

THE FINANCIAL SERVICES ROUNDTABLE



Financing America's Economy

**Roundtable Executive Summary Bulletin
February 10, 2012**

UPCOMING EVENTS

2012 Financial Services University - February 16 & 17 on Capitol Hill

Our 7th annual Financial Services University (FSU) educational program will be held February 16 & 17 on Capitol Hill. This year's sessions will cover the following topics: Housing; Banking 101; Retirement Security; Insurance; and Regulatory Reform. These sessions are presented by member company executives and we invite you to attend as many as possible. [Brenda Bowen, Brenda@fsround.org]

REGULATORY

Volker Rule Insurance Comments Filed

The extended deadline for comments to regulators on the proposed Volcker Rule is now less than one week away February 13, 2012.

With the help of outside counsel, the Roundtable filed comments last week focused on the business of insurance with specific focus on the treatment of investment activity conducted through the general account and separate accounts of an insurance company. This letter also touched on the importance of bank-owned life insurance and other products supported by unregistered separate accounts, and argued against applying the reporting, recordkeeping and compliance program requirements of the proposed rules to the activities of insurance companies. Click [here](#) to access a copy of the letter.

The Roundtable is scheduling a fly-in of insurance executives and counsels as a follow-up on the comment letter next week. [Peter Freeman, Peter@fsround.org]

Roundtable Asks for FCPA and Executive Compensation Disclosure Clarifications from the SEC

The Roundtable continues to monitor developments and prepare its response to a possible SEC rule under Section 953(b) of the Dodd-Frank Act. This provision requires public corporations to report data about median employee income that could be particularly onerous to collect. The Roundtable, in association with other trades, has asked the SEC to hold public roundtables on this rulemaking to help ensure that the definitions included in any proposal are workable and do not cause new and unnecessary regulatory burdens. A copy of a comment letter filed with the SEC on this topic can be accessed [here](#).

The Roundtable is also participating in a joint-trade effort in asking for certain clarifications from the SEC and Department of Justice on how government enforcement actions under the Foreign Corrupt Practices Act (FCPA) are brought. Specifically, the letter asks the SEC and DOJ for greater clarity about what corporate interactions are allowed with quasi-governmental entities, and what internal compliance procedures regulators believe are most effective in inhibiting FCPA violations. [Robert Hatch, Robert@fsround.org]

Comment Letters to be Filed on Derivatives Issues

This week the Working Group will finalize its letter to the Commodity Futures Trading Commission (CFTC) should decide what swap contracts must be publicly traded. Currently, the CFTC proposal allows private entities such as swap execution facilities (SEFs) and designated contract markets (DCMs) to make the sole determination of whether a swap should be listed for public trading. The Roundtable's letter on this issue will urge the CFTC to take a greater role in determining what products have sufficient liquidity to be effectively traded.

Two joint-trade letters on swap issues, which included the Roundtable, have been filed and posted online. The first letter to the CFTC endorses proposed Securities Act Rule 239, which would exempt secured-based swaps from the registration and reporting requirements that are now applicable to most equity securities. A copy of the letter can be accessed [here](#). The second letter to the CFTC calls on the agency to quickly finalize rules relating to the extraterritoriality of Title VII of Dodd-Frank and the treatment of inter-affiliate swaps. Clarity on these issues is extremely important now that the CFTC has established its registration process under Title VII of Dodd-Frank. Consideration of extra-territorial transaction and inter-affiliate swaps will determine whether a slew of entities, including regional banks and U.S. branches of foreign banks, should register with the CFTC as "swap dealers" under Title VII. A copy of the letter can be accessed [here](#). [Robert Hatch, Robert@fsround.org]

TECHNOLOGY

Roundtable Meeting Regarding Proposed Cyber Legislation

BITS/Roundtable staff and financial institution representatives met with Congressman Mike Rogers (R-MI), Chairman of the House Intelligence Committee, to discuss his proposed legislation, the Cyber Intelligence Sharing and Protection Act (H.R. 3523) in New York. The Roundtable supports the legislation, which calls for the Director of National Intelligence to increase the sharing of classified cyber threat intelligence with the private sector and establishes guidelines for granting security clearances to the private sector. [Nicole Muryn, Nicole@fsround.org]

House Hearing on Cyber Threats to Communications Networks

BITS staff attended the House Energy & Commerce Committee, Subcommittee on Communications and Technology, hearing "Cybersecurity: Threats to Communications Networks and Private-Sector Responses," which addressed the possibility of providing businesses with incentives to increase protections and to share information. Topics discussed include: mobile device security, new attack methods, information sharing, and international cybersecurity codes of conduct. [Nicole Muryn, Nicole@fsround.org]

HOUSING

HOPE LoanPort® Support for Military Service Members

HOPE LoanPort® is proud to be working with HOPE NOW and the mortgage servicing industry and housing counseling community to better address the housing needs of America's military service members. Housing counselors working with military service members use HOPE LoanPort to apply online for a loan modification or other foreclosure alternatives. Homeowners can access this service either at HOPE NOW outreach events near their military base or by contacting a housing counselor in their area (www.hud.gov/foreclosure).

Within HOPE LoanPort's web-based portal, a housing counselor can "flag" a borrower as "Active Duty", "National Guard" or "Retired Military". The military indicator* in HOPE LoanPort allows the mortgage servicer to ensure the service member is considered for any foreclosure prevention programs that apply to the military. There are more than 3,000 housing counselors at 650 different counseling agencies in all 50 states, the District of Columbia and Puerto Rico available to assist service members with HOPE LoanPort. To find out more about HOPE LoanPort [Click](#)

[Here](#) or contact your local housing counselor using [HOPE LoanPort](#) (search by state or name of agency). [Katie King, KKing@HopeLoanPort.org]

The screenshot displays a web-based form titled "Homeowner's Additional Information" with a close button in the top right corner. The form is divided into several sections:

- Homeowner's Information:** Includes fields for Name (First Name: Jocky, Middle Name: , Last Name: Gerald), SSN (XXX-XX-1334), Birth Date (07/12/2010), Gender (Female, Male), Marital Status (Please Select), NFMC Household (Please Select), and Military status (National Guard Personnel, Active Duty Personnel, National Guard Personnel, Retired Military Personnel, Unknown). A "Date of Death if deceased" field is also present.
- Other Information:** A section titled "Please indicate the number of the following" with input fields for Car(s) (1), Boat(s) (0), Motorcycle (s) (0), Total No of Household (4), and Dependent (s) (0).
- Information for Government Monitoring Purposes:** Includes Race (Native Hawaiian or Other Pacific Islander) and Ethnicity (Chose not to respond).
- Homeowner Contact Information:** Includes (#,Street) (3540), BlueGate Ave, NA, City (Denver), State (MD-Maryland), County (Denver), Zip Code (13435), and a table for phone numbers and contact times.

Phone Number	Phone Type	Best Time to Contact
Primary * 111-222-1234	Work	Morning
Secondary 433-435-4343	Home	Afternoon
Third 444-515-6465	Cell	Morning

At the bottom of the form are "Save" and "Cancel" buttons. The background shows browser window details: "2978 Thurston Ave NA Seattle, King Washington 12353", "Case ID: 22545", and "Case Type: Home R".

An example of HOPE LoanPort's web-based portal.

House Subcommittee Approves FHA Solvency Legislation: On Tuesday, February 7, the House Financial Services subcommittee on Insurance, Housing and Community Opportunity met to markup several housing bills. The Affordable Housing and Self-Sufficiency Improvement Act of 2012; the FHA Emergency Fiscal Solvency Act of 2012; and the Homeless Children and Youth Act of 2011. Discussion on the Affordable Housing and Self-Sufficiency Improvement Act of 2012 revolved around how to maximize funding, including whether or not there should be an increase to the minimum rent payments. The FHA Emergency Fiscal Solvency Act of 2012 now includes a provision that will provide transparency and accountability to FHA. While both sides agreed to the benefits of the Homeless Children and Youth Act of 2011, the proposed amendment to provide funding for the additional children who would be covered under the act was not rejected. All bills passed by voice vote. Additionally, the Housing Policy Council submitted a letter of support for the FHA Emergency Solvency Act. [Todd Hill, Todd@fsround.org]

Mortgage Servicing Settlement- On Thursday, February 9, the Federal Government and 49 State Attorneys General announced a settlement with five major mortgage servicers to address problems in mortgage servicing practices. The settlement includes \$25 billion from the servicers, of the total amount; \$20 billion will be used to provide relief to homeowners through various methods including principal reduction on bank-owned loans; refinances and loan modifications and other forms of relief. In addition, the servicers will make \$5 billion in cash payments to the states and federal government. The settlement also includes new servicing standards agreed to by the major servicers. The Housing Policy Council and The Roundtable expressed support for the settlement because it provides significant relief to homeowners and will enable the housing market to move forward. HPC and The Roundtable believe that the servicing standards in the settlement and those included in the OCC consent agreements should be the basis of national uniform servicing standards that should apply to all mortgage servicers. [Paul Leonard, Paul@fsround.org]

Senate Banking Committee hearing on Housing Market Recovery: On Thursday, February 9, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing entitled “the State of the Housing Market: Removing Barriers to Economic Recovery.” Panelists included Dr. Mark Zandi, Mr. Christopher Mayer, and Mr. Phillip L. Swagel. The hearing focused on the role the legislature should have on improving the housing market. The consensus was that GSE reform was necessary, and policy makers need to continue to provide support to the housing market by facilitating more refinancing, loan modifications and convert REOs to Rental. There was also consensus amongst the panelists that the housing market has yet to hit bottom. [Todd Hill, Todd@fsround.org]

RESEARCH

RETIREMENT SECURITY

More and more Americans are putting their faith in private retirement accounts. The financial services industry currently manages more than \$17 trillion in retirement assets, and that number is expected to increase to \$22 trillion by 2016. This represents a 30% increase in privately managed retirement savings over four years.

Growth in private retirement accounts is matched by an increasing belief that people will benefit more financially from a 401(k) or IRA than from pension plans or Social Security. [Nearly two-thirds of non-retirees \(64%\) look to retirement accounts \(401\(k\), IRA, Keogh\) as major funding sources when they retire](#), according to a recent Gallup poll. Comparatively, only 26% plan to rely on Social Security.

For more information about retirement security, view this week's Fast Facts [here](#). [Abby McCloskey, Abby@fsround.org]

SAFER & STRONGER

Is the industry *really* safer and stronger since the financial crisis? According to the Roundtable's new white paper, *Financial Services: Safer & Stronger in 2012*, the answer is yes.

The paper details the many significant positive changes the industry has made since the crisis, using Federal Reserve and FDIC data to show that financial services companies:

- Have record capital levels
- Have restored lending to pre-crisis levels
- Have paid all valid insurance policyholder claims
- Have repaid “bailouts” with \$20 billion in profit for taxpayers
- And more...

View the full Safer & Stronger report [Here](#). [Abby McCloskey, Abby@fsround.org]

COMMUNITY SERVICE

Community Service 2012 Company of the Week: Webster Bank Week of February 6, 2012

Webster Bank's Employee Campaign for United Way Sets Record

Webster Bank believes in giving back to the communities it serves. This is evidenced by its recent Employee Community Campaign for United Way, raising a record-setting \$1.2 million.

Employee pledges made up a significant portion of the results. The campaign also consisted of several one-time fundraisers over the course of the year. The total amount raised makes Webster Bank one of Connecticut's largest contributors to the United Way.

"Our company has been an active United Way campaign participant since my father founded the bank in 1935. I'm so pleased that Webster employees contribute in this way, responding to the ever-changing needs of our communities, especially during what has been a challenging economic time," said Jim Smith, Chairman and CEO of Webster Bank. [Read More](#). [Judy Chapa, Judy@fsround.org]



Webster Bank employees were recognized for their outstanding contributions at the annual 'Thank You' event. Pictured here are Webster Chairman and CEO Jim Smith with awardees Adam McLaughlin, Vice President Commercial Real Estate; Diana Pagliarini, Chairperson and Chief Operating Risk Officer; Sean Mulready, Vice President/Relationship Manager Commercial Real Estate and Executive Vice President of Human Resources, Marketing, and Communications Jeff Brown.

The mission of The Financial Services Roundtable is to protect and promote the economic vitality and integrity of its members and the United States financial system.

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