

January 15, 2019

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th St. and Constitution Ave., NW
Washington, D.C. 20551

Dear Chairman Powell:

Today's vote in the Parliament of the United Kingdom on the Brexit Withdrawal Agreement presages greater uncertainty for global financial markets. While the potential for a prolonged or uncertain Brexit could prove challenging, a no-deal Brexit could be disruptive. As you identified in remarks on November 28, 2018,¹ a number of outcomes surrounding Brexit could trigger distress, and it is my understanding that the Federal Reserve and other regulators have been working closely with U.S. financial institutions, as well as with regulators abroad, to prepare appropriately.

I am therefore requesting an update on how the Federal Reserve plans to mitigate risks that may arise from yesterday's vote, particularly as they relate to the following:

- U.S. financial institutions,
- Cross-border trade in financial services,
- Derivatives markets,
- Insurance contracts, and
- Any equivalency considerations.

Sincerely,



PATRICK MCHENRY
Ranking Member

cc: The Honorable Maxine Waters, Chairwoman, U.S. House Committee on Financial Services

¹ Jerome Powell, Chairman, Fed. Reserve Sys., The Federal Reserve's Framework for Monitoring Financial Stability (Nov. 28, 2018).