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 revise and extend for three years the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M; OMB No. 7100-0341) applicable to bank holding companies (BHCs) with total consolidated assets of $50 billion or more.

The Capital Assessments and Stress Testing information collection consists of the FR Y-14A, Q, and M reports. The semi-annual FR Y-14A collects information on the stress tests conducted by BHCs, including quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios, and qualitative information on methodologies used to develop internal projections of capital across scenarios.[1] The quarterly FR Y-14Q and the monthly FR Y-14M are used to support supervisory stress test models and for continuous monitoring efforts. The quarterly FR Y-14Q collects granular data on BHCs' various asset classes, including loans, securities and trading assets, and pre-provision net revenue (PPNR) for the reporting period. The monthly FR Y-14M comprises three retail loan- and portfolio-level collections, and one detailed address matching collection to supplement two of the portfolio and loan-level collections.

The Federal Reserve proposed several revisions to the FR Y-14A/Q/M reports (proposal) including: (1) adding an attestation requirement for respondents subject to the Large Institution Supervision Coordinating Committee (LISCC) framework, (2) revising the reports to reflect recent changes to the regulatory capital rules and the capital plan rule, and (3) modifying other elements of the FR Y-14A/Q/M reports to improve consistency of reported data across firms, address industry concerns, and improve supervisory modeling.[2]

The proposal also notified the public that the Office of Financial Research (OFR) of the Department of Treasury has requested access to the FR Y-14A/Q/M reports for use in connection with its statutory mandate "to evaluate and report on stress tests," and that the Board plans to share the FR Y-14A/Q/M reports with the OFR in light of the assurances of confidentiality from the OFR.

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[1] BHCs that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

[2] See 80 Federal Register 55621 (September 16, 2015)

The total current annual burden for FR Y-14A/Q/M is estimated to be 774,937 hours and with the proposed changes is estimated to increase by 54,924 hours to 829,861 hours. The increase in the burden is primarily due to the proposed attestation requirement.

Background and Justification

Prior to the 2007-2008 financial crisis, 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 Board'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[3] 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

[3] 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 Federal Reserve.

which the Federal Reserve is the primary federal financial regulatory agency to conduct stress tests on an annual basis (collectively, company-run stress tests).

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 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.[4] 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 five primary schedules (Summary, Macro Scenario, Regulatory Capital Instruments, Regulatory Capital Transitions, and Operational Risk schedules), each with multiple supporting tables.

The FR Y-14A schedules collect current financial information as well as quarterly and annual projections under the Federal Reserve's supervisory scenarios. The information includes balances for balance sheet and off-balance-sheet positions, income statement and pre-provision net revenue, and estimates of losses across various portfolios.

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.

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

Current FR Y-14Q (quarterly collection)

The FR Y-14Q schedules (Retail, Securities, Regulatory Capital Instruments, Regulatory Capital Transitions, Operational Risk, Trading, PPNR, Wholesale, Mortgage Servicing Rights, Fair Value Option/Held for Sale, Supplemental, Counterparty, and Balances 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)

The FR Y-14M includes two portfolio and loan-level collections for First Lien data and Home Equity data and an account and portfolio-level collection for Domestic Credit Card data. 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 FR Y-14A/Q/M

The Federal Reserve proposes to add an attestation requirement for the FR Y-14A/Q/M reports for all LISCC respondents. As proposed, the attestation would be effective beginning June 30, 2016.

The Federal Reserve relies on BHCs to report accurate data on the FR Y-14A/Q/M reports. The FR Y-14A/Q/M reports are integral to the Federal Reserve's supervisory stress tests, as the Federal Reserve uses financial data reported by a BHC to assess whether the BHC has the capital necessary to absorb losses under stress. In previous CCAR and DFAST cycles, the Federal Reserve has found that, while respondents generally report in accordance with the instructions, material inaccuracies have been identified in reported information.

Material inaccuracies in reported information indicate deficiencies in a BHCs' internal control environment. Deficiencies in a BHC's internal control environment affect not only the accuracy of a BHC's reported data, but also the strength and credibility of the BHC's capital planning process. Under the Federal Reserve's capital plan and stress test rules, a BHC is required to estimate projected revenues, losses, reserves, and pro forma capital levels under expected and stressed conditions. An effective internal control environment enables a BHC to measure, monitor, and aggregate its risks, and appropriately estimate losses under a stressful environment. All respondents to the FR Y-14A/Q/M reports should meet the Federal Reserve's expectations for internal controls.

The Federal Reserve proposes to require the chief financial officer (CFO) or an equivalent senior officer[5] of a LISCC respondent to make an attestation regarding the collection. The CFO or equivalent senior officer is proposed as the signatory because the CFO (or equivalent senior officer) is a senior officer with primary business line responsibility for internal controls. This requirement is proposed in order to encourage large firms to improve their systems for developing data necessary for the stress tests and CCAR. The requirement is similar to the attestation requirement for internal controls over financial reporting required under the Sarbanes–Oxley Act of 2002.[6]

The Federal Reserve has described its supervisory expectations for internal controls in several publications. For instance, as described in the August 2013 paper *Capital Planning at Large Bank Holding Companies: Supervisory Expectations and Range of Current Practice*,[7] a BHC's internal control framework should address its entire capital planning process, including the risk measurement and management systems used to produce input data, the models and other techniques used to generate loss and revenue estimates; the aggregation and reporting framework used to produce reports to management and boards; and the process for making capital adequacy decisions. The paper also highlighted the key role of internal audit in evaluating the capital planning process and all its components. Additionally, it outlines several components to ensure the integrity of reported information, including robust information systems.

The attestation would include two parts. First, for projected data reported on the FR Y-14A/Q and for actual data reported on the FR Y-14A/Q/M reports, the CFO (or equivalent senior officer) of a LISCC respondent would be required to attest that the reports have been prepared in conformance with the instructions issued by the Federal Reserve System.[8] The instructions define the scope and content of items that must be reported, and specify that the reports must be filed in accordance with U.S. generally accepted accounting principles (GAAP). The instructions further state that respondents should maintain financial records in such a manner and scope to ensure the FR Y-14A/Q/M reports reflect a fair presentation of the BHCs' financial condition and assessment of performance under stressed scenarios.

Second, for actual data, the CFO (or equivalent senior officer) of a LISCC respondent would be required to attest that he or she is responsible for the internal controls over the reporting of these data, and that the data reported are materially correct to the best of his or her knowledge. The CFO would also be required to attest that the controls are effective and include

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[5] "An equivalent senior officer" refers to a senior officer who functions as the CFO but carries a different title.

[6] Pub. L. 107-204, 116 Stat. 745 (July 30, 2002).

[7] See Board of Governors of the Federal Reserve System (2013), *Capital Planning at Large Bank Holding Companies: Supervisory Expectations and Range of Current Practice* (Washington: Board of Governors, August), www.federalreserve.gov/bankinforeg/bcreg20130819a1.pdf.

[8] Instructions for actual and projected information are the FR Y-14A/Q/M report from instructions. Instructions outlining Federal Reserve expectations related to the methodology for projected information can be found in CCAR Summary Instructions and Guidance. Those instructions are not included in the proposed attestation.

those practices necessary to provide reasonable assurance as to the accuracy of these data. The CFO would be required to attest that the controls are audited annually by internal audit or compliance staff, and are assessed regularly by management of the named institution. Last, the CFO would be required to agree to report material weaknesses in these internal controls and any material errors or omissions in the data submitted to the Federal Reserve promptly as they are identified. The attestation requirement is similar to the attestation requirement for internal controls over financial reporting required under the Sarbanes–Oxley Act of 2002.[9]

The proposed attestation requires the CFO (or equivalent senior officer) to attest that the controls are effective. The Committee of Sponsoring Organizations (COSO) of the Treadway Commission, a joint initiative of five private sector organizations representing executives within accounting, internal audit and finance,[10] has developed a framework for establishing and assessing internal controls. This framework is outlined in the publication titled *Internal Control—Integrated Framework.*[11] Known as the COSO report, this publication provides a suitable and available framework for purposes of establishing and assessing internal controls. This publication defines effective controls as those practices necessary to provide reasonable assurance as to the accuracy of financial information. Thus, a CFO (or equivalent senior officer) that attests to the existence of effective controls is attesting that the controls include practices necessary to provide reasonable assurance as to the accuracy of the data.

The proposed attestation also would require the CFO (or equivalent officer) of a LISCC respondent to attest that internal controls are audited annually by internal audit or compliance staff and are assessed regularly by management. The proposed requirement for an annual internal audit aligns with the annual nature of the CCAR cycle and the expectations for an annual audit of internal controls over financial reporting in the context of annual financial statements. Through an audit of internal controls over the Y-14 series, internal audit or compliance function would provide reliable assurance regarding the effectiveness of internal controls. The proposed requirement for regular assessments by management is consistent with the Federal Reserve's expectations for all firms.

Last, the proposed attestation would require the CFO (or equivalent officer) of a LISCC respondent to attest that, to the best of his or her knowledge the data reported are materially accurate, and to promptly report any material weaknesses in internal controls and any material

[9] Pub. L. 107-204, 116 Stat. 745 (July 30, 2002).

[10] The Committee of Sponsoring Organizations of the Treadway Commission (COSO) is a joint initiative of five private sector organizations including the American Accounting Association, the American Institute of Certified Public Accountants, The Association of Accountants and Finance Professionals in Business, and the Institute of Internal Auditors.

[11] The Committee of Sponsoring Organizations (COSO) of the Treadway Commission has published *Internal Control--Integrated Framework*. Known as the COSO report, this publication provides a suitable and available framework for purposes of establishing and assessing internal controls. http://www.coso.org/ic.htm

errors or omissions in the submitted data. Material weaknesses are those weaknesses which would result in a material misstatement of the FR Y-14A/Q/M data.

BHCs should have a policy in place for determining materiality in the context of management's attestation that data is materially accurate and management's attestation that internal controls over the FR Y-14A/Q/M reports are effective. This policy should include a robust analysis of all relevant quantitative and qualitative considerations, including, but not limited to, the size and effect of the omission or misstatement on firms' projected regulatory capital ratios in stressed scenarios. Qualitative factors may result in a conclusion that a small change in regulatory capital ratios is considered material. Those circumstances might include the repeat occurrence of errors and omissions, the proximity of a firm's regulatory capital ratios to minimum capital requirements, and whether errors and omissions could change a knowledgeable person's view of the adequacy of internal controls over the capital adequacy process.

The LISCC respondents may be required to enhance certain systems and processes in order to meet the attestation requirement, such as enhancing information technology infrastructure and adding or modifying internal control frameworks and data governance committees to include accountability and escalation processes, as well as to increase the frequency of audits of internal controls over the FR Y-14A/Q/M reports. The Federal Reserve believes such enhancements are essential for a BHC's own risk aggregation and risk management. In order to allow sufficient time for such modifications, the attestation would be effective June 30, 2016. This effective date is consistent with the six month period previously requested by industry participants to implement changes to information infrastructure processes.

An estimate of the associated increase in burden is reflected in the updated burden estimates. This estimate accounts for the burden associated with the initial implementation of modifications to existing systems and processes prior to the effective date as well as burden associated with ongoing requirements, particularly the annual audit, and is an average across applicable respondents. However, the Federal Reserve requests feedback from the industry regarding the specific burden increases necessary to meet the attestation requirement.

The Federal Reserve invited comment on a proposal to add an attestation to the FR Y-14 submission in July 2012, but did not finalize an attestation requirement in light of concerns expressed by commenters.[12] Specifically, commenters expressed concerns regarding the maturity of the data collection, given the recent implementation of the reports, the scale and pace of revisions to the reports, and the fact that firms were not receiving timely answers to questions posed through the Frequently Asked Questions (FAQ) process. Regarding the substance of the attestation, commenters questioned whether the attestation would be appropriate for projected information, and whether the chief risk officer (CRO) would be the appropriate person to provide

[12] See 77 Federal Register 40051.

the attestation. Last, commenters argued that the proposed effective date would not provide sufficient time to implement the necessary controls.[13] In the final notice adopting other proposed changes to the FR Y-14A/Q/M, the Federal Reserve acknowledged commenters' concerns regarding attestation, and noted that the attestation requirement may be revisited in a future proposal.[14]

The Federal Reserve has considered these comments in developing the attestation included in this proposal. First, the Federal Reserve believes that the FR Y-14 reports are sufficiently mature to support the attestation. Since the initial proposal of attestation to the FR Y-14 in July 2012, BHCs have completed the FR Y-14A/Q/M reports for over two years, and have generally been able to report the requested information in accordance with the instructions. Further, the scale and pace of the revisions to the reports have slowed, and more time is provided between finalization of proposed changes to the FR Y-14 and the effective date of those changes.[15] The Federal Reserve continues to improve the FAQ process in order to provide responses to commenters' questions in a timely manner. For instance, the Federal Reserve has been incorporating the most material FAQ responses into the instructions on a quarterly basis. Further, the Federal Reserve is conducting a large-scale review of its instructions and incorporating numerous relevant historical FAQs into the instructions.[16] This review is expected to be completed by the finalization of this proposal. Regarding unanswered FAQs, the Federal Reserve intends to approach unanswered FAQs related to the Y-14A/Q/M reports in the same manner as unanswered questions related to the Y-9C report. As long as a firm has a reasonable and timely process for identifying questions and submitting FAQs, and the firm makes a good faith effort to reasonably interpret the instructions while awaiting a response, and the firm, in fact, follows that process, the Federal Reserve would not expect to penalize a firm for incorrect reporting on the 14A/Q/M reports.

The Federal Reserve considered comments regarding the appropriateness of an attestation regarding projected data, and whether the CRO should be the correct person to attest. Given that the projected data are estimates of future values under different stressed scenarios, the proposed attestation would not require a BHC to attest to the accuracy of projected data. Instead, it would require the BHC to attest that it has prepared the FR Y-14A/Q/M in conformance with the instructions. In addition, the Federal Reserve considered whether to permit the CRO to provide the proposed attestation, instead of the CFO or equivalent officer, but determined that the CRO would not be the appropriate signatory. Under industry standards, the CRO does not have

[13] See 77 Federal Register 60695.
[14] See 77 Federal Register 60695.
[15] See 79 Federal Register 59264 and the effective dates within this notice.
[16] This approach is consistent with the approach undertaken in 2013. See 78 Federal Register 38033 and 78 Federal Register 59934.

primary business line responsibility for internal controls and is therefore not an appropriate individual to be a signatory of the attestation.[17]

Proposed Revisions to the FR Y-14A

The proposed revisions to the FR Y-14A consist of clarifying instructions, adding and removing schedules, adding, deleting, and modifying existing data items, and altering the as-of dates. These proposed changes would (1) increase consistency between the FR Y-14A and FR Y-9C, FFIEC 101, and FFIEC 102; (2) adjust the collection in accordance with revisions to the capital plan and stress test rules recently proposed by the Federal Reserve, which among other modifications would remove the requirement to calculate tier 1 common capital and the tier 1 common ratio; (3) shift the as-of dates by one quarter in accordance with the modifications to the capital plan and stress test rules that were finalized October 27, 2014 (79 FR 64026); and (4) modify and expand the supporting documentation requirements.

Schedule A (Summary)

Revisions to Schedule A.1.c.1 (General RWA) This schedule would be removed in accordance with the proposed revisions to the capital plan and stress test rules to eliminate use of the tier 1 common ratio (to the extent finalized)[18], effective December 31, 2015. However, in order to mitigate operational issues and allow for appropriate time to adjust internal system to accommodate changes this schedule would remain part of the technical instructions for the CCAR 2016 submission.

Revisions to Schedule A.1.c.2 (Standardized RWA) This schedule would be modified to increase consistency with the FR Y-9C and the FFIEC 102. Specifically, the items of the existing market risk-weighted asset portion would be replaced with the appropriate items from the FFIEC 102 and the remaining items would be made to align with FR Y-9C Schedule HC-R Part II. These changes would be effective June 30, 2016.

Revisions to Schedule A.1.d (Capital) The Federal Reserve proposes removing certain items related to tier 1 common capital in accordance with the proposed revisions to the capital plan and stress test rules (to the extent finalized)[19], effective December 31, 2015. However, in order to mitigate operational issues, these items would remain part of the technical instructions for the CCAR 2016 submission. Additionally, the Federal Reserve proposes adding one item that captures the aggregate non-significant investments in the capital of unconsolidated financial institutions in the form of common stock and breaking out two items related to deferred tax

[17] See Institute of Internal Auditors position paper *The Three Lines of Defense in Effective Risk Management and Controls* (January 2013); and COSO publication, *Leveraging COSO Across the Three Lines of Defense,* (July 2015*)*
[18] 80 Federal Register 43637 (July 23, 2015).
[19] 80 Federal Register 43637 (July 23, 2015).

assets into the amount before valuation allowances and the associated valuation allowance. These additional information from these changes would result in two existing items converting to derived items based on the additional information.

Revisions to Schedule A.2.b (Retail Repurchase) Because this information is utilized in the supervisory models, the schedule would be separated from FR Y-14A Schedule A to be its own semi-annual schedule of the FR Y-14A. For the two reported as-of dates, this schedule would be due seven calendar days after the FR Y-9C, similar to the FR Y-14Q. This change would be effective June 30, 2016.

Deletion of Schedule A.2.c (ASC 310-30) This schedule would be removed to reduce reporting burden, effective June 30, 2016.

Revisions to Schedule A.7.c (PPNR Metrics) In order to fully align the schedule with the stress scenarios, the beta information would be collected according to the scenario instead of the current “normal environment” requirement, effective December 31, 2015.

Schedule D.4 (Regulatory Capital Transitions – Standardized RWA)

As with the changes to Schedule A.1.c.2, the Federal Reserve proposes modifying this schedule in accordance with FFIEC 102 and FR Y-9C Schedule HC-R. These changes would be effective December 31, 2015. Additionally, the Federal Reserve proposes removing projected year six from the projection period in accordance with the shift in the CCAR as-of date.

***Proposed* Schedule F (Business Plan Changes)**

The Federal Reserve proposes adding a schedule that collects the effects of an intended business plan change on a respondent’s asset, liability, and capital projections. This information has been collected in previous CCAR cycles on an ad-hoc basis, and this proposal is intended to formalize the collection. This schedule would be effective December 31, 2015.

Appendix A (Supporting Documentation)

The Federal Reserve proposes modifying the supporting documentation requirements to align with the documentation expectations outlined in the CCAR 2015 Summary Instructions and Guidance. Specifically, the appendix would be revised to require BHCs to provide the following supporting documentation: policies and procedures (including a model risk management policy), mapping of estimation methodologies to FR Y-14A line items, model inventory, and methodology documentation. Required methodology documentation will include: methodology and process overview; model technical documents; model validation documents; audit reports; documentation describing the review, challenge, aggregation, and finalization of results; and documentation describing the methodology for developing the consolidated pro forma financials. The Federal Reserve proposes to maintain the more specific documentation requirements on categories of exposures and risk areas in other sections of the appendix without change. The appendix would also note that the Federal Reserve expects to provide additional detail relating to these requirements, and as well as suggested organization and metadata tags, through the CCAR instructions.

Proposed Revisions 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 provide additional information to enhance supervisory models, be responsive to industry comments, and shift the special as-of dates for Schedules F and L by one quarter in accordance with the modifications to the capital plan and stress test rules that were finalized October 27, 2014 (79 FR 64026). 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 are 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.

Schedules A.1-A.10 (Retail)

The Federal Reserve proposes restricting the loan population of this schedule to accrual loans, which would accurately reflect the intention of the schedule and be responsive to industry comments. These changes would be effective December 31, 2015.

Schedules A.8 and A.9 (Retail – International Small Business and U.S. Small Business)

The Federal Reserve proposes excluding non-purpose loans and loans for purchasing and carrying securities from this schedule. This change, along with accompanying changes to FR Y-14Q Schedules H.1 and M, would ensure that non-purpose commercial loans and loans for purchasing or carrying securities are treated consistently across institutions. These changes would be effective December 31, 2015.

Schedule B (Securities)

For schedule B.1 (Securities 1) the Federal Reserve proposes (1) requiring information to be reported in the Security Description 2 or Security Description 3 items in cases where an internal identifier is reported for a security or where the security type Other is assigned in order to increase consistency across institutions; (2) add “Appropriation-Backed” to the list of options for the Municipal Bond security type in order to capture the unique characteristics of this bond type; and (3) remove debt issued by the Student Loan Marketing Association as a U.S. Government or Agency debt organization in accordance with recent developments in the student loan financing market. Additionally, the Federal Reserve proposes removing schedule B.2 in order to reduce reporting burden. These changes would be effective December 31, 2015.

Schedule C.3 (Regulatory Capital Instruments – Issuances During Quarter)

All of the proposed changes to this schedule are only applicable to subordinated debt instruments.

The Federal Reserve proposes (1) adding an item that collects the currency in which the instrument is denominated to be able to account for changes in exchange rates; (2) adding options to the Index item for Canadian Dealer's Offer Rate, Australian Bill Bank Swap, and UK Libor as well as 1M, 3M, and 6M maturities for all reference rates as well as require respondents to specify the index used when Other is reported in order to accurately calculate contractual expenses; (3) restrict the reporting of BHC-provided identifiers to only cases in which a CUSIP or ISIN identifier is unavailable; and (4) adding options to identify coupons that "step up" or transition from fixed to floating as well as items to identify the date on which the contractual terms change, the reset coupon, and the spread over index, also to more accurately calculate contractual expenses. These changes would be effective December 31, 2015, and would require a separate one-time submission of all subordinated debt instruments for the effective date in order to ensure the proposed information is accurately captured for the associated subordinated debt instrument.

Additionally, the Federal Reserve proposes adding items to collect details on swaps that are matched to subordinated debt instruments in order to capture the effect of these swaps on subordinated debt interest expenses. Specifically, the Federal Reserve proposes (1) adding items to capture the details of interest rate swaps matched to subordinated debt – issue date, maturity date, notional amount, fixed payment rate, payment index, and payment spread over index; (2) adding items to capture the details of foreign exchange swaps matched to subordinated debt – currency denomination of the instrument, currency of the payment, notional amount, and exchange rate; and (3) adding items that collect the unamortized discounts, premiums and fees, the fair value of the swap, and the carrying value of the swap as well as an item that reconciles the carrying value to the FR Y-9C. These changes would be effective June 30, 2016, and would require a separate one-time submission of all subordinated debt instruments for the effective date in order to ensure the proposed information is accurately captured for the associated subordinated debt instrument.

Schedule D.4 (Regulatory Capital Transitions – Standardized RWA)

As with the changes to FR Y-14A Schedule A.1.c.2, the Federal Reserve proposes modifying this schedule in accordance with FFIEC 102 and FR Y-9C Schedule HC-R. These changes would be effective December 31, 2015.

Schedule G (PPNR)

The Federal Reserve proposes eliminating the deposit funding threshold and requiring submissions from all respondents. Currently nearly all respondents are required to submit this schedule, and this modification would create consistency in analysis and supervisory modeling across respondents.

Schedules H.1 and H.2 (Corporate Loan and Commercial Real Estate)

The Federal Reserve proposes (1) expanding the loan population to include loans that were disposed during the reporting period as well as adding the item Disposition Flag that collects the disposition method in order to capture the difference in loan characteristics; (2) expanding the options of the Participation Flag item for agent, participant, and inclusion in the Shared National Credit report in order to effectively identify syndicated loans; (3) adding the item Leveraged Loan Flag that identifies leveraged loans across all wholesale loans, not only loans reported through the Shared National Credit Program report, for a more accurate reflection of the associated risk characteristics of such loans; and (4) adding the item Participation Interest that captures the percent of the commitment held by the respondent for participated or syndicated loans to help match loans across institutions. The latter three items along with clarifications to the SNC Internal Credit ID would allow the Federal Reserve to better match loans between FR Y-14Q Schedule H and the Shared National Credit report and to explore methods to utilize both reports. These changes would be effective March 31, 2016.

Schedule H.1 (Corporate Loan)

The Federal Reserve proposes (1) eliminating the restriction to the loan population of legally binding commitments, which would align the schedule with the FR Y-9C definition of corporate loans; (2) adding five categories to the Credit Facility Purpose item to capture non-purpose margin loans, non-purpose loans collateralized by securities for other purposes, dealer floorplan, equipment leasing, and bridge financing in order to more accurately require such loans to be reported as wholesale loans; (3) adding two categories to the Credit Facility Type item to identify fronting exposures and swinglines to appropriately capture their unique characteristics in supervisory modeling; and (4) adding two items – Syndicated Loan Flag and Target Hold – that capture the status of the credit and the share of the credit that the respondent intends to retain upon clearing of the deal in order to assign credit risk throughout the syndication process. These changes would be effective March 31, 2016. Additionally, effective December 31, 2015, the Federal Reserve proposes (5) expanding the loan population to include non-purpose loans that are not graded to accurately reflect the intention of the schedule and be responsive to industry comments, which is in conjunction with proposed changes to FR Y-14Q Schedules A.8, A.9, and M.

Schedule L (Counterparty)

The Federal Reserve proposes (1) adding the item Stressed Discount Factor to Schedule L.2 in order to consistently capture this information as incorporated into respondents expected exposure profiles; (2) changing the counterparties that are reported on Schedule L.4 from the top 10 by credit valuation adjustment (CVA) to the top 10 by sensitivity to the risk factor in each section of the schedule as well as add several risk factors to this schedule, which would provide more material information for the same estimated ongoing burden; (3) modifying the reporting requirements for Schedules L.5 and L.6 so that the top 25 counterparties are reported by exposure amount for the CCAR as of quarter, which would create consistency in the reporting of counterparties across quarters, and replacing L.5.1.a, L.5.2.a, L.6.1.a, and L.6.2.a with a requirement for separate submissions and an item identifying the submission; (4) on Schedule L.4 combining the counterparty and reference spread portions as well as the CCC and below rating categories of the Credit Spreads section in an effort to reduce reporting burden; (5) adding an item to Schedules L.1 through L.4 that requires the reporting of a Legal Entity Identifier for each counterparty, as available, in order to more accurately identify and match counterparties throughout Schedule L; and (6) changing or adding the Industry item on Schedules L.1 through L.6 to require respondents to report a North American Industry Classification System code to more accurately identify the industry of the counterparty. These changes would be effective December 31, 2015.

Schedule M (Balances)

Along with proposed changes to FR Y-14Q Schedules A.8, A.9, and H.1, the Federal Reserve proposes modifying items such that non-purpose commercial loans and loans for purchasing or carrying securities are reported in the commercial loan line items, regardless of whether they are graded or scored. This change would be effective December 31, 2015.

Proposed Revisions to the FR Y-14M

Schedule A (First Lien)

The Federal Reserve proposes (1) adding two items – Serviced by Others Flag and Reporting As of Month – in an effort to be responsive to industry comments regarding the delayed reporting of loans that are serviced-by-others; and (2) adding two options to the

Mortgage Insurance Company item to more consistently identify companies within and across respondents. These changes would be effective December 31, 2015.

Schedule B (Home Equity)

The Federal Reserve proposes (1) adding two items – Serviced by Others Flag and Reporting As of Month – in an effort to be responsive to industry comments regarding the delayed reporting of loans that are serviced-by-others; and (2) adding the item Payment Type at the End of Draw Period and an option to the Modification Type item to capture the differing risk characteristics based on payment type set on the loan after the draw period has ended. These changes would be effective December 31, 2015.

Notice of Intent to Share Information

The Office of Financial Research (OFR) of the Department of Treasury has requested access to the FR Y-14A/Q/M reports for use in connection with its statutory mandate "to evaluate and report on stress tests." The current FR Y-14 collections indicate that the collected data will be kept confidential. Through this proposal, the Board is providing notice that OFR will have access to the FR Y-14A/Q/M reports. The OFR has provided assurances that it will maintain the confidentiality of this information, including that it would limit access to the data to authorized staff and that any publication by the OFR using the reports would not contain confidential information.

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.

Consultation Outside the Agency

On September 16, 2015, the Federal Reserve published a notice in the Federal Register (80 FR 55621) requesting public comment for 60 days on the extension, with revision, of the FR Y-14A/Q/M reports. The comment period for this notice expired on November 16, 2015. The Federal Reserve received two comment letters addressing the proposed changes from trade associations. Comments focused on the scope and timing of the proposed attestation requirement, the timing of proposed modifications to existing items or schedules, and the estimate of reporting burden. Several comments received requested clarification of the instructions for the information to be reported, or were technical in nature. The comments and responses are discussed in detail below and are included in the "Detailed Discussion of Public Comments and the Federal Reserve Responses" section of the final Federal Register notice for the FR Y-14 revisions (81 FR 3412). In addition, the Federal Reserve has revised the proposed reporting forms and instructions, as appropriate, in response to the technical comments received.

Detailed Discussion of Public Comments:

General Comments

In general, commenters expressed concern with the timing of the proposed changes. Specifically commenters stated there was not sufficient time to undertake the changes necessary to implement the proposed revisions and develop appropriate processes and procedures surrounding the attestation requirement. One commenter recommended that the Federal Reserve provide a minimum of sixth months between the finalization of reporting and technical requirements and the effective date of proposed changes to the FR Y-14A/Q/M reports in order for respondents to adhere to standard software development life cycles.

In response to these comments, the final FR Y-14 regulatory report (final FR Y-14) delays the effective date for nearly all proposed changes to reports with a June 30, 2016, as-of date, as detailed in the schedule-specific sections below. This extension provides respondents with approximately six months to make needed system changes. In addition, the final FR Y-14 delays by two quarters, until September 30, 2016, the effective date of certain changes to the wholesale schedules (Schedules H.1 and H.2), as indicated in the schedule-specific section below.

Certain changes in the final FR Y-14 will take effect beginning with the regulatory reports that have a December 31, 2015, as-of date. These changes include the shift in FR Y-14A as-of date, from September 30 to December 31, in accordance with modifications to the capital plan and stress test rules; formalization of the FR Y-14Q Business Plan Changes schedule as a regulatory report (rather than as a case-by-case supervisory collection of information); elimination of the FR Y-14Q Securities B.2 sub-schedule, and removal of certain items related to tier 1 common capital.[20] These changes align the FR Y-14 reports with changes in the final capital rule that the Board recently approved, better align regulatory reporting requirements with other existing requirements, reduce burden, or formalize information collections that are already reported as part of the supervisory process. In light of the limited comment on, and limited

[20] See 79 Federal Register 64026 (October 27, 2014); 80 Federal Register 75419 (December 2, 2015).

impact of, these proposed changes, they will be implemented, as proposed, with a December 31, 2015, as-of date.

In response to the Federal Reserve's solicitation for feedback regarding burden associated with the FR Y-14A/Q/M, one commenter suggested that the estimates of reporting burden are substantially lower than a good-faith estimate provided by a sample of reporting firms. The commenter outlined the type of effort and resources, and associated burden required to file the FR Y-14A/Q/M reports and offered to engage in further discussion with the Federal Reserve regarding burden estimates. Burden estimates are based on a schedule by schedule calculation while the estimates provided by the commenter are aggregated. This difference makes it difficult to modify the proposed burden estimates without more detailed information from the commenter. For these reasons, the burden estimates remain the same as proposed.

Commenters also suggested several improvements to the current FAQ process, including providing status on a real time basis, establishing a searchable repository, distributing more frequently, and setting a standard schedule for responding to questions. The Federal Reserve is continually working to improve the FAQ process. As part of these ongoing efforts the Federal Reserve recently implemented a new FAQ system to enhance the Federal Reserve's ability to track and respond to questions. The new system will allow for more insight into the status of FAQs and help ensure more consistent timing on responses. In addition, similar to the effort undertaken in 2013,[21] the Federal Reserve incorporated all relevant historical FAQs into the final instructions associated with this proposal. The Federal Reserve will continue to incorporate relevant comments and questions related to the FR Y–14 into the instructions on a regular basis.

In the proposal, the Federal Reserve notified respondents of the intent to share FR Y-14 data sets with the Office of Financial Research (OFR). One commenter recommended that the OFR publish aggregate summaries of the data so reporting companies, and the public, can gain insights into industry trends and developments.

Attestation

Commenters generally expressed concerns about specific elements of the proposed attestation requirement for the FR Y-14 submission and, in particular, the timing necessary to meet the proposed requirements.

Both commenters argued that the proposed effective date of June 30, 2016, would not provide sufficient time to implement several of the proposed attestation requirements. However, one commenter agreed that it would be practical and appropriate for respondents to provide an attestation as to conformance with the FR Y-14 instructions by June 30, 2016, subject to the specific recommendations in the commenter's letter. Both commenters indicated that additional

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[21] See 78 Federal Register 59934

time was needed to adapt to The Committee of Sponsoring Organizations (COSO)-based framework, including materially supplementing and/or modifying existing systems and processes, and establishing policies, documentation, and certification frameworks. One commenter pointed out that, although some respondents may be able to leverage parts of their existing control infrastructure required under the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley), the scope and level of data granularity on the FR Y-14 forms is substantially larger than what is required under Sarbanes-Oxley and therefore beyond the capability of most firms. Finally, one commenter noted that the implementation of the various attestation requirements would require a significant investment in firm personnel, management, and compliance and information technology resources, and additional time for implementation would allow for more deliberate expansion and upgrade of existing processes and systems to support the attestation.

In light of the above, both commenters suggested alternative implementation timelines. One commenter noted that a major consulting firm estimated it would take a company 15 months to implement the controls necessary to assess risk information. The other commenter suggested a phased-in implementation approach, which would provide respondents additional time to make the more substantial alterations to existing systems and processes necessary to support certain components of the proposed attestation. The phased in approach would involve: (i) an attestation solely regarding compliance with the FR Y-14 instructions effective as of June 30, 2016, which is the same timeframe as in the proposal; (ii) an incremental requirement for respondents to demonstrate as part of the supervisory process, by April 2017, that a framework has been put in place to identify, test, and independently validate key control activities to support these attestations; and (iii) an attestation regarding the effectiveness of internal controls and to the material correctness of data as of April 2018.

In addition, one commenter indicated that the proposal appeared to require attestation to internal controls with each annual, quarterly and monthly FR Y-14 report submission, but that doing so would not be feasible at that frequency. The commenter suggested that the effectiveness of internal controls be limited to annual submissions on the FR Y-14A.

The Federal Reserve recognized in the initial Federal Register notice the time needed for LISCC firms to "enhance certain systems and processes" and "modify internal control frameworks and data governance committees." In response to comments and in order to allow additional time for respondents to put internal controls processes and frameworks in place and complete testing of these processes and frameworks, the initial attestation requirement in the final Y-14 will be delayed until reports with a December 31, 2016, as-of date. In addition, in connection with the initial attestation and to allow time for respondents to develop and test their internal control systems, the initial attestation will relate solely to the effectiveness of internal controls over submissions as of December 31, 2016, rather than with respect to submissions throughout the year. Effective for the monthly, quarterly, and semi-annual FR Y-14 reports submitted as of January 31, 2017, and thereafter, respondents will attest to conformance with the

FR Y-14 instructions and to the material correctness of data to the best of the respondent's knowledge, and agree to report material weaknesses and any material errors in the data as they are identified starting January 1, 2017. Effective December 31, 2017, and for all future reporting periods, a respondent's attestation as to the effectiveness of internal controls will be with regard to FR Y-14 submissions filed throughout the year.

To clarify the timing of these staggered attestation requirements, the final Y-14 includes three separate attestation cover pages. First, as indicated, with respect to the monthly, quarterly, and annual FR Y-14 reports with a December 31, 2016, as-of date, respondents would attest to internal controls around the reports submitted as of that date. Second, effective for the monthly, quarterly, and semi-annual FR Y-14 reports submitted beginning January 31, 2017, and thereafter, respondents will attest on a separate cover page to the respondent's conformance with the FR Y-14 instructions and to the material correctness of data to the best of the respondent's knowledge, and agree to report material weaknesses and any material errors in the data as they are identified starting January 1, 2017. Third and finally, effective for reports with a December 31, 2017, as-of date and for all future FR Y-14 submissions as of December 31 of a calendar year, the initial December 31, 2016, cover page will be replaced by a new cover page that will be submitted annually and will include an attestation to the effectiveness of internal controls around the annual FR Y-14A submission and around the FR Y-14Q/M reports that are submitted throughout the year.

Commenters suggested various modifications to the attestation requirement and associated attestation language. One commenter noted that the proposal indicates that the Federal Reserve would not expect to penalize a firm for incorrect reporting where there has been a good faith effort to reasonably interpret the instructions or seek input on a question or interpretation from the Federal Reserve and requested that similar qualifying language be added to the attestation form. The final FR Y-14 includes these revisions to the attestation form.

Under the proposal, the firm's CFO would have been required to attest to the internal controls over the reporting of actual data as-of the reporting period. A commenter noted that internal controls over financial reporting and risk management data are the joint responsibility of senior management and that the CFO is not individually responsible for internal controls over the reporting of FR Y-14 data. The commenter suggested that the attestation form be modified to indicate that the CFO attests that senior management is responsible for the internal controls over the reporting of the FR Y-14 data. In response, the final FR Y-14 incorporates this modification to the attestation form.

Both commenters addressed the definition of materiality in the attestation language. One commenter expressed concern with the absence of a definition of "materiality" which inherently requires each respondent to make an individual determination on materiality. The other commenter requested that the Federal Reserve confirm that respondents would be expected to develop materiality policies based on their own capital plan submission. The Federal Reserve does not generally define materiality within the FR Y-14 reports.

Furthermore, outlining materiality for specific respondents would not be feasible. As stated in the Federal Register for the proposal, a BHC would be required to have a policy for determining materiality in the context of quantitative and qualitative considerations for their firm. Accordingly, the final FR Y-14 includes the proposed definition of materiality without change.

One commenter requested that the Federal Reserve make attestation requirements applicable to the intermediate holding company (IHC) subsidiaries of LISCC foreign banking organizations (FBOs) no earlier than April 2018. On February 18, 2014, the Board adopted a final rule implementing enhanced prudential standards for FBOs,[22] which, among other things, requires an FBO with U.S. non-branch assets of greater than $50 billion to establish a U.S. IHC by July 1, 2016, to which it must transfer its entire ownership interest in all U.S. BHCs, U.S. insured depository institutions, and U.S. subsidiaries.[23] The commenter expressed concern that the timing of the implementation of the attestation requirement would be particularly challenging for FBOs currently restructuring to complete the formation of their IHC. Currently, the Board has not proposed reporting requirements for IHCs, which, as noted in the preamble to the final rule implementing enhanced prudential standards for FBOs, would be addressed at a later date.

At such time as the Board proposes reporting requirements for IHCs, the Federal Reserve expects to invite comment through a notice and comment process, and would evaluate the particular circumstances and challenges surrounding IHC formation vis-à-vis the full spectrum of Board regulatory reporting requirements. The Federal Reserve does, however, reiterate that the attestation requirement applies to LISCC firms.

Schedule Specific Comments

FR Y-14A

Schedules A.1.c.1 (General RWA) and A.1.d. (Capital)

Related to the proposed modifications to the collection in accordance with revisions to the capital plan and stress test rules, specifically elimination of the use of the tier 1 common ratio, one commenter noted that as of the end of the comment period, the changes to the capital plan and stress test rules had not yet been finalized and asked that the Federal Reserve reflect any changes in the final release of the FR Y-14 forms. On November 25, 2015, the Board approved the final rule to modify the capital plan and stress test rules. Accordingly, and in response to the comment, the final FR Y-14 removes items relating to the reporting of "tier 1 common capital" as proposed from the following schedules in order to align with the final rule: FR Y-14A General

[22] 79 Federal Register 17239 (March 27, 2014).
[23] See 12 CFR 252.153.

RWA (Schedule A.1.c.1), Standardized RWA (Schedule A.1.c.2), Capital (Schedule A.1.d), Regulatory Capital Transitions (Schedule D.4), Regulatory Capital Instruments (RCI, Schedule C), and the FR Y-14Q Regulatory Capital Transitions (Schedule D.4) and Regulatory Capital Instruments (Schedule C).[24]

Both commenters supported the removal of items related to tier 1 capital consistent with the rule, however recommended removing the items from the technical instructions in order to limit the number of edit checks respondents are required to respond to, rather than keeping these items in the technical instructions as proposed. The Federal Reserve recognizes the burden of responding to edits, as well as the technical effort by both the Federal Reserve and respondents to incorporate report changes. The Federal Reserve will keep the tier 1 common capital-related items in the FR Y-14A Summary schedule (Schedule A) technical instructions in order to mitigate the operational risk of making changes as proposed; however, to address the commenters concerns and reduce the burden on respondents, edit checks on these items will be eliminated and responses will not be requested.

Schedules A.1.c.2 (Standardized RWA) and D.4 (RCT)

Under the proposal, the Standardized RWA (FR Y-14A, Schedule A.1.c.2) and Regulatory Capital Transitions (FR Y-14A, Schedule D.4 and FR Y-14Q, Schedule D.4) schedules would have been revised by replacing the existing market-risk weight asset portion with the relevant items from the FFIEC 102 and aligning the remaining items with the FR Y-9C Schedule HC-R Part II. Both commenters noted that the aforementioned changes were effective for the Standardized RWA schedule (FR Y-14A, Schedule A.1.c.d) as-of December 31, 2015 and for the Regulatory Capital Instruments schedules (FR Y-14A Schedule D.4, FR Y-14Q Schedule D.4) as-of June 30, 2016. They recommended that the effective dates be consistent and delayed until June 30, 2016. In response, the changes for all three schedules (FR Y-14A, A.1.c.2 (Standardized RWA), D.4 (RCT) and 14Q D.4 (RCT) will be implemented as modified below, effective June 30, 2016.

One commenter expressed concern that these modifications would require an unnecessary level of forecasting granularity around Market Risk RWA and recommended that this level of detail not be included in the final version. The other commenter stated they had no objection to the changes as proposed. In response to the comment received, the Federal Reserve further reviewed the items proposed to be added to these schedule in alignment with the FFIEC 102. In light of these comments, the final FR Y-14 removes the requirement to report projections for certain more granular proposed items from the FR Y14A Standardized RWA (Schedule A.1.c.2) and Regulatory Capital Transitions (Schedule D.4) schedules, while retaining general alignment

[24] Effective January 1, 2016, tier 1 common capital has been removed from the Board's capital plan rule (12 CFR 225.8). See 80 Federal Register 75419 (December 2, 2015).

with the structure of the FFIEC 102 report and reporting of the actual information. These changes will be implemented as modified effective June 30, 2016.

Schedule A.2.b (Retail Repurchase)

Commenters expressed concern with the proposal to break out the Retail Repurchase schedule from the Summary (Schedule A) and moving the submission date in line with the quarterly schedules given the schedule contains projected data as well as actual data. The commenters were also concerned that the proposed effective date of June 30, 2016 would not allow respondents enough time to implement the necessary controls and processes required to submit the new semi-annual schedule and recommended delaying implementation an additional six months to be effective December 31, 2016. The Federal Reserve agrees that the projected data should remain part of the Summary (Schedule A) and confirms that the new FR Y-14A semi-annual schedule breaks out only the actual data from the existing Retail Repurchase schedule (Schedule A.2.b). Given the information to be collected on both schedules is already reported on the FR Y-14A, the restructuring changes only the submission date for actual not projected data, and that the submission date is more than six months out, the final FR Y-14 proceeds with this change as indicated above, effective June 30, 2016 as proposed.

Schedule A.2.c (ASC 310-30)

The Federal Reserve proposed eliminating this schedule effective as-of June 30, 2016. One commenter recommended that the Federal Reserve eliminate this schedule as-of December 31, 2015. The other commenter noted that although they have previously requested a six month window between the finalization of changes and effective date, it is less burdensome to remove a minor reporting item and therefore supported the change as proposed. In an effort to allow as much time as possible between finalization and the effective date for both the removal and addition of items and in support of limiting the changes effective for the December 31, 2015 as-of date, the final FR Y-14 implements this change as proposed.

Schedule A.7.c (PPNR)

In an effort to reduce burden, the Federal Reserve proposed aligning this schedule with the “normal environment” requirement. There were no questions or concerns on the proposed change, however one commenter requested that the Federal Reserve periodically review whether the items to be submitted are still necessary and propose removing those that are not. The Federal Reserve continues to review the FR Y-14 and propose to remove items as they are no longer necessary, as evidenced in this proposal with the removal of two schedules and other items. Upon further review, the final FR Y-14 eliminates three additional variables from the PPNR Metrics schedule (Schedule A.7.c): Merchant Banking/Private Equity - Assets Under Management (Line 27), Sales and Trading – Total Proprietary Trading Revenue (Line 29), and Investment Services – Corporate Trust Deals Administered (Line 43). In addition, a materiality threshold will be added to the investment banking metrics of the PPNR Metrics schedule to further limit the amount of detail required for many firms. The instructions will be updated to indicate that only firms who report greater than $100 million in item 15, Investment Banking, of Schedule A.7.a (PPNR Projections) should report the investment banking metrics (Lines 11 to 26) in Section A of Schedule A.7.c (PPNR Metrics). The Federal Reserve will continue to review the FR Y-14 reports for unnecessary items for potential elimination in future proposals. In addition, in response to the general request for additional time to implement changes, the effective date of all modifications to this schedule will be delayed until June 30, 2016.

Schedule F (Business Plan Changes)

One commenter supported the formalization of the Business Plan Changes (BPC) schedule (Schedule F), but was concerned that the BPC schedule instructions as proposed did not appear consistent with the FR Y-14A summary and did not incorporate previous FAQ guidance. The commenter also requested that clarification on the definition of "material". The final FR Y-14 BPC instructions have been updated to identify a limited number of items on the BPC schedule which, for technical reasons, require different instructions. In addition, the final FR Y-14 instructions have been updated to include certain clarifications from the FAQ process. Finally, the requirement to report the BPC schedule is based on whether the BHC includes material business plan changes in their capital plan, as defined in the CCAR instructions. In response, the final FR Y-14 includes updates to the BPC instructions to refer BHCs to the CCAR instructions for a given year for requirements of materiality.

FR Y-14Q

The majority of comments received regarding the FR Y–14Q requested clarification of item definitions and will be addressed in the final instructions. Several substantive comments, particularly on the Wholesale Corporate Loan (Schedule H.1) and Commercial Real Estate (Schedule H.2) schedules, are summarized below.

Schedule A.1-A.10 (Retail)

Commenters requested additional information on the proposed change to the loan population on the Retail schedule. They noted that the initial notice in the Federal Register stated that the change would limit the population of the schedule to "accrual loans", while the draft instructions indicate a BHC should "include loans and leases held for investment at amortized cost." The language in the Federal Register Notice should have stated that the change was to "restrict the loan population of this schedule to loans held at amortized cost in order to accurately reflect the intention of the schedule and be responsive to industry comments." This is in alignment with the language in the draft instructions. In response to the general request to provide additional time to implement changes, the effective date of this change will be delayed until the report as-of June 30, 2016.

Schedule A.8-A.9 (Retail)

One commenter expressed concern with the effective date of the proposal to exclude non-purpose loans for purchasing and carrying securities from this schedule as it requires changes to complex, product-specific loan tagging rules, including for loans already tagged for months in the quarter. The commenter requested that the Federal Reserve make this change effective as-of June 30, 2016. The effective date of this change, as well as the complementary changes to the FR Y-14Q Wholesale (Schedule H.1) and Balances (Schedule M) schedules until the report as-of June 30, 2016.

Schedule C.3 (Regulatory Capital Instruments (RCI) – Issuances during the Quarter)

Both commenters requested clarification on the intended effective date of this change and the nature of the one-time submissions. The additions and modifications will be implemented as proposed, however in response to the general request to provide additional time to implement changes, the effective date of the changes proposed for December 31, 2015 will be delayed until the report as-of June 30, 2016. As a result, all proposed changes to the RCI schedule will be effective June 30, 2016, at which time there will be one separate one-time submission of all subordinated debt instruments for the effective date. Additionally, any new respondents are required to report the one-time submission.

Schedule D.4 (RCT)

As with the corresponding changes to the FR Y-14A Standardized RWA (Schedule A.1.c.2) and RCT (D.4) schedules, commenters noted the inconsistent effective dates and recommended that the proposed changes to the FR Y-14Q RCT (Schedule D.4) also be effective June 30, 2016. The Federal Reserve agrees with this suggestion and the proposed changes will be made effective as-of June 30, 2016.

As noted in regards to the FR Y-14A, one commenter expressed concern that the proposed modifications would require an unnecessary level of forecasting granularity around Market Risk RWA. Since the FR Y-14Q RCT Schedule (Schedule D.4) does not require any projected data, the changes to the FR Y-14Q RCT schedule will be implemented as proposed effective June 30, 2016.

Schedule G (PPNR)

One commenter noted that the Federal Reserve should not eliminate the deposit funding threshold for submission of the Net Interest Income (NII) worksheet and require all respondents to submit such schedules. Specifically, the commenter stated that requiring firms to submit the NII templates would impose undue burden and offered an alternative of only completing the banking book assets and liabilities rather than both trading book and banking book. The Federal

Reserve notes that the schedule separates out specific instructions related to trading and banking book expectations and the trading line items are already required to be completed for other regulatory reporting purposes (FR Y-9C). Furthermore, the underlying NII reporting systems are already required as part of separate supervisory expectations related to interest rate risk identification. Finally, collecting this information will enhance the comparability of assets and liabilities across BHCs and promote greater consistency in supervisory evaluations. Therefore, the changes do not appear to impose unnecessary burden and the final FR Y-14 implements the revisions as proposed.

One commenter stated that the Federal Register Notice did not indicate an effective date for the change in the NII worksheet deposit funding threshold. The other commenter added that this change will require sufficient time for newly covered firms to build reporting systems. The effective date was erroneously omitted from the proposal, and changes were intended to be proposed to be effective March 31, 2016. In response to these and the general comments on timing, the effective date of this change will be delayed until June 30, 2016.

Schedule H.1 (Corporate Loan) and H.2 (Commercial Real Estate)

Both commenters expressed concerns with the effective date of the changes to the Corporate Loan and CRE schedules, especially regarding the disposed loan and syndicated pipeline reporting. In particular commenters explained that respondents may need to update systems to capture and report the information required as proposed. They also noted that the non-purpose loans were proposed to be included on the Corporate Loan schedule (H.1) as-of December 31, 2015, but that the new purpose codes associated with those loans were proposed to be effective March 31, 2016 and asked that the changes be implemented concurrently. In response to the aforementioned comments and in consideration of the additional time needed to implement changes, the changes related to disposed loans and the syndicated pipeline will be effective September 30, 2016, and all other changes to the Corporate Loan and Commercial Real Estate schedules effective as-of June 30, 2016.

Commenters requested clarification on the definition and purpose of disposed loans as it relates the expansion of the loan population and the proposed Disposition Flag field. Specifically, they questioned whether facility information should be reported as-of the disposition date and if that means capturing balances and data prior to the actual payoff or charge-off of the facility. The Federal Reserve confirms that the data should be reported as-of the date of disposition, not prior to the payoff or charge-off of the facility.

In addition, one commenter recommended adding Disposition Flag values for when loans fall under the $1M reporting threshold, or shift from one loan schedule to another. In response, the final FR Y-14 adds two options to the Disposition Flag field. In addition, to accommodate the new item for facilities shifting from one schedule to another, the final FR Y-14 adds an additional field to capture to which schedule the facility shifted.

The Federal Reserve proposed expanding the options of the Participation Flag item to include the Shared National Credit (SNC) program. One commenter stated that some respondents are classified as expanded reporters and, therefore, subject to a broader data collection referred to as "Large Corporate Syndicated Credit" (LCSC) and therefore recommended that all references to SNCs in the proposal be clarified to include all LCSC eligible credits as well for respondents that are classified as expanded reporters. The Federal Reserve confirms that intent of the new proposed options in the Participation Loan Flag are, in conjunction with the SNC Internal Credit Facility ID, to distinguish whether or not the credit facility is included in the SNC report. Accordingly, the final FR Y-14 implements the change as proposed, effective June 30, 2016.

Both commenters indicated that two items for the Credit Rating Agency Equivalent Rating field (Field 96, 97 of Schedule H.1 and Field 59, 60 of Schedule H.2) were included in the draft instructions but not proposed as changes and therefore had no specified effective date. Commenters had several questions regarding the reporting of these items. The Federal Reserve confirms that these items were erroneously included in the draft instructions, were not proposed to be added, and therefore will not be implemented. These items have been removed from the final FR Y-14 instructions.

Schedule H.1 (Corporate Loan)

Both commenters asked for guidance regarding the intended difference between two of the five categories to be added to the Credit Facility Purpose item, namely (1) non-purpose margin lending collateralized by securities and (2) other non-purpose lending collateralized by securities. One commenter stated that per the definition, a “non-purpose loan” cannot be a margin loan. After considering the definition and types of loans to be reported in both proposed categories mentioned in the comment, the final FR Y-14 adds only one consolidated category for “Non-purpose loans collateralized by securities” rather than the two categories proposed.

The Federal Reserve proposed expanding the loan population to include non-purpose loans that are not graded in conjunction with complementary changes to FR Y-14Q Schedules A.8, A.9, and M to reflect the intention of the schedule and be response to industry comments. One commenter recommend that the definition of non-purpose loans be revised to "loans collateralized by securities and that the proceeds of such loans are not contractually restricted to be used only to purchase or carry securities.” The same commenter expressed that it was unclear whether non-graded loans for purchasing and carrying securities are to be reported at the facility level, and if so that this information is generally not readily available for reporting.

The corporate loan population was amended to include non-purpose loans collateralized by securities made for any purpose other than purchasing or carrying securities which are reportable in the relevant FR Y-9C categories outlined in the instructions. Loans reported in FR Y-9C, Schedule HC-C, line item 9.b.(1) (Loans for purchasing or carrying securities) should not be reported at the facility level in the Corporate schedule. Accordingly, the final FR Y-14 includes the definition as proposed.

One commenter stated that scored non-purpose loans are currently reported on FR Y-14M report and requested confirmation that scored non-purpose loans are not included within "non-purpose loans that are not graded." The corporate loan population will be expanded as proposed to include both scored and graded non-purpose loans which are reportable in the relevant FR Y-9C line items indicated in the Corporate Loan Schedule (Schedule H.1) instructions. This change is intended to help ensure that non-purpose commercial loans and loans for purchasing or carrying securities are treated consistently across institutions and the Federal Reserve confirms that any non-purpose loans reportable in other FR Y-9C line items not specified in the Corporate Loan schedule instructions should continue to be reported on other FR Y-14 schedules per the instructions of those schedules. As previously indicated, the final FR Y-14 delays the effective date of this proposed change until June 30, 2016.

One commenter asked for further details surrounding the reporting of the new Credit Facility Purpose (Field 22) code "bridge financing", including whether this code value only includes real estate financing loans and how it relates to the "mini-perm" loan purpose code recently added to the CRE schedule (Schedule H.2). The Federal Reserve clarifies that bridge financing is not limited to only real estate financing loans. Bridge financing is interim financing, typically taken out for a period of 2 weeks to 3 years pending the arrangement of larger or longer-term financing. The "Bridge Financing" purpose code on the Corporate schedule (Schedule H.1) is not meant to be related to the mini-perm loan purpose code on the CRE schedule (Schedule H.2).

Both commenters requested clarification as to what was to be reported in the two new credit facility types proposed for Field 20 (Credit Facility Type), "Fronting Loan" and "Swingline". In response to comments, the final FR Y-14 modifies Field 20 (Credit Facility Type) to include one additional option called "Fronting Exposure", as opposed to the two additional options proposed. The Fronting Exposure option should be selected for credit facilities reported in the schedule that represent a BHC's exposure to fund certain obligations (e.g., swinglines or letters of credit) on behalf of other participant lenders. In addition, the instructions are revised to indicate that for credit facilities which include a fronting exposure, BHCs should report their pro-rata share of the stated commitment amount as one facility to the borrower and the fronting obligations as separate credit facilities to each of the lending group participants.

In regards to the proposed changes to the Credit Facility Type field, one commenter also requested guidance on reporting facilities that have both a Swingline and LC Issuance limit. In response to comments, the final FR Y-14 instructions have been revised to indicate that for credit facilities which include a fronting exposure, BHCs should report their pro-rata share of the stated commitment amount as one facility to the borrower and the fronting obligations as separate credit facilities to each of the lending group participants. Fronting exposures are those that represent a BHC's exposure to fund certain obligations (e.g., swinglines or letters of credit) on behalf of other participant lenders. For such exposures, the BHC should report the new Fronting Exposure option in the Credit Facility Type field. To address this, the general instructions will have been updated to include the following example: For example, consider a facility with $400 million committed balance where the BHC is the agent bank and the BHC's pro-rata share of the commitment is 10% or $40 million. Assume further that the credit facility contains a $50 million sublimit that the BHC, as agent, has an obligation to advance on behalf of lending group participants which may include swinglines, letters of credit and other fronting obligations. In this example, the agent BHC would report one credit facility to the borrower with a commitment of $40 million and would report separate facilities to each of the lending group participants with pro-rata commitments totaling $45 million (or 90%).

Both commenters asked for clarification regarding the removal of the requirement to only report legally binding commitments. Specifically, one commenter asked for clarification regarding the definition of "legally binding" and asked whether all uncommitted and/or unadvised lines on the FR Y-14Q report should be included or if the change was to allow for the inclusion of exposures in the syndicated loan pipeline. The other commenter asked if by removing the legally binding restriction to the loan population, the Board intended to report all facilities in the syndicated loan pipeline or just those facilities considered commitments to commit based on a reporting company's legal definition. The Federal Reserve confirms that the loan population has been amended to capture commitments as defined in the FR Y-9C, Schedule HC-L. In addition, the FR Y-14Q Corporate Loan schedule (Schedule H.1) has been amended to capture facilities in the syndicated loan pipeline including single-signed exposures, regardless of whether the BHC considers those facilities to be commitments. As per the FR Y-14Q, Corporate Loan schedule instructions, BHCs should not report informal "advised lines."

Also in regards to the removal of the requirement to report only legally binding commitments, one commenter noted that the language in the proposed instructions for the Corporate Loan Schedule (H.1) was not consistent with that of the Commercial Real Estate (CRE) Schedule (H.2) and asked if the intention was to eliminate the legally binding restriction from both schedules. The Federal Reserve agrees that there should be consistency between the wholesale schedules, and the CRE schedule (H.2) of the final FR Y-14 has been revised to also remove the legally binding language in alignment with the Corporate schedule (H.1).

Both commenters stated that it was unclear what type of lending is intended to be captured in the syndicated loan population and what is meant by "closed and settled". In response, the Federal Reserve confirms that the loan population should include syndicated loan commitments in the various stages of the syndication process, including single-signed exposures where the BHC has signed a commitment letter and has extended the terms to the borrower, even if the borrower has not countersigned. In response to the comment, the final FR Y-14 clarifies the Syndicated Loan Flag field by including the following: "Closed and settled refers to the final phase where loan documents are fully executed and fully binding with post-closing selldown to all participants complete. Loans which have closed but are still pending execution of final documentation by all syndicate participants should remain in phase 3 'Closed but not settled'."

One commenter asked for clarification as to whether only those syndicated loans for which the respondents serves as lead bank should be reported. The Federal Reserve confirms that any BHC which has signed a commitment letter and extended terms to the borrower should report the syndicated loans.

Finally, one commenter stated that information about these syndicated pipeline commitments is generally not captured in a reporting company's loan accounting systems, but is maintained "offline" and appears in analytical documents and other artifacts. Thus, reporting companies would face a significant, on-going manual burden to somehow systematically collect the required detail on syndicated pipeline commitments to support the requested reporting, particularly at the level of detail required. Additionally, absent proposed changes for how to populate correctly the Origination Date, Maturity Date, and Committed Exposure Global for pipeline loans, the Board has provided no guidance on which Corporate Loan (Schedule H.l) fields would be required at time of submission. The other commenter requested a delay in implementation of the disposed loans and syndicated pipeline items of two quarters to at least September 30, 2016. In consideration of this feedback, the implementation of changes related to disposed loans and syndicated pipeline in the final FR Y-14 will be delayed until September 30, 2016.

Schedule L (Counterparty)

One commenter asked if it is acceptable for BHCs to use Global Industry Classification Standards (GICS) codes on this schedule as allowed in Schedule H.1 (Corporate Loan), field 8, in place of the North American Industry Classification System (NAICS) codes indicated in the new column instructions. The Federal Reserve notes that the instructions for Schedule H.1, field 8, also indicate that the NAICS code should be provided and only offer alternatives in the case the NAICS code is not available. In addition, prior submissions have shown that it is rare for firms to provide GICS instead of NAICS codes. To capture the greater level of granularity they make available, particularly for financial institutions, the final FR Y-14 retains the requirement that NAICS codes be used and the instructions remain as proposed.

In addition, one commenter pointed out that the current instructions do not reflect changes effective in the second quarter of 2015 that revised the level at which the BHC must report data on schedules L.1 and L.4. The Federal Reserve confirms that there has been no change to this requirement and that the final instructions for these schedules will reflect the requirement as outlined in the current instructions.

All proposed modifications to the Counterparty Schedule (Schedule L) were proposed to be effective December 31, 2015. Given the general request to provide additional time to implement changes, the effective date of all Counterparty schedule changes to the final FR Y-14 will be delayed until June 30, 2016

FR Y-14M

Schedule A (First Lien) and Schedule B (Home Equity)

Generally, commenters supported the addition of the "Serviced by Others" flag on the First Lien (Schedule A) and Home Equity (Schedule B) schedules. Both commenters noted, however, that the title of the field, "SBO Flag", implied that the "Y" code should be defined as serviced by others and the "N" code as serviced by the BHC rather than the definitions specified in the instructions. The Federal Reserve agrees that it would be more logical for the flag codes in the instructions to be defined as suggested by the commenter rather than as proposed, and the final FR Y-14 instructions have been adjusted to reflect this change. Given the general request to provide additional time to implement changes, final FR Y-14 delays the effective date of this change until June 30, 2016.

Schedule B (Home Equity)

The Federal Reserve proposed adding a new modification type, proposed code 13 "HELOC Line Renewal" in Field 77 (Modification Type) on this schedule. Field 77 instructs that the modification type should be reported for any loan that is currently operating under modified terms and should identify the specific terms that were altered through loss mitigation efforts. Both commenters questioned if all HELOC line renewals should be reported on this line or only those completed through loss mitigation efforts.

The Federal Reserve appreciates this feedback and agrees there is a distinction between these two cases not captured in this item as proposed. The Federal Reserve believes that renewal of a creditworthy borrower is equivalent to prepayment of the existing line and origination of a new line. For a borrower who does not meet current credit standards, the line renewal is equivalent to a type of loan modification: the contractual terms of the line will be changed because the borrower has been identified as one who is likely to default if the bank takes no action. Therefore, those borrowers should be treated as though they did not prepay, but instead, entered the amortization period of the HELOC with modified terms. To capture the distinction between these two cases and in response to the comment, the final FR Y-14 has been modified to add an additional code to the Modification Type field, Code 13 to represent the "HELOC Line Renewal (Regular)", and code 14 to represent "HELOC Line Renewal (loss mitigation strategy)". The instructions for the final FR Y-14 also will be updated to reflect the additional item codes and their definitions. Given the general request to provide additional time to implement changes, this change will be effective in the final FR Y-14 beginning June 30, 2016

In the initial Federal Register Notice, the Federal Reserve specifically requested information on the collection of data related to the performance of a first lien that is related to a junior lien reported on the FR Y-14M Home Equity Schedule (Schedule B), including what standards could make the item easier to report. In response to this request, one commenter recommended that the Performance of the First Lien on the First Lien Schedule (Schedule A) and Performance of Junior Liens on the Home Equity Schedule (Schedule B) fields be removed from the aforementioned FR Y-14M collections and that the Current Credit Bureau Score, which is already being reported, be used as a proxy to monitor any deterioration for evaluating performance and probability of default. The Federal Reserve recognizes the cost and burden expressed by the industry in supplying these items and appreciates the feedback provided in response to the request. The Federal Reserve agrees with the proposed suggestion to use current scores as a reasonably proxy, and accordingly, the above-mentioned fields in the final FR Y-14 have been removed from the applicable schedules. To ensure the information necessary is available given this change, the instructions for the final FR Y-14 also require that the fields 'Current Credit Bureau Score Date' and 'Current Credit Bureau Score' be updated at least one month within the quarter, and refreshed at least one month within every subsequent quarter. These changes will be effective beginning June 30, 2016.

Technical Clarifications

Commenters asked for a number of technical clarifications regarding specific data items on the FR Y-14 forms. These questions will addressed in the finalized version of the amended FR Y-14A/Q/M instructions.

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 Federal Reserve to ensure that certain BHCs and nonbank financial companies supervised by the Federal Reserve 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 Federal Reserve 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)), if disclosure would likely have the effect of (1) impairing the government's ability to obtain the necessary information in the future, or (2) causing substantial harm to the competitive position of the respondent. Such exemptions would be made on a case-by-case basis.

Though the Federal Reserve plans to share the information collected under the FR Y-14 with the Department of Treasury's Office of Financial Research, such sharing shall not be deemed a waiver of any privilege applicable to such information, including but not limited to any confidential status (12 U.S.C. § 1821(t); 12 U.S.C. § 1828(x)).

Time Schedule for Information Collection and Publication

The following table outlines by schedules the as-of dates for the data and the due date for the submissions to the Federal Reserve by reporting frequency (annually, semi-annually, quarterly, or monthly) reflecting the shift in as-of date for the FR Y-14A in accordance with the modifications to the capital plan and stress test rules.

Schedules	Data as-of-date	Submission due to Federal Reserve
FR Y-14A (Semi-Annual Filings)		
Summary **Macro Scenario** ***Retail Repurchase***	• *Data as-of December 31st.* • *Data as-of June 30th.*	• *Data are due April 5th of the following year.* • *Data are due October 5th of the same year.*
Regulatory Capital Transitions and Regulatory Capital Instruments schedules	• *Data as-of December 31st.*	• *Data are due April 5th of the following year.*
<u>**CCAR Market Shock exercise**</u> **Summary schedule** • **Trading** • **Counterparty**	*Data as-of a specified date in the first quarter. As-of-date would be communicated by Federal Reserve.*	• *Data are due April 5th of the following year.*

Risk Factor Schedules and Sub-Worksheets	Data as-of-date	Submission due to Federal Reserve
	FR Y-14Q (Quarterly Filings)	
Securities **PPNR** **Retail** **Wholesale** **Operational** **MSR Valuation** **Supplemental** **Retail FVO/HFS** **Regulatory Capital Transitions** **Regulatory Capital Instruments** **Balances**	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, June, and September and 52 calendar days after the calendar quarter-end for December).
Trading Risk schedule ***Counterparty Credit Risk***	Due to 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. ***Fourth quarter*** **- Trading:** 52 calendar days after the notification date (notifying respondents of the as-of-date) or March 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. ***Fourth quarter - Counterparty:*** *April 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 Respondent Burden

The total current annual burden for FR Y-14A/Q/M is estimated to be 774,937 hours and with the changes proposed in this memo is estimated to increase by 54,924 hours to 829,861 hours. The increase in the burden is primarily due to the proposed attestation requirement.

FR Y-14A Burden

The current total annual burden hours for the FR Y-14A is estimated to be 71,709 hours and with the proposed revisions would decrease by 1,056 hours for a total of 70,653 hours. The decrease is due to the removal of Schedule A.2.c (ASC 310-30).

FR Y-14Q Burden

The current total annual burden hours for the FR Y-14Q is estimated to be 220,468 hours and with the proposed revisions would increase by 6,732 hours for a total of 227,200 hours. The increase is primarily due to the changes to Schedules B (Securities) and L (Counterparty).

FR Y-14M Burden

The current total annual burden hours for the FR Y-14M is estimated to be 446,760 hours and with the proposed revisions would increase by 3,300 hours for a total of 450,060 hours.

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 changes proposed in this memo is estimated to increase by 54,924 hours to 829,861 hours. The increase in the burden is primarily due to the proposed attestation requirement.

	Number of respondents[25]	Annual frequency	Estimated average hours per response	Estimated annual burden
Current FR Y-14A				
Summary	33	2	1,028	67,848
Macro scenario	33	2	31	2,046
Operational risk	33	1	12	396
Regulatory capital transitions	33	1	23	759
Regulatory capital instruments	33	1	20	660
Current FR Y-14A total				71,709
Current 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	40	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
Current FR Y-14Q total				*220,468*
Current FR Y-14M				
Retail Risk				
1st lien mortgage	28	12	510	171,360
Home equity	27	12	510	165,240
Credit card	18	12	510	110,160
Current 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
Automation total				36,000
Current Collection total				774,937

[25] Of these respondents, none are estimated to be small entities as defined by the Small Business Administration (i.e., entities with less than $550 million in total assets) www.sba.gov/content/table-small-business-size-standards.

Proposed FR Y-14A				
Summary	33	2	987	65,142
Macro scenario	33	2	31	2,046
Operational risk	33	1	12	396
Regulatory capital transitions	33	1	23	759
Regulatory capital instruments	33	1	20	660
Retail repurchase	33	2	20	1,320
Business plan changes	33	1	10	330
Proposed FR Y-14A Total				70,653
Proposed FR Y-14Q				
Securities Risk	33	4	13	1,716
Retail risk	33	4	16	2,112
PPNR	33	4	711	93,852
Wholesale	33	4	152	20,064
Trading	9	4	1,926	69,336
Regulatory capital transitions	33	4	23	3,036
Regulatory capital instruments	33	4	52	6,864
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
Counterparty	9	4	508	18,288
Balances	33	4	16	2,112
Proposed FR Y-14Q total				*227,200*
Proposed FR Y-14M				
Retail Risk				
1st lien mortgage	28	12	515	173,040
Home equity	27	12	515	166,860
Credit card	18	12	510	110,160
Proposed FR Y-14M total				*450,060*
Implementation and On-going Automation				
Implementation	0	1	7,200	0
On-going revisions	33	1	480	15,840
Automation total				15,840
Attestation				
Implementation	9	1	4,800	43,200
On-going revisions	9	1	2,560	23,040
Automation total				66,240
Proposed Collection total				829,861

The total annual cost to the public is estimated to be $40,102,990 and would increase by $2,842,317 to $ $42,945,307 due to the proposed revisions.

Sensitive Questions

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

Estimate of Cost to the Federal Reserve System

The cost to the Federal Reserve System for the FR Y-14A/Q/M reports is estimated to be $5,580,000.