OMB Supporting Statement for the
Capital Assessments and Stress Testing information collection
(FR Y-14A/Q/M; OMB No. 7100-0341)

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to extend, with revision the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M; OMB No. 7100-0341).

The Federal Reserve proposes revising several schedules of the FR Y-14A/Q/M reports, as well as expanding the reporting panel. Most revisions would be effective September 30, 2014, and some would be effective December 31, 2014 or March 31, 2014, as noted. Many of the proposed changes would affect the schedules of the FR Y-14A, including increasing the reporting frequency of two schedules. To allow the Federal Reserve to enhance supervisory models and ongoing supervision, the collection of the CCR and portions of the Operational Risk schedules would be changed from annual to quarterly frequency. Additionally, both collections would be expanded to gain greater clarity and insight into these risk areas and to improve supervisory modeling both the Summary and Regulatory Capital Transitions schedules would be revised to be consistent with schedule HC-R of the FR Y-9C. This would include the addition, deletion, and modification of items primarily related to changes to standardized approach risk-weighted asset (RWAs) components that are currently being considered for the FR Y-9C.

The FR Y-14Q (quarterly collection) would be revised to (1) add items to and modify items on the Regulatory Transitions schedule consistent with the changes to the FR Y-14A Regulatory Capital Transitions schedule; (2) add a schedule that would collect as-of date balance information for 26 loan and lease items, as well as 20 items that provide sub-categorization of FR Y-9C items and eight items related to the unpaid principal balance of loan and leases; (3) add six and modify three items of the Corporate Loan schedule; (4) add seven and modify six items of the CRE schedule; (5) add a securities identifier and security type to the Securities schedule as well as an additional table that collects information related to cash flow and fair value hedges, (6) expand the Operational Risk schedule with information from the FR Y-14A Operational Risk schedule that is being changed from annual to quarterly frequency, (7) add the CCR schedule that is being changed from annual to quarterly frequency, and (8) expand the collection of subordinated debt on the Regulatory Capital Instruments schedule to include subordinated debt instruments that do not qualify as regulatory capital.

The FR Y-14M (monthly collection) would be revised to (1) add two items to the Domestic First Lien Closed-end 1-4 Family Residential Loan (First Lien) schedule and (2) add one item to the Domestic Home Equity Loan and Home Equity Line (Home Equity) schedule.

The data are used to assess the capital adequacy of large BHCs using forward-looking projections of revenue and losses, to support supervisory stress test models and continuous monitoring efforts, as well as to inform the Federal Reserve’s operational decision-making as it continues to implement the Dodd-Frank Act.

The total current annual burden for FR Y-14A/Q/M is estimated to be 629,824 hours and with the changes proposed in this memo is estimated to increase by 145,173 hours to 774,997 hours.

Background and Justification

Prior to the financial crisis that emerged in 2007, many BHCs made significant distributions of capital without due consideration of the effects that a prolonged economic downturn could have on their capital adequacy and their ability to remain credit intermediaries during times of economic and financial stress. In 2009, the Federal Reserve conducted the Supervisory Capital Assessment Program (SCAP), a "stress test" focused on identifying whether large, domestic BHCs had capital sufficient to weather a more-adverse-than-anticipated economic environment while maintaining their capacity to lend. In 2011, the Federal Reserve continued its supervisory evaluation of the resiliency and capital adequacy processes through the Comprehensive Capital Analysis and Review (CCAR) 2011. Through the CCAR 2011, the Federal Reserve developed a deeper understanding of the processes by which large BHCs form and monitor their assessments and expectations for maintaining adequate capital and the appropriateness of their planned actions and policies for returning capital to shareholders.

On December 1, 2011, the Federal Reserve published a final rulemaking (Capital Plan rule) in the *Federal Register* (76 FR 74631) that revised the Federal Reserve's Regulation Y requiring large BHCs to submit capital plans to the Federal Reserve annually and to require such BHCs to request prior approval from the Federal Reserve under certain circumstances before making a capital distribution. In connection with submissions of capital plans to the Federal Reserve, BHCs are required, pursuant to 12 CFR 225.8(d)(3), to provide certain data to the Federal Reserve.

On October 12, 2012, the Federal Reserve published two final rules in the *Federal Register* (77 FR 62409) with stress testing requirements for certain bank holding companies, state member banks, and savings and loan holding companies. The final rules implement sections 165(i)(1) and (i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Section 165(i)(1) of the Dodd-Frank Act requires the Federal Reserve to conduct an annual stress test of each covered company[1] to evaluate whether the covered company has sufficient capital, on a total consolidated basis, to absorb losses as a result of adverse economic conditions (supervisory stress tests). Section 165 (i)(2) requires the Federal Reserve to issue regulations that require covered companies to conduct stress tests semi-annually and require financial companies with total consolidated assets of more than $10 billion that are not covered companies and for which the Federal Reserve is the primary federal financial regulatory agency to conduct stress tests on an annual basis (collectively, company-run stress tests).

On September 30, 2013, the Federal Reserve published a final notice in the *Federal Register* (78 FR 59934) approving proposed changes for implementation with the September 30, 2013, as of date. Most of the proposed changes affected the FR Y-14A, particularly the Summary and Basel III schedules, to conform with the proposed capital rulemakings published

1 See 12 U.S.C. 5365(a). A ''covered company'' includes any bank holding company with total consolidated assets of $50 billion or more and each nonbank financial company that the Council has designated for supervision by the Board.

for comment in August 2012.[2] Other proposed changes included adding items to enhance supervisory models, removing items to reduce burden, and modifying items. Proposed changes to the FR Y14-Q included removing, adding and modifying items on the Trading, Wholesale Corporate Loan, Commercial Real Estate, Securities and Retail Domestic and International Auto schedules. In addition the Basel III and PPNR schedules would be modified to conform with revisions made to the FR Y-14A. Revisions to the FR Y-14M (monthly collection) included (1) modifying one and expanding one item on the Domestic First Lien Closed-end 1-4 Family Residential Loan Schedule, and (2) modifying two items on the Domestic Home Equity Loan and Home Equity Line Schedule.

The Federal Reserve also made several general changes to the FR Y-14 A/Q/M filings. The filing deadline of the FR Y-14Q was changed to 47 calendar days after the March 31, June 30 and September 30 as-of dates, and 52 calendar days after the December 31 as-of date, effective for the December 31, 2013 report. Lastly, the FR-Y 14A/Q/M instructions and templates were clarified by (1) adding, and expanding item definitions, (2) standardizing formatting, and (3) incorporating responses to industry questions to increase consistency with other regulatory reports, enhance reporting guidance, and improve clarity.

Lastly, the September 30th final *Federal Register* notice also requested additional comment and feedback regarding the (1) types of credit scores generally used by Bank Holding Companies (BHCs) in the lines of business reported on the FR Y-14M and the FR Y-14Q retail schedules, (2) whether the industry generally uses internally-generated or externally-acquired credit scores, (3) issues to consider when validating the usefulness of a credit score (for example, Regulation Z considerations), (4) any industry standards with respect to credit scores, (5) mapping across industry-standard credit scores, (6) other ways credit scores can be made comparable across different scores, and (7) other composite measures, besides credit scores, that can be used to measure borrower credit worthiness. The comment period expired on November 29, 2013, and the Federal Reserve did not receive any comments or feedback on this notice. On March 24, 2014, the Federal Reserve published a final notice in the *Federal Register* (79 FR 15999) revising the FR Y-14Q/M for credit-score related data items effective with the March 31, 2014 and June 30, 2014, as of dates respectively. In general, the revisions require respondents to submit a commercially available credit bureau score.

Description of Information Collection

The data collected through the FR Y-14A/Q/M schedules provide the Federal Reserve with the additional information and perspective needed to help ensure that large BHCs have strong, firm-wide risk measurement and management processes supporting their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. The annual CCAR exercise is also complemented by other Federal Reserve supervisory efforts aimed at enhancing the continued viability of large BHCs, including continuous monitoring of BHCs' planning and management of liquidity and funding resources and regular assessments of credit, market and operational risks, and associated risk management practices. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions. In order to fully evaluate

2 *77 FR 52792, published August 30, 2012, proposed to revise and replace the Federal Reserve's risk-based and leverage capital requirements to be consistent with the most recent Basel requirements*

the data submissions, the Federal Reserve may conduct follow up discussions with or request responses to follow up questions from respondents, as needed.

Respondent BHCs are currently required to complete and submit up to 18 filings each year: two semi-annual FR Y-14A filings, four quarterly FR Y-14Q filings, and 12 monthly FR Y-14M filings.[3] Compliance with the information collection is mandatory.

Current FR Y-14A (semi-annual collection)

The semi-annual collection of BHCs quantitative projected regulatory capital ratios across various macroeconomic scenarios comprises six primary schedules (Summary, Macro Scenario, CCR, Regulatory Capital Transitions, Regulatory Capital Instruments, and Operational Risk schedules), each with multiple supporting tables.[4]

The FR Y-14A schedules collect current, annual, and quarterly results and projections under the supervisory scenarios. BHCs must complete each FR Y-14A schedule for each scenario, and they must include:

- current and projected balances for balance sheet and off-balance-sheet positions and exposures for a number of identified categories under each scenario;
- reconciliation that clearly demonstrates that all balances have been accounted for in the analysis, or demonstration that the current balances for each category tie to the corresponding category on the Consolidated Financial Statements for Bank Holding Companies (FR Y-9C; OMB No. 7100-0128);
- estimates of losses as specified in each schedule;
- potential losses or exposures not captured in other data items, and a description of the source of the losses; and
- estimates of resources available to absorb losses, including PPNR, the Allowance for Loan and Lease Losses (ALLL), and capital.

BHCs are also required to submit qualitative information supporting their projections, including descriptions of the methodologies used to develop the internal projections of capital across scenarios and other analyses that support their comprehensive capital plans**.**

Current FR Y-14Q (quarterly collection)

Data submitted on FR Y-14Q schedules (Securities, Retail, PPNR, CRE, Corporate Loan, Trading, Regulatory Capital Transitions, Regulatory Capital Instruments, Fair Value Option/Held for Sale, Mortgage Servicing Rights, Operational Risk, and Supplemental schedules) collect BHC-specific data on positions and exposures that are used as input to supervisory stress test models, to monitor actual versus forecast information on a quarterly basis, and to conduct ongoing supervision.

Current FR Y-14M (monthly collection)

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3 The most current reporting templates for the FR Y-14A/Q/M are available at: www.federalreserve.gov/apps/reportforms/default.aspx

4 The “mid-cycle” FR Y-14A, which is due to the Federal Reserve on or before July 5, is limited to two schedules: the Summary and Macro Scenario schedules.

Beginning with the June 2012 as-of date, the Federal Reserve increased the reporting frequency for three retail portfolios from quarterly to monthly: two portfolio and loan-level collections for First Lien data and Home Equity data and one account- and portfolio-level collection for Domestic Credit Card data.[5] In order to match senior and junior lien residential mortgages on the same collateral, the Address Matching schedule gathers additional information on the residential mortgage loans reported in the First Lien and Home Equity schedules.

Proposed Revision to the Reporting Panel

The reporting panel would be revised to include BHCs that are relying on Supervision and Regulation Letter SR 01-01, effective December 31, 2014.

Proposed Revision to the FR Y-14A

The proposed revisions to the FR Y-14A consist of clarifying instructions, adding data items, deleting data items, and redefining existing data items. These proposed changes would (1) increase consistency between the FR Y-14A and FR Y-9C as well as between the FR Y-14A and the FR Y-14Q, (2) improve the scope of supervisory models, (3) provide additional information to greatly enhance the ability of the Federal Reserve to analyze the validity and integrity of firms' projections, and (4) be responsive to industry comments. The Federal Reserve has conducted a thorough review of proposed changes and believes that the incremental burden of these changes is justified given the need for these data to properly conduct the Federal Reserve's supervisory responsibilities related to the stress testing and CCAR process as well as ongoing supervisory activity as described in more detail below.

Summary Schedule

Revisions to Income Statement Sub-Schedule (A.1a) Respondents have noted a definitional difference between the realized gains (losses) on available-for-sale (AFS) and held-to-maturity (HTM) securities reported on the Income Statement (items 127 and 128) and the AFS and HTM totals computed on sub-schedule A.3.c (Projected Other-Than-Temporary Impairment (OTTI) for AFS and HTM Securities by Portfolio), resulting from the Revised Capital Framework. In order to accurately collect information for the Income Statement, The Federal Reserve proposes changing items 127 and 128 to be reported items instead of being equal to the total amounts on sub-schedule A.3.c. Additionally, for consistency with changes proposed to sub-schedule A.5 (Counterparty Risk) described below, items 59 and 62 (Trading Incremental Default Losses and Other CCR Losses) would be modified to be Trading Issuer Default Losses and CCR Losses, and line item 61 (Counterparty Incremental Default Losses) would be removed.

Revisions to RWA and Capital Sub-Schedules (A.1.c.1 and A.1.d) [6] To better align the collection of regulatory capital components with schedule HC-R of the FR Y-9C, the definitions of the items on schedule A.1.d (Capital) have been modified to refer to or mirror the definitions

5 In the case of the credit card portfolio, the collection gathers account data instead of loan data.

6 The Federal Reserve may modify the proposed revisions to the FR Y-14 report prior to finalization of this proposal as appropriate and consistent to align with any additional changes being considered to the FR Y-9C report.

that appear on the FR Y-9C. Furthermore, in order to ensure comparability among respondents and that transition provisions are being accurately and consistently applied, respondents would be required to apply the appropriate transition provisions to all transition-affected items of schedule A.1.d per the revised regulatory capital rule. With regard to the RWA sub-schedules, the standardized approach RWA and market RWA items of schedule A.1.c.1 (General RWA) have been changed in accordance with modifications to schedule HC-R of the FR Y-9C that are currently being considered, and moved to a separate schedule A.1.c.2 (Standardized RWA). These changes include both the modification and addition of items, for an overall addition of 12 items. Additionally, the computed items one through five of the current sub-schedule A.1.c.2 (Advanced RWA) would be removed. Despite the alignment of these schedules with the FR Y-9C, the column of actual values has not been removed because the values reported on these schedules are assumed to have completed the transition schedule outlined in the Revised Capital Framework, whereas values reported on the FR Y-9C follow the transition schedule.

Revisions to Standardized RWA (A.1.c.2) In order to align with the proposed schedule HC-R of the FR Y-9C, the Federal Reserve recommends adding the following two line items: All other on-balance sheet securitization exposures; and off-balance sheet securitization exposures.

Revisions to Retail Repurchase Sub-Schedule (A.2.b) Due to recent activity by respondents involving settlements related to their representation & warranty (R&W) liabilities, additional detail would be collected about the R&W liabilities. Specifically, line items would be added that collect the unpaid principal balance (UPB) of loans covered by completed settlements for which liability remains and for which no liability remains by vintage beginning with 2004, as well as total settlement across vintages, for the following categories of loans: loans sold to Fannie Mae, loans sold to Freddie Mac, loans insured by the U.S. government, loans securitized with monoline insurance, loans secured without monoline insurance, and whole loans sold.

Revisions to Securities Sub-Schedule (A.3) Because covered bonds are a material exposure of BHCs that have unique characteristics relative to other asset categories currently on this sub-schedule, the Federal Reserve would add a covered bond category to sub-schedules A.3.b, A.3.c, A.3.d, and A.3.e in order to appropriately and separately evaluate respondents' projections of these assets. Additionally, two columns would be added to collect information for each of the asset categories of sub-schedule A.3.d that would allow changes in market value to be distinguished from changes in portfolio allocation for each projected quarter: Beginning Fair Market Value and Fair Value Rate of Change, which is the weighted average percent change in fair value over the quarter. Finally, to reduce reporting burden and increase efficiency in reporting, the nine sub-asset categories of Domestic Non-Agency Residential Mortgage-Backed Securities (RMBS) would be removed from the same sub-schedules, and the AFS and HTM portions of sub-schedule A.3.c would be combined with the addition of a column to identify AFS amounts versus HTM amounts.

Revisions to Trading Sub-Schedule (A.4) Because credit valuation adjustment (CVA) losses are modeled separately from trading portfolio losses, the Federal Reserve proposes that the profit (loss) amount related to CVA hedges be reported separately from other trading activity.

Revisions to Counterparty Risk Sub-Schedule (A.5) In order to allow respondents to use alternative methodologies for estimating losses related to the default of issuers and counterparties, the requirement of using the incremental default risk (IDR) methodology would be removed. Accordingly, line items 1, 1a and 1b (Trading Incremental Default Losses, Trading Incremental Default Losses from securitized products, and Trading Incremental Default Losses from other credit sensitive instruments) would be modified to be Trading Issuer Default Losses. Additionally, line items 3 (Counterparty Incremental Default Losses) and 3a (Impact of CCR IDR Hedges) would be removed, line item 4 (Other CCR Losses) would be modified to be CCR Losses, and the line item Effect of CCR Hedges would be added.

Regulatory Capital Instruments Schedule

Proposed changes to the Regulatory Capital Instruments schedule would be responsive to industry feedback and ensure that information is being accurately captured. Specifically, the Federal Reserve proposes (1) adding an item that collects employee stock compensation to the four quarterly redemption/repurchase and issuance activity sub-sections; (2) adding 18 items to the general risk-based capital rules section and 28 items to the revised regulatory capital section that collect activity other than issuances or repurchases for each instrument in the section, because respondents adding this activity to other items; and (3) changing the capital balance items in the general risk-based capital rules section and the revised regulatory capital section from reported items to formulas, since they would be able to be computed using the items proposed above.

Regulatory Capital Transitions Schedule

Similar to the changes proposed to be made to the RWA and Capital sub-schedules of the Summary schedule, proposed changes to the Regulatory Capital Transitions schedule would be made to better align the collection of regulatory capital components with schedule HC-R of the FR Y-9C, which are currently being considered. The Federal Reserve proposes (1) aligning the definitions of the items on the Capital Composition sub-schedule to be consistent with schedule HC-R; (2) modifying the RWA General sub-schedule to align with proposed revisions to schedule HC-R, including changing the name to Standardized RWA and modifying, removing and adding items for a net increase of 15 items; (3) modifying, adding and removing items of the Advanced RWA sub-schedule to align with schedule A.1.c.2 (Advanced RWA on the Summary schedule), for a net increase of 21 items; (4) adding two new line items for all other on-balance sheet securitization exposures and off-balance sheet securitization exposures; and (5) revising the Leverage Ratio sub-schedule in accordance with the supplementary leverage ratio rulemaking proposal[7], for a net increase of ten items. Despite the alignment of these schedules with the FR Y-9C, the column of actual values has not been removed because the values reported on these schedules are assumed to have completed the transition schedule outlined in the Revised Capital Framework, whereas values reported on the FR Y-9C follow the transition schedule. In addition, to reduce burden on institutions and to align the reporting of the supplementary leverage ratio (SLR) with the final SLR rule[8], the Federal Reserve would revise the instructions regarding the

7 Proposed changes to 12 CFR Parts 208 and 217.

8 "Regulatory Capital Rules: Regulatory Capital, Revisions to the Supplementary Leverage Ratio" (September 3, 2014), available at: http://www.federalreserve.gov/newsevents/press/bcreg/20140903b.htm. 12 CFR 217. 10(c)(4).

calculation of the SLR to specify that off-balance sheet items be calculated on a monthly, rather than daily, basis.

Operational Risk Schedule

Proposed changes to the Operational Risk schedule would provide greater insight into the types and frequency of operational risk expenses incurred by respondents, which would improve both supervisory modeling and ongoing supervisory activities.

The Federal Reserve proposes adding a data item for firms to voluntarily disclose how much of their mortgage related litigation reserve is attributable to contractual representation and warranty claims.

Counterparty Credit Risk Schedule

Significant additions would be made to the CCR schedule in order to more adequately and accurately capture exposure information related to derivatives and securities financing transactions (SFTs) used in supervisory loss estimates and supervisory activities. These additions would remediate deficiencies discovered in the current collection related to exposure, including a lack of information regarding collateral, asset types, and total exposure to a given counterparty, and have been carefully evaluated internally and vetted with respondents.

The Federal Reserve proposes (1) changing the collection of CCR information from annual to quarterly frequency to capture the fluctuations in counterparty risk and exposure (from schedule F of the FR Y-14A to schedule L of the FR Y-14Q) effective September 30, 2014; (2) removing all columns with the BHC specification of margin period of risk (MPOR) under the global market shocks from sub-schedules F.1.a-F.1.e and F.2; (3) removing the column LGD Derived from Unstressed PD on F.2; (4) adding columns to worksheet F.1.e to collect both gross and net stressed and unstressed current exposure to central clearing counterparties; (5) adding a sub-schedule that collects the derivative exposures at a legal-entity netting-agreement level for the top 25 non-central clearing counterparty (non-CCP) and non-G-7 counterparties, as well as all CCPs and the G-7 counterparties that includes a breakout of collateral into cash and non-cash, and exposures into 14 asset categories; and (6) changing current the SFT sub-schedule to collect exposures and collateral separately at a counterparty legal-entity netting-agreement level for the top 25 non-CCP and non-G-7 counterparties as well as all CCPs and the G-7 and adding asset sub-categories for a total of 30 specific asset types. Of the proposed changes to Schedule L of the FR Y-14Q noted above, sub-schedules L.5.1 and L.6.1 would be effective September 30, 2014, with the exception of two items on L.6.1 (CDS Hedge Stressed CR01 and CSA Contractual Features) which will be optional through December 31, 2014 and mandatory thereafter. In consideration of resources needed to implement these sub-schedules, the reporting of L.5.2. and L.6.2 would be at a consolidated counterparty level and L.5.2 would exclude the sub-asset category for the September 31, 2014 and December 31, 2014 reporting periods. The reporting of the legal-entity, netting agreement level for each asset category on sub-schedules L.5.2. and L.6.2 would be effective with the March 31, 2015 reporting period.

Proposed Revision to the FR Y-14Q

The proposed revisions to the FR Y-14Q consist of clarifying instructions, adding a schedule, and adding, deleting and redefining existing data items. These proposed changes would be responsive to industry comments and provide additional information to enhance supervisory models. The Federal Reserve has conducted a thorough review of proposed changes and believes that because the proposed item additions and modifications to the FR Y-14Q request information currently collected by respondents in their regular course of business reporting burden will be minimized. A summary of the proposed changes by schedule is provided below.

Proposed Balances Schedule

As part of revisions to the FR Y-14A/Q/M announced September 30, 2013 (see 78 FR 59934), the Federal Reserve removed the as-of column from schedule A.1.b of the FR Y-14A (Balance Sheet) in an effort to reduce burden and avoid duplicative reporting. However, this removal has caused numerous issues related to both reporting and analysis that have been raised by respondents.

The proposed schedule would collect the information required to eliminate these issues and provide a clear reconciliation between the FR Y-14 and FR Y-9C reporting forms. Specifically, the schedule would collect as-of balance information for 26 loan and lease items, as well as 20 FR Y-9C reconciliation items and eight unpaid principal balance items related to loan and leases.

Supplemental Schedule

The Federal Reserve proposes removing columns F through N and P through R, because this information would be collected on the proposed FR Y-14Q Balances schedule.

Commercial Real Estate Schedule

The Federal Reserve proposes (1) removing current item 48 (Fair Value Adjustment) and replacing it with three items that provide additional detail on the drawn and undrawn portions of the facilities and the respondent’s methodology of computation, both of which are key factors for understanding the adjustment made: Fair Value Committed Exposure, Fair Value Adjustment Drawn, and Lower of Cost or Market Flag to capture the breakdown of adjustments between the drawn and undrawn portions and the approach used to calculate the adjustment; and (2) adding an item that collects the Current Value Basis, which provides a more accurate understanding of the property valuation.

Additionally, **effective December 31, 2014**, the Federal Reserve proposes: (1) expanding the required respondents for the Basel II probability of default (PD), loss given default (LGD), and exposure at default (EAD) items to include all respondents but giving the option to non-advanced approaches respondents to report an internal metric, which would support ongoing supervisory activities as well as provide more detail on internal credit processes; (2) adding an item that collects the date that a credit facility has been renewed in order to distinguish between new money and renewals and to be able better to track the loans over time; (3) adding an item to collect the Shared National Credit (SNC) Internal Credit ID, which would greatly enhance the ability to monitor credit risk of reported loans; (4) adding an item that is a flag to indicate prepayment penalties to be able to account for the behavioral changes from such penalties; (5) modifying item 20 (Amortization) to capture non-standard amortization schedule by allowing banks to report ‘-1’ in response to industry comments; (6) adding an option to current item 21 (Recourse) that indicates partial recourse and modifying option 1 to indicate full recourse in order to capture the level of recourse; (7) modifying current item 25 (Loan Purpose) to include an option for Mini-perm to identify short-term loans on recently constructed buildings because of their unique credit risk; (8) modify current item 39 (Property Size) in the CRE schedule to only capture credit facilities secured by one property of one type to simplify the collection; (9) adding an item to collect the date on which current occupancy was determined in order to track this information over time; and (10) adding an item that captures the credit facility currency in order to evaluate exchange rate risk.

Corporate Loan Schedule

The Federal Reserve proposes (1) additionally excluding the reporting of obligor financial data for offices of bank holding companies, because this information is no longer relevant; and (2) replacing current item 29 (FVA) with three items (Fair Value Committed Exposure, Fair Value Adjustment Drawn, Lower of Cost or Market Flag), similar to the CRE schedule.

Additionally, effective December 31, 2014, the Federal Reserve proposes: (1) replacing current field 17 (Credit Facility Internal Risk Rating) in Corporate Schedule with three items adding three items: PD, LGD, and EAD , which would be required by all respondents, but giving the option to non-advanced approaches respondents to report an internal metric in order to support ongoing supervisory activities as well as provide more detail on internal credit processes; (2) adding an item that collects the date on which a credit facility has been renewed in order to distinguish between new money and renewals and to be able better to track the loans over time; (3) adding an item that is a flag to indicate prepayment penalties, similar to the CRE schedule; (4) adding an item to collect the SNC Internal Credit ID, also similar to the CRE schedule; (5) adding an item that captures the market value of collateral in order to incorporate the collateral requirements of individual loans; (6) adding an item that captures the credit facility currency in order to evaluate exchange rate risk; and (7) adding an item to collect the industry code for the entity that is the primary source of the repayment for the credit facility in order to capture instances in which the primary source of repayment is not the obligor.

All Retail Schedules (A.1 to A.10)

The Federal Reserve proposes redefining items related to charge-offs and recoveries to be consistent with charge-offs and recoveries as defined in the FR Y-9C.

International Credit Cards Schedule

The Federal Reserve proposes modifying the third option (Other) of the Product Type segment variable to be Corporate and Small- and Medium-Sized Enterprise SME Cards to more accurately align the segments with respondents' international credit card portfolios.

International Auto Schedule

The Federal Reserve proposes removing the item Basel II EAD and replacing it with RWA per the most recent capital framework, which is a more meaningful item for closed-end loans such as auto loans.

U.S. Auto Schedule

The Federal Reserve proposes (1) modifying the LTV segmentation variable to be based on the wholesale value of the vehicle instead of the retail value and adding the segmentation "N/A" for any missing data in order to better align reporting with respondents' internal records; (2) removing the item Basel II EAD and replacing it with RWA per the most recent capital framework, which is a more meaningful item for closed-end loans such as auto loans; and (3) adding two variables related to LGD, which would include the collection of historical data, in order to capture key components of LGD: Unpaid Principal Balance at Charge-off and Percent Loss Severity (3 month Lagged).

Trading Schedule

The Federal Reserve proposes to collect the sensitivities related to CVA hedges separately from all other trading activity in order to accurately separate the two exposures. In addition, the Federal Reserve proposes to revise the instruction that provides that BHCs may report these data as-of the most recent date that corresponds to their weekly internal risk reporting cycle as long as it falls before the as-of-date. Specifically, to provide additional flexibility, these instructions would be modified to state that the Federal Reserve may provide for a different weekly period over which data maybe reported.

Securities Schedule

The Federal Reserve proposes (1) adding a sub-schedule that collects the identifier and amounts of each investment security for which the respondent has established a qualifying hedging relationship (cash flow hedge or fair value hedge, as defined according to Generally Accepted Accounting Principles (GAAP) in order to capture the effect on Other Comprehensive Income (OCI) attributable to changes in the unrealized gains and losses of AFS securities hedged; (2) adding an item that indicates positions that are private placements; (3) adding a security category for Covered Bonds, which have been found to be a major portion of the securities reported in the Other category; (4) requiring additional descriptive information on municipal bonds in the Description 2 column in order to collect specific information for instances in which the CUSIP (Committee on Uniform Securities Identification Procedures) number is unavailable; (5) adding a column that collects the currency denomination of the reported bonds in order to account for changes in exchange rates; (6) requiring additional information for mutual fund categories in the Description 2 column in order to collect specific information for instances in which the CUSIP is unavailable; and (7) adding an item that collects a unique identifier for each unique record.

Operational Risk Schedule

The Federal Reserve proposes (1) adding a Unique Identifier item for each row in order to clearly identify record submissions with the same information that are unique records; and, effective December 31, 2014, (2) for each closed/settled legal event above 250k adding (i) date of awareness, (ii) date on which a claim was filed, proceedings were instituted, or settlement negotiations began, (iii) date of settlement, fine, or final judgment, (iv) cause of action, (v) the reserve history, and (vi) terminal outcome, which would all provide greater insight into reserving practices and changes in reserves.

Regulatory Capital Transitions Schedule

The Federal Reserve proposes revising this schedule in accordance with proposed changes to the FR Y-14A Regulatory Capital Transitions schedule.

Regulatory Capital Instruments Schedule

In order to better understand the characteristics of subordinated debt instruments, the collection would be expanded to include all subordinated debt instruments, not only those that qualify as regulatory capital. Additionally, a one-time collection of the items from schedule C.3 (Issuances During Quarter) for all subordinated debt instruments as of quarter end would be required for the Q3 2014 as of period for respondents that are currently reporting the schedule, or the initial submission for respondents that begin reporting the schedule after the Q3 2014 as of period.

Wholesale Schedule

To clarify that terms of prepayment penalties can vary significantly between firms and may include other forms of prepayment penalties, the Federal Reserve proposes expanding the options of the Prepayment Penalty Flag item to include an option to identify loans that at some point had some form of prepayment penalty.

Proposed Revisions to the FR Y-14M

Domestic First Lien Closed-end 1-4 Family Residential Loan Schedule

The Federal Reserve proposes (1) adding an item that collects the date that the credit score of the borrower was refreshed so this information can be tracked over time, and (2) adding an option to the Loan Purpose item that identifies reverse mortgages.

Domestic Home Equity Loan and Home Equity Line Schedule

The Federal Reserve proposes (1) adding an item that collects the date that the credit score of the borrower was refreshed, similar to the First Lien schedule, and (2) adding an option to the Loan Purpose item that identifies reverse mortgages.

Respondent Panel

The respondent panel consists of any top-tier BHC (other than a foreign banking organization), that has $50 billion or more in total consolidated assets, as determined based on: (i) the average of the BHC's total consolidated assets in the four most recent quarters as reported quarterly on the BHC's Consolidated Financial Statements for Bank Holding Companies (FR Y-9C) (OMB No. 7100-0128); or (ii) the average of the BHC's total consolidated assets in the most recent consecutive quarters as reported quarterly on the BHC's FR Y-9Cs, if the BHC has not filed an FR Y-9C for each of the most recent four quarters. Reporting is required as of the first day of the quarter immediately following the quarter in which it meets this asset threshold, unless otherwise directed by the Federal Reserve.

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Consultation Outside the Agency

On July 15, 2014, the Federal Reserve published a notice in the *Federal Register* (79 FR 41276) requesting public comment for 60 days on the proposed revisions to the Capital Assessments and Stress Testing information collection. The comment period for this notice expired on September 15, 2014. The Federal Reserve received eight comment letters addressing the proposed changes to this information collection: one from a BHC, one from an individual, and six from trade associations. Many of the comments received requested clarification of the instructions for the information to be reported, or were technical in nature. These comments will be addressed in the final FR Y-14A/Q/M reporting forms and instructions. All substantive comments are summarized and addressed in the final Federal Register notice and associated modifications to the reporting forms and instructions were made as necessary.

On October 1, 2014, the Federal Reserve published a final notice in the *Federal Register* (79 FR 59264) implementing the revisions largely as proposed, although delaying the effective date for certain proposed revisions. In addition, the public comment period was extended for 30 days seeking additional comments regarding the collection of counterparty agreement-level/asset-category data. This comment period expired on October 31, 2014.

The Board received one comment letter from an industry group. The commenter requested clarification on several items, which would be provided through updated instructions as appropriate. More substantively, the commenter stated that the information could be provided as originally proposed in the *Federal Register* on July 15, 2014 (79 FR 41276), but noted that the information collected by sub-schedules L.5.1, L.5.2, L.6.1, and L.6.2 would require a significant amount of resources and requested that implementation of these sub-schedules be delayed to March 31, 2015. Given that much of the information and level of granularity of sub-schedules L.5.1 and L.6.1 has been previously reported by respondents on the former FR Y-14A Schedule F (Counterparty), the Federal Reserve recommends keeping the schedule as finalized October 1, 2014 (79 FR 59264) for the September 30, 2014 and December 31, 2014 reporting periods, excluding two items. In response to concerns noted by the commenter, items for CDS Hedge Stressed CR01 and CSA Contractual Features will be optional through the December 31, 2014 reporting period, after which they would be mandatory. Furthermore, in response to the comment, the Federal Reserve proposes delaying the legal-entity, netting-agreement level and sub-asset category reporting on sub-schedules L.5.2 and L.6.2 of Schedule L (Counterparty) on the FR Y-14Q until effective March 31, 2015.

Legal Status

The Board's Legal Division has determined that this mandatory information collection is authorized by section 165 of the Dodd-Frank Act, which requires the Board to ensure that certain BHCs and nonbank financial companies supervised by the Board are subject to enhanced risk-based and leverage standards in order to mitigate risks to the financial stability of the United States (12 U.S.C. § 5365). Additionally, section 5 of the Bank Holding Company Act authorizes the Board to issue regulations and conduct information collections with regard to the supervision of BHCs (12 U.S.C. § 1844).

As these data are collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(8)). In addition, commercial and financial information contained in these information collections may be exempt from disclosure under exemption 4 of FOIA (5 U.S.C. § 552(b)(4)). Such exemptions would be made on a case-by-case basis.

Time Schedule for Information Collection and Publication

The following tables outline by risk factor (schedules and sub-worksheets) the as-of dates for the data and the due date for the current submissions to the Federal Reserve by reporting frequency (annually, semi-annually, quarterly, or monthly).

Risk Factor Schedules and Sub-Worksheets	**Data as-of-date**	**Submission due to Federal Reserve**
FR Y-14A (Semi-Annual Filings)		
Macro Scenario schedule and Summary schedule • **Balance Sheet** • **Income Statement** • **Capital and Risk-Weighted Assets** • **Retail Risk** • **Operational Risk** • **Securities Risk** • **PPNR**	• Data as-of September 30th. • Data as-of March 31st.	• Data are due January 5th of the following year. • Data are due July 5th of the same year.
Regulatory Capital Transitions and Regulatory Capital Instruments schedules	• Data as-of September 30th.	• Data are due January 5th of the following year.
<u>CCAR Market Shock exercise</u> Summary schedule • **Trading Risk** • **CCR**	Data as-of a specified date in the fourth quarter. As-of-date would be communicated during the fourth quarter after it had occurred. For any BHC that is required to resubmit a capital plan that would include the market shock exercise, the as-of date will be the same as the as-of date for the Trading Risk schedule.	Data are due January 5th of the following year. For any BHC that is required to resubmit a capital plan that would include the market shock exercise, the due date will be the same as the due date for the Trading Risk Schedule.

Risk Factor Schedules and Sub-Worksheets	**Data as-of-date**	**Submission due to Federal Reserve**
FR Y-14Q (Quarterly Filings)		
Securities **PPNR** **Retail** **Wholesale**	Data as-of each calendar quarter end.	Seven calendar days after the FR Y-9C reporting schedule: Reported data (47 calendar days after the calendar quarter-end for March,

Operational **MSR Valuation** **Supplemental** **Retail FVO/HFS** **Regulatory Capital Transitions** **Regulatory Capital Instruments** ***Balances***		June, and September and 52 calendar days after the calendar quarter-end for December).
Trading Risk schedule ***Counterparty Credit Risk***	Due to the fact that the data is part of the CCAR Market Shock exercise, the as-of-date for the third quarter would be communicated in the subsequent quarter. For all other quarters, the as-of date would be the last day of the quarter, except for BHCs that are required to re-submit their capital plan. For these BHCs, the as-of date for the quarter preceding the quarter in which they are required to re-submit a capital plan would be communicated to the BHCs during the subsequent quarter.	Seven days after the FR Y-9C reporting schedule. **Third quarter - Trading:** 47 calendar days after the notification date (notifying respondents of the as-of-date) or December 15, whichever comes earlier. **Unless the Board requires the data to be provided over a different weekly period**, BHCs may provide these data as-of the most recent date that corresponds to their weekly internal risk reporting cycle as long as it falls before the as-of-date. **Third quarter - Counterparty:** January 5. In addition, for BHCs that are required to re-submit a capital plan, the due date for the quarter preceding the quarter in which the BHCs are required to re-submit a capital plan would be the later of (1) the normal due date or (2) the date that the re-submitted capital plan is due, including any extensions.
FR Y-14M (Monthly Filings)		
All schedules	Data as-of the last business day of each calendar month.	Reported data due by the 30th calendar day of the following month.

Estimate of Cost to the Federal Reserve System

The cost to the Federal Reserve System for the on-going maintenance of the information collection is $5,580,000.

Estimate of Respondent Burden

The current total annual burden for the annual, quarterly, and monthly reporting requirements of this information collection is estimated to be 629,824 hours and with the proposed revisions would increase by 145,113 hours, for a total of 774,937 hours, including 36,000 hours of automation burden. This net increase is primarily due to the increase in the reporting panel of an assumed three new respondents, which were previously exempt from reporting.

FR Y-14A Burden

The current total annual burden hours for the FR Y-14A is estimated to be 67,320 hours and with the proposed revisions would increase by 4,389 hours for a total of 71,709 hours. The increase is primarily due to the assumed addition of three new respondents to the reporting panel as well as minor changes to the Summary schedule. These increases are partially offset by the change in frequency of the Counterparty schedule from the FR Y-14A to the FR Y-14Q.

FR Y-14Q Burden

The current total annual burden hours for the FR Y-14Q is estimated to be 161,704 hours and with the proposed revisions would increase by 58,764 hours for a total of 220,468 hours. The increase is primarily due to the assumed addition of three new respondents to the reporting panel. Additionally, burden is increased due to the change in frequency of the Counterparty schedule from annual to quarterly, the addition of the Balances schedule, and the change in frequency and expansion of the Counterparty collection.

FR Y-14M Burden

The current total annual burden hours for the FR Y-14M is estimated to be 391,680 hours and with the proposed revisions would increase by 55,080 hours for a total of 446,760 hours. The increase is almost entirely due to the assumed addition of three new respondents to the reporting panel.

Implementation and On-Going Automation Burden

In an effort to more accurately reflect the burden imposed on the BHCs for reporting the FR Y-14 data, the Federal Reserve has included estimates for annual on-going automation burden (for existing respondents) and implementation for new respondents. The Federal Reserve estimates the burden for each existing respondent BHC that would update their systems in order to complete the FR Y-14 submissions would vary across BHCs. On average it would take approximately 480 hours (on-going maintenance) to update systems for submitting the data, for a total of 14,400 hours. Additionally, the Federal Reserve estimates that on average it would take approximately 7,200 hours for each new respondent to implement the requirements of the FR Y-14, for a total of 21,600 hours.

The current total annual cost to the public for the FR Y-14 information collection is estimated to be $32,058,042 and would increase by $7,389,305 to $39,447,347 for the revised FR Y-14.[9]

9 Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rate (30% Office & Administrative Support @ $18, 45% Financial Managers @

$61, 15% Legal Counsel @ $63, and 10% Chief Executives @ $86). Hourly rate for each occupational group are the median hourly wages (rounded up) from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages 2013, www.bls.gov/news.release/ocwage.nr0.htm Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/

	Number of respondents[7]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden*
Current FR Y-14A				
Summary	30	2	1,016	60,960
Macro scenario	30	2	31	1,860
CCR	6	1	420	2,520
Operational risk	30	1	24	720
Regulatory capital transitions	30	1	22	660
Regulatory capital instruments	30	1	20	600
Current FR Y-14A total				67,320
Current FR Y-14Q				
Securities risk	30	4	10	1,200
Retail risk	30	4	16	1,920
PPNR	30	4	711	85,320
Wholesale risk				
Corporate loans	28	4	60	6,720
CRE	27	4	60	6,480
Trading risk	6	4	1,926	46,224
Basel III/Dodd-Frank	30	4	22	2,640
Regulatory capital instruments	30	4	40	4,800
Operational risk	30	4	28	3,360
MSR Valuation	9	4	24	864
Supplemental	30	4	8	960
Retail FVO/HFS	19	4	16	1,216
Current FR Y-14Q total				161,704
Current FR Y-14M				
Retail risk				
1st lien mortgage	25	12	510	153,000
Home equity	24	12	510	146,880
Credit card	15	12	510	91,800
Current FR Y-14M total				391,680
Implementation and On-going Automation				
On-going revisions	19	1	480	9,120
Automation total				9,120
Collection total				629,824

[7] Of the respondents required to comply with this information collection, none are small entities as defined by the Small Business Administration (i.e., entities with less than $500 million in total assets) www.sba.gov/contractingopportunities/officials/size/table/index.html.

	Number of respondents[8]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden*
Proposed FR Y-14A				
Summary	33	2	1,028	67,848
Macro scenario	33	2	31	2,046
Operational risk	38	1	12	456
Regulatory capital transitions	33	1	23	759
Regulatory capital instruments	33	1	20	660
Proposed FR Y-14A total				71,769
Proposed FR Y-14Q				
Securities risk	33	4	12	1,584
Retail risk	33	4	16	2,112
PPNR	33	4	711	93,852
Wholesale risk				
Corporate loans	31	4	69	8,556
CRE	30	4	69	8,280
Trading risk	9	4	1,926	69,336
Regulatory capital transitions	33	4	23	3,036
Regulatory capital instruments	33	4	40	5,280
Operational risk	33	4	50	6,600
MSR Valuation	12	4	24	1,152
Supplemental	33	4	4	528
Retail FVO/HFS	22	4	16	1,408
CCR	9	4	462	16,632
Balances	33	4	16	2,112
Proposed FR Y-14Q total				220,468
Proposed FR Y-14M				
Retail risk				
1^{st} lien mortgage	28	12	510	171,360
Home equity	27	12	510	165,240
Credit card	18	12	510	110,160
Proposed FR Y-14M total				446,760
Implementation and On-going Automation				
Implementation	3	1	7,200	21,600
On-going revisions	30	1	480	14,400
Proposed automation total				36,000
Proposed collection total				774,997

[8] Of the respondents required to comply with this information collection, none are small entities as defined by the Small Business Administration (i.e., entities with less than $500 million in total assets) www.sba.gov/contractingopportunities/officials/size/table/index.html.