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AFR STATEMENT ON METLIFE DECISION

We are disappointed that a single Federal district court judge has overturned the decision of the Financial Stability Oversight Council (FSOC), which voted 9-1 to designate Metlife for additional Federal Reserve oversight. All nine of the Federal financial regulators on the FSOC joined this decision, after an extensive review of evidence and multiple hearings with the company over an 18-month period. In its public justification of the decision, the FSOC also cited multiple uses of Federal emergency financial facilities by Metlife during the 2008-2009 financial crisis.

The grounds for the judge's decision have not yet been released. However, we find it difficult to believe that the FSOC's decision could truly be considered "arbitrary and capricious," the statutory standard for overturning an FSOC designation. The threshold for systemic risk designation in Dodd-Frank requires only that material financial distress at a company *could* pose a risk to the financial stability of the United States. Metlife is a company with approximately \$900 billion in assets, and it is deeply intertwined with the broader capital markets. Economic assessments of Metlife's financial risk consistently find that the company ranks high.

We hope and expect that the government will appeal the decision.