

U.S. DEPARTMENT OF THE TREASURY

Press Center

Financial Stability Oversight Council Announces Rescission of Nonbank Financial Company Designation

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WASHINGTON – The Financial Stability Oversight Council (Council) today announced that it has rescinded its determination that material financial distress at American International Group, Inc. (AIG) could pose a threat to U.S. financial stability and that AIG shall be subject to supervision by the Board of Governors and enhanced prudential standards.

"The Council has worked diligently to thoroughly reevaluate whether AIG poses a risk to financial stability," said Treasury Secretary Steven T. Mnuchin. "This action demonstrates our commitment to act decisively to remove any designation if a company does not pose a threat to financial stability."

Section 113(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the Council to reevaluate its nonbank financial company determinations at least annually.

The Council approved the rescission of AIG's designation by a vote of six in favor and three opposed. Those in favor were Steven T. Mnuchin, Secretary of the Treasury; Janet L. Yellen, Chair of the Board of Governors of the Federal Reserve System; Keith Noreika, Acting Comptroller of the Currency; J. Christopher Giancarlo, Chairman of the Commodity Futures Trading Commission; J. Mark McWatters, Chairman of the National Credit Union Administration; and Roy Woodall, Independent Member with Insurance Expertise. Those opposed were Richard Cordray, Director of the Consumer Financial Protection Bureau; Martin J. Gruenberg, Chairman of the Federal Deposit Insurance Corporation; and Melvin Watt, Director of the Federal Housing Finance Agency. One Council member, Securities and Exchange Commission Chairman Jay Clayton, was recused from this matter and did not participate in the vote. The Council determined that a member who is recused from participating in a matter is not included in the vote tally.

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