Meeting Between Staff of the Federal Reserve System
and Representatives of the Academic Community
January 19, 2018

Participants: Vice Chairman Randal Quarles, Andreas Lehnert, Lisa Ryu, William Bassett, Kathleen Johnson, Mona Elliot, Nawsheen Rabbani, Robert Sarama, Julie Anthony, Asad Kudiya, and Aurite Werman (Federal Reserve Board); James Vickery (Federal Reserve Bank of New York)

Stephen Cecchetti (Brandeis), Itay Goldstein and Richard Herring (Wharton), Robin Greenwood (Harvard), Andrew Metrick (Yale), Thomas Philippon (NYU), Nancy Wallace (Berkeley-Haas)

Summary: Staff of the Federal Reserve System participated in a meeting with representatives of the academic community to receive feedback on the package of proposals issued by the Board for public comment that would increase transparency of its stress testing program (together, the transparency proposal). Representatives were generally supportive of the transparency proposal, but cautioned that releasing too much information about supervisory models could jeopardize the dynamism of the supervisory stress test.

Representatives shared their thoughts about the types of enhanced disclosure that they would find most helpful. In addition, representatives expressed support for maintaining the independence of the supervisory modeling process. Representatives generally encouraged the Federal Reserve to continue establishing rules for setting the level and change of macroeconomic scenario variables and supported proposed amendments to limit procyclicality in scenario design.