. Paulson and other officials of the Treasury, using materials provided,

then briefed the Board with respect to the steps that Treasury had taken and proposed to take to implement the Troubled Asset Relief Program (“TARP”) and related provisions of the Emergency Economic Stabilization Act of 2008 (“EESA”) to help promote stability in the U.S. financial system. A discussion among Treasury officials and Members of the Board ensued concerning the types of programs that Treasury planned to implement under the TARP, as well as the potential ability of the TARP to provide capital to financial institutions. Members and staff also discussed expected operations, policies procedures and systems to ensure compliance with the requirements of the EESA and potential policies governing executive compensation and the prevention of avoidable foreclosures. In addition, Members and staff discussed the progress being made by Treasury in identifying and hiring officers for the TARP, as well as the development of requests for proposals and the selection of financial agents and contractors for the TARP, including investment management advisers, custodians, asset managers, and accounting firms.

The meeting was adjourned at approximately 3:15 pm (EDT).

[Signed Electronically]

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Jason A. Gonzalez  
Secretary