

MEMORANDUM TO: NPR Rulemaking File

FROM: Jamie Schwing, OGC

RE: Conference Call with GE and United Guaranty

On Thursday, January 3, 2002, representatives from OFHEO, GE and United Guaranty (United) participated in a conference call regarding the risk-based capital rule and the proposed amendment to the rule. The call was scheduled at the request of GE and United. OFHEO participants included Alfred Pollard, Pat Lawler, Andrew Varrieur, David Felt and Jamie Schwing. Jim Zollo, Mike Moloesky, Bob McKeown and Kerry Obryhim represented GE. Representatives from United included Dan Walker, Sandra Mayfield, Young Kim, William Palmer and Bill Nutt.

Discussion focused on two topics: review of technical and operational matters related to the operation of the code and concerns regarding OFHEO's proposed amendment to the rule. The initial portion of the call related to technical and operational matters regarding the code (eg. library and code compilation issues).

During the later portion of the call, GE questioned the timing and rationale for the proposed modifications to the haircuts and the phase-in schedule, including the use of certain Moody's data. United inquired as to the breadth of the changes that were proposed. Both companies wanted to understand more as to OFHEO's review of the capital impact of the proposed changes. OFHEO staff described the background of the rule as published and indicated that views of the callers should be made part of written comments.