

**Conference Call Between Staff of the Prudential Regulators (Farm Credit Administration, Federal Deposit Insurance Corporation, Federal Housing Finance Agency, Federal Reserve Board, and the Office of the Comptroller of the Currency) and the U.S. Commodity Futures Trading Commission and Representatives of the Securities Industry and Financial Markets Association's Asset Management Group (SIFMA AMG) and Certain of its Members**  
**March 24, 2015**

**Participants:** Sean Campbell, Anna Harrington, Elizabeth MacDonald, Stephanie Martin, and Victoria Szybillo (Federal Reserve Board)

Jeremy Edelstein, J.C. Floyd, Richard Katz, and Tim Nerdahl (Farm Credit Administration)

Bob Bean, Jacob Doyle, Thomas Hearn, Rob Hendricks, and Karl Reitz (Federal Deposit Insurance Corporation)

Peggy Balsawer, Bob Collender, Chris Dickerson, James Jordan, Julie Paller, Joseph Thomas (Federal Housing Finance Agency)

Jamey Basham, Laura Gardy, Carl Kaminski, Ang Middleton, and Kurt Wilhelm (Office of the Comptroller of the Currency)

John Lawton and Rafael Martinez (U.S. Commodity Futures Trading Commission)

Christine Ayotte-Brennan (Fidelity Investments), Bill Thum (Vanguard), Wendy Yun (Goldman Sachs Asset Management), Angela Patel (Putnam Investments), Ray Fuller (MFS), Tracey Jordal (PIMCO), Sunil Mody (Morgan Stanley Investment Management), Lisa Bloomberg, Sean Ryan, and Obi Akunwafor (Oppenheimer Funds), Tim Cameron and Lindsey Keljo (SIFMA AMG)

**Summary:** SIFMA AMG and certain of its members (the "Representatives") had a conference call with staff from the Federal Reserve Board, the Farm Credit Administration, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, and the Office of the Comptroller of the Currency (the "Prudential Regulators") and the U.S. Commodity Futures Trading Commission to discuss concerns related to the proposed rule issued on margin requirements for covered swap entities under Title VII of the Dodd-Frank Act. During the conference call, the Representatives largely reiterated the views expressed in the public comment letter filed by SIFMA AMG in response to the request for public comment to the proposed rule.

The Representatives discussed issues of concern including the proposed timing requirements for implementing the proposed margin requirements, the proposed requirements pertaining to the segregation of initial margin collateral at independent third-party custodians, the proposed initial

margin threshold amount, the proposed definition of material swaps exposure, and the proposed limitations on the types of collateral eligible to satisfy variation margin requirements.

The Representatives also expressed concern about the proposed treatment of transactions with investment funds (especially with regard to whether exposures to different groups or “sleeves” of funds with a common investment manager, and separately managed pools of assets within a fund, must be aggregated for the purpose of measuring a covered swap entity’s exposure to a single counterparty).

Finally, the Representatives expressed concern regarding the legal certainty requirement embedded within the proposed definition of “eligible master netting agreement” and requested more flexibility with respect to the proposed modeling standards for measuring potential exposure amounts.