



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 19, 2017

The Honorable Elizabeth Warren
United States Senate
Washington, DC 20510

Dear Senator Warren:

Thank you for your letter of July 27, 2017, regarding the Financial Stability Oversight Council (Council). We take seriously potential conflicts of interest and appreciate your questions regarding the Council's policies and procedures.

At its first meeting in October 2010, the Council adopted rules governing Council members' responsibilities with respect to potential conflicts of interest. The Council's bylaws require each of its 10 voting members, as well as the directors of the Office of Financial Research and the Federal Insurance Office within Treasury, to disqualify themselves from participation in a Council discussion or action on any matter as required by applicable law.¹ The bylaws require these Council members to consult with their agency ethics officials concerning potential disqualifications (and appropriate remedies) or other ethics issues. The bylaws also require that the three state regulators on the Council must disqualify themselves from participation in a Council discussion or action on any matter if the Council member has, or may appear to have, a financial conflict of interest or appearance of partiality. Further, the bylaws of the Council's Deputies Committee similarly require committee members to disqualify themselves from participation in a committee discussion or action on any matter in accordance with the requirements set forth in the Council's bylaws.²

The Council's bylaws require a member who is disqualified to provide written notice of disqualification to the other Council members. In accordance with this requirement, on July 26, 2017, Treasury received notice that the Chairman of the Securities and Exchange Commission disqualified himself from the designations of MetLife, Inc. and American International Group, Inc. under Title I of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Because adherence to applicable conflict-of-interest laws, regulations, and Office of Government Ethics guidance is the responsibility of each Council member and member agency, questions about the basis for a disqualification, or the potential disqualification of a particular Council member, are best directed to that member or member agency. In the case of Treasury, we diligently monitor our own compliance with applicable requirements. Political appointees and certain other Treasury personnel supporting the Council participate in required ethics training

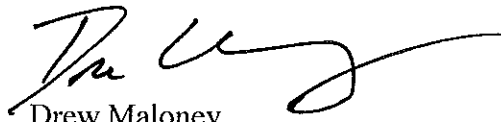
¹ The Council's bylaws are available at <https://www.treasury.gov/initiatives/Documents/FSOCbylaws.pdf>.

² The bylaws of the Council's Deputies Committee are available at <https://www.treasury.gov/initiatives/fsoc/Documents/The%20Council%27s%20Deputies%20Committee%20Bylaws.pdf>.

annually and also file periodic financial disclosure reports that facilitate identification of potential conflicts. Treasury's ethics officials work with agency personnel to identify and address any potential conflicts as they arise.

If you have additional questions concerning this matter, please contact Matt Kellogg, Office of Legislative Affairs, at (202) 622-1900.

Sincerely,

A handwritten signature in black ink, appearing to read 'Drew Maloney', with a long, sweeping horizontal stroke extending to the right.

Drew Maloney
Assistant Secretary for Legislative Affairs

Identical letter sent to:
The Honorable Sheldon Whitehouse