



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

April 13, 2011

TO: Voluntary Disclosure File

FROM: Federal Deposit Insurance Corporation

SUBJECT: Meeting with Federated Investors, Inc., Implementation of the Dodd-Frank Act (April 13, 2011)

Representatives of Federated Investors, Inc. (“Federated”) and FDIC staff met on April 13, 2011, at the FDIC. The discussion focused on current market conditions affecting money market funds (“money funds”) and their status in the context of Dodd-Frank Act (“DFA”) rulemaking. Federated had provided a copy of its comment letter to the Financial Stability Oversight Council (“FSOC”) on the FSOC Advance Notice of Proposed Rulemaking Regarding Authority to Require Supervision and Regulation of Certain Nonbank Financial Companies (“ANPR”) in advance of the meeting.

The Federated representatives reviewed their involvement over the years in money fund regulatory activities and discussed the two money funds that have “broken the buck” and returned to shareholders less than 100% of their investment, as well as recent Securities and Exchange Commission (“SEC”) amendments to Rule 2a-7 intended to strengthen liquidity and credit quality for money funds. They also discussed their position in response to the ANPR that money funds should not be designated by the FSOC for regulation by the Federal Reserve.

The Federated representatives and FDIC staff exchanged views on current and potential future conditions in the short-term credit markets, as well as changes in the formula for calculating bank deposit insurance assessments pursuant to the DFA, effective as of April 1, 2011, including the custodial bank adjustment to the assessment base. The Federated representatives described efforts to maintain liquidity in response to recent market conditions. The group also discussed the provisions of DFA § 113 relating to the FSOC’s designation of nonbank financial companies for supervision by the Federal Reserve, the potential impact on money funds of the imposition of a floating net asset value (NAV), disclosures to investors of market risk, and SEC regulation of money funds in light of the Rule 2a-7 amendments.

Upon concluding the meeting, FDIC staff expressed their continuing interest in liquidity issues in the context of the FSOC and ongoing DFA Title II planning process.

April 13, 2011 Meeting with Federated Investors, Inc. Representatives

Federated Investors, Inc. Representatives

<u>Name</u>	<u>Title/Firm</u>
Deborah A. Cunningham	Executive Vice President, Chief Investment Officer, Money Markets
J. Christopher Donahue	President and Chief Executive Officer
Eugene F. Maloney, Esq.	Executive Vice President
Brian Sean Ronayne	Senior Vice President, National Sales Manager, Federated Securities Corp.

FDIC Representatives

<u>Name</u>	<u>Title</u>
Annmarie Boyd	Counsel, Legal Division
Jason Cave	Deputy to the Chairman
Michael Krimminger	General Counsel
Terrence McBride	Treasurer
Arthur Murton	Director, Division of Insurance and Research
Marc Steckel	Associate Director, Division of Insurance and Research
James Wigand	Director, Office of Complex Financial Institutions