Supporting Statement for
Consolidated Reports of Condition and Income
(Interagency Call Report)
OMB Control No. 1557-0081

In June 2011, the agencies'[1] received emergency clearances to implement the assessment-related reporting revisions to the Call Report and the Thrift Financial Report (TFR) effective as of the June 30, 2011 report date. OMB's emergency approval extends through the December 31, 2011 report date. The agencies are now seeking regular clearance for these collections.[2]

After considering the comments, the transition guidance for the reporting of subprime consumer loans and securities and leveraged loans and securities by large and highly complex institutions that was adopted by the agencies in connection with the emergency clearance has been extended to April 1, 2012. The FDIC also has decided to review the subprime and leveraged loan definitions included in its February 2011 final rule on assessments[3] to determine whether changes to these definitions could alleviate concerns expressed by bankers without sacrificing accuracy in risk differentiation for deposit insurance pricing purposes. The instructions for reporting subprime and leveraged loans and securities for assessment purposes in the agencies' regulatory reports will be conformed to any revised definitions of these terms in the FDIC's assessment regulations resulting from the FDIC's review process, including any necessary rulemaking.

A. JUSTIFICATION

1. Circumstances and Need

Section 331(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank)[4] required the FDIC to amend its regulations to redefine the assessment base used for calculating deposit insurance assessments as average consolidated total assets minus average tangible equity. The assessment base was previously defined as domestic deposits less certain allowable exclusions, such as pass-through reserve balances. Changing the assessment base was an effort to shift a greater percentage of overall total assessments away from community banks and toward the largest institutions, which rely less on domestic deposits for their funding than do smaller institutions.

Prior to the enactment of Dodd-Frank, the FDIC published an NPR to revise the assessment system applicable to large insured depository institutions[5] to better differentiate large institutions by taking a more forward-looking view of risk and better incorporate the losses that the FDIC will incur if an institution fails. Most commenters requested that the FDIC delay finalizing the rule until the effects of the then pending Dodd-Frank legislation were known.

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[1] Office of the Comptroller of the Currency, Office of Thrift Supervision, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation.
[2] 60-day *Federal Register* notice, 76 FR 44987 (July 27, 2011).
[3] 76 FR 10672.
[4] Pub. L. 111-203, July 21, 2010.
[5] 75 FR 23516 (May 3, 2010).

In November 2010, the FDIC issued two additional NPRs, one that proposed to redefine the assessment base as prescribed by Dodd-Frank[6] and one that proposed revisions to the large institution assessment system, factoring in the proposed redefinition of the assessment base and the comments received on the May 2010 NPR.[7] After revising the proposals in response to the comments received on the two additional NPRs, the FDIC adopted a final rule in which it redefined the assessment base used for calculating deposit insurance assessments for all 7,500 insured depository institutions and revising the assessment system for approximately 110 large institutions,[8] taking effect for the quarter beginning April 1, 2011, and being reflected for the first time in the deposit insurance assessments due September 30, 2011, using the Call Reports and the TFRs for June 30, 2011.

The definitions of subprime loans, leveraged loans, and nontraditional mortgage loans in the FDIC's February 2011 final rule are applicable only to deposit insurance assessments. They are not identical to the definitions included in existing supervisory guidance for these types of loans because they are more prescriptive and less subjective. This ensures that large and highly complex institutions apply a uniform approach to the identification of loans reported as higher-risk assets for assessment purposes and used as inputs to the scorecards to determine initial base assessment rates.

Given the limited purpose for which the definitions of subprime loans, leveraged loans, and nontraditional mortgage loans in the FDIC's rule on assessments will be used, these definitions will not be applied for supervisory purposes. The definitions do not override or supersede any existing interagency or individual agency guidance and interpretations pertaining to subprime lending, leveraged loans, and nontraditional mortgage loans that have been issued for supervisory purposes or for any other purpose other than deposit insurance assessments. The addition of data items to the Call Report and TFR deposit insurance assessment schedules for these three higher-risk asset categories represents the outcome of decisions by the FDIC in its assessment rule rather than a collective decision of the agencies.

On March 16, 2011, the agencies published a 60-day *Federal Register* notice requesting comment on proposed revisions to the Call Report and the TFR that would provide the data needed by the FDIC to implement the its February 2011 final rule beginning with the June 30, 2011, report date.[9] The assessment-related reporting changes were designed to enable the FDIC to calculate (1) the assessment bases for insured depository institutions as redefined in accordance with Dodd-Frank and the FDIC's rule, and (2) the assessment rates for "large institutions" and "highly complex institutions" using a scorecard set forth in the rule to assess the risk such institutions pose to the Deposit Insurance Fund (DIF). The new data items in the March notice were linked to specific requirements in the FDIC's assessment regulations as amended by the final rule.

The FDIC did not anticipate receiving material comments on the reporting changes proposed in the March 2011 notice because its February 2011 final assessments rule had taken into account the comments received on the two November 2010 NPRs as well as the earlier May

[6] 75 FR 72582 (November 24, 2010).
[7] 75 FR 72612, (November 24, 2010).
[8] See 76 FR 10672, (February 25, 2011).
[9] See 76 FR 14460 (March 16, 2011).

2010 NPR. The agencies expected to continue following normal PRA clearance procedures and publish a 30-day *Federal Register* notice for the proposed reporting changes and submit these changes to OMB for review.

The agencies received comments from 19 respondents on their 60-day *Federal Register* notice published on March 16, 2011. Three of the bankers' organizations commented on certain aspects of the proposed reporting requirements associated with the redefined assessment base, with one of these organizations welcoming the proposed reporting changes and deeming them "reasonable and practical." Seventeen of the 19 respondents addressed the reporting requirements proposed for large institutions, with specific concerns raised about the definitions of subprime consumer loans and leveraged loans in the FDIC's final rule, which were carried directly into the draft reporting instructions for the Call Report, and the ability of large institutions to report the amount of subprime consumer loans and leveraged loans in accordance with the final rule's definitions, particularly beginning as of the June 30, 2011 report date. They stated that institutions generally do not maintain data on these loans in the manner in which these two loan categories are defined for assessment purposes in the FDIC's final rule nor do they have the ability to capture the prescribed data to enable them to identify these loans in time to file their regulatory reports for the June 30, 2011 report date. These data availability concerns, particularly as they related to institutions' existing loan portfolios, had not been raised as an issue during the rulemaking process for the revised large institution assessment system, which included the FDIC's publication of two NPRs in 2010. Nevertheless, a number of respondents expressed support for the concept of applying risk-based evaluation tools in the determination of deposit insurance assessments, which is an objective of the large institution assessment system under the FDIC's final rule.

The unanticipated comments in response to the agencies' March 2011 60-day *Federal Register* notice required the FDIC to consider possible reporting approaches that would address institutions' concerns about their ability to identify loans meeting the subprime and leveraged loan definitions in the FDIC's final rule on assessments while also meeting the objectives of the revised large institution assessment system. The agencies decided to provide transition guidance for reporting subprime consumer and leveraged loans originated or purchased prior to October 1, 2011, and securities where the underlying loans were originated predominantly prior to October 1, 2011. Because of the unexpected need to develop and reach agreement on a workable transition approach for loans that are to be reported as subprime or leveraged for assessment purposes, the agencies concluded that they should follow emergency rather than normal PRA clearance procedures for the assessment-related reporting changes. This provided certainty to institutions on a timely basis concerning the initial collection of the new assessment data items as of the June 30, 2011 report date as called for under the FDIC's final rule.

On June 17, 2011, OMB approved the agencies' emergency clearance requests to implement the assessment-related reporting revisions to the Call Report, the TFR, and the FFIEC 002/002S reports effective as of the June 30, 2011 report date. OMB's emergency approval extends through the December 31, 2011 report date. Because the assessment-related reporting revisions need to remain in effect beyond the limited approval period associated with an

emergency clearance request, the agencies, under the auspices of the FFIEC, began normal PRA clearance procedures anew with the publication of a second initial PRA *Federal Register* notice on July 27, 2011 (76 FR 44987). This second initial notice requested public comment on the assessment-related reporting revisions to the Call Report, the TFR, and the FFIEC 002/002S reports that had taken effect June 30, 2011, under OMB's emergency approval, including the transition guidance described above and the other modifications the agencies had made in response to the comments received on the revisions first proposed in March 2011.

After the publication of the agencies' second initial PRA notice on July 27, 2011, OMB approved the agencies' separate requests that savings associations begin to file the Call Report beginning with the reports for March 31, 2012. As a result, December 31, 2011 is the final report date as of which the TFR will be collected from savings associations. Because OMB's emergency approval of the assessment-related reporting revisions that were implemented as of the June 30, 2011 report date extends through December 31, 2011 report date after which the TFR will no longer be collected, this notice and the agencies' related submissions to OMB requesting approval to revise and extend for three years the Call Report and the FFIEC 002/002S report does not request this same approval for the TFR. For information on the conversion by savings associations from filing the TFR to filing the Call Report, see the agencies' final PRA notice published July 7, 2011.[10]

The agencies collectively received comments from eight respondents on their July 27, 2011, second initial PRA notice on the assessment-related reporting revisions to the Call Report, the TFR, and the FFIEC 002/002S reports that had taken effect on June 30, 2011, under OMB's emergency approval. Comments were received from four depository institutions, all of which are "large institutions" for deposit insurance assessment purposes, and four bankers' organizations, three of which submitted a joint comment letter.[11] The jointly commenting bankers' organizations stated they "collectively represent all of the banks that are affected or may be affected by" the revised assessment system for "large institutions" and "highly complex institutions" in the FDIC's February 2011 final rule on assessments. Six of the eight respondents on the second initial PRA notice focused their comments on the definitions of subprime consumer and leveraged loans in the FDIC's assessments final rule, which (subject to the transition guidance for reporting such assets described above) are the basis for the regulatory reporting instructions for reporting the amounts of these two categories of higher-risk assets for assessment purposes in the Call Report and (through the December 31, 2011 report date) the TFR. In addition, as noted in the public comment file for the second initial PRA notice, representatives of the four commenting bankers' organizations and certain large and highly complex institutions met twice with FDIC staff prior to the close of the comment period for the notice to explain their concerns about the definitions of, and the availability of the information necessary to report, subprime and leveraged loans by such institutions.

Comments also were received on the definition of nontraditional 1-4 family residential mortgage loans, the reporting of derivative counterparty exposures by highly complex institutions, the frequency of loan loss provision and deferred tax calculations for reporting

[10] See 76 FR 39981, July 7, 2011, http://www.fdic.gov/regulations/laws/federal/2011/11noticejuly07.pdf.

[11] The American Bankers Association (ABA), The Clearing House, and the Financial Services Roundtable jointly commented. The Risk Management Association submitted a separate comment letter.

average tangible equity, the treatment of prepaid deposit insurance assessments in the measurement of average total assets for assessment base purposes, and the reporting of certain troubled debt restructurings that are guaranteed or insured by the U.S. Government. In addition, during the initial reporting of the revised assessment-related data items as of June 30, 2011, questions arose about which data items should be reported on a consolidated or an unconsolidated single FDIC certificate number basis by institutions that own another insured institution as a subsidiary because of the way in which these data are used in the FDIC's risk-based deposit insurance system.

As a result of these comments, the following decisions are included in the 30-day PRA announcement:

A. The FDIC has decided to review the definitions of subprime and leveraged loans and securities in the February 2011 assessments final rule to determine whether changes to the definitions could alleviate industry concerns without sacrificing accuracy in risk differentiation for deposit insurance pricing purposes. To allow sufficient time for the FDIC to undertake this review, and – in the event that the FDIC does not propose to alter the definitions in the February 2011 assessments final rule following this review – to give large and highly complex institutions additional time to adapt reporting systems to the definitions in the rule, the FDIC also has decided to allow such institutions to continue to follow the transition approach under which they may use either their existing internal methodologies or existing supervisory guidance to identify and report, for assessment purposes, subprime and leveraged loans originated or purchased prior to April 1, 2012. Thus, by extending the previous transition guidance for these two loan categories, the February 2011 assessment definitions—if left unaltered—would begin to apply to loans originated on or after April 1, 2012.

   Any revised definitions of subprime and leveraged loans for assessment purposes would require approval by the FDIC Board of Directors through the notice and comment rulemaking process. The effective date for applying any revised definitions would be communicated through the rulemaking process and would be subject to comment by the industry.

B. After considering the comments from the bankers' organizations about nontraditional residential mortgage loans that were received, the definition of this high-risk asset category will remain as defined in the FDIC's assessments final rule unless amended by the FDIC through rulemaking. Should that occur, the definition of high risk residential mortgage loans in the agencies' regulatory reporting instructions will be revised in the same manner to maintain conformity with the FDIC's assessment regulations.

C. The three jointly commenting bankers' organizations and one institution stated that the requirement for certain institutions to estimate month-end Tier 1 capital numbers prior to quarter-end is problematic because they do not calculate their provision for loan and lease losses expense and deferred taxes on a monthly basis, which are two potentially significant drivers of Tier 1 capital. These commenters recommended that, for purposes of measuring average tangible equity on a monthly average basis, institutions that do not

perform monthly loan loss provision or deferred tax calculations be allowed to use a "pro-rated, one-third estimate of the quarter-end reported" provision and deferred tax amounts for months other than quarter-end. These commenters argued that institutions are not required to update these calculations monthly in accordance with generally accepted accounting principles for external reporting purposes and the cost of doing so would outweigh the benefits.

The agencies believe the commenters' suggested approach has merit as a means to reduce institutions' compliance costs for institutions. Accordingly, for institutions required or electing to report average tangible equity on a monthly average basis that do not perform monthly loan loss provision or deferred tax calculations, the agencies will permit such institutions to use one third of the amount of provision for loan and lease losses and deferred tax expense (benefit) reported for the quarterly regulatory reporting period for purposes of estimating the retained earnings component of Tier 1 capital in each of the first two months of the quarter. As suggested by the institution commenting on this issue, the agencies will revise the instructions for the data item for average tangible equity to describe this permissible approach.

D. The agencies propose to include a new Memorandum item 16 to Call Report Schedule RC-O beginning with the June 30, 2012 report date in which large and highly complex institutions would report the "Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC)." For quarter-end report dates after the effective date of the FDIC's assessments final rule but prior to the effective date of this Call Report change (i.e., June 30, 2011 through March 31, 2012), large and highly complex institutions that have such restructured loans may choose to, but are not required to, provide this information to the FDIC on a voluntary basis through FDIC*Connect*. For an institution that chooses to submit this prior period information, the FDIC will adjust the institution's total score for the past periods as applicable.

E. The assessment-related reporting revisions that took effect June 30, 2011, included several new data items applicable to large and highly complex institutions that serve as inputs to the scorecards used to determine the initial base assessment rate for each large institution and highly complex institution under their revised risk-based assessment system. The ratios in these scorecards are calculated on a fully consolidated basis. In addition, for certain small institutions, the initial base assessment rate is determined using the financial ratios method. Like the scorecard ratios, the financial ratios method employs fully consolidated data. Most of the data items used as inputs to the scorecards and financial ratios are collected in other schedules of the Call Report and the TFR on a fully consolidated basis. However, five assessment data items that were collected from all institutions before June 30, 2011, and continue to be collected also serve as either scorecard or financial ratio inputs.

As a result, during the initial reporting of the revised assessment-related data as of June 30, 2011, questions were raised as to whether the new data items for large and highly complex institutions as well as the five existing, but retained, assessment data items

should be reported on a consolidated or an unconsolidated single FDIC certificate number basis. For the large and highly complex institution data items,[12] consolidated reporting is appropriate and the reporting instructions will be clarified accordingly.

On the other hand, for the five existing assessment data items, reported on a single FDIC certificate number basis, among the purposes for which the FDIC has used and continues to use them is to perform industry analyses of the Deposit Insurance Fund, which rely on unconsolidated single FDIC certificate number data consistent with how institutions are insured. However, because these existing items also enter into scorecard and financial ratio calculations, these five data items are also needed on a consolidated basis from institutions that own another insured depository institution. Therefore, to resolve this issue for these parent institutions given the inquiries about the appropriate basis of reporting, the agencies will add five items to Call Report Schedule RC-O effective June 30, 2012, one of which would be completed by all institutions that own another institution while the other four would be completed by the large and highly complex institutions that own another insured depository institution. More specifically, new Schedule RC-O, item 9.a, would capture fully consolidated reciprocal brokered deposits for all 13 institutions that own another institution. New Schedule RC-O, Memorandum items 17.a through 17.d, large and highly complex institutions that own another insured depository would report total deposit liabilities before exclusions, total allowable exclusions, unsecured other borrowings with a remaining maturity of one year or less, and estimated amount of uninsured deposits on a fully consolidated basis. For quarter-end report dates after the effective date of the FDIC's assessments final rule but prior to the effective date of these Call Report changes (i.e., June 30, 2011, through March 31, 2012), institutions that own another insured depository may choose to, but are not required to, provide the applicable additional fully consolidated information to the FDIC on a voluntary basis through FDIC*Connect*. For an institution that chooses to submit this prior period information, the FDIC will adjust the institution's scorecard or financial ratios for the past periods as applicable.

2. Use of Information Collected

Institutions submit Call Report and TFR data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report and TFR data provide the most current statistical data available for evaluating institutions' corporate applications, identifying areas of focus for both on-site and off-site examinations, and monetary and other public policy purposes. The agencies use the data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. The data is also used to calculate all institutions' deposit insurance and Financing Corporation assessments, and assessment fees.

3. Use of Technology to Reduce Burden

[12] For example, Memorandum items 6 through 15 on Call Report Schedule RC-O.

All banks and savings associations are subject to an electronic filing requirement for Call Reports and TFRs. Institutions may use information technology to the extent feasible to maintain required records.

4. Efforts to Identify Duplication

The information to be collected to calculate the assessment bases for all insured depository institutions and the assessment rates for large and highly complex institutions is not duplicated elsewhere.

5. Minimizing the Burden on Small Entities

The information is the minimum necessary for the FDIC to administer the Federal Deposit Insurance System for insured depository institutions. In general, the large institution assessment system applies to institutions with $10 billion or more in total assets and therefore will not affect small institutions.

With respect to the information collected to calculate the assessment bases for all insured depository institutions, institutions with less than $1 billion in assets (other than newly insured institutions) may use a weekly averaging method for calculating average consolidated total assets unless they opt to report daily averages on a permanent basis. Banks with less than $1 billion in assets generally will be able to carry the average total assets figure reported in the quarterly averages schedule of the Call Report over to the deposit insurance assessment schedule. Under the FDIC's final rule, tangible equity capital is defined as Tier 1 capital, which institutions already measure for regulatory capital purposes, and average tangible equity will be calculated using a monthly averaging method, but institutions with less than $1 billion in assets (other than newly insured institutions) may report on an end-of-quarter basis unless they opt to report monthly averages on a permanent basis. In general, banks with less than $1 billion in assets will be able to carry the quarter-end Tier 1 capital figure reported in the regulatory capital schedule of the Call Report over to the deposit insurance assessment schedule.

6. Consequences of Less Frequent Collection

Collection of the deposit insurance assessment data less frequently than quarterly would reduce the FDIC's ability to timely calculate and collect the quarterly assessments for insured deposits.

7. Special Circumstances

There are no special circumstances.

8. Consultation with Persons Outside the OCC

The agencies received comments from eight respondents on the 60-day *Federal Register* notice on the assessment-related reporting revisions that took effect June 30, 2011. Comments were received from four large depository institutions and four bankers' organizations, three of

which submitted a joint comment letter. The jointly commenting bankers' organizations stated they "collectively represent all of the banks that are affected or may be affected by" the revised assessment system for "large institutions" and "highly complex institutions" in the FDIC's February 2011 final rule on assessments. Six of the eight respondents focused their comments on the definitions of subprime consumer and leveraged loans in the FDIC's assessments final rule, which are the basis for the regulatory reporting instructions for reporting the amounts of these two categories of higher-risk assets for assessment purposes in the Call Report and (through the December 31, 2011, report date) the TFR. Representatives of the four commenting bankers' organizations and certain large and highly complex institutions met twice with FDIC staff prior to the close of the comment period for the notice to explain their concerns about the definitions of, and the availability of the information necessary to report, subprime and leveraged loans by such institutions.

Comments also were received on the definition of nontraditional 1-4 family residential mortgage loans, the reporting of derivative counterparty exposures by highly complex institutions, the frequency of loan loss provision and deferred tax calculations for reporting average tangible equity, the treatment of prepaid deposit insurance assessments in the measurement of average total assets for assessment base purposes, and the reporting of certain troubled debt restructurings that are guaranteed or insured by the U.S. Government. In addition, during the initial reporting of the revised assessment-related data items as of June 30, 2011, questions arose about which data items should be reported on a consolidated or an unconsolidated single FDIC certificate number basis by institutions that own another insured institution as a subsidiary because of the way in which these data are used in the FDIC's risk-based deposit insurance system.

A detailed discussion of the issues raised by the commenters and the agencies' responses thereto are detailed in the SUPPLEMENTARY INFORMATION section of the 30-day *Federal Register* notice. A summary of the material determinations is included in section 1 above.

9. Payment or Gift to Respondents

No gifts will be given to respondents.

10. Confidentiality

Information collected in Call Reports and TFRs pertaining to the redefined assessment base are publicly available. Information gathered through examination processes at these institutions is treated as confidential examination information. Because the agencies would continue to regard these new data items as examination-related information, the information from large and highly complex institutions on criticized and classified items, nontraditional mortgage loans, subprime consumer loans, leveraged loans, top 20 counterparty exposures, and largest counterparty exposure would be accorded confidential treatment when collected via the Call Report and TFR. The other new data items to be collected from large and highly complex institutions would be publicly available.

11. Information of a Sensitive Nature

No information of a sensitive nature is requested.

12. Estimate of Annual Burden

Estimated Number of Respondents: 2,035 (1,399 national banks and 636 federal savings associations).

Estimated Time per Response: National banks: 53.97 burden hours per quarter to file.
Federal savings associations: 54.48 burden hours per quarter to file and 188 burden hours for the first year to convert systems and conduct training.

Estimated Total Annual Burden: National banks: 302,016 burden hours to file.
Federal savings associations: 138,597 burden hours to file plus 119,568 burden hours for the first year to convert systems and conduct training.
Total: 560,181 burden hours.

The estimated times per response represent the estimated ongoing reporting burden associated with the preparation of this report after institutions make the necessary recordkeeping and systems changes to enable them to generate the data required to be reported in the assessment-related data items that are the subject of this proposal. The estimated time per response is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices). These factors determine the specific data items in which an individual institution will have data it must report.

The OCC estimates the cost of the hour burden to respondents as follows:

1Clerical:	20% x 560,181 =	112,036 @ $20	= $	2,240,724.00
Managerial/technical:	65% x 560,181 =	364,118 @ $40	= $	14,564,706.00
Senior mgmt/professional:	14% x 560,181 =	78,425 @ $80	= $	6,274,027.00
Legal:	01% x 560,181 =	5,601.81 @ $100	= $	560,181.00
Total:			$	23,639,638.00

13. Capital, Start-up, and Operating Costs

The initial burden arising from implementing recordkeeping and systems changes to enable insured depository institutions to report the applicable assessment-related data items that have been added to these regulatory reports will vary significantly. For the vast majority of the nearly 7,600 insured depository institutions, including the smallest institutions, this initial burden will be nominal because only three of the new data items will be relevant to them and the amounts to be reported can be carried over from amounts reported elsewhere in the report.

Many of the new data items are applicable only to approximately 110 large and highly complex institutions (as defined in the FDIC's assessment regulations). To achieve consistency, the instructions for these new data items, which are drawn directly from definitions contained in the FDIC's assessment regulations (as amended in February 2011), are prescriptive. Transition guidance has been provided for the two categories of higher-risk assets (subprime and leveraged loans) for which large and highly complex institutions have indicated that their data systems do not currently enable them to identify individual assets meeting the FDIC's definitions that will be used for assessment purposes only. Time is provided for large and highly complex institutions to revise their data systems to support the identification and reporting of assets in these two categories on a going-forward basis. The guidance also permits these institutions to use existing internal methodologies developed for supervisory purposes to identify existing assets (and, in general, assets acquired during the transition period, which currently extends until April 1, 2012) that would be reportable in these higher-risk asset categories on an ongoing basis.

The initial burden associated with implementing the recordkeeping and systems changes necessary to identify assets reportable in these two higher-risk asset categories is significant for the approximately 110 large and highly complex institutions, but the agencies are currently unable to estimate the amount of this initial burden. Large and highly complex institutions have additional initial burden in connection with implementing systems changes to support their ability to report the other new assessment-related items applicable to such institutions.

14. Estimates of Annualized Cost to the Federal Government

The cost to the agencies of the reporting changes that are the subject of this request includes the cost of:

- Developing reporting requirements, instructions, and data validation edits;
- Computer processing (including developing, maintaining, and modifying software programs) associated with the agencies' systems for collecting and validating Call Reports and TFRs, and the FDIC's systems for calculating and collecting assessments; and
- The agencies' personnel involved in the preceding tasks and in the review and validation of reported and calculated data.

15. Change in Burden

Former burden:	2,755 respondents; 571,302 burden hours
New burden:	2,035 respondents; 560,181 burden hours
Change:	- 720 respondents; - 11,121 burden hours

16. Publication

Except for the new data items for criticized and classified items, nontraditional mortgage loans, subprime consumer loans, leveraged loans, top 20 counterparty exposures, and largest counterparty exposure that will be collected from large or highly complex institutions and will be accorded confidential treatment, the agencies will make the data collected in the other new assessment-related data items publicly available as part of the data collected in the Call Report and TFR report that are currently made available to the public.

17. Exceptions to Expiration Date Display

None.

18. Exceptions to Certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.