

May 2, 2022

Mr. Sean Croston  
Special Counsel  
Alternate Designated Agency Ethics Official  
Board of Governors of the Federal Reserve System  
Washington, D.C. 20551

Dear Mr. Croston:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Governor and Vice Chairman for Supervision of the Board of Governors of the Federal Reserve System. It is my responsibility to understand and comply with the commitments outlined in this agreement.

#### SECTION 1 – GENERAL COMMITMENTS

As required by the criminal conflicts of interest law, 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the particular matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me:

- Any spouse or minor child of mine;
- Any general partner of a partnership in which I am a limited or general partner;
- Any organization in which I serve as officer, director, trustee, general partner or employee; and
- Any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In the event that an actual or potential conflict of interest arises during my appointment, I will consult with an agency ethics official and take the measures necessary to resolve the conflict, such as recusal from the particular matter or divestiture of an asset.

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, or investment funds that qualify for the regulatory exemption for diversified mutual funds and unit investment trusts at 5 C.F.R. § 2640.201(a).

I will receive a live ethics briefing from a member of the ethics office after my confirmation but not later than 15 days after my appointment pursuant to the ethics program regulation at 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will submit my

Certification of Ethics Agreement Compliance, which documents my compliance with this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13989) and that I will be bound by it. Among other obligations, I will be required to recuse from particular matters involving specific parties involving my former employer or former clients for a period of two years after I am appointed, with the exception of federal, state and local government.

I will not modify this ethics agreement without your approval and the approval of the U.S. Office of Government Ethics pursuant to the ethics agreement requirements contained in the financial disclosure regulation at 5 C.F.R. § 2634.803(a)(4).

## SECTION 2 – UNIVERSITY OF MICHIGAN

I am currently the Dean of the Ford School of Public Policy at the University of Michigan. I am also a professor at the Ford School of Public Policy and the University of Michigan Law School. Additionally, my spouse is employed with the University of Michigan. Upon confirmation, I will resign from my position as Dean of the Ford School of Public Policy and take a one-year unpaid leave of absence from my tenured faculty positions. Pursuant to University policy, I am entitled to an extension in one year-increments of the leave of absence upon request. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the University of Michigan, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for either the exemption for employees on leave from institutions of higher learning allowing participation in certain particular matters of general applicability at 5 C.F.R. § 2640.203(b), or another regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that pursuant to the impartiality regulation to 5 C.F.R. § 2635.502, for a year after I resign or for as long as my spouse is employed by the University, I will not participate personally and substantially in any particular matter involving specific parties in which I know the University of Michigan is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 3 – MICHAEL S BARR LLC

I am the sole member of Michael S Barr LLC, through which I provide consulting/advisory services and receive and hold some compensation for my consulting work. Upon confirmation, the LLC will cease engaging in any consulting/advisory business. During my appointment to the position of Governor and Vice Chairman for Supervision of the Board of Governors, the LLC will not advertise. All amounts owed to me by my clients will be fixed before I assume the duties of the position of Governor and Vice Chairman for Supervision, and I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of any client to pay the agreed upon amount. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Michael S Barr

LLC, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1). In addition, pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, I will not participate personally and substantially in any particular matter involving specific parties in which I know a client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

#### SECTION 4 – NYCA PARTNERS

Upon confirmation, I will resign from my position as an advisor to NYCA Management LLC; NYCA Investment Fund III GP, LLC; and NYCA Investment Fund IV GP, LLC. I hold equity in, and have capital commitments to, the following funds: NYCA Investment Fund, LP, NYCA Investment Fund III, L.P., and NYCA Investment Fund IV-B, LP. As a result of my advisory services, I have carried interest in NYCA Investment Fund, LP, and NYCA Investment Fund III, L.P. I do not have carried interest in NYCA Investment Fund IV-B, LP. Pursuant to the terms of my agreements, I received a reduction of 1% in the management fees for NYCA Investment Fund III, L.P., and NYCA Investment Fund IV-B, LP.

As soon as practicable but not later than 90 days after my confirmation, I will divest my interests in NYCA Investment Fund, LP by withdrawing from the fund, which also will terminate my remaining capital commitment. I also will terminate my right to any future carried interest distributions from the fund. Before I assume the duties of the position of Governor and Vice Chairman for Supervision, I will divest my interests in NYCA Investment Fund III, L.P. and NYCA Investment Fund IV-B, LP by withdrawing from each fund, which also will terminate my remaining capital commitment to each fund. I also will terminate my right to any future carried interest distributions from NYCA Investment Fund III, L.P. In connection with my withdrawal from these funds and termination of carried interest rights, I will receive a payment based on the value of my equity interest of the funds and carried interest from the funds as of March 31, 2022. I have verified that I will be able to carry out the divestitures within the timeframe described above.

With regard to NYCA Investment Fund, LP, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the fund or its underlying holdings until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, for a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know NYCA Management LLC, NYCA Investment Fund III GP, LLC, or NYCA Investment Fund IV GP, LLC, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

#### SECTION 4 – SENTILINK

Upon confirmation, I will cease providing consulting services to SentiLink. I hold vested stock options in SentiLink. I do not hold unvested stock options. I will divest or forfeit my vested stock options in SentiLink as soon as practicable but not later than 90 days after my confirmation. If I divest the stock options by exercising them, I will divest the resulting stock as

soon as practicable but not later than 90 days after my confirmation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I have verified that I will be able to carry out the divestitures within the timeframe described above. Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, for a period of one year after I cease providing consulting services, I also will not participate personally and substantially in any particular matter involving specific parties in which I know SentiLink, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 5 – SAVI

Upon confirmation, I will cease providing consulting services to Savi. I hold vested and unvested stock options in Savi. I will forfeit all of my Savi stock options that are unvested at the time of my resignation. I will divest or forfeit my vested stock options in Savi as soon as practicable but not later than 90 days after my confirmation. If I divest the stock options by exercising them, I will divest the resulting stock as soon as practicable but not later than 90 days after my confirmation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I have verified that I will be able to carry out the divestitures within the timeframe described above. Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, for a period of one year after I cease providing consulting services, I also will not participate personally and substantially in any particular matter involving specific parties in which I know Savi is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 6 – GRIT FINANCIAL

Upon confirmation, I will cease providing consulting services to GRIT Financial. I hold vested and unvested stock options in GRIT Financial. I will forfeit all of my GRIT Financial stock options that are unvested at the time of my resignation. I will divest or forfeit my vested stock options in GRIT Financial as soon as practicable but not later than 90 days after my confirmation. If I divest the stock options by exercising them, I will divest the resulting stock as soon as practicable but not later than 90 days after my confirmation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I have verified that I will be able to carry out the divestitures within the timeframe described above. Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, for a period of one year after I cease providing consulting services, I also will not participate personally and substantially in any particular matter involving specific parties in which I know GRIT Financial, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 7 – OTHER RESIGNATIONS

Upon confirmation, I will resign from my positions with the following entities:

- Kresge Foundation
- Jonathan Edwards Trust
- Association of Professional Schools of International Affairs

I have already resigned from my position with Center for American Progress. Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, for a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which I know that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 8 – OTHER DIVESTITURES

I hold vested stock options in CLINC and Global ID. I do not hold unvested stock options. As soon as practicable but not later than 90 days after my confirmation, I will divest or forfeit my vested stock options in CLINC and Global ID. If I divest the stock options by exercising them, I will divest the resulting stock as soon as practicable but not later than 90 days after my confirmation. With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I have verified that I will be able to carry out the divestitures within the timeframe described above.

Additionally, as soon as practicable but not later than 90 days after my confirmation, I will divest my interests in the following funds:

- CREF Inflation-Linked Bond R3 (QCILIX)
- iShares U.S. Treasury Bond ETF (GOVT)
- JPMorgan Mortgage-Backed Securities Fund (JMBUX)
- PIMCO CommodityRealReturn Strategy Fund (PCRIX)
- PIMCO Mortgage Opportunities and Bond Fund (PMZIX)
- Vanguard Intermediate-Term Treasury Index Fund (VGIT)
- Vanguard Long-Term Treasury Index Fund (VGLT)
- Vanguard Short-Term Treasury Index Fund (VGSH)
- Wisdom Tree Japan Hedged (DXJ)
- Nuveen Michigan Municipal Bond Fund Class I Shares (NMMIX)

With regard to each of these funds, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the fund or its underlying holdings until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption,

pursuant to 18 U.S.C. § 208(b)(2). I have verified that I will be able to carry out the divestitures within the timeframe described above.

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets. I understand that I must timely submit my request for a Certificate of Divestiture to allow for adequate time for OGE to process the Certificate of Divestiture, and in order to divest assets within the agreed upon timeframe.

I (including my spouse and dependent children if applicable) will not repurchase any asset I was required to divest without consulting with my agency ethics official and the U.S. Office of Government Ethics.

## SECTION 9 – ROYALTIES

I receive royalties from Foundation Press for sales of the book, *Financial Regulation, Law and Policy*. Additionally, I am entitled to receive royalties from Brookings Institution Press for sales of the book, *No Slack: The Financial Lives of Low-Income Americans*. I understand that I may not work on future editions of these books or perform any other services for compensation during my appointment to the position of Governor and Vice Chairman for Supervision. Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, I will not participate personally and substantially in any particular matter involving specific parties in which I know Foundation Press or Brookings Institution Press is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

## SECTION 10 – ADDITIONAL COMMITMENTS

As required by 12 U.S.C. § 244 and 12 U.S.C. § 620, I will not serve as an officer or director for or hold stock in any bank, banking institution, trust company, or Edge Act corporation during my appointment to the position of Governor of the Board of Governors of the Federal Reserve System. Additionally, I agree to abide by the Federal Open Market Committee (FOMC) Investment and Trading Policy for FOMC Officials.

## SECTION 11 – PUBLIC POSTING

I have been advised that this ethics agreement and the Certification of Ethics Agreement Compliance will be posted publicly, consistent with the public information law at 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael S. Barr". The signature is fluid and cursive, with the first name "Michael" and last name "Barr" clearly distinguishable.

Michael S. Barr