

**Meeting Between Federal Reserve Board Staff and Representatives of Cleary Gottlieb
Steen & Hamilton LLP
July 31, 2015**

Participants: Scott Alvarez, Anna Harrington, Elizabeth MacDonald, Stephanie Martin, and Victoria Szybillo (Federal Reserve Board)

Derek Bush and Edward Rosen (Cleary Gottlieb Steen & Hamilton LLP)

Summary: Staff of the Federal Reserve Board met with representatives of Cleary Gottlieb Steen & Hamilton LLP to discuss concerns related to the proposed rule issued by the Federal Reserve Board and other prudential regulators on margin requirements for covered swap entities under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The representatives discussed the treatment of inter-affiliate swap transactions and suggested: (1) allowing a holding company to post a single amount of segregated initial margin in which each affiliate would have a security interest; (2) allowing an insured depository institution affiliate counterparty to be the custodian of funds; and (3) permitting a 5-day time horizon for inter-affiliate swaps with a possible add-on or multiplier depending on the portfolio composition.