

TMPG Meeting Minutes

January 13, 2015

TMPG attendees

Jim DeMare (BAML)	Beth Hammack (Goldman Sachs)	Murray Pozmanter (DTCC)
Dan Dufresne (Citadel)	Jim Hraska (Barclays)	Gerald Pucci (Blackrock)
Brian Egnatz (HSBC)	Gary Kain (American Capital Agency)	Mark Tsesarsky (Citigroup)
John Fath (BTG Pactual)	Vincent Legroux (Banque de France)	Stu Wexler (ICAP)
Michael Garrett (Wellington)	Sandra O'Connor (J.P. Morgan Chase)	Tom Wipf (Morgan Stanley)

FRBNY attendees

Michelle Ezer	Susan McLaughlin	Susmitha Thomas
Joshua Frost	Simon Potter	Janine Tramontana
Frank Keane	Brett Rose	Nate Wuerffel

FHFA attendees

Michael Aneiro	Robert Fishman	Mary Ellen Taylor
Wanda DeLeo	Robert Ryan	

- The meeting commenced with an acknowledgement of the many contributions to the TMPG made by departing member John Fath from BTG Pactual.
- The TMPG then turned to a briefing from the Federal Housing Finance Agency (FHFA) on its [proposed GSE single security structure](#). The FHFA noted that this proposal was developed to try to improve the overall liquidity of Fannie Mae and Freddie Mac mortgage-backed securities. FHFA described some of the features of the single security structure and also summarized at a high level some of the [public feedback](#) received on the proposal. Most TMPG members noted that the proposal seemed designed to move the MBS market in a positive direction over the longer term, as a highly liquid mortgage market benefits all market participants and reduces costs throughout the housing finance system. Issues that were highlighted to the FHFA for additional consideration included transitional difficulties and the timing of this proposal relative to the timing of broader GSE reform. A few members also suggested that further analysis be undertaken to understand the expected tax and accounting treatment of any exchange or conversion mechanism and the expected impact of single security trading on MBS market liquidity. FHFA staff thanked TMPG members for their feedback, and noted that they would consider the feedback provided. Following this discussion, FHFA staff left the meeting.
- The TMPG then discussed recent market developments including the [Federal Reserve's reverse repurchase agreement exercises](#), money market functioning over year-end, and reactions to the to the [December FOMC meeting and communications](#).

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- Members then continued the discussion of heightened volatility in Treasury markets on October 15. The TMPG agreed that further analysis of the day's events by the group would be helpful, and members agreed to develop a list of common questions relating to trading and risk management strategies employed by TMPG member firms on October 15, and any changes to these strategies resulting from the events of this day. The responses would be collected by Fed staff and reported back in aggregate form at a future meeting. Based on the results of this exercise, members also agreed to identify any potential gaps in practices that TMPG best practice recommendations might address.
- The TMPG then received brief updates from its working groups focused on high-speed electronic trading and the use of reference rates in TMPG covered markets. Both groups noted progress toward formulation of potential best practice recommendations as well as progress in developing related reference material.
- TMPG members then reviewed summary statistics related to its [agency MBS margining recommendation](#), which remained in line with the statistics reported at its [November meeting](#).
- The next TMPG meeting will take place on Thursday, February 26, from 3:00-5:00 PM.