

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

December 13, 2010

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

Federal Reserve Establishes Office of Financial Stability Policy and Research

The Federal Reserve Board on Thursday, November 4, 2010 established the Office of Financial Stability Policy and Research and appointed Board economist J. Nellie Liang as its director.

The office will bring together economists, banking supervisors, markets experts, and others in the Federal Reserve who will be dedicated to supporting the Board's financial stability responsibilities. The office will develop and coordinate staff efforts to identify and analyze potential risks to the financial system and the broader economy, including through the monitoring of asset prices, leverage, financial flows, and other market risk indicators; follow developments at key institutions; and analyze policies to promote financial stability. It will also support the supervision of large financial institutions and the Board's participation on the Financial Stability Oversight Council.

"The Office of Financial Stability Policy and Research brings together a skilled group of people with a wide range of expertise to focus solely on financial stability," Federal Reserve Chairman Ben S. Bernanke said. "The financial stability team will play an important role in implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act, in our oversight of systemically important financial institutions, and in our overall surveillance of the financial markets and the economy. I am pleased that such a strong economist and leader as Nellie is leading this group."

Liang joined the Board in 1986, acting most recently as a senior associate director in the Division of Research and Statistics. In that role, she has led a group of economists focused on the intersection of economics and finance, including oversight of capital markets, financial institutions, consumer finance, and financial flows. Liang was a key participant in crafting the Federal Reserve's response to the financial crisis and helped lead the Supervisory Capital Assessment Program, or bank stress tests, which helped increase public confidence in the banking system in 2009. Liang has a Ph.D. in economics from the University of Maryland and an undergraduate degree in economics from the University of Notre Dame.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

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