

Press Release



AAF Solutions Identifies Ways Regulators Can Improve The Nonbank Designation Process

MARISOL GARIBAY | NOVEMBER 12, 2014

AAF Solutions, an initiative by the American Action Forum (@AAF), today released a list of suggestions that a council of financial regulators should implement to improve its designation process of nonbanks. AAF recommendations for the Financial Stability Oversight Council (FSOC) include:

- Transparency. FSOC should have open meetings for policy discussions and broader considerations, or at least release detailed meeting minutes soon after their meetings similar to the Federal Reserve.
- Avoid “designating in the dark.” FSOC should not move ahead of the Federal Reserve until the new regulatory regime is understood.
- Determine costs and benefits. FSOC should fully assess the economic effect of designating certain nonbanks.

“FSOC is better served by a process which instills confidence rather than one that engenders doubts,” concludes Satya Thallam, AAF’s financial policy director.

The Financial Stability Oversight Council is tasked with designating banks and nonbanks as “systemically important financial institutions.” FSOC is scheduled to meet on Wednesday to discuss how to improve the designation process.

[Click here](#) to read the research.