



United States House of Representatives
One Hundred Eighteenth Congress
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

March 23, 2023

The Honorable Janet Yellen
Chair
Financial Stability Oversight Council
1500 Pennsylvania Avenue N.W.
Washington D.C. 20220

Dear Chair Yellen:

We write to obtain information about the Financial Stability Oversight Council (FSOC) meeting you convened in executive session by videoconference on March 12, 2023. In addition, we request information regarding the role you played in initiating systemic-risk-related discussions among federal and state regulators in both your role as Secretary of the Treasury and as Chairperson of the FSOC.

On March 10, two days before the March 12 FSOC meeting, you, in your role as Secretary of the Treasury “convened leaders from the Federal Reserve, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency to discuss developments around Silicon Valley Bank.”¹ To date, the Department of the Treasury (Treasury) has yet to release any additional information regarding the substance of that meeting.

According to Treasury’s press release, the March 12 FSOC meeting you convened in executive session in your role as Chairperson of the FSOC was to hear “updates from the Federal Deposit Insurance Corporation (FDIC), Board of Governors of the Federal Reserve System (Federal Reserve Board), and U.S. Treasury Department on actions they were taking to stabilize the financial system and protect depositors.”² To date, FSOC has yet to release any additional information regarding the substance of that meeting.³

¹ See “READOUT: Secretary of the Treasury Janet L. Yellen Convenes Financial Regulators,” U.S. Dep’t of the Treasury, March 10, 2023, <https://home.treasury.gov/news/press-releases/jy1334>.

² See “READOUT: Financial Stability Oversight Council Meeting on March 12, 2023,” U.S. Dep’t of the Treasury, March 12, 2023, <https://home.treasury.gov/news/press-releases/jy1338>.

³ On March 12, 2023, the U.S. Department of the Treasury website posted an opaque news release identifying the meeting, participants, and that “During the meeting, the Council heard updates” from the FDIC, Federal Reserve Board, and U.S. Treasury Department on “actions they were taking to stabilize the financial system and protect depositors.” See “READOUT: Financial Stability Oversight Council Meeting on March 12, 2023,” U.S. Dep’t of the Treasury, March 12, 2023.

Also on March 12, you convened a meeting as Secretary of the Treasury with Federal Reserve Board Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg after which a joint statement was issued announcing that “[a]fter receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President, Secretary Yellen approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, in a manner that fully protects all depositors. . . . We are also announcing a similar systemic risk exception for Signature Bank, New York, New York, which was closed today by its state chartering authority.”⁴

FSOC’s commitment to transparency is reflected in the *Transparency Policy for the Financial Stability Oversight Council*. The policy states “the Council is committed to conducting its business in an open and transparent manner.”⁵ The need for transparency is further underscored in the *Rules of Organization of the Financial Stability Oversight Council* (“bylaws”). Rule XXX.6 specifies that “[meetings] shall be held in conformity with the Council’s transparency policy under § XXX.8(c).”⁶ Notwithstanding the transparency provisions, Section XXX.6(h) of the bylaws states, “[a]ny action that may be taken by the Council at a meeting may be acted on by the Council at other times through the communication of voting member votes to the Secretary of the Council, in writing, and any action approved in this manner shall have the same effect as an action taken at a meeting.”

Despite these transparency commitments, the FSOC fails to maintain an independent website, and appears to rely on the Department of the Treasury to issue communications and press releases. By contrast, the Office of Financial Research (OFR), which works to “[p]romot[e] financial stability by delivering high-quality financial data, standards and analysis principally to support the Financial Stability Oversight Council and its member agencies,” maintains its own website, and issues its own press releases.⁷ FSOC’s failure to maintain its own website or issue its own press releases blurs the distinction between your role as Chairperson of the FSOC and as Secretary of the Treasury.

The events that have transpired over the last 12 days related to both Silicon Valley Bank and Signature Bank, the ensuing market instability, and your role raise a number of questions for policymakers. In particular, the decisions made by the Federal banking agencies, FSOC, and the Secretary of the Treasury as they relate to financial stability and systemic risk, and the basis of those determinations are of particular importance. To that end, please respond to the following:

⁴ See “Joint Statement by the Department of the Treasury, Federal Reserve, and FDIC,” U.S. Dep’t of the Treasury, March 12, 2023, <https://home.treasury.gov/news/press-releases/jy1337>.

⁵ *Transparency Policy for the Financial Stability Council* https://home.treasury.gov/system/files/261/The%20Council%26%23039%3Bs%20Transparency%20Policy_1.pdf (last visited Mar. 23, 2023).

⁶ “Rules of Organization of the Financial Stability Oversight Council,” adopted on October 1, 2010; amended and restated on April 24, 2018, U.S. Dep’t of Treasury, <https://home.treasury.gov/system/files/261/The%20Council%26%23039%3Bs%20Bylaws.pdf>.

⁷ See Office of Financial Research, <https://www.financialresearch.gov>.

1. Please provide unredacted minutes of the March 12, 2023, FSOC meeting.
2. Please provide a record of any and all votes taken during the March 12, 2023 FSOC meeting.
3. Please provide unredacted minutes of the special “leaders” meeting on March 10, 2023 of the Federal Reserve Board, the FDIC, and the Office of the Comptroller of the Currency (OCC), a list of the leaders, anyone else present at the meeting, the location of the meeting, and the start and end times of the meeting.
4. Please provide any OFR data, including the results of financial stress indices indicative of systemic risk factors being present on March 10, 2023.
5. Was the leadership meeting you convened with the Federal Reserve Board, FDIC, and OCC on March 10, 2023 held in your role as Secretary of the Treasury or your role as Chairperson of the FSOC, or both?
6. What were the exact start and finish times of the March 12, 2023 FSOC meeting?
7. Were you ever made aware that the New York Department of Financial Services had closed Signature Bank and appointed FDIC as receiver before or after the March 12, 2023 FSOC meeting?
8. Were any actions taken by the FSOC at “other times through the communication of voting member votes to the Secretary of the Council, in writing, and any action [under § XXX.6(h) of FSOC’s bylaws] approved in this manner [which] shall have the same effect as an action taken at a meeting,” where “meeting” in the prior quote is in reference to the March 12, 2023 FSOC meeting?
9. Were any indicators compiled by the OFR, including the Financial Stress Index, showing outsized spikes on any day between and including March 8, 2023 and March 13, 2023?
10. Did FSOC or any of its members access or utilize OFR data, analysis, or indicators during the period March 8, 2023 through March 20, 2023? If so, please provide supporting evidence.

The Honorable Janet Yellen

March 23, 2023

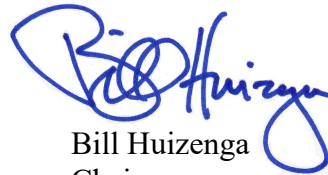
Page 4

Please provide requested documents and written answers as soon as possible but no later than 5:00 p.m. on April 6, 2023. We appreciate your immediate attention to this request. Please feel free to contact Jeff Wrase at (202) 225-7502 should you have any questions related to the requests above.

Sincerely,

A handwritten signature in blue ink that reads "Andy Barr". The signature is fluid and cursive, with a large, sweeping "A" and "B".

Andy Barr
Chairman
Subcommittee on Financial Institutions
and Monetary Policy

A handwritten signature in blue ink that reads "Bill Huizenga". The signature is cursive and somewhat stylized, with a large "H" and "Z".

Bill Huizenga
Chairman
Subcommittee on Oversight
and Investigations

CC: The Honorable Maxine Waters, Ranking Member