

Hon. Timothy Geithner, Chairman
Financial Stability Oversight Council
And Secretary of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20520

Hon. Ben Bernanke, Vice Chairman
Financial Stability Oversight Council
And Chairman, Federal Reserve Board
20th Street and Constitution Avenue NW
Washington, DC 20551

Hon. Martin Gruenberg, Acting Chairman
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

January 25, 2012

Re: In support of regulatory inquiry into large and complex financial institutions

Dear Secretary Geithner, Chairman Bernanke and Acting Chairman Gruenberg,

Recently many questions have been posed regarding the financial condition of Bank of America and several other large and complex financial institutions. If any of these institutions were to deteriorate, it could threaten the U.S. financial system. We urge you to investigate their stability, to analyze potential outcomes in the event of a failure, and to take any actions necessary to ensure systemic stability. The Dodd-Frank Wall Street Reform and Consumer Protection Act charges you with ensuring the stability of the U.S. financial system, and provides you with a broad range of tools to do so.

Issues for investigation include whether the financial institutions:

- are adequately capitalized;
- are solvent;
- are, in their current form, excessively difficult to manage or regulate properly due to their size or complexity; and
- are, in their current form, capable of being resolved if necessary.

These are complicated issues that require proper valuations of the institutions' assets and liabilities, and in-depth inquiries into the institutions' operating structures. Given the potential risks that they and the U.S. financial system face, it is imperative that regulators make these inquiries.

Once you have done so, we urge you to take any and all necessary actions to safeguard financial stability well before an immediate crisis materializes.

Sincerely,

Public Citizen

Americans for Financial Reform

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