

The Financial Services Roundtable **Anthony T. Cluff Fund¹**

Requests for Proposals for Financial Services Public Policy Research

Purpose of Anthony T. Cluff Fund

The Anthony T. Cluff Research Fund (Cluff Fund) was established by the Financial Services Roundtable (Roundtable) in the 1930s. The Cluff Fund sponsors research on banking and financial issues of interest to public policymakers and the general public. This research increases understanding and awareness of important issues to Roundtable members and to the financial services industry, explains the implications of such issues on the industry and the nation's financial system, and at times, recommends policy options. The results of this research are intended to apply to decisions about future U.S. financial services policies.

Description of Projects

This Request for Proposal (RFP) is seeking bids for three different research topics: 1) the role of credit rating agencies in the modern financial services world; 2) procyclicality in federal financial services regulation (in the recent financial services crisis and earlier crises); and 3) the regulatory treatment of brokered deposits.

Study of Credit Rating Agencies: This study on credit rating agencies would evaluate the fundamental purposes of credit rating agencies; the role of credit rating agencies in the market; and the various models used to establish a credit rating. In light of current and proposed U.S. and international laws and regulation, this study would evaluate whether additional regulation of credit rating agencies is needed. The paper should also reach a conclusion on the future of credit ratings, answering such questions as: Are there alternatives to credit ratings? Should there be a different business model for credit rating agencies?

Procyclicality in Federal Financial Services Regulation: This study would research federal regulations and actions taken during the recent financial crisis and make recommendations on how the federal regulators can achieve the same results (i.e. improve economy, increase lending, build capital and liquidity) without hampering normal business functions. Possible topics to address in this study are fair value accounting; securitization; loan loss reserves; FDIC assessments; federal liquidity programs; short selling; and/or investment advisor/broker-dealer rules.

¹ The Financial Services Roundtable (Roundtable) represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Roundtable member companies provide fuel for America's economic engine, accounting directly for \$84.7 trillion in managed assets, \$948 billion in revenue, and 2.3 million jobs.

Regulatory Treatment of Brokered Deposits: This study would examine brokered deposits – their origin and the role they play in the market. The paper should evaluate whether there is a correlation between brokered deposits and bank failures. Based on its research, the study will make recommendations on how the federal banking regulators should treat brokered deposits in the future.

Content of Proposals

Using the form in Appendix A, bids must identify which topic they are addressing and provide narratives addressing each of the listed criteria. There is no page minimum or maximum; however, a successful bid will include enough information for the Trustees to make an informed decision.

Criteria numbers 2 through 6 should provide general background, but the focus is on setting forth and defending the validity of the hypothesis of the study. An emphasis should be placed on how this study would fulfill the purpose of the Cluff Fund, listed above.

The narrative on methodologies must state whether sampling will be conducted and if so, what measures will be taken to ensure accuracy. The narrative must explain how those results will be used to support the hypothesis.

The final three criteria focus on the project work plan. The bid must identify the proposed members of the consulting or research team and include a resume/CV for each. Any named lead or project director must maintain an active role throughout the development of the study.

Selection Criteria

Bids will be evaluated based on: cost; substantive quality of bid (responsiveness); form of finished product; and time of delivery of product. The winning bids, if any, will be selected in the sole discretion of the Cluff Fund Trustees.

Procedural Information

Timeline: Please submit all bids via email to the Roundtable by COB March 1, 2010 to Kim Wheelbarger at kim@fsround.org. Questions may be addressed to Rich Whiting at rich@fsround.org. The next meeting of the Trustees is March 17, 2010. Approval of bids will be announced by April 1, 2010.

Format: Please submit bids as MSWord documents in the format of Appendix A.

Contract: Bids selected must enter into a contract with the Cluff Fund Trustees with terms and conditions similar to the sample contract in Appendix B.

**Appendix A
Format for Bid Submission**

To: Trustees of the Anthony T. Cluff Fund

From: [Name]

Date: [Date]

Re: Proposal for Study on [title]

1. Action Requested

Provide funding for a study on [title of study]

2. Summary of Proposed Project

3. Background on Issue

4. What the Proposed Study Would Demonstrate

5. Why this Project is Considered Important and Meets the Purpose of the Cluff Fund

6. Why Existing Research Does Not Already Address the Issue Adequately or Appropriately

7. Research Methodology to be Used

8. Timetable for Project Completion

9. Proposed Cost of the Project [Please provide an overall range as well as itemized list of expected costs.]

10. List of project team members [Please provide resume or CV of the director of the team.]

APPENDIX B

Sample Contract of Cluff Fund Project

This is an agreement between The Financial Services Roundtable, a not-for-profit trade association located at 1001 Pennsylvania Avenue, Suite 500 South, NW, Washington, D.C. (hereinafter the “Roundtable”), and [Name of selected bidders] (collectively “Consultants”). This agreement is effective immediately upon acceptance by Anthony T. Cluff Research Fund Trustees (“Trustees”).

Project Characteristics

Consultants will serve as Project Study Directors on [Project title], as funded by the Trustees.

It is understood that the Consultants will be personally and substantially involved with the execution of this project. Research or other work may not be delegated to persons not listed in the bid without permission of the Trustees. Consultants will periodically brief the Trustees on the status of the implementation plan of the project.

To execute this project, Consultants plan to [Describe project, including methodology and research strategy]. Consultants and the Roundtable agree upon a specified timeline for drafting and implementing [Project Title]. [Include timeline in appendix if necessary].

Project Fees

In return for their services on [Project Title], the Roundtable agrees to pay Consultants _____, and other expenses related to the work and the preparation of the report. [Include list of expenses in appendix if necessary.] This sum shall be payable [describe].

Presentation, Ownership, and Publication

If asked, the Consultants agree to be available to present the report at a Trustee meeting or at a Roundtable event. The Roundtable reserves all right, title, and interest, including without limitation copyright and patent, in and to the report, with appropriate credit being given to the Consultants. Upon subsequent agreement by the Trustees, Consultants may be granted the right to publish the report on their own, provided that the Trustees are acknowledged within the published report.

Termination

Should the Consultants not fulfill the terms of their responsibilities as discussed in this agreement, the Roundtable reserves the right to terminate this agreement with a 30-day notice. Additionally, if activities become unexpectedly onerous and time-consuming, the Roundtable agrees to act in good faith to adjust Consultant’s compensation and/or project timetable and introduction in a manner agreeable to both parties.