Supporting Statement for the
Consolidated Reports of Condition and Income
(FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036)

Summary

The Board of Governors of the Federal Reserve System (Board) requests approval from the Office of Management and Budget (OMB) to extend for three years, with revision, the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 and FFIEC 041; OMB No. 7100-0036). These data are required of state member banks and are filed on a quarterly basis. The revisions to the Call Reports that are the subject of this request have been approved by the FFIEC. The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) have also submitted a similar request for OMB review to request this information from banks under their supervision.

The Board requires information collected on the Call Reports to fulfill its statutory obligation to supervise state member banks. State member banks are required to file both detailed schedules of assets, liabilities, and capital accounts in the form of a condition report and summary statement as well as detailed schedules of operating income and expense, sources and disposition of income, and changes in equity capital.

The Board, the FDIC, and the OCC (the agencies) propose to revise the Call Reports to be submitted on or after April 1, 2017, beginning with the reports reflecting the March 31, 2017, report date, by (1) creating a new Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less than $1 Billion (FFIEC 051) and (2) revising some schedules on the FFIEC 031 and FFIEC 041 by removing data items or subjecting institutions to new or higher reporting thresholds.. The current annual burden for the Call Reports is estimated to be 197,637 hours and the proposed revisions are estimated to decrease the annual burden by 19,437 hours.

Background and Justification

Banks that are members of the Federal Reserve System are required by law to file reports of condition with the Federal Reserve System. Section 9(6) of the Federal Reserve Act (12 U.S.C. § 324) states:

> ... banks ... shall be required to make reports of condition and of the payment of dividends to the Federal Reserve Bank of which they become a member. Not less than three of such reports shall be made annually on call of the Federal Reserve Bank on dates to be fixed by the Board of Governors of the Federal Reserve System. ...Such reports of condition shall be in such form and shall contain such information as the Board of Governors of the Federal Reserve System may require and shall be published by the reporting banks in such manner and in accordance with such regulations as the said Board may prescribe.

In discharging this statutory responsibility, the Board of Governors, acting in concert with the other federal banking supervisory agencies since 1979 through the FFIEC, requires banks to submit on the quarterly Reports of Condition and Income such financial data as are needed by the Federal Reserve System to: (1) supervise and regulate banks through monitoring of their financial condition, ensuring the continued safety of the public's monies and the overall soundness of the nation's financial structure, and (2) contribute information needed for background for the proper discharge of the Federal Reserve's monetary policy responsibilities. The use of the data is not limited to the federal government, but extends to state and local governments, the banking industry, securities analysts, and the academic community.

Description of Information Collection

The Call Reports collect basic financial data from commercial banks in the form of a balance sheet, income statement, and supporting schedules. The Report of Condition contains supporting schedules that provide detail on assets, liabilities, and capital accounts. The Report of Income contains supporting schedules that provide detail on income and expenses.

Within the Call Report information collection system as a whole, there are two reporting forms that apply to different categories of banks: (1) all banks that have domestic and foreign offices (FFIEC 031), and (2) banks with domestic offices only (FFIEC 041). Prior to March 2001, there were four categories of banks and four reporting forms. The FFIEC 031 was filed by banks with domestic and foreign offices and the FFIEC 032, FFIEC 033, and FFIEC 034 were filed by banks with domestic offices only and were filed according to the asset size of the bank.

There is no other series of reporting forms that collect from all commercial and savings banks the information gathered through the Reports of Condition and Income. There are other information collections that tend to duplicate certain parts of the Call Reports; however, the information they provide would be of limited value as a replacement for the Call Reports. For example, the Board collects various data in connection with its measurement of monetary aggregates, of bank credit, and of flow of funds. Reporting banks supply the Board with detailed information relating to such balance sheet accounts as balances due from depository institutions, loans, and deposit liabilities. The Board also collects financial data from bank holding companies on a regular basis. Such data are presented for the holding company on a consolidated basis, including its banking and nonbanking subsidiaries, and on a parent company only basis.

However, Board reporting forms from banks are frequently obtained on a sample basis rather than from all insured banks. Moreover, these reporting forms are often prepared as of dates other than the last business day of each quarter, which would seriously limit their comparability. Institutions below a certain size are exempt entirely from some Board reporting requirements. Data collected from bank holding companies on a consolidated basis reflect an aggregate amount for all subsidiaries within the organization, including banking and nonbanking subsidiaries, so that the actual dollar amounts applicable to any bank subsidiary are not determinable from the holding company reporting forms. Hence, these reporting forms could not be a viable replacement for even a significant portion of the Call Reports since the Board, in its role as supervisor of insured state member banks, would be lacking the data necessary to assess the financial condition of individual insured banks to determine whether there had been any deterioration in their condition.

Beginning March 1998, all banks were required to transmit their Call Report data electronically. Banks do not have to submit hard copy Call Reports to any federal bank supervisory agency unless specifically requested to do so.

Proposed Revisions

As the result of a formal initiative launched by the FFIEC in December 2014 to identify potential opportunities to reduce burden associated with Call Report requirements for community banks, the agencies are proposing a new streamlined Call Report (FFIEC 051) for eligible small institutions and revisions to the existing versions of the Call Report (FFIEC 031 and FFIEC 041). In embarking on this effort, the FFIEC is responding to industry concerns about the cost and burden associated with the Call Report. The FFIEC's formal initiative includes actions in five areas,[1] three of which have served as the foundation for the proposed FFIEC 051. These three actions, discussed below, include community bank outreach, surveys of agency Call Report data users, and consideration of a more streamlined Call Report for eligible small institutions. In addition, as a framework for the actions it is undertaking, the FFIEC developed a set of guiding principles for use in evaluating potential additions and deletions of Call Report data items and other revisions to the Call Report. In general, data items collected in the Call Report must meet three guiding principles: (1) the data items serve a long-term regulatory or public policy purpose by assisting the FFIEC member entities in fulfilling their missions of ensuring the safety and soundness of financial institutions and the financial system and the protection of consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions; (2) the data items to be collected maximize practical utility and minimize, to the extent practicable and appropriate, burden on financial institutions; and (3) equivalent data items are not readily available through other means.

FFIEC's Community Bank Call Report Burden-Reduction Initiative

Community Bank Outreach

As one of the actions under the FFIEC's community bank Call Report burden-reduction initiative, the agencies conducted and participated in several outreach efforts to better understand, through industry dialogue, the aspects of reporting institutions' Call Report process that are significant sources of reporting burden, including where manual intervention by an institution's staff is necessary to report particular information. As an initial step toward improving this understanding, representatives from the FFIEC member entities visited nine community institutions during the third quarter of 2015. In the first quarter of 2016, two bank trade groups, the Independent Community Bankers of America and the American Bankers Association, each organized a number of conference call meetings with small groups of community bankers in which representatives from the FFIEC member entities participated. During the visits to banks and the conference call meetings, the community bankers explained

[1] See 80 FR 56539 (September 18, 2015) and 81 FR 45357 (July 13, 2016) for information on other actions taken under this initiative.

how they prepare their Call Reports, identified which schedules or data items take a significant amount of time and/or manual processes to complete, and described the reasons for this. The bankers also offered suggestions for streamlining the Call Report.

The agencies note that during the banker outreach calls, as well as in comment letters submitted under a review of agency regulations required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA),[2] they received many comments about the burden of reporting in accordance with the revised regulatory capital rules in Call Report Schedule RC-R – Regulatory Capital. The agencies revised this schedule in March 2015 to include the data items that would be necessary for an institution to calculate its regulatory capital ratios under the revised capital rules. The greater detail of those rules requires a degree of categorization, recordkeeping, and reporting that is greater than under the prior applicable capital rules. The FFIEC, through its Task Force on Reports (task force), is monitoring the banking agencies' response to the concerns about the revised regulatory capital rules raised during the EGRPRA comment process and the associated reporting burden of Schedule RC-R arising from the implementation of those rules by community banks.

The agencies also note that during the banker outreach calls and visits, they received many comments addressing the substantive burden arising from reviewing the Call Report instructions on a quarterly or other periodic basis even for those data items applicable to an institution for which the institution determines that there is no information for it to report. The agencies' burden estimates for the Call Report include estimated time for reviewing instructions, gathering and maintaining data in the required form, and completing those Call Report data items for which an institution has a reportable (nonzero) amount. Consistent with past practice, the agencies' burden estimates do not reflect burden associated with an institution's time for reviewing the instructions for applicable data items for which an institution does not have reportable amounts. Therefore, the agencies' burden estimates do not reflect the burden reduction associated with an institution no longer having to review the instructions for those applicable data items without reportable amounts that the agencies are proposing to remove from the Call Report. Further, as noted previously, the estimated burden per response is an average estimate for all filers of the Call Report. This estimate does not separately distinguish between the FFIEC 031, FFIEC 041, and the proposed FFIEC 051 versions of the Call Report. The agencies will consider revising the methodology for estimating burden hours and preparing separate burden estimates for the FFIEC 031, FFIEC 041, and FFIEC 051 reports.

Acceleration of the Statutorily Mandated Review of the Call Report

As a second action, the agencies accelerated the start of the next statutorily mandated review of the existing Call Report data items (Full Review),[3] which otherwise would have commenced in 2017. Users of Call Report data items at the FFIEC member entities are participating in a series of nine surveys conducted over a 19-month period that began in mid-July 2015. As an integral part of these surveys, users are asked to fully explain the need for each Call

[2] EGRPRA requires the federal banking agencies to conduct a decennial joint review of their regulations to identify those that are outdated, unnecessary, or unduly burdensome.

[3] This review is mandated by section 604 of the Financial Services Regulatory Relief Act of 2006 (12 U.S.C. 1817(a)(11)).

Report data item they deem essential, how the data item is used, the frequency with which it is needed, and the population of institutions from which it is needed. Call Report schedules have been placed into nine groups and prioritized for review, generally based on level of burden cited by banking industry representatives. Based on the results of the surveys, the agencies are identifying data items that are being considered for elimination, less frequent collection, or new or upwardly revised reporting thresholds. The results of the first three surveys have been incorporated into this proposal. Burden-reducing reporting changes from the remaining six surveys will be proposed in future *Federal Register* notices with an anticipated March 31, 2018, implementation date for submissions on or after April 1, 2018.

Consideration of a More Streamlined Call Report for Eligible Small Institutions

As a third action, the agencies considered the feasibility and merits of creating a less burdensome version of the quarterly Call Report for institutions that meet certain criteria. Together with the outcomes of the preceding two actions to date, the results of this action are the subject of this proposal, i.e., the FFIEC 051 Call Report for eligible small institutions, which is summarized in the overview below.

Overview

Under the auspices of the FFIEC and its task force, the agencies collectively reviewed the feedback from the previously mentioned banker outreach efforts completed in 2015 and 2016 as one of the inputs for developing a proposal to address industry concerns about the regulatory reporting burden imposed on institutions by the Call Report. In addressing these concerns, the agencies aimed to balance institutions' requests for a less burdensome regulatory reporting process with FFIEC member entities' need for sufficient data to monitor the condition and performance of, and ensure the safety and soundness of, institutions and carry out agency-specific missions. With these two goals in mind, the task force developed, and the FFIEC and the agencies agreed to propose, a separate, more streamlined, and noticeably shorter Call Report to be completed by eligible small institutions as well as certain burden-reducing revisions to the current FFIEC 031 and FFIEC 041 versions of the Call Report. The agencies recognize that institutions operate under widely varying business models, which affects the nature and extent of their activities and translates into differences in the amount of information to be reported in their Call Reports.

The proposed FFIEC 051 is a streamlined version of the existing Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only (FFIEC 041), which was created by (1) removing certain existing schedules and data items and replacing them with a limited number of data items in a new supplemental schedule, (2) eliminating certain other existing data items, and (3) reducing the reporting frequency of certain data items. The FFIEC 051 generally would be available to institutions with domestic offices only and assets of less than $1 billion, which currently file the FFIEC 041. Of the nearly 6,000 insured depository institutions, approximately 5,200 would be eligible to file the proposed FFIEC 051. When compared to the existing FFIEC 041, the proposed FFIEC 051 shows a reduction in the number of pages from 85 to 61. This decrease is the result of the removal of approximately 950 or about 40 percent of the nearly 2,400 data items in the FFIEC 041. Of the data items remaining from the FFIEC 041, the agencies have reduced the reporting frequency for approximately 100 data items in the proposed FFIEC 051.

For purposes of the FFIEC 051 Call Report, the agencies propose to define "eligible small institutions" as institutions with total assets less than $1 billion and domestic offices only.[4] These institutions currently file the FFIEC 041 Call Report. Eligible small institutions would have the option to file the FFIEC 041 Call Report rather than the FFIEC 051. In addition, for a small institution otherwise eligible to file the FFIEC 051, the institution's primary federal regulatory agency, jointly with the state chartering authority, if applicable, may require the institution to file the FFIEC 041 instead based on supervisory needs. In determining whether an institution with less than $1 billion in total assets should be required to file the FFIEC 041 rather than the FFIEC 051, the appropriate agency will consider criteria including, but not limited to, whether the eligible institution is significantly engaged in complex, specialized, or other high-risk activities.[5] It is anticipated that such determinations would be made in a limited number of cases.

The existing Call Report instructions generally provide that shifts in an institution's reporting status are to begin with the March Call Report based on the institution's consolidated total assets as reported in the Call Report for June of the previous calendar year. Applying this principle to the FFIEC 051, an institution with domestic offices only would be eligible to file the FFIEC 051 Call Report reflecting the March 31, 2017, report date, which are to be submitted on or after April 1, 2017, if it reported consolidated total assets of less than $1 billion in its Call Report for June 30, 2016.

Thereafter, if the total assets of an institution with domestic offices only that files the FFIEC 051 Call Report increase to $1 billion or more as of a June 30 report date, it would no longer be eligible to file the FFIEC 051 Call Report beginning as of the March 31 report date the following year. The institution would instead begin to file the FFIEC 041 report.[6]

In developing the proposed FFIEC 051 for eligible small institutions, the data items currently collected in the FFIEC 041, including individual schedules, were reviewed to determine how the existing reporting requirements could be modified to make the information in the Call Report more applicable to and less burdensome for smaller, noncomplex institutions without adversely affecting FFIEC member entities' data needs. As a result of this interagency review, the following changes were made to the FFIEC 041 report form to create the proposed FFIEC 051 and are discussed in detail below:

- The addition of a Supplemental Schedule to collect indicator questions and indicator data

[4] As part of this initiative, the agencies are committed to exploring alternatives to the $1 billion asset-size threshold that could extend the eligibility to file the FFIEC 051 to additional institutions.

[5] This proposed reservation of authority is consistent with the reservation of authority applicable to a holding company with consolidated total assets of less than $1 billion that would otherwise file the Board's FR Y-9SP, Parent Company Only Financial Statements for Small Holding Companies (OMB Control No. 7100-0128). See page GEN-1 of the instructions for the FR Y-9SP.

[6] Consistent with the existing Call Report instructions, if an institution reaches $1 billion or more in consolidated total assets due to a business combination, a transaction between entities under common control, or a branch acquisition that is not a business combination, then the institution must file the FFIEC 041 Call Report beginning with the first quarter-end report date following the effective date of the transaction.

items on certain complex and specialized activities as a basis for removing partial or entire schedules (and other related items) which are currently included in the FFIEC 041,

- The elimination of data items identified as no longer necessary for collection from institutions with less than $1 billion in total assets and domestic offices only during the completed portions of the Full Review or during a separate interagency review that focused on data items infrequently reported by institutions of this size,
- Changes to the frequency of data collection for certain items identified as needed less often than quarterly from institutions with less than $1 billion in total assets and domestic offices only, and
- Removal of all data items for which a $1 billion asset-size reporting threshold currently exists.

In addition, the agencies plan to prepare a separate, shorter set of Instructions for Preparation of Consolidated Reports of Condition and Income for users of the FFIEC 051, which would be published by the beginning of the quarterly reporting period in which the FFIEC 051 takes effect.

In designing the proposed FFIEC 051 Call Report, the agencies have sought to maintain, to the extent possible, the existing structure of the FFIEC 041 Call Report, including the numbering and sequencing of data items within Call Report schedules. Institutions and their staff members involved in the preparation of the Call Report are familiar with how the FFIEC 041 Call Report is currently organized. Feedback from banker outreach activities indicated that they did not favor the rearranging of existing data items that would be retained in a streamlined Call Report for small institutions because the need to adapt to these structural changes would itself be burdensome.

The statutorily mandated review of the existing Call Report data items is an ongoing process. The agencies have included certain proposed revisions to the existing FFIEC 031 and FFIEC 041 Call Reports based on the task force’s evaluation of the results of the first three surveys of Call Report users at FFIEC member entities are included in this notice. Additional changes to the FFIEC 031, the FFIEC 041, and the FFIEC 051 will be proposed in future *Federal Register* notices after the conclusion of the remaining user surveys.

Discussion of Proposed Call Report Revisions to Create the FFIEC 051

Replacement of Partial or Entire Schedules with a Supplemental Schedule

The FFIEC 041 Call Report schedules requiring the reporting of data on activities considered complex or specialized were identified and reviewed to determine which schedules (or portions of schedules) could be eliminated from the FFIEC 051 and replaced with questions asking whether the institution engages in any of these complex or specialized activities along with corresponding indicator data items that would be completed for those activities in which the institution engages. The indicator data items would provide aggregate data specific to the identified complex or specialized activity, allowing users of the Call Report at FFIEC member entities to ascertain the degree to which an institution engages in such activity. The following is a list of the identified schedules and activities along with the related proposed indicator questions and data items that would be included in a new Schedule SU in the FFIEC 051 Call Report:

- Derivatives data currently collected on Schedule RC-L – Derivatives and Off-Balance Sheet Items and in certain other schedules would be eliminated from the FFIEC 051 (except from Schedule RC-R – Regulatory Capital) and replaced with the following indicator question and data items:
  - Does the institution have any derivative contracts? (If yes, complete the following items.)
  - Total gross notional amount of interest rate derivatives held for trading
  - Total gross notional amount of all other derivatives held for trading
  - Total gross notional amount of interest rate derivatives not held for trading
  - Total gross notional amount of all other derivatives not held for trading
- Schedule RC-D – Trading Assets and Liabilities would be eliminated from the FFIEC 051. Indicator questions and data items are not necessary because total trading assets and total trading liabilities are reported on Schedule RC – Balance Sheet.
- Schedule RC-P – 1-4 Family Residential Mortgage Banking Activities would be eliminated from the FFIEC 051 and replaced with the following indicator question and data items:
  - For the two calendar quarters preceding the current calendar quarter, have either the institution's sales of 1-4 family residential mortgage loans during the quarter or its 1-4 family residential mortgage loans held for sale or trading as of quarter-end exceeded $10 million? (If yes, complete the following items.)
  - Principal amount of 1-4 family residential mortgage loans sold during the quarter
  - Quarter-end amount of 1-4 family residential mortgage loans held for sale or trading
- Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis would be eliminated from the FFIEC 051 and replaced with the following indicator question and data items:
  - Does the institution use the fair value option to measure any of its assets or liabilities? (If yes, complete the following items.)
  - Aggregate amount of fair value option assets
  - Aggregate amount of fair value option liabilities
  - Year-to-date net gains (losses) recognized in earnings on fair value option assets
  - Year-to-date net gains (losses) recognized in earnings on fair value option liabilities
- Schedule RC-S – Servicing, Securitization, and Asset Sale Activities would be eliminated from the FFIEC 051 and replaced with the following indicator questions and data items:
  - Does the institution have any assets it has sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements? (If yes, complete the following item.)
  - Total outstanding principal balance of assets sold and securitized by the reporting institution with servicing retained or with recourse or other seller-provided credit enhancements
  - Does the institution have any assets it has sold with recourse or other seller-provided credit enhancements but has not securitized? (If yes, complete the following item.)
  - Total outstanding principal balance of assets sold by the reporting institution with recourse or other seller-provided credit enhancements, but not securitized by the reporting institution
  - Does the institution service any closed-end 1-4 family residential mortgage loans for

others or does it service more than $10 million of other financial assets for others? (If yes, complete the following item.)
  - Total outstanding principal balance of closed-end 1-4 family residential mortgage loans serviced for others plus the total outstanding principal balance of other financial assets serviced for others if more than $10 million

  To note, the item related to the credit card fees and finance charges will be addressed in the Credit Card Lending Specialized Items section, below.
- <u>Schedule RC-V – Variable Interest Entities</u> would be eliminated from the FFIEC 051 and replaced with the following indicator question and data items:
  - Does the institution have any consolidated variable interest entities? (If yes, complete the following items.)
  - Total assets of consolidated variable interest entities
  - Total liabilities of consolidated variable interest entities
- <u>Credit Card Lending Specialized Items</u> included in Schedule RI-B – Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses; Schedule RC C – Loans and Lease Financing Receivables; and Schedule RC-S – Servicing, Securitization, and Asset Sale Activities would be replaced with the following indicator question and data items:
  - Does the institution, together with affiliated institutions, have outstanding credit card receivables that exceed $500 million as of the report date or is the institution a credit card specialty bank as defined for Uniform Bank Performance Report (UBPR) purposes? (If yes, complete the following items.)
  - Outstanding credit card fees and finance charges included in credit cards to individuals for household, family, and other personal expenditures (retail credit cards)
  - Separate valuation allowance for uncollectible retail credit card fees and finance charges
  - Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges
  - Uncollectible retail credit card fees and finance charges reversed against year-to-date income
  - Outstanding credit card fees and finance charges included in retail credit card receivables sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements
- <u>FDIC Loss-Sharing Agreement</u> data items included in Schedule RC-M – Memoranda, and Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets would be eliminated from the FFIEC 051 and replaced with the following indicator question and data items:
  - Does the institution have assets covered by FDIC loss-sharing agreements? (If yes, complete the following items.)
  - Loans and leases covered by FDIC loss-sharing agreements
  - Past due and nonaccrual loans and leases covered by FDIC loss-sharing agreements, with separate reporting of loans and leases past due 30-89 days and still accruing, loans and leases past due 90 days or more and still accruing, and nonaccrual loans and leases
  - Portion of past due and nonaccrual covered loans and leases protected by FDIC loss-sharing agreements, with separate reporting of loans and leases past due 30-89 days

and still accruing, loans and leases past due 90 days or more and still accruing, and nonaccrual loans and leases
  - Other real estate owned covered by FDIC loss-sharing agreements
  - Portion of covered other real estate owned that is protected by FDIC loss-sharing agreements

Elimination of Data Items Identified during the Statutorily Mandated Full Review of the Call Report and the Review of Infrequently Reported Items

Several of the existing Call Report schedules have been reviewed as part of the Full Review of the Call Report. The resulting burden-reducing changes relevant to institutions with less than $1 billion in total assets and domestic offices only have been incorporated into the proposed FFIEC 051. The schedules reviewed to date include:

- Schedule RI – Income Statement
- Schedule RC – Balance Sheet
- Schedule RC-C – Loans and Lease Financing Receivables
- Schedule RI-B – Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses
- Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets
- Schedule RC-E – Deposit Liabilities
- Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments

This proposal also includes revisions to some of these schedules in the FFIEC 031 and FFIEC 041 Call Reports as a result of the Full Review. Going forward, the data items in all other Call Report schedules will continue to be evaluated as part of the Full Review.

As another component of this initiative, data items infrequently reported in the FFIEC 041 Call Report by banks with total assets less than $1 billion and domestic offices only were reviewed by the FFIEC member entities to determine which of these items remain necessary for monitoring the safety and soundness of, and meeting agency mission-specific needs with respect to, such smaller, less complex institutions. Of these data items, those deemed no longer essential were excluded from the FFIEC 051.

In the proposed FFIEC 051 Call Report, the following schedules would have data items removed as a result of the completed portions of the statutorily mandated Full Review or the review of infrequently reported items:

- Schedule RI – Income Statement
- Schedule RI-B – Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses
- Schedule RC-C – Loans and Lease Financing Receivables
- Schedule RC-E – Deposit Liabilities
- Schedule RC-L – Derivatives and Off-Balance Sheet Items
- Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

The agencies note that during the previously mentioned banker outreach efforts, some community banks specifically cited Schedule RC-C, Part I – Loans and Leases, as a particularly burdensome schedule to complete. Many of these banks also indicated that completing this schedule requires a significant degree of manual intervention.

Call Report data serve a regulatory or public policy purpose by assisting the FFIEC member entities in fulfilling their missions of ensuring the safety and soundness of financial institutions and the financial system and the protection of consumer financial rights, as well as agency-specific missions. These agency needs are particularly evident for data collected on Schedule RC-C, Part I.

Loan and lease data are critical inputs to assessing the safety and soundness of financial institutions through analysis of the institutions' management of credit risk, interest rate risk, and liquidity risk, including the analysis of lending concentrations and earnings. Further, standardization of loan categories across the schedules within the Call Report is essential for peer group analysis and industry analysis. Loan and lease information is also an important component of agency statistical models that assess the risk profile of an institution, including its risk of failure.

Finally, loan and lease information assists the agencies in fulfilling their specific missions. The Federal Reserve, as part of its monetary policy mission, relies on institution-specific Call Report data to provide information on credit availability and lending conditions not available elsewhere. Loan and lease detail at all sizes of institutions are necessary for policymaking purposes addressing the overall health of the economy.

In general, monetary policy initiatives function most effectively when implemented early during a period of credit constraint, with the responses tailored to the types of institutions affected, using standardized loan information only available from Call Reports. Reducing loan detail or data frequency for smaller institutions could potentially derail these efforts by delaying the identification of the start of an economic downturn as well as determinations of the effectiveness of any monetary policy changes. Furthermore, Schedule RC-C, Part I, data are used to benchmark weekly loan data collected from a sample of both small and large institutions that are the source for estimating weekly loan aggregates that serve as a more timely and critical input for monetary policymaking purposes.

The FDIC's deposit insurance assessment system for "established small banks" relies on information reported by individual institutions for the Schedule RC-C, Part I, standardized loan categories in the determination of the loan mix index in the financial ratios method, as recently amended, which is used to determine assessment rates for such institutions.[7]

Notwithstanding the above discussion of the agencies overall needs for information collected on Schedule RC-C, Part I, the agencies have identified 23 data items as having lesser utility for these purposes.

Changes to the Frequency of Data Collection

The FFIEC member entities have reviewed existing data items in the FFIEC 041 Call

[7] See 81 FR 323186-32188 and 32208 (May 20, 2016).

Report that would be retained in the FFIEC 051 to determine whether some of these data items could be collected less frequently than quarterly from eligible small institutions without adversely affecting the agencies' data needs. Data items would be collected in the FFIEC 051 on a less than quarterly basis if they are deemed not necessary for quarterly collection for a supervisory, surveillance, monitoring, or agency mission-specific purpose relevant to institutions with total assets of less than $1 billion and domestic offices only.

The following Call Report schedules in the proposed FFIEC 051 would have data items that have had a change in the frequency of data collection from quarterly to semiannually or annually:

- Schedule RI – Income Statement
- Schedule RC-B – Securities
- Schedule RC-A – Cash and Balances Due from Depository Institutions
- Schedule RC-C – Loans and Lease Financing Receivables
- Schedule RC-F – Other Assets
- Schedule RC-G – Other Liabilities
- Schedule RC-L – Derivatives and Off-Balance Sheet Items
- Schedule RC-M – Memoranda
- Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

The agencies note that during the previously mentioned banker outreach efforts, some community banks specifically cited Schedule RC-C, Part II – Loans to Small Businesses and Small Farms, as a particularly burdensome schedule to complete. Many of these banks also indicated that their reported values on this schedule did not vary significantly from quarter to quarter, and inquired whether the reporting frequency could be reduced to annual or semiannual.

In 2010, the FFIEC changed the reporting frequency for Schedule RC-C, Part II, from annually to quarterly. Call Report small business and small farm lending data are an invaluable resource for understanding credit conditions facing small businesses. More frequent collection of these data improves the Board's ability to monitor credit conditions facing small businesses and small farms and significantly contributes to its ability to develop policies intended to address any problems that arise in credit markets. In 2009, the U.S. Department of the Treasury, also identified a particular need for these data as they worked to develop policies to ensure that more small businesses and small farms would have access to credit.[8] In addition, the Board finds these data very valuable for monetary policymaking purposes.

The institution-level Call Report data provide information that cannot be obtained from other indicators of small business and small farm credit conditions. The agencies' other indicators of small business credit conditions – including the Board's Senior Loan Officer Opinion Survey[9] and its Flow of Funds – do not provide the same level of detail that is available from Call Reports, and therefore cannot be used to answer many questions that naturally arise during the policy development process. For example, during a period of credit contraction, these other data sources cannot be used to identify which types of institutions are reducing the volume of their loans to small businesses and small farms. This is a significant constraint for the Board,

[8] See 74 FR 41973 (August 19, 2009).
[9] See FR 2018; OMB No. 7100-0058.

as having detailed information about the characteristics of affected institutions is crucial to designing well-targeted and effective policy responses. Moreover, there is evidence that small business lending by small institutions does not correlate with lending by larger institutions.

Monetary policymaking benefits importantly from more timely information on small business credit conditions and flows. To determine how best to adjust the federal funds rates over time, the Board must continuously assess the prospects for real activity and inflation in coming quarters. Credit conditions have an important bearing on the evolution of those prospects over time, and so the Board pays close attention to data from Call Reports and other sources. In trying to understand the implications of aggregate credit data for the macroeconomic outlook, it is helpful to be able to distinguish between conditions facing small firms and those affecting other businesses, for several reasons. First, small businesses comprise a substantial portion of the nonfinancial business sector, and so their hiring and investment decisions have an important influence on overall real activity.[10] Second, because small businesses tend to depend more heavily on depository institutions for external financing, they likely experience material swings in their ability to obtain credit relative to larger firms. Third, the relative opacity of small businesses and their consequent need to provide collateral for loans is thought to create a "credit" channel for monetary policy to influence real activity. Specifically, changes in monetary policy may alter the value of assets used as collateral for loans, thereby affecting the ability of small businesses to obtain credit, abstracting from the effects of any changes in loan rates. Finally, the credit conditions facing small businesses and small farms differ substantially from those facing large businesses, making it necessary to collect indicators that are specific to these borrowers. Large businesses may access credit from a number of different channels, including the corporate bond market and the commercial paper market. In contrast, small businesses and small farms rely more heavily on credit provided through the depository institution lending channel. The dependence of small businesses and small farms on bank lending – particularly from smaller institutions – magnifies the importance of Call Report data, which provide the most comprehensive data on depository institution lending to small businesses and small farms, and emphasizes the importance of collecting quarterly data from institutions of all sizes.

In response to feedback received from banker outreach efforts conducted by the FFIEC member entities, where a sample of community banks indicated that data reported on Call Report Schedule RC-C, Part II, does not vary significantly from quarter to quarter, the Board examined the quarter-to-quarter variation in the Call Report data on small loans to businesses and small loans to farms since 2010. Although some individual banks may see little variation over time in these Call Report items, the aggregate data for community banks do vary enough from quarter to quarter to make a difference in the Board's sense of what is happening with regard to aggregate credit availability to small businesses, which is a very important sector of the economy. During a downturn, this variability is likely to increase. However, the Board recognizes that the very smallest institutions – those with less than $50 million in total assets – did not contribute significantly to the quarterly variation. Therefore, the agencies propose to change the frequency of reporting Schedule RC-C, Part II, in the FFIEC 051 from quarterly to semiannually for banks with less than $50 million in total assets.

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[10] Based on statistics tabulated early in the decade, roughly one quarter of all nonfinancial business assets were outside the corporate sector, and such firms tend to be partnerships and proprietorships, which tend to be small businesses.

Some proponents of reduced reporting frequency for Schedule RC-C, Part II, have suggested that the agencies could tie the frequency of reporting to the business cycle, with lower frequency (annually or semiannually) during normal or expansionary times, and quarterly frequency during a downturn. The agencies do not consider this approach to be feasible because they generally cannot anticipate a downturn before it starts, and once it has been determined that a downturn is under way, there would be an inevitable lag in implementing the quarterly reporting requirement. Furthermore, declines in small business and small farm lending may precede a downturn in economic activity and serve as a leading indicator of such a downturn, providing useful information to the agencies for policymaking purposes.

Removal of Data Items for Which a Reporting Threshold Currently Exists

The proposed FFIEC 051 would not include those FFIEC 041 Call Report data items for which a reporting threshold currently exists that creates an exemption from reporting for banks with total assets less than $1 billion. The following schedules were affected by the removal of these data items:

- Schedule RI- Income Statement
- Schedule RI-C – Disaggregated Data on the Allowance for Loan and Lease Losses
- Schedule RC-B – Securities
- Schedule RC-E – Deposit Liabilities
- Schedule RC-L – Derivatives and Off-Balance Sheet Items
- Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments

Preparation of Separate Instructions for the FFIEC 051

The FFIEC and the agencies would create a separate set of Instructions for Preparation of Consolidated Reports of Condition and Income (FFIEC 051). A combined set of instructions for the FFIEC 031 and the FFIEC 041 Call Reports would still be maintained. Instructions for identical data items in the FFIEC 051 and the FFIEC 041 generally would reflect the same text in both sets of instructions. Instructions for those FFIEC 041 data items that are not included in the FFIEC 051 would be excluded from the instructions for the FFIEC 051. Glossary entries in the instructions for the FFIEC 041 that are not relevant to the FFIEC 051 also would be excluded from the FFIEC 051 instructions. Instructions would be added to the FFIEC 051 instructions for the indicator questions and data items in the proposed Supplemental Schedule.

Shifts in Reporting Status

The Call Report instructions presently provide that once an institution reaches or exceeds a specified total asset or other reporting threshold that requires the reporting of additional information in the Call Report, the institution must continue to report the additional information in subsequent years without regard to whether it later falls below reporting threshold. To reduce reporting burden, the agencies are proposing to revise these instructions on reporting thresholds. Accordingly, if an institution's consolidated total assets or activity level subsequently fall to less than the applicable asset or activity threshold for four consecutive quarters, the institution may cease reporting the data items to which the threshold applies for all reporting thresholds in the FFIEC 031 and FFIEC 041 (and proposed FFIEC 051) Call Reports unless the institution exceeds the threshold as of a subsequent June 30 report date.

Proposed Changes to the FFIEC 031 and FFIEC 041

In addition to the creation of the FFIEC 051, this proposal also includes proposed revisions to some of the schedules in the FFIEC 041 and FFIEC 031 Call Reports as a result of the first three agency user surveys conducted under the Full Review. Going forward, the data items in all other Call Report schedules will continue to be evaluated as part of the Full Review.

The following schedules in the FFIEC 031 and FFIEC 041 versions of the Call Report would have data items removed or subject to new or higher reporting thresholds as a result of the statutorily mandated Full Review:

- Schedule RI – Income Statement
- Schedule RI-B – Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses
- Schedule RC-C – Loans and Lease Financing Receivables
- Schedule RC-E – Deposit Liabilities
- Schedule RC-M – Memoranda
- Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

In addition, the proposed change governing shifts in reporting status would also be applicable to institutions that file the FFIEC 031 and FFIEC 041 Call Reports.

Time Schedule for Information Collection

The Call Reports are collected quarterly as of the end of the last calendar day of March, June, September, and December. Less frequent collection of Call Reports would reduce the Federal Reserve's ability to identify on a timely basis those banks that are experiencing adverse changes in their condition so that appropriate corrective measures can be implemented to restore their safety and soundness. State member banks must submit the Call Reports to the appropriate Federal Reserve Bank within 30 calendar days following the as-of date; a five-day extension is given to banks with more than one foreign office.

Aggregate data are published in the *Federal Reserve Bulletin* and the *Annual Statistical Digest*. Additionally, data are used in the *Uniform Bank Performance Report (UBPR)* and the *Annual Report of the FFIEC*. Individual respondent data, excluding confidential information, are available to the public from the National Technical Information Service in Springfield, Virginia, upon request approximately twelve weeks after the report date. Data are also available from the FFIEC Central Data Repository Public Data Distribution (CDR PDD) website (https://cdr.ffiec.gov/public/). Data for the current quarter are made available, shortly after a bank's submission, beginning the first calendar day after the report date. Updated or revised data may replace data already posted at any time thereafter.

Legal Status

The Board's Legal Division has determined that section 9 of the Federal Reserve Act (12 U.S.C. § 324) authorizes the Board to require these reports from all state member banks. The obligation to respond is mandatory. Most of the information provided on the Call Reports is publicly available. However, the following items are confidential: (1) the FDIC deposit insurance assessment information reported in response to item 2.g on Schedule RI-E, (2) the prepaid deposit insurance assessments information reported in response to item 6.f on schedule RC-F, and (3) the information regarding other data for deposit insurance and FICO assessments reported in respond to memorandum items 6-9, 14-15, and 18 on schedule RC-O. This information can be exempt from disclosure pursuant to the Freedom of Information Act (FOIA) (5 U.S.C. §§ 552 (b)(4) and (8)) for periods beginning June 30, 2009. The individual respondent information contained in the trust schedule, RC-T are exempt from disclosure (5 U.S.C. §§ 552(b)(4) and (8)) for periods prior to March 31, 2009. Finally, Column A and memorandum item 1 to Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets are exempt from disclosure (5 U.S.C. §§ 552(b)(4) and (8)) for periods prior to March 31, 2001.

Consultation Outside the Agency and Discussion of Public Comments

On August 15, 2016, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (81 FR 54190) requesting public comment for 60 days on the extension, with revision, of the Call Reports. The comment period for this notice expired on October 14, 2016. The agencies collectively received comments on the proposal from approximately 1,100 entities, including individuals, banking organizations, bankers' associations, and a government entity.[11] A discussion of general and specific comments on the proposed FFIEC 051 and existing FFIEC 031 and FFIEC 041 Call Reports follows below.

General Comments on the Proposed FFIEC 051

Commenters expressed mixed opinions on the proposed FFIEC 051. Approximately 25 commenters representing banking organizations, bankers' associations, and a government entity supported the effort put forth by the agencies. One bankers' association stated that the initial proposal was "a positive step in an ongoing, iterative process" that shows a "modest but material burden relief to institutions eligible to file the [FFIEC 051] report." One institution stated that the proposed FFIEC 051 would assist small banks by reducing preparation time and minimizing confusion by removing schedules related to activities in which the bank does not engage. Another commenter stated that this proposal was a good start by removing items that have no relationship with the reporting institution. Another commenter agreed with the proposal to shorten the length of the Call Report and the instructions, which would reduce the time spent reviewing updates to determine items that may or may not be applicable to the bank. One commenter stated the reduction and the removal of non-relevant data items for noncomplex institutions saves both time and money. The government entity stated it uses certain data items in the Call Report in preparing national economic reports, and encouraged the agencies to continue collecting those items.

[11] The agencies received approximately 100 unique letters and 1,000 form letters.

On the other hand, the majority of commenters from banking organizations and bankers' associations responded that there was no perceived impact by adopting the FFIEC 051. Many of the banking organizations stated that the data items proposed to be removed were not reported currently by their institutions; therefore, the changes would not impact their burden in preparing the Call Report. Three of the bankers' associations stated that the agencies removed items largely not reported, and related to activities not engaged in, by community banks. Another institution responded that by making the change to the FFIEC 051, it would add burden at the conversion date with little time savings in future filings. One commenter stated that the inclusion of the supplemental schedule (Schedule SU) could actually increase burden, as banks must use the same processes or new processes to verify the data (or inapplicability) of the new supplemental items.

The agencies recognize that not all community institutions eligible to file the FFIEC 051 will see an immediate and large reduction in burden by switching to that form. Some of the items that were removed from the FFIEC 041 to create the FFIEC 051 only needed to be reported by institutions with assets of $1 billion or more. Other items not included in the FFIEC 051 applied to institutions of all sizes, but may not have applied to every community institution, due to the nature of each institution's activities. Approximately 100 data items would be collected at a reduced frequency in the FFIEC 051. For example, in creating the FFIEC 051, the agencies have removed from the FFIEC 041 the data items on Schedule RC-L, Derivatives and Off-Balance Sheet Items, in which the more than 700 eligible institutions that have derivative contracts have been required to report the gross positive and negative fair values of these contracts. The agencies also have reduced from quarterly to semiannually the reporting frequency in the FFIEC 051 of Schedule RC-C, Part II, Loans to Small Businesses and Small Farms, which is applicable to the approximately 5,200 institutions eligible to file the FFIEC 051, and Schedule RC-A, Cash and Balances Due from Depository Institutions, which applies to the more than 1,400 eligible institutions that have $300 million or more in total assets. Additionally, as noted earlier, the agencies are shortening the instructions associated with the FFIEC 051, so that community bankers will not need to review as many nonapplicable instructions, or the associated changes to those instructions that may occur in the future. Taken together, the agencies believe these changes are a positive step toward providing meaningful Call Report burden relief to community institutions.

A majority of the commenters that did not favor the proposed FFIEC 051 suggested the agencies adopt a "short-form" Call Report to be filed in the first and third quarters. The short-form Call Report recommended by commenters would consist only of an institution's balance sheet, income statement, and statement of changes in equity capital. The institution would file a full Call Report including all supporting schedules in the second and fourth quarters.

The agencies recognize that the information requested in the Call Report is often more granular than information presented in standard financial statements, including the notes to the financial statements, and can require refining or subdividing the information contained in accounts reported in an institution's general ledger system or core processing systems. This process may be burdensome, particularly when account balances have not materially changed from the prior quarter. However, one element that sets banking apart from other industries is the regulatory framework, particularly the provision of Federal deposit insurance and the important role of financial intermediation, which requires safety and soundness supervision and examination. A key component of bank supervision is reviewing granular financial data about an institution's activities to identify changes in those activities and in the institution's condition, performance, and risk profile from quarter to quarter that suggest areas for further investigation by the institution's supervisory agency. For example, granular data on loan categories, past due and nonaccrual loans, and loan charge-offs and recoveries[12] feed into an analysis of credit risk, while data on loan, security, time deposit, and other borrowed money maturities and repricing dates[13] feed into analyses of interest rate risk and liquidity risk. Much of this analysis occurs off-site, so an institution may not be aware of the extent of this process unless it identifies anomalies or other "red flags" at the institution. Even then, some anomalies and other "red flags" may be discussed immediately with the institution, while other concerns are flagged for investigation at the next on-site examination. The earlier that anomalies, upon immediate follow-up, are found to evidence deficiencies in risk management or deterioration in an institution's condition, the less difficult it will be for the institution to implement appropriate corrective action. In this context, with full-scope on-site examinations occurring no less than once during each 18-month period for institutions that have total assets of less than $1 billion and meet certain other criteria, quarterly data are necessary for many of the data items in the Call Report in order for an institution's supervisory agency to have a sufficient number of data points to both identify and distinguish between one-time anomalies and developing trends at the institution. Moreover, the agencies note that extending the examination cycle to 18 months for certain qualifying institutions is discretionary, and the analysis of trends in a particular institution's Call Report data is a significant factor in deciding whether to exercise that discretion with respect to that institution.

In addition to supporting the identification of higher-risk situations, enabling timely corrective action for such cases, and justifying the extended examination cycle, the quarterly reporting of the more granular Call Report items also aids in the identification of low-risk areas prior to on-site examinations, allowing the agencies to improve the allocation of their supervisory resources and increase the efficiency of supervisory assessments, which reduces the scope of examinations in these areas, thereby reducing regulatory burden. While the quarterly monitoring process enabled by the more granular Call Report items historically has focused on raising "red flags," similar emphasis has also been placed on the identification of low-risk situations. A six-month reporting cycle for the more granular Call Report items would hamper the agencies' ability to form timely risk assessments and so could stymie efforts to improve the focus of on-site examinations for low-risk institutions. In this manner, an effort to reduce regulatory burden by lengthening the reporting cycle for the more granular Call Report items could limit the agencies' opportunities to reduce burden for on-site examinations.

In addition to safety and soundness data, other data items are required quarterly due to various statutes or regulations. Leverage ratios based on average quarterly assets and risk-based capital ratios are necessary under the prompt corrective action framework established under 12 U.S.C. 1831o.[14] Data on off-balance sheet assets and liabilities are required every quarter for

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[12] Reported on Schedules RI-B; RC-C, Part I; and RC-N.
[13] Reported on Schedules RC-B; RC-C, Part I; RC-E; and RC-M.
[14] Reported on Schedules RC-K and RC-R.

which an institution submits a balance sheet to the agencies pursuant to 12 U.S.C. 1831n.[15] Granular data on deposit liabilities and data affecting risk assessments for deposit insurance are required four times per year under 12 U.S.C. 1817.[16]

Further, the public availability of most quarterly Call Report information from institutions that are not publicly held is desired by their depositors (particularly those whose deposits are not fully insured), other creditors, investors, and other institutions. An institution's depositors and other creditors may use quarterly Call Report information to perform their own assessments of the condition of the institution. Existing and potential investors may evaluate Call Report data to assess an institution's condition and future prospects; the absence of quarterly information could impair the institution's ability to raise capital or could limit the liquidity of the institution's shares for existing stockholders. Other institutions that engage in transactions with the reporting institution may utilize Call Report information to assess the condition of their counterparties to these transactions. In addition, some institutions use peer analysis to benchmark against local competitors using data obtained from their Call Reports directly, or by using third-party vendors who often leverage information from the agencies' repository of Call Report data. For example, as part of their financial control structures, some institutions analyze their allowance for loan and lease losses (ALLL) by comparing their delinquency ratios and their ratios of ALLL to loans and leases to peer group ranges and averages.

While the agencies understand the commenters' desire for a "short-form" Call Report, for the reasons stated above, the agencies did not adopt this suggestion. In addition to the basic financial statements, the most streamlined quarterly report possible must also include quarterly data required by statute or regulation, along with quarterly data necessary for adequate supervision by the agencies. However, as part of the continuing burden reduction efforts, the agencies will continue to review the quarterly data collected in the proposed FFIEC 051 and existing FFIEC 031 and FFIEC 041 reports that go beyond the statutory or regulatory requirements or essential supervisory needs. For example, the agencies are revising Schedule RC-C, Part II, in the FFIEC 051 to reduce its reporting frequency from quarterly to semiannual for all institutions that file the FFIEC 051.

General Comments on the Call Report Initiatives

The agencies are still engaged in the statutorily mandated review of the existing Call Report data items (Full Review). The agencies are conducting the Full Review as a series of nine surveys of internal users of Call Report data within the FFIEC member entities. Proposed changes resulting from the first three surveys were included in the August 2016 proposal, and a summary of the member entities' uses of the data items retained in the Call Report schedules covered in these three surveys is included as Appendix A. The agencies are analyzing the results of four additional surveys, and still need to collect and review data from the final two surveys to determine any future proposed revisions to the FFIEC 031, FFIEC 041, and FFIEC 051. Burden-reducing reporting changes to these three versions of the Call Report from the remaining six surveys will be proposed in future *Federal Register* notices with an anticipated implementation date of March 31, 2018. The agencies described this staged approach to proposing changes to

[15] Reported on Schedule RC-L.

[16] Reported on Schedules RC-E and RC-O.

the FFIEC 031, FFIEC 041, and FFIEC 051 resulting from the Full Review in their August 2016 proposal, but asked whether it would be less burdensome to delay all the changes to the Call Report until the completion of the Full Review.

The agencies received comments about the burden reduction initiative and the Full Review. On the timing of future revisions, one commenter stated that it would not matter, while another commenter wanted the changes implemented as soon as possible. Three commenters recommended adopting all of the changes at once. These commenters stated it is more burdensome to deal with more frequent changes to the Call Report, even if those changes would reduce burden. Six commenters sought a better understanding for the agencies' use of the Call Report data items submitted by institutions. Two bankers' associations requested a published report of how the data are used either by individual line item or by schedule.

The agencies are cognizant of the burden caused by frequent changes to the Call Report, but also must consider the ongoing burden imposed until the completion of the review by collecting data items the agencies have agreed are no longer necessary. In an attempt to balance those concerns, the agencies plan to propose changes related to the user surveys in two future notices. The agencies already included the results from the first three user surveys in the August 2016 notice. The next notice would include changes from a second set of user surveys and is expected to be issued in early 2017. The last notice would include any changes from a third and final set of user surveys and is expected to be issued in late 2017. The proposed effective date for changes in both future notices would be March 31, 2018.

A significant amount of the data collected in the Call Report is used for safety and soundness purposes, especially for quarterly off-site monitoring and reviews between on-site examinations. Additional data items are required by statute or regulation. A lesser number of data items are used for consumer financial protection purposes or for specific agency missions, such as deposit insurance and monetary policy. To provide additional detail on the uses of Call Report schedules and data elements, the agencies are including, in Appendix A, a summary of the FFIEC member entities' uses of specific schedules and data items from the first three user surveys conducted in the Full Review. The agencies plan to publish similar summaries when proposing additional changes based on the results of the second two sets of Full Review surveys in future notices.

Finally, while it may not directly reduce burden at this time, as described in the August 2016 notice, the agencies will apply a set of guiding principles in evaluating potential future additions and revisions to the Call Report. Those principles are: (1) the data items serve a long-term regulatory or public policy purpose by assisting the FFIEC member entities in fulfilling their missions of ensuring the safety and soundness of financial institutions and the financial system and the protection of consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions; (2) the data items to be collected maximize practical utility and minimize, to the extent practicable and appropriate, burden on financial institutions; and (3) equivalent data items are not readily available through other means. The agencies intend to apply these principles with rigor for items proposed to be added to the Call Reports, with the goal of minimizing future burden increases.

Specific Comments on the Proposed FFIEC 051

A. Eligibility

The agencies proposed to make the FFIEC 051 available as an option to eligible small institutions. For purposes of the FFIEC 051 Call Report, the agencies proposed to define "eligible small institutions" as institutions with total assets less than $1 billion and domestic offices only. Total assets for eligibility would be measured as of June 30 each year to determine the institution's eligibility to file the FFIEC 051 beginning in March of the following year. In addition, for an institution otherwise eligible to file the FFIEC 051, the institution's primary federal regulatory agency, jointly with the state chartering authority, if applicable, may require the institution to file the FFIEC 041 instead based on supervisory needs. In making this determination, the appropriate agency will consider criteria including, but not limited to, whether the eligible institution is significantly engaged in complex, specialized, or other higher risk activities. The agencies anticipate making such determinations only in a limited number of cases.

The agencies received numerous comments on eligibility for the FFIEC 051. Eight commenters supported expanding the threshold. One commenter suggested using the FDIC's definition of a "community bank" (from the FDIC's Community Banking Study), which is based on deposit and lending activity and certain other criteria rather than solely asset size, while another commenter suggested expanding the FFIEC 051 to all institutions that do not engage in complex activities. Another commenter suggested tying the asset threshold to the definition of "small bank" under the Community Reinvestment Act (currently, $1.216 billion and indexed for inflation). Two commenters recommended using a $10 billion asset threshold, with one of those commenters suggesting that the asset threshold be automatically adjusted for inflation in the future.

At this time, the agencies are retaining their proposed $1 billion asset-size threshold to be eligible for the FFIEC 051. This threshold is consistent with one of the eligibility criteria established by Congress for community institutions to be eligible for an 18-month examination cycle rather than the standard 12-month cycle.[17] The agencies are considering other size thresholds and other eligibility criteria, such as whether relevant criteria could be developed for determining that an institution should be considered a "community" institution for Call Report purposes; however, an asset-size threshold tied to an existing statutory basis was chosen to keep the initial eligibility criteria simple and transparent, and avoid delaying the proposed effective date reflecting the March 31, 2017, report date, to be submitted on or after April 1, 2017, for those eligible institutions interested in beginning to file the FFIEC 051 as of that date while the agencies evaluate additional potential eligibility criteria. The agencies plan to review additional data in determining whether to propose any changes to the initial eligibility threshold in the future. The agencies are also making one revision to the eligibility criteria to disallow advanced

[17] See 12 U.S.C. 1820(d), as amended by Section 83001 of the Fixing America's Surface Transportation Act, Pub. L. 114-94, 129 Stat. 1312 (2015). The $1 billion asset-size threshold for the proposed FFIEC 051 also is consistent with the incremental approach taken by Congress when increasing the threshold for the Board's Small Bank Holding Company and Savings and Loan Holding Company Policy Statement; see Pub. L. 113–250 (December 18, 2014).

approaches institutions[18] from being eligible to use the FFIEC 051.[19] Even though such an institution may be under the $1 billion asset-size threshold, it is part of a consolidated banking organization with assets greater than $250 billion and as such the agencies do not believe such an institution shares the same risks as eligible small institutions.

The agencies also asked whether filing the FFIEC 051 by eligible institutions should be mandatory or optional. Six commenters supported allowing the FFIEC 051 to be optional. The agencies agree with the commenters and will continue to offer it as an option to eligible small institutions that would otherwise need to file the FFIEC 041. If an institution is eligible for and chooses to adopt the FFIEC 051, the agencies expect the institution will continue filing that version of the report going forward as long as it remains eligible.[20] If an institution's assets increase to $1 billion or more as of June 30 of any calendar year, the institution must return to filing the FFIEC 041 beginning with the first quarter of the following calendar year.

The agencies received three comments on the proposed reservation of authority for filing the FFIEC 051. Two commenters opposed this reservation of authority, stating that the language was too broad and would allow too much discretion to examiners to arbitrarily make institutions change their version of the Call Report. One of these commenters suggested a process where any determination by an examiner that an institution must revert to the FFIEC 041 should be automatically appealable to the agency's Ombudsman. The other commenter recommended more clearly defining and limiting the scenarios in which the agencies would consider making an institution revert to filing the FFIEC 041. The agencies acknowledge the criteria to use the reservation of authority listed in the notice could be interpreted more broadly than the agencies intended. The agencies would consider using the reservation of authority if an institution has a large amount of activity in one or more complex activities that would be reported on one of the schedules or items proposed to be eliminated in the FFIEC 051. These schedules include Schedules RC-D (trading activity), RC-L (off-balance sheet derivatives), RC-P (mortgage banking), RC-Q (fair value measurements), RC-S (servicing, securitization, and asset sale activities), and RC-V (variable interest entities). The agencies do not intend to use this reservation of authority widely, or to apply it to institutions that engage only in activities that are fully reported on the FFIEC 051. Furthermore, the exercise of the reservation of authority would require a decision by a member of the appropriate agency's senior management and would not be at the discretion of examination staff.

B. Implementation Date

The agencies proposed implementing the FFIEC 051 for submissions on or after April 1, 2017, beginning with the reports reflecting the March 31, 2017, report date, for all eligible small institutions. Nine commenters indicated the lead time was sufficient because most of the changes between the FFIEC 041 and FFIEC 051 did not affect their institutions. Three

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[18] See 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); 12 CFR 324.100(b) (FDIC).

[19] As a consequence, the data items in Schedule RC-R that are applicable only to advanced-approaches institutions would be removed from the FFIEC 051.

[20] An institution whose assets remain below $1 billion as of June 30 of any year may choose to file the FFIEC 041 instead of the FFIEC 051 beginning with the first quarter of the following calendar year. An institution's primary federal supervisory agency may approve an institution's request to change to the FFIEC 041 in a later quarter of a calendar year on a case-by-case basis.

commenters suggested delaying the implementation date. One commenter suggested setting the date at least six months from the start of the quarter in which the final changes are published. Another commenter stated a minimum of one quarter is needed after the final FFIEC 051 is approved. One institution suggested a June 30, 2017, implementation date.

The agencies believe that it is important to offer this new report form as an option as early as feasibly possible, to reduce burden for those eligible institutions that are able to switch to the FFIEC 051 beginning as of the March 31, 2017, report date. The conversion to the FFIEC 051 is optional, and initial eligibility would be determined by an institution's asset size as of June 30, 2016. For an institution that qualifies to use the FFIEC 051 and desires to use that form, but is unable to do so for the March 31, 2017, report date, for submissions on or after April 1, 2017, the institution may begin reporting on the FFIEC 051 as of the June 30, 2017, report date or in a subsequent quarter of 2017. Alternatively, the institution could wait until March 31, 2018, for submission on or after April 1, 2018, to begin reporting on the FFIEC 051, assuming it continues to meet the eligibility criteria.

C. Comments on Schedule RC-R, Regulatory Capital

The agencies received approximately 30 comment letters that highlighted the burden required to prepare Schedule RC-R, Regulatory Capital. The agencies received similar comments during their banker outreach efforts, as well as in comment letters submitted under a review of agency regulations required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA).

An institution must calculate its capital ratios quarterly pursuant to the prompt corrective action provisions of statute and the agencies' regulations. The agencies revised Schedule RC-R in March 2015 to include the data items that would be necessary for an institution to calculate its regulatory capital ratios under the agencies' revised capital rules. The greater detail of those rules requires a degree of categorization, recordkeeping, and reporting that is greater than under the previously applicable capital rules. While many of the data fields on Schedule RC-R may not be applicable to community institutions not engaged in complex activities, some community institutions do engage in activities that would need to be reported in those fields to perform the correct calculation under the capital rules. The agencies are developing responses to the concerns about the burden of the regulatory capital rules raised during the EGRPRA comment process and the associated reporting requirements on Schedule RC-R. If the agencies propose modifications to the regulatory capital rules, the agencies would also propose modifications to the associated reporting requirements on Schedule RC-R.

D. Comments on Schedule RC-C, Loans and Lease Financing Receivables

Twelve commenters emphasized Schedule RC-C as a significant contributor to the reporting burden for smaller institutions. Five banking organizations specifically highlighted Schedule RC-C, Part II, Loans to Small Businesses and Small Farms, as particularly burdensome and suggested eliminating the schedule or reducing the frequency of the data collected. During the agencies' banker outreach efforts, community institutions similarly highlighted the burden of Schedule RC-C, and particularly Part II of the schedule.

In developing the proposed FFIEC 051, the agencies removed 38 items from Schedule RC-C, Part I, that are currently reported in the FFIEC 041 and were identified as having lesser utility for institutions eligible to file the new report.

The remaining loan and lease data in Schedule RC-C, Part I, are critical inputs to assessing the safety and soundness of individual institutions through analysis of the institutions' credit risk, interest rate risk, and liquidity risk, including the identification and analysis of lending concentrations. The granularity of the loan categories is also essential for peer group analysis and industry analysis. Loan and lease information is also an important component of agency statistical models that assess the risk profile of an institution. In addition, many community institutions use the Call Report loan categories when they measure the estimated credit losses that have been incurred on groups of loans with similar risk characteristics in their calculations of the ALLL each quarter under U.S. generally accepted accounting principles (GAAP).

Finally, loan and lease information assists the agencies in fulfilling their specific missions. The Board, as part of its monetary policy mission, relies on the loan data in Schedule RC-C, Part I, to provide information on credit availability and lending conditions not available elsewhere. Loan and lease detail at all sizes of institutions is necessary for monitoring the overall health of the economy. Reducing loan detail or data frequency for smaller institutions would limit the ability to monitor credit availability and lending conditions widely, including in response to any changes in monetary policy. At times, loan availability and lending conditions may be different at smaller institutions than at larger institutions. Furthermore, Schedule RC-C, Part I, data are used to benchmark weekly loan data collected by the Board from a sample of both small and large institutions; the weekly data are used to estimate weekly loan aggregates for the banking sector as a whole to provide more timely input for the purposes of monitoring the macroeconomy.

The FDIC's deposit insurance assessment system for "established small banks" relies on information reported by individual institutions for the Schedule RC-C, Part I, standardized loan categories in the determination of the loan mix index in the financial ratios method, which is used to determine assessment rates for such institutions.

The data collected in Schedule RC-C, Part II, is based on a statutory requirement to collect data on small business and small farm loans on an annual basis and began in 1993.[21] In 2010, the FFIEC changed the reporting frequency for Schedule RC-C, Part II, from annual to quarterly. At that time, the agencies approved the more frequent collection of these data to improve the Board's ability to monitor credit conditions facing small businesses and small farms and contribute to its ability to develop policies intended to address any problems that arise in credit markets. The U.S. Department of the Treasury also identified a particular need for these data as they worked to develop policies to ensure that more small businesses and small farms would have access to credit. The Board also found the more frequent data valuable for monitoring the macroeconomy and credit availability in particular for the purposes of monetary policymaking. However, after extensive analysis by the Board, the agencies agreed in the

[21] See Section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991, Pub. L. 102-242.

August 2016 proposal to reduce the frequency of Schedule RC-C, Part II, to semiannually in June and December for institutions with assets of less than $50 million.

The agencies received five comments stating that Schedule RC-C, Part II, was particularly burdensome for their institutions due to the level of manual intervention required to report the data. This schedule requests the number and amount currently outstanding of existing loans in each of these categories, but categorized by the loans' original amounts. One banker noted that their bank had to manually stratify loan data into the three loan size categories for each type of loan according to the loans' original amounts, and then manually adjust for lines of credit and participations purchased and sold to accurately report the amount currently outstanding. One bank questioned how valuable the small business and small farm loan data are for setting monetary policy, particularly since the Board had been setting monetary policy for many years before the FFIEC began requiring quarterly data in 2010 and also because the Call Report data collected in Schedule RC-C, Part II, does not capture significant nonbank funding sources for small businesses such as credit cards and vendor financing. The agencies received similar comments about burden from banker outreach efforts conducted by the FFIEC member entities and through the EGRPRA process. After additional review, the Board has determined that semiannual reporting by all institutions filing the FFIEC 051 would be of sufficient frequency to meet their data needs. Therefore, the agencies will collect this loan information from all institutions filing the FFIEC 051 in the June and December quarterly reports only.

E. Coordination with Other Reports

Two commenters from multibank holding companies stated that the FFIEC 051 does not provide any relief for their institutions, because many of the items removed from the FFIEC 041 must still be reported on the holding company's FR Y-9C[22] report and therefore must still be collected at the bank level. One of these commenters noted that unless all banks in a multibank holding company can use the FFIEC 051, likely none of them will, as it may be more difficult to consolidate the information from different Call Report forms when completing the FR Y-9C. The Board notes that for most holding companies with total assets less than $1 billion, the holding company can file the FR Y 9SP, which does not require data being removed from the FFIEC 051. For holding companies with total assets of $1 billion or more, the FR Y-9C does require a significant amount of information that is being removed from the FFIEC 051. The Board believes this information is necessary on the FR Y-9C, even if the activity is spread among multiple subsidiary institutions, some of which may have assets less than $1 billion, for the effective supervision of the consolidated holding company. In those cases, the holding company and its subsidiary institutions can best determine whether there is any burden saved at the institution level by filing the FFIEC 051 rather than the FFIEC 041.

Four commenters stated that the agencies should reduce duplication between the Call Report and other regulatory reports collected by the agencies. Commenters noted perceived duplication of one or more data items with the following reports: FR 2900,[23] FR 2644,[24] the

[22] Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128).
[23] Report of Transaction Accounts, Other Deposits, and Vault Cash (FR 2900; OMB No. 7100-0087).
[24] Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644; OMB No. 7100-0075).

FDIC's annual Summary of Deposits survey,[25] and loan data provided to the institution's Federal Home Loan Bank for access to advances. The agencies do not believe data collected in these collections are duplicative of Call Report data. The FR 2900 collects select data on cash and deposit liabilities for reserve requirement purposes, from most institutions on a weekly basis, which may not coincide with the reporting date for the Call Report. The FR 2644 collects data on loans, securities, and borrowings from a small sample of banks on a weekly basis, which may not coincide with the reporting date for the Call Report. The FDIC's Summary of Deposits survey collects data on deposits stratified by branch location from institutions with branch offices annually as of each June 30. Deposit data categorized by branch location is not available elsewhere. The Federal Home Loan Banks are not government agencies, and any data they may collect in connection with various lending programs are not readily available for use by FFIEC member entities.

Proposed Call Report Revisions to the FFIEC 031 and the FFIEC 041

The agencies proposed revisions to some of the schedules in the FFIEC 031 and FFIEC 041 Call Reports in response to the findings of the first three user surveys at FFIEC member entities conducted under the Full Review. Specifically, the following schedules in the FFIEC 031 and FFIEC 041 versions of the Call Report would have data items removed or subject to new or higher reporting thresholds as a result of these surveys (see Appendices C and D for a complete listing of the affected data items based on the September 30, 2016, FFIEC 031 and FFIEC 041 Call Reports, respectively):

- Schedule RI – Income Statement
- Schedule RI-B – Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses
- Schedule RC-C – Loans and Lease Financing Receivables
- Schedule RC-E – Deposit Liabilities
- Schedule RC-M – Memoranda
- Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

The agencies did not receive any comments on the specific changes to the FFIEC 031 and FFIEC 041 in the proposal, and plan to implement those changes as proposed.

Additional Suggested Revisions

Twelve commenters recommended additional specific changes for the agencies to consider on various schedules of the Call Report. Many of these commenters did not direct their comments at a specific version of the Call Report, so the agencies considered these comments to improve both the existing FFIEC 031 and FFIEC 041 Call Reports and proposed FFIEC 051.

One commenter suggested the agencies revise Schedule RI-C (Disaggregated Data on the Allowance for Loan and Lease Losses) to align with the loan categories reported on Schedule RC-C, Part I. The agencies did not adopt this suggestion. Aligning the categories would require collecting additional granular data on Schedule RI C, adding approximately 20 categories and 60 total items. The agencies proposed collecting disaggregated ALLL data for key Schedule RC-C,

[25] Summary of Deposits (OMB No. 3064-0061).

Part I, loan categories when they proposed to add Schedule RI-C to the Call Report in 2011. However, commenters on that proposal questioned the reporting of ALLL data for these key Call Report loan categories. They recommended reducing the number of loan categories and using broader portfolio segments that would better align with their loan loss allowance methodologies, which the agencies did in the final implementation of Schedule RI-C in 2013. The agencies do not believe that changing the schedule to require additional granularity of data is necessary for the supervision of the institutions to which this schedule is currently applicable. In this regard, the agencies do not collect Schedule RI-C from institutions with assets less than $1 billion and it would not be included in the FFIEC 051.

Three commenters suggested revisions to Schedule RI-E (Explanations). One commenter suggested adjusting the criteria to separately disclose individual components of other noninterest income and other noninterest expense. The agencies' current criteria require separate disclosure if a component within one of those income statement categories is greater than $100,000 and 3 percent of the total balance of that category.[26] The commenter suggested adjusting the criteria to the greater of $100,000 and 5 to 7 percent of the total balance. Another commenter suggested reporting Schedule RI-E detail on other noninterest income and other noninterest expense annually on the December 31 Call Report, as the commenter stated the data are primarily useful on an annual rather than quarterly basis. Another commenter suggested providing definitions for each of the components of other noninterest income and other noninterest expense for which preprinted captions are provided in Schedule RI-E. The agencies plan to review the threshold for separately disclosing individual components and the frequency of the data collection as part of the ongoing Full Review. The agencies do not plan to provide specific definitions for the components of other noninterest income and other noninterest expense represented by preprinted captions. The agencies added preprinted captions for these components to assist all institutions, including community institutions, as they were the most frequently disclosed components. Not having preprinted captions for such components would necessitate each institution manually entering its own captions for those components of other noninterest income and other noninterest expense exceeding the reporting threshold. However, the agencies do not want to impose a regulatory definition for these individual components, which could require institutions to adjust their internal definitions to line up with the agencies' definitions. The agencies use this information primarily for the supervision of individual institutions rather than for peer group comparison, so imposing uniform definitions across institutions is not necessary for supervisory review. Detailed lists of components of other noninterest income and other noninterest expense can be found in the instructions for Schedule RI, items 5.1 and 7.d, respectively. The agencies plan to clarify the instructions for these two Schedule RI data items to better indicate the linkage between the components of other noninterest income and other noninterest expense listed in these instructions and the preprinted captions provided in Schedule RI-E.

One commenter suggested the agencies review the intangible asset breakout on Schedule RC, item 10, and Schedule RC-M, item 2, and suggested combining goodwill and other

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[26] Prior to 2001, the agencies required separate disclosure of components greater than 10 percent of all other noninterest income or other noninterest expense. In 2001, the agencies revised the threshold to 1 percent of total interest income plus total noninterest income. In 2008, the agencies changed the threshold to 3 percent of other noninterest income or other noninterest expense with a $25,000 floor. The floor was raised to $100,000 effective September 30, 2016, while retaining the percentage threshold.

intangible assets on Schedule RC. The agencies need additional time to consider this request, and will consider it within the next set of proposed Call Report revisions.

Six commenters stated that Schedule RC-E (Deposit Liabilities) and RC-O (Other Data for Deposit Insurance and FICO Assessments) were particularly burdensome and suggested simplifying or consolidating the deposit data on these schedules. Some commenters specifically noted the breakout of deposit information by source, use, and balance as time-consuming, especially for Memorandum items 1 through 4 on Schedule RC-E. Two commenters noted that the FDIC's deposit insurance assessments currently are calculated based on average total assets and average tangible equity, so the deposit data is not necessary for the vast majority of banks.[27] Three commenters also questioned why the agencies maintain a stratification of certain deposits in Schedule RC-E into those with balances less than \$100,000, \$100,000 through \$250,000, and more than \$250,000 even though the deposit insurance limit is currently \$250,000, and stated this stratification was particularly burdensome as it required a significant amount of manual intervention. Two commenters stated that separating out Individual Retirement Accounts (IRA) data from general deposits on Schedule RC-O was particularly burdensome, with one commenter noting their bank had to further identify and separate out Coverdell Education Savings Accounts (formerly called Education IRAs) from the bank's other IRA account balances to add back to the non-retirement accounts.

Schedule RC-E categorizes deposits based on source (brokered or non-brokered) and type of account (time deposit, demand deposit, savings deposit), and by deposit size within certain of those categories. The reporting of deposit data for some of these categories is required by statute.[28] Reporting of time deposits with balances less than \$100,000 in Schedule RC-E, including certain Memorandum items to adjust that amount, is tied to the Board's measurement of the money supply.[29] Schedule RC-O, Memorandum item 1, categorizes deposits based on purpose (for retirement or not for retirement) and subdivided by deposit size, as the deposit insurance limit applies separately to retirement and non-retirement accounts. These deposit data also are necessary for the FDIC to calculate the reserve ratio each quarter, which is the ratio of the net worth of the Deposit Insurance Fund (DIF) to the aggregate estimated insured deposits.[30] The agencies previously approved revisions to Schedule RC-E (and Schedules RI and RC-K) to replace most segmentations of deposits less than \$250,000 that are not needed to calculate the money supply with segmentations based on deposits of more than \$250,000 for consistency with the deposit insurance limits currently in effect. These revisions will be implemented beginning with the reports reflecting the March 31, 2017, report date, with submissions on or after April 1, 2017.[31] The agencies are not making any revisions to the classification of Coverdell accounts, as the reporting of deposits by purpose is tied to the FDIC's provision of deposit insurance.

One commenter stated that the data on Schedules RC-F (Other Assets) and RC-G (Other Liabilities) did not change significantly for community banks from quarter to quarter and should be reported annually instead. The agencies did propose reducing the frequency by which

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[27] Deposit data affects the assessments at certain institutions, such as bankers' banks and custodial banks.
[28] For example, 12 U.S.C. 1817(a)(5) and (9).
[29] See definition of M2, https://www.federalreserve.gov/faqs/money_12845.htm.
[30] See 12 U.S.C. 1813(y)(3).
[31] See 81 FR 45357 (July 13, 2016).

institutions must report the significant components of all other assets and all other liabilities on these two schedules to semiannual in the FFIEC 051 in the August 2016 notice. The agencies will be considering both the data items and frequency of reporting for these two schedules for all versions of the Call Report in the Full Review, and will consider the commenter's suggestions in that process.

One commenter stated that Schedule RC-K (Quarterly Averages) was particularly burdensome, as the bank's general ledger provides point-in-time amounts and manual intervention is needed to calculate quarterly averages. The agencies note that average total assets is necessary for various purposes, including prompt corrective action and deposit insurance assessments.[32] The agencies will be considering both the data items and frequency of reporting for this schedule in the Full Review, and will consider the commenter's suggestions in that process.

Three commenters stated that Schedule RC-L (Derivatives and Off-Balance Sheet Items) was particularly difficult to complete, as some items defined in that schedule do not align with definitions for similar items in Schedule RC-R, particularly for over-the-counter (OTC) derivatives. The commenters also noted certain items included in Schedule RC-L, such as "commitments to make a commitment," are difficult to define and track. One commenter suggested lining up the loan commitment categories on Schedule RC-L with the loan categories on Schedule RC-C, Part I. The agencies are investigating alternatives to the current definitions in Schedule RC-L, and whether they can be more closely aligned with definitions used in the agencies' regulatory capital rules, which is the basis for Schedule RC-R, for inclusion in a future notice. The agencies do not plan to align the loan categories between Schedules RC-L and RC-C, Part I. The loan categories on Schedule RC-C, Part I, are much more granular than in Schedule RC L. Reducing the granularity of categories on Schedule RC-C, Part I, would impair the agencies' ability to use that data for safety and soundness monitoring, while increasing the granularity on Schedule RC-L would impose additional burden to collect items the agencies do not believe are necessary.

One commenter recommended reducing the frequency of certain data items in Schedule RC-M (Memoranda) to annual. Specifically, items 7 through 9, 11, and 12 do not change from quarter to quarter at the commenter's bank. Item 7 collects data on assets under management in proprietary mutual funds and annuities. Item 8 collects information on an institution's internet website addresses and trade names. Item 9 asks about internet website transactional capability. Items 11 and 12 collect information on certain bank powers. The agencies proposed in the August 2016 notice to reduce the frequency for items 7, 9, 11, and 12 from quarterly to annual. The agencies will continue collecting item 8 on a quarterly basis to provide more accurate, timely, and complete information to the FDIC, depositors, and the general public on the insured status of entities identifying themselves as FDIC-insured depository institutions than would occur through annual reporting.

One commenter requested that the agencies add control totals to Schedule RC-N for past due and nonaccrual loans, leases, and other assets to allow easier validation of the accuracy of the reported data to the institution's own records. The agencies also noted during their on-site

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[32] See 12 U.S.C. 1831o and 12 CFR 327.5.

banker outreach efforts that some institutions appended their own control totals on this form. The agencies agree with the suggestion, and plan to revise Schedule RC-N on the FFIEC 031, FFIEC 041, and FFIEC 051. For the same reason, the agencies will also revise Schedule RC-C, Part I, and Schedule RC-N to add control totals for troubled debt restructurings in Memorandum item 1 of each schedule. While these changes would add additional data items to these two schedules, the data items would be simple mathematical totals of existing data items and would not require the institution to obtain any additional data.

Five commenters requested that the agencies improve the clarity and usefulness of the Call Report instructions and highlight any changes made to the instructions each quarter. One commenter also recommended improving internal consistency within the Call Report. The agencies agree that the current Call Report instructions could be made more useful, and will start by incorporating hyperlinks to cited documents in the instructions for the FFIEC 051.[33] In addition, the agencies will post "redlined" documents on the FFIEC website that clearly indicate any changes to the instructions made since the previous quarter in both versions of the Call Report instructions. The agencies note that the description in the Call Report forms and instructions for "loans and leases, net of unearned income" and "loans and leases held for investment" are intended to have the same reported amounts. Accordingly, the agencies will replace the former description with the latter description in affected data item captions and related instructions for clarity and internal consistency. The agencies will continue to consider additional changes to improve the clarity and usefulness of the Call Report instructions and the internal consistency of the report.

Burden Estimates

The agencies received ten comments on the burden estimates. One commenter recommended including time to review instructions for the applicable form, even if data items in that form are not applicable to the institution. The agencies also received comments from institutions with estimates of the time it takes their institutions to prepare the current FFIEC 041 Call Report. The majority of these estimates ranged from 40-80 hours per quarter, with one response of 268 hours per quarter. Three commenters stated that preparing the Call Report costs approximately $1,000 annually for software. In response to the comments on methodology, the agencies have revised their calculation for their burden estimates. In addition to the estimated time for gathering and maintaining data in the required form and completing those Call Report data items for which an institution has a reportable (nonzero) amount, which have been included in the agencies' burden estimates, the revised methodology incorporates time for reviewing instructions for all items, even if the institution determines it does not have a reportable amount. The agencies have also added estimated burden hours for verifying the accuracy of amounts reported in the Call Report. As stated earlier, the agencies are also separating the estimated burden by type of report, to highlight the estimated burden reduction between the FFIEC 041 and FFIEC 051 reports. While the agencies' burden estimates are on the lower end of the ranges provided by commenters, these estimates are based on average times to complete each data item factoring in the varying levels of automation versus manual interventions that exist across institutions for every data item.

[33] The agencies have already begun to add such hyperlinks to the existing set of instructions for the FFIEC 031 and FFIEC 041.

One commenter estimated that the incremental burden associated with the one-time conversion from the FFIEC 041 to the FFIEC 051 would be approximately 160 hours, primarily for training, and approximately $350 for software. Due to the various factors that could affect the time and cost of switching to the FFIEC 051, including training needs, the type of existing systems and automation at an institution, and any cost from software vendors to enable an institution to file the new form, the agencies have not provided an estimate of this conversion burden. The agencies reiterate that adopting the FFIEC 051 form is optional, and each institution should weigh the estimated time savings from using that form with the one-time burden to switch to the FFIEC 051 from the FFIEC 041.

On January 9, 2017, the agencies published a final notice in the *Federal Register* (82 FR 2444).

Estimate of Respondent Burden

The current annual reporting burden for the Call Report is estimated to be 197,637 hours and would decrease to 178,200 hours as shown in the following table. The average estimated hours per response for Call Report filers would decrease from 59.89 hours to 54.00 hours due to the proposed changes. The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the proposed FFIEC 051 reports. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 128.05 (FFIEC 031), 74.88 (FFIEC 041) and 44.94 (FFIEC 051). Furthermore, the estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices). These reporting requirements represent 1.4 percent of the total Federal Reserve paperwork burden.

FFIEC 031, FFIEC 041, and FFIEC 051	*Number of respondents*[34]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current	825	4	59.89	197,637
Proposed	825	4	54.00	178,200
Change				(19,437)

[34] Of these respondents, 581 respondents are considered a small entity as defined by the Small Business Administration (i.e., entities with $550 million or less in total assets) www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards.

The current total annual cost to state member banks is estimated to be $10,504,407 and with the proposed revisions would decrease to $9,471,330.[35] This estimate represents costs associated with recurring salary and employee benefits, and expenses associated with software, data processing, and bank records that are not used internally for management purposes but are necessary to complete the Call Reports.

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 proposed cost to the Federal Reserve System for collecting and processing the FFIEC 031, FFIEC 041, and FFIEC 051 is estimated to be $2,280,455 per year, an increase of $79,900 from the current cost of $2,200,555. The one-time cost to implement the revised reports is estimated to be $61,700.

[35] Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at $17, 45% Financial Managers at $65, 15% Lawyers at $66, and 10% Chief Executives at $89). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2015*, published March 30, 2016 www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.

Appendix A
Summary of the FFIEC Member Entities' Uses of the Data Items in the Call Report Schedules in Full Review Surveys 1 through 3

Schedule RC (Balance Sheet)

Schedule RC collects high-level information on various balance sheet categories, including assets, liabilities, and equity accounts every quarter. These categories are aligned with the categories typically reported on a basic balance sheet prepared under U.S. generally accepted accounting principles (GAAP).

Schedule RI (Income Statement)

Schedule RI collects information on various income and expense categories every quarter. In general, these categories are aligned with the categories typically reported on a basic income statement and in the notes to the financial statements prepared under U.S. GAAP.

The Memorandum items collect an assortment of information on items related to the income statement. Some items provide additional detail for certain categories of income or expense, while other items are not directly tied to earnings measures. Memorandum items on tax-exempt income and nondeductible interest expense are used to convert components of reported earnings to a tax-equivalent basis to improve the comparability of income statement information across institutions for purposes of analyzing institutions' earnings. An institution's Subchapter S status for federal income tax purposes assists examiners and other users in understanding the amounts, if any, reported for applicable income taxes. It also serves as a flag for adjusting after-tax earnings when measuring return on assets to improve the comparability of this ratio across institutions with differing tax statuses. The count of full-time equivalent employees is used to calculate efficiency ratios and average personnel expenses per employee to identify institutions with higher expense levels for further review. The existence of other-than-temporary impairment losses on debt securities recognized in earnings provides an indication of heightened credit risk in an institution's investment securities, which may warrant supervisory follow-up, and assists in the scoping of the review of the securities portfolio during on-site examinations. Data on the composition of trading revenue is used in evaluating the variability and volatility of this revenue source for institutions with significant trading activity in off-site reviews and for pre-examination planning and as part of industry analysis of trading activity.

Schedule RC-C, Part I (Loans and Lease Financing Receivables)

Schedule RC-C, Part I, requests information on loan and lease financing activities, segmented into detailed loan categories. The memoranda items request additional information, including scheduled maturities and repricing dates for certain loan types and fair value estimates.

Schedule RC-C details loan volumes, segmentations, and structures, all of which facilitate the assessment of an institution's inherent risk, performance risk, and structure risk in its primary earning assets and its primary source of credit risk. Schedule RC-C is often reviewed in conjunction with Schedules RI, RI-B, and RC-N. This granular data enables examiners to analyze and assess the institution's loan portfolio diversification, credit quality, concentration exposure, and overall risk profile. These schedules are critical to the credit quality analysis performed by examiners to identify early warning signs of deterioration in the financial condition of institutions. Asset quality ratios from the Uniform Bank Performance Report (UBPR) that are calculated using data from Schedule RC-C and related loan schedules are also helpful to examiners in determining how an institution is performing relative to its peers and relative to its own risk profile based on its loan portfolio composition. In addition, these ratios are useful to examiners in assessing the institution's credit risk management practices relative to its peers. Elevated charge-offs or increases in nonaccrual loans in relation to loan balances provide information to users of the data on potential weak underwriting in prior periods, deterioration of asset quality, or the indication that the institution is recovering from a period of stress. If there are concerns about the allowance for loan and lease losses (ALLL) methodology or the appropriateness of the ALLL level, then there is a focus on the provision expense relative to the charge-offs as well as to the growth and quality of certain portfolios, depending on the institution's risk characteristics. All of these inputs are essential in the review of the balance sheet, the liquidity of the institution, and the asset-liability management of the institution.

The data on Schedule RC-C are needed for on-site and off-site examination purposes and also are used in the systemic analysis of the banking system. Because the loan portfolio is the primary source of credit risk in institutions, the breakdown of the portfolio by loan type is essential in the review of asset quality. An understanding of an institution's lending activity is needed to ensure the safety and soundness of the financial institution by indicating whether the institution is increasing concentrations or incorporating a change to its lending strategy. The loan segmentation information is essential for planning and staffing examinations by considering each institution's lending activities. The information also allows the examination teams to determine if the lending volume constitutes a concentration of credit, which could require additional monitoring, measuring, and risk mitigation strategies by bank management. In addition, the loan detail is important for loan scoping and trend analysis of the entire portfolio, which are essential in determining an institution's risk profile. On a broader perspective, the loan segmentation allows regulatory staff to identify concentration risks across institutions.

Along with related data in Schedule RC-N, information about troubled debt restructurings in compliance with their modified terms can assist the assessment of management's ability to work out different categories of problem loans.

Maturity and repricing information on loans and leases, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, are needed to evaluate the liquidity and interest rate risk of the institution and to aid in evaluating the strategies institutions take to mitigate these risks. Liquidity and interest rate risk indicators that are calculated by agency models from an institution's Call Report data and exceed specified parameters or change significantly between examinations are red flags that call for timely examiner off-site review. The institution's risk profile in these areas is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations.

In addition, Schedule RC-C and related loan schedules assisted the Consumer Financial Protection Bureau's (CFPB) efforts to develop required estimates for various Title XIV mortgage reform rulemakings under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (Dodd-Frank Act). Going forward, data items in these schedules are critical for continuous monitoring of the mortgage market. The CFPB uses these items to understand the intricacies of the mortgage market that are essential to assessing institutional participation in regulated consumer financial services markets and to assess regulatory impact associated with recent and proposed policies, as required by that agency's statutory mandate.

Finally, loan and lease information assists the agencies in fulfilling their specific missions. The Board, as part of its monetary policy mission, relies on institution-specific Call Report data to provide information on credit availability and lending conditions not available elsewhere. Loan and lease detail at all sizes of institutions is necessary for monitoring economic conditions.

Reducing loan detail or data frequency for smaller institutions would limit the ability to monitor credit availability and lending conditions widely, including changes in credit and lending related to changes in monetary policy. At times, loan availability and lending conditions may be different at smaller institutions than at larger institutions. Furthermore, Schedule RC-C, Part I, data are used to benchmark weekly loan data collected by the Board from a sample of both small and large institutions; the weekly data are used to estimate weekly loan aggregates for the banking sector as a whole to provide a more timely input for purposes of monitoring the macroeconomy.

The FDIC's deposit insurance assessment system for "established small banks" relies on information reported by individual institutions for the Schedule RC-C, Part I, standardized loan categories in the determination of the loan mix index in the financial ratios method, as recently amended, which is used to determine assessment rates for such institutions.

<u>Schedule RC-C, Part II (Loans to Small Businesses and Small Farms)</u>

Schedule RC-C, Part II, requests data on loans to small businesses and small farms, including stratification by original loan amount.

Call Report small business and small farm lending data are an invaluable resource for understanding credit conditions facing these sectors of the economy. Quarterly collection of these data improves the Board's ability to monitor credit conditions facing small businesses and small farms and significantly contributes to its ability to develop policies intended to address any problems that arise in credit markets. The institution-level Call Report data provide information that cannot be obtained from other indicators of small business and small farm credit conditions. For example, during a period of credit contraction, the Call Report data can be used to identify which types of institutions are reducing the volume of their loans to small businesses and small farms. This is important information for the Board, as having detailed data on the characteristics of affected institutions is crucial to building a sufficiently informative picture of the strength of economic activity. Moreover, there is evidence that small business lending by small institutions does not correlate with lending by larger institutions.

Monetary policymaking benefits importantly from timely information on small business credit conditions and flows. To determine how best to adjust the federal funds rate over time, the Board must continuously assess the prospects for real economic activity and inflation in coming quarters. Credit conditions have an important bearing on the evolution of those prospects over time, and so the Board pays close attention to data from Call Reports and other sources. In trying to understand the implications of aggregate credit data for the macroeconomic outlook, it is helpful to be able to distinguish between conditions facing small firms and those affecting other businesses, for several reasons. First, small businesses comprise a substantial portion of the nonfinancial business sector, and so their hiring and investment decisions have an important influence on overall real activity. Second, because small businesses tend to depend more heavily on depository institutions for external financing, they likely experience material swings in their ability to obtain credit relative to larger firms. Third, the relative opacity of small businesses and their consequent need to provide collateral for loans is thought to create a "credit" channel for monetary policy to influence real activity. Specifically, changes in monetary policy may alter the value of assets used as collateral for loans, thereby affecting the ability of small businesses to obtain credit, abstracting from the effects of any changes in loan rates. Finally, the credit conditions facing small businesses and small farms differ substantially from those facing large businesses, making it necessary to collect indicators that are specific to these borrowers.   Large businesses may access credit from a number of different sources, including the corporate bond market and the commercial paper market. In contrast, small businesses and small farms rely more heavily on credit provided through depository institutions. The dependence of small businesses and small farms on lending by depository institutions—particularly from smaller institutions—highlights the importance of Call Report data.

Schedule RC-N (Past Due and Nonaccrual Loans, Leases, and Other Assets)

Schedule RC-N requests data on past due and nonaccrual assets by detailed categories for loans and leases and, on a combined basis, for debt securities and other assets.

Data collected on Schedule RC-N is essential to the oversight function of the FFIEC member entities. The loan portfolio is the largest asset type and the primary source of credit risk at most financial institutions. Past due and nonaccrual loan information provides significant insights into the overall credit quality of a financial institution's loan portfolio and potential areas of credit quality concerns on which to focus for monitoring and assessing the credit risk management and overall safety and soundness of an institution. A high level of past due or nonaccrual loans often precedes adverse changes in an institution's earnings, liquidity, and capital adequacy. This information can also have an impact on consumer protection law compliance and agency rulemaking.

Information collected on Schedule RC-N is integral to both on-site and off-site review processes at the FFIEC member entities. Trends in past due and nonaccrual loans alert examiners to possible weaknesses in bank management's loan underwriting and credit administration practices. This information is a significant factor in assessing the portfolio's collectability and in estimating the appropriate level for an institution's ALLL, as well as the adequacy of its capital levels. The ability to compare results and trends across financial institutions is important to distinguish systemic issues from institution-specific concerns. Past due and nonaccrual loan information can serve as an indicator of areas of increasing credit risk within the loan portfolio. The segmentation of past due and nonaccrual information by loan category is necessary to pinpoint where the credit risk in an institution's loan portfolio exists. Comparing the past due level in different loan portfolios to other risk characteristics in that portfolio such as concentration, charge-offs, or growth can help to determine the overall level of risk to the safety and soundness of an institution. This data can also provide more insight on credit risks or weak underwriting practices associated with a specific loan category, which helps direct the scope of an exam.

Memorandum items in Schedule RC-N also provide important information about credit risk management, including the past due or nonaccrual status of troubled debt restructurings, which can assist the assessment of management's ability to work out different categories of problem loans. Data regarding delinquent derivative contracts provides important information for assessing a financial institution's asset quality, capital level, earnings, market risk, and operational risk.

Past due and nonaccrual information is also utilized in the assessment of compliance with consumer protection laws and regulations. Items reported on Schedule RC-N are used to inform rule writing and policy efforts, including the CFPB's Title XIV mortgage reform rulemakings under the Dodd-Frank Act. Past due information can identify potential areas of disparate treatment in relation to the Fair Housing Act (Pub. L. 90-284). Additionally, past due levels can highlight areas of potential unfair practices under the principles in section 1031 of the Dodd-Frank Act, which are similar to those under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

Schedule RI-B, Parts I and II (Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses)

Schedule RI-B, Part I, collects information on charge-offs and recoveries on loans and leases, while Part II collects information on changes in the ALLL during the year-to-date reporting period in a manner consistent with the disclosure of the activity in the allowance required under U.S. GAAP.

The data items on Schedule RI-B provide information critical to the missions of the FFIEC member entities. Charge-off amounts, in conjunction with any associated recoveries, for the various loan categories are needed to assess the safety and soundness of the financial institution by indicating the credit quality of the loan portfolio and the potential credit risk of the institution. The data items are also used to assess the strength of the institution's credit administration practices, along with the institution's loan underwriting practices. The data items also support the agencies' rule writing and policy efforts.

Schedule RI-B data play an integral role in reviewing the asset quality of an institution. The net charge-offs help in the assessment of the level of credit risk in the loan portfolio, both in aggregate and by loan type. Above average or increasing net charge-offs may be a signal of weak underwriting in prior periods, which in turn may be an indicator of future risks to earnings and capital. In addition, the separate reporting of gross charge-offs and recoveries allows users of the data to evaluate whether high recovery rates are masking underlying loss levels and trends, which may have future earnings implications, and the charge-off and recovery data also aid in the planning of on-site examinations and in the scoping of the loan review to be conducted during these examinations.

Schedule RI-B is also important in assessing the strength of an institution's underwriting and credit administration practices. The data items allow for the agencies to highlight loan categories with a large or sudden change in charge-off rates, which is often a key indicator of weaknesses in these areas, while information on recoveries provides support in evaluating an institution's ability to collect on prior charge-offs.

The segmentation of the charge-off and recovery data by loan category in Schedule RI-B is essential for many reasons. Consistent segmentation by loan category allows for comparability between institutions, as well as within an institution from quarter to quarter, allowing for the evaluation of changes and trends in charge-offs and recoveries that may or may not be institution-specific. This evaluation facilitates on-site examination planning. It also allows for better off-site monitoring of the existing types of lending and shifts in types of lending. The granularity and consistency of data items helps in the determination of whether weaknesses are confined to a particular portfolio segment and are unique to the institution or whether they are representative of a more widespread systemic weakness in a particular loan category. The detail by loan category is critical as losses in certain portfolios vary based on several factors and aggregating the data items would impair the ability to analyze data by loan category. The Memorandum items request further detail on charge-offs and recoveries or additional loan categories, which assists in the assessment of credit risk in these areas.

Schedule RI-B data items are used in rule writing and policy efforts. In particular, the items are used to assess institutional participation in regulated consumer financial services markets and to assess regulatory impact associated with recent and proposed policies, as required by the CFPB's mandate. Also, the information reported in Schedule RI-B, Part I, was integral in various Title XIV mortgage reform rulemakings under the Dodd-Frank Act and continues to be critical for the continuous monitoring of the mortgage markets.

Schedule RC-E, Parts I and II (Deposit Liabilities)

Schedule RC-E, Part I, requests data on deposits, segmented between transaction and nontransaction accounts. The Memoranda section of the schedule requests additional detail on retirement account deposits, brokered deposits, deposit size, and time deposit maturity and repricing dates. Schedule RC-E, Part II, requests data on foreign deposits and is included only in the FFIEC 031.

Schedule RC-E, Part I, provides detail necessary for supervisory purposes, including for identifying material deposit elements and providing detail needed to analyze cost of funds. Deposit detail as to the type, nature, and maturity of deposits, including deposits from non-core sources, is critical to the agencies' asset-liability management, interest rate risk, and liquidity analyses. A number of agency analysis tools routinely use quarterly deposit data for trend analysis and timely identification of deposit shifts, including changes in an institution's use of brokered and listing service deposits. Schedule RC-E, Part I, data are also used to estimate the contribution to the U.S. monetary aggregates for over 1,000 depository institutions that do not file these data directly to the Board.

The Schedule RC-E, Part I, Memorandum items provide information needed for off-site monitoring and pre-examination planning, particularly for analyses related to brokered deposits and time deposits, the results of which may signal the existence of higher-risk funding strategies. The resolution process for failed institutions requires sufficient deposit detail to estimate the least costly alternative to liquidation. Brokered deposit data are used as inputs in the calculation of deposit insurance assessment rates and to assure compliance with safety and soundness regulations tied to limits on those types of deposits.

Maturity and repricing information on time deposits, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, are needed to evaluate the liquidity and interest rate risk of the institution and to aid in evaluating the strategies institutions take to mitigate these risks. Liquidity and interest rate risk indicators that are calculated by agency models from an institution's Call Report data and exceed specified parameters or change significantly between examinations are red flags that call for timely examiner off-site review. The institution's risk profile in these areas is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations.

Schedule RC-E, Part II, data on foreign deposits provides the extent of and exposure to such balances, and is used in similar analyses for institutions with foreign operations.

Schedule RC-O (Other Data for Deposit Insurance and FICO Assessments)

Schedule RC-O requests data for deposit insurance purposes and serves three primary purposes for the FDIC: calculating the FDIC's DIF reserve ratio, calculating the assessment base of FDIC-insured institutions, and calculating the risk-based assessment rate of FDIC-insured institutions.

Schedule RC-O data are collected in the Call Report to provide unique information used in the calculation of the FDIC's reserve ratio to satisfy the statutory requirements related to maintaining the DIF. Information related to deposit liabilities on Schedule RC-O is needed to estimate insured deposits. Schedule RC-O is the only place on the Call Report where information is available to estimate insured and uninsured deposits for individual institutions and equivalent data items are not readily available from other sources.

Schedule RC-O data that are not available elsewhere enable the FDIC to calculate the quarterly deposit insurance assessment base for each FDIC-insured institution. Pursuant to the Dodd-Frank Act, the assessment base is defined as average consolidated total assets minus average tangible equity, both of which are reported in Schedule RC-O. Custodial banks and banker's banks also receive an additional adjustment to the assessment base using Schedule RC-O data. The FDIC must be able to calculate the assessment base in order to meet the statutory requirements for collecting quarterly insurance assessments from all FDIC-insured institutions.

Most of the data reported on Schedule RC-O is used to determine the risk-based insurance assessment for individual institutions in accordance with FDIC regulations implementing the statutory requirement for risk-based assessments first enacted in 1991. With the adoption of the risk-based scorecards for large and highly complex institutions, additional reporting is required on Schedule RC-O in data items applicable only to these institutions. In addition, some Schedule RC-O data items are used for determining the assessment rate of all FDIC-insured institutions.

Supervisory uses of Schedule RC-O data include incorporating the data on the maturity structure of external borrowings in agency interest rate risk models to determine the impact of interest rate movements on income and economic value of equity. Interest rate risk indicators that exceed specified parameters or change significantly between examinations are triggers for timely off-site review. The indicated level of interest rate risk is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations. Data on reciprocal brokered deposits supplements on- and off-site analyses of liquidity ratios, including the net non-core funding dependence and net short-term non-core funding dependence, both of which include brokered deposits in their calculation, because reciprocal brokered deposits may have characteristics that differ from other brokered deposits.

Appendix B
Proposed FFIEC 051 for March 31, 2017: Changes Made to the FFIEC 041
(based on the FFIEC 041 for September 30, 2016)

Schedules Replaced by Schedule SU – Supplemental Information:
Schedule RC-D – Trading Assets and Liabilities
Schedule RC-P – 1-4 Family Residential Mortgage Banking Activities
Schedule RC-Q – Assets and Liabilities Measured at Fair Value on a Recurring Basis
Schedule RC-S – Servicing, Securitization, and Asset Sale Activities
Schedule RC-V – Variable Interest Entities

Schedules with a Change in Frequency of Collection:
1. Schedule RC-C, Part II – Loans to Small Businesses and Small Farms – For all institutions that file the FFIEC 051, the frequency of collection will move from quarterly to semiannual (June and December).
2. Schedule RC-A – Cash and Balances Due from Depository Institutions – Institutions with less than $300 million in total assets are already exempt from completing this schedule. For all other FFIEC 051 filers, the frequency of collection will move from quarterly to semiannual (June and December).

Data Items Removed:
NOTE: In the following list of "Data Items Removed" from the proposed FFIEC 051, existing FFIEC 041 data items that institutions with less than $1 billion in total assets are currently exempt from reporting are marked with an asterisk ("*"). In addition, the list excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, *Federal Register* notice (81 FR 45357): Schedule RI, Memorandum items 14.a and 14.b.

Schedule	Item	Item Name	MDRM Number
RI	1.a.(4)	Loans to foreign governments and official institutions	RIAD4056
RI	1.e	Interest income from trading assets	RIAD4069
RI	2.c	Interest on trading liabilities and other borrowed money	RIAD4185
RI	2.d	Interest on subordinated notes and debentures Note: Items 2.c and 2.d of Schedule RI will be combined into one data item for "Other interest expense."	RIAD4200
RI	5.c	Trading revenue	RIADA220
RI	5.e	Venture capital revenue	RIADB491
RI	M2*	Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8)	RIAD8431

Schedule	Item	Item Name	MDRM Number
RI	M8.a	Interest rate exposures	RIAD8757
RI	M8.b	Foreign exchange exposures	RIAD8758
RI	M8.c	Equity security and index exposures	RIAD8759
RI	M8.d	Commodity and other exposures	RIAD8760
RI	M8.e	Credit exposures	RIADF186
RI	M8.f*	Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e)	RIADK090
RI	M8.g*	Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e).	RIADK094
RI	M9.a	Net gains (losses) on credit derivatives held for trading	RIADC889
RI	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890
RI	M10	Credit losses on derivatives	RIADA251
RI	M13.a.(1)	Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	RIADF552
RI	M13.b.(1)	Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	RIADF554
RI	M15.a*	Consumer overdraft-related service charges levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH032
RI	M15.b*	Consumer account periodic maintenance charges levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for	RIADH033

Schedule	Item	Item Name	MDRM Number
		personal, household, or family use	
RI	M15.c*	Consumer customer automated teller machine (ATM) fees levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH034
RI	M15.d*	All other service charges on deposit accounts	RIADH035
RI-B, Part I	2	Loans to depository institutions and acceptances of other banks (Columns A and B)	RIAD4481, RIAD4482
RI-B, Part I	6	Loans to foreign governments and official institutions (Columns A and B)	RIAD4643, RIAD4627
RI-B, Part I	M2.a	Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1) (Columns A and B)	RIAD4652, RIAD4662
RI-B, Part I	M2.b	Loans to and acceptances of foreign banks (included in Schedule RI-B, part I, item 2) (Columns A and B)	RIAD4654, RIAD4664
RI-B, Part I	M2.c	Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4) (Columns A and B)	RIAD4646, RIAD4618
RI-B, Part I	M2.d	Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8) (Columns A and B)	RIADF185, RIADF187
RI-B, Part II	M1	Allocated transfer risk reserve included in Schedule RI-B, part II, item 7	RIADC435
RI-C	1.a*	Construction loans (Columns A through F)	RCONM708, RCONM709, RCONM710,RCONM711, RCONM712,RCONM713

Schedule	Item	Item Name	MDRM Number
RI-C	1.b*	Commercial real estate loans (Columns A through F)	RCONM714, RCONM715, RCONM716, RCONM717, RCONM719, RCONM720
RI-C	1.c*	Residential real estate loans (Columns A through F)	RCONM721, RCONM722, RCONM723, RCONM724, RCONM725, RCONM726
RI-C	2*	Commercial loans (Columns A through F)	RCONM727, RCONM728, RCONM729, RCONM730, RCONM731, RCONM732
RI-C	3*	Credit cards (Columns A through F)	RCONM733, RCONM734, RCONM735, RCONM736, RCONM737, RCONM738
RI-C	4*	Other consumer loans (Columns A through F)	RCONM739, RCONM740, RCONM741, RCONM742, RCONM743, RCONM744
RI-C	5*	Unallocated, if any	RCONM745
RI-C	6*	Total (for each column, sum of items 1.a through 5) (Columns A through F)	RCONM746, RCONM747, RCONM748, RCONM749, RCONM750, RCONM751
RC-B	M5.a*	Credit card receivables (Columns A through D)	RCONB838, RCONB839, RCONB840, RCONB841
RC-B	M5.b*	Home equity lines (Columns A through D)	RCONB842, RCONB843, RCONB844, RCONB845
RC-B	M5.c*	Automobile loans (Columns A through D)	RCONB846, RCONB847, RCONB848, RCONB849

Schedule	Item	Item Name	MDRM Number
RC-B	M5.d*	Other consumer loans (Columns A through D)	RCONB850, RCONB851, RCONB852, RCONB853
RC-B	M5.e*	Commercial and industrial loans (Columns A through D)	RCONB854, RCONB855, RCONB856, RCONB857
RC-B	M5.f*	Other (Columns A through D)	RCONB858, RCONB859, RCONB860, RCONB861
RC-C, Part I	2a.(1)	To U.S. branches and agencies of foreign banks	RCONB532
RC-C, Part I	2a.(2)	To other commercial banks in the U.S.	RCONB533
RC-C, Part I	2.b	To other depository institutions in the U.S.	RCONB534
RC-C, Part I	2.c.(1)	To foreign branches of other U.S. banks	RCONB536
RC-C, Part I	2.c.(2)	To other banks in foreign countries	RCONB537
RC-C, Part I	4.a	To U.S. addressees (domicile)	RCON1763
RC-C, Part I	4.b	To non-U.S. addressees (domicile)	RCON1764
RC-C, Part I	7	Loans to foreign governments and official institutions (including foreign central banks)	RCON2081
RC-C, Part I	9.b.(1)	Loans for purchasing or carrying securities (secured and unsecured)	RCON1545
RC-C, Part I	9.b.(2)	All other loans (exclude consumer loans)	RCONJ451
RC-C, Part I	10.a	Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCONF162
RC-C, Part I	10.b	All other leases	RCONF163
RC-C, Part I	M1.e.(1)	To U.S. addressees (domicile)	RCONK163
RC-C, Part I	M1.e.(2)	To non-U.S. addressees (domicile)	RCONK164
RC-C, Part I	M5	Loans secured by real estate to non U.S. addressees (domicile)	RCONB837
RC-C, Part I	M10.a.(1)	Construction, land development, and other land loans	RCONF578
RC-C, Part I	M10.a.(2)	Secured by farmland (including farm residential and other improvements)	RCONF579

Schedule	Item	Item Name	MDRM Number
RC-C, Part I	M10.a.(3)(a)	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF580
RC-C, Part I	M10.a.(3)(b)(1)	Secured by first liens	RCONF581
RC-C, Part I	M10.a.(3)(b)(2)	Secured by junior liens	RCONF582
RC-C, Part I	M10.a.(4)	Secured by multifamily (5 or more) residential properties	RCONF583
RC-C, Part I	M10.a.(5)	Secured by nonfarm nonresidential properties	RCONF584
RC-C, Part I	M10.b	Commercial and industrial loans	RCONF585
RC-C, Part I	M10.c.(1)	Credit cards	RCONF586
RC-C, Part I	M10.c.(2)	Other revolving credit plans	RCONF587
RC-C, Part I	M10.c.(3)	Automobile loans	RCONK196
RC-C, Part I	M10.c.(4)	Other consumer loans	RCONK208
RC-C, Part I	M10.d	Other loans	RCONF589
RC-C, Part I	M11.a.(1)	Construction, land development, and other land loans	RCONF590
RC-C, Part I	M11.a.(2)	Secured by farmland (including farm residential and other improvements)	RCONF591
RC-C, Part I	M11.a.(3)(a)	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF592
RC-C, Part I	M11.a.(3)(b)(1)	Secured by first liens	RCONF593
RC-C, Part I	M11.a.(3)(b)(2)	Secured by junior liens	RCONF594
RC-C, Part I	M11.a.(4)	Secured by multifamily (5 or more) residential properties	RCONF595
RC-C, Part I	M11.a.(5)	Secured by nonfarm nonresidential properties	RCONF596
RC-C, Part I	M11.b	Commercial and industrial loans	RCONF597
RC-C, Part I	M11.c.(1)	Credit cards	RCONF598

Schedule	**Item**	**Item Name**	**MDRM Number**
RC-C, Part I	M11.c.(2)	Other revolving credit plans	RCONF599
RC-C, Part I	M11.c.(3)	Automobile loans	RCONK195
RC-C, Part I	M11.c.(4)	Other consumer loans	RCONK209
RC-C, Part I	M11.d	Other loans	RCONF601
RC-C, Part I	M12.a	Loans secured by real estate (Columns A through C)	RCONG091, RCONG092, RCONG093
RC-C, Part I	M12.b	Commercial and industrial loans (Columns A through C)	RCONG094, RCONG095, RCONG096
RC-C, Part I	M12.c	Loans to individuals for household, family and other personal expenditures (Columns A through C)	RCONG097, RCONG098, RCONG099
RC-C, Part I	M12.d	All other loans and all leases (Columns A through C) Note: Memorandum items 12.a through 12.d of Schedule RC-C, Part I, will be combined into data items for "Total loans and leases" (Columns A through C).	RCONG100, RCONG101, RCONG102
RC-E	M6.a*	Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753
RC-E	M6.b*	Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754
RC-E	M6.c*	Total deposits in all other transaction accounts of individuals, partnerships, and corporations	RCONP755
RC-E	M7.a.(1)*	Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756
RC-E	M7.a.(2)*	Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757

Schedule	Item	Item Name	MDRM Number
RC-E	M7.b.(1)*	Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758
RC-E	M7.b.(2)*	Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759
RC-L	1.a.(1)	Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment (included in item 1.a above)	RCONJ477
RC-L	1.a.(2)	Unused commitments for proprietary reverse mortgages outstanding that are held for investment (included in item 1.a)	RCONJ478
RC-L	2.a*	Amount of financial standby letters of credit conveyed to others	RCON3820
RC-L	3.a*	Amount of performance standby letters of credit conveyed to others	RCON3822
RC-L	7.a.(1)	Credit default swaps (Columns A and B)	RCONC968, RCONC969
RC-L	7.a.(2)	Total return swaps (Columns A and B)	RCONC970, RCONC971
RC-L	7.a.(3)	Credit options (Columns A and B)	RCONC972, RCONC973
RC-L	7.a.(4)	Other credit derivatives (Columns A and B)	RCONC974, RCONC975
RC-L	7.b.(1)	Gross positive fair value (Columns A and B)	RCONC219, RCONC221
RC-L	7.b.(2)	Gross negative fair value (Columns A and B)	RCONC220, RCONC222
RC-L	7.c.(1)(a)	Sold protection	RCONG401
RC-L	7.c.(1)(b)	Purchased protection	RCONG402
RC-L	7.c.(2)(a)	Sold protection	RCONG403
RC-L	7.c.(2)(b)	Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCONG404
RC-L	7.c.(2)(c)	Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCONG405
RC-L	7.d.(1)(a)	Investment grade (Columns A through C)	RCONG406, RCONG407, RCONG408

Schedule	Item	Item Name	MDRM Number
RC-L	7.d.(1)(b)	Sub-investment grade (Columns A through C)	RCONG409, RCONG410, RCONG411
RC-L	7.d.(2)(a)	Investment grade (Columns A through C)	RCONG412, RCONG413, RCONG414
RC-L	7.d.(2)(b)	Sub-investment grade (Columns A through C)	RCONG415, RCONG416, RCONG417
RC-L	8	Spot foreign exchange contracts	RCON8765
RC-L	9.b	Commitments to purchase when-issued securities	RCON3434
RC-L	10.a	Commitments to sell when-issued securities	RCON3435
RC-L	12.a	Futures contracts (Columns A through D)	RCON8693, RCON8694, RCON8695, RCON8696
RC-L	12.b	Forward contracts (Columns A through D)	RCON8697, RCON8698, RCON8699, RCON8700
RC-L	12.c.(1)	Written options (Columns A through D)	RCON8701, RCON8702, RCON8703, RCON8704
RC-L	12.c.(2)	Purchased options (Columns A through D)	RCON8705, RCON8706, RCON8707, RCON8708
RC-L	12.d.(1)	Written options (Columns A through D)	RCON8709, RCON8710, RCON8711, RCON8712
RC-L	12.d.(2)	Purchased options (Columns A through D)	RCON8713, RCON8714, RCON8715, RCON8716
RC-L	12.e	Swaps (Columns A through D)	RCON3450, RCON3826, RCON8719, RCON8720
RC-L	13	Total gross notional amount of derivative contracts held for trading (Columns B through D)	RCONA127, RCON8723, RCON8724
RC-L	14	Total gross notional amount of derivative contracts held for purposes other than trading (Columns B through D)	RCON8726, RCON8727, RCON8728
RC-L	14.a	Interest rate swaps where the bank has agreed to pay a fixed rate	RCONA589
RC-L	15.a.(1)	Gross positive fair value (Columns A through D)	RCON8733, RCON8734, RCON8735, RCON8736
RC-L	15.a.(2)	Gross negative fair value (Columns A through D)	RCON8737, RCON8738, RCON8739, RCON8740
RC-L	15.b.(1)	Gross positive fair value (Columns A through D)	RCON8741, RCON8742, RCON8743, RCON8744
RC-L	15.b.(2)	Gross negative fair value (Columns A through D)	RCON8745, RCON8746, RCON8747, RCON8748

Schedule	**Item**	**Item Name**	**MDRM Number**
RC-L	16.a*	Net current credit exposure (Columns A through E)	RCONG418, RCONG419, RCONG420, RCONG421, RCONG422
RC-L	16.b.(1)*	Cash - U.S. dollar (Columns A through E)	RCONG423, RCONG424, RCONG425, RCONG426, RCONG427
RC-L	16.b.(2)*	Cash - Other currencies (Columns A through E)	RCONG428, RCONG429, RCONG430, RCONG431, RCONG432
RC-L	16.b.(3)*	U.S. Treasury securities (Columns A through E)	RCONG433, RCONG434, RCONG435, RCONG436, RCONG437
RC-L	16.b.(4)*	U.S. Government agency and U.S. Government-sponsored agency debt securities (Columns A through E)	RCONG438, RCONG439, RCONG440, RCONG441, RCONG442
RC-L	16.b.(5)*	Corporate bonds (Columns A through E)	RCONG443, RCONG444, RCONG445, RCONG446, RCONG447
RC-L	16.b.(6)*	Equity securities (Columns A through E)	RCONG448, RCONG449, RCONG450, RCONG451, RCONG452
RC-L	16.b.(7)*	All other collateral (Columns A through E)	RCONG453, RCONG454, RCONG455, RCONG456, RCONG457
RC-L	16.b.(8)*	Total fair value of collateral (sum of items 16.b.(1) through (7)) (Columns A through E)	RCONG458, RCONG459, RCONG460, RCONG461, RCONG462
RC-M	13.a.(1)(a)(1)	1-4 family residential construction loans	RCONK169
RC-M	13.a.(1)(a)(2)	Other construction loans and all land development and other land loans	RCONK170
RC-M	13.a.(1)(b)	Secured by farmland	RCONK171
RC-M	13.a.(1)(c)(1)	Revolving, open-end loans secured by 1-4 family residential properties and extended under	RCONK172

Schedule	Item	Item Name	MDRM Number
		lines of credit	
RC-M	13.a.(1)(c)(2)(a)	Secured by first liens	RCONK173
RC-M	13.a.(1)(c)(2)(b)	Secured by junior liens	RCONK174
RC-M	13.a.(1)(d)	Secured by multifamily (5 or more) residential properties	RCONK175
RC-M	13.a.(1)(e)(1)	Loans secured by owner-occupied nonfarm nonresidential properties	RCONK176
RC-M	13.a.(1)(e)(2)	Loans secured by other nonfarm nonresidential properties	RCONK177
RC-M	13.a.(3)	Commercial and industrial loans	RCONK179
RC-M	13.a.(4)(a)	Credit cards	RCONK180
RC-M	13.a.(4)(b)	Automobile loans	RCONK181
RC-M	13.a.(4)(c)	Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK182
RC-M	13.a.(5)	All other loans and all leases	RCONK183
RC-M	13.b.(1)	Construction, land development, and other land	RCONK187
RC-M	13.b.(2)	Farmland	RCONK188
RC-M	13.b.(3)	1-4 family residential properties	RCONK189
RC-M	13.b.(4)	Multifamily (5 or more) residential properties	RCONK190
RC-M	13.b.(5)	Nonfarm nonresidential properties	RCONK191
RC-M	13.c	Debt securities (included in Schedule RC, items 2.a and 2.b)	RCONJ461
RC-M	13.d	Other assets (exclude FDIC loss-sharing indemnification assets)	RCONJ462
RC-N	6	Loans to foreign governments and official institutions (Columns A through C)	RCON5389, RCON5390, RCON5391
RC-N	11a.(1)(a)	1-4 family residential construction loans (Columns A through C)	RCONK045, RCONK046, RCONK047
RC-N	11.a.(1)(b)	Other construction loans and all land development and other land loans (Columns A through C)	RCONK048, RCONK049, RCONK050
RC-N	11.a.(2)	Secured by farmland (Columns A through C)	RCONK051, RCONK052, RCONK053
RC-N	11.a.(3)(a)	Revolving, open-end loans secured by 1-4 family residential properties and extended under	RCONK054, RCONK055, RCONK056

Schedule	Item	Item Name	MDRM Number
		lines of credit (Columns A through C)	
RC-N	11.a.(3)(b)(1)	Secured by first liens (Columns A through C)	RCONK057, RCONK058, RCONK059
RC-N	11.a.(3)(b)(2)	Secured by junior liens (Columns A through C)	RCONK060, RCONK061, RCONK062
RC-N	11.a.(4)	Secured by multifamily (5 or more) residential properties (Columns A through C)	RCONK063, RCONK064, RCONK065
RC-N	11.a.(5)(a)	Loans secured by owner-occupied nonfarm nonresidential properties (Columns A through C)	RCONK066, RCONK067, RCONK068
RC-N	11.a.(5)(b)	Loans secured by other nonfarm nonresidential properties (Columns A through C)	RCONK069, RCONK070, RCONK071
RC-N	11.c	Commercial and industrial loans (Columns A through C)	RCONK075, RCONK076, RCONK077
RC-N	11.d.(1)	Credit cards (Columns A through C)	RCONK078, RCONK079, RCONK080
RC-N	11.d.(2)	Automobile loans (Columns A through C)	RCONK081, RCONK082, RCONK083
RC-N	11.d.(3)	Other (includes revolving credit plans other than credit cards and other consumer loans) (Columns A through C)	RCONK084, RCONK085, RCONK086
RC-N	11.e	All other loans and all leases (Columns A through C)	RCONK087, RCONK088, RCONK089
RC-N	M1.e.(1)	To U.S. addressees (domicile) (Columns A through C)	RCONK120, RCONK121, RCONK122
RC-N	M1.e.(2)	To non-U.S. addressees (domicile) (Columns A through C)	RCONK123, RCONK124, RCONK125
RC-N	M3.a	Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1) (Columns A through C)	RCON1248, RCON1249, RCON1250
RC-N	M3.b	Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2) (Columns A through C)	RCON5380, RCON5381, RCON5382
RC-N	M3.c	Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4) (Columns A through C)	RCON1254, RCON1255, RCON1256

Schedule	Item	Item Name	MDRM Number
RC-N	M3.d	Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8) (Columns A through C)	RCONF166, RCONF167, RCONF168
RC-N	M5.b.(1)	Loans measured at fair value: Fair value (Columns A through C)	RCONF664, RCONF665, RCONF666
RC-N	M5.b.(2)	Loans measured at fair value: Unpaid principal balance (Columns A through C)	RCONF667, RCONF668, RCONF669
RC-N	M6	Derivative contracts: Fair value of amounts carried as assets (Columns A and B)	RCON3529, RCON3530
RC-O	M2*	Estimated amount of uninsured deposits, including related interest accrued and unpaid	RCON5597
RC-O	M6.a*	Special mention	RCONK663
RC-O	M6.b*	Substandard	RCONK664
RC-O	M6.c*	Doubtful	RCONK665
RC-O	M6.d*	Loss	RCONK666
RC-O	M7.a*	Nontraditional 1-4 family residential mortgage loans	RCONN025
RC-O	M7.b*	Securitizations of nontraditional 1-4 family residential mortgage loans	RCONN026
RC-O	M8.a*	Higher-risk consumer loans	RCONN027
RC-O	M8.b*	Securitizations of higher-risk consumer loans	RCONN028
RC-O	M9.a*	Higher-risk commercial and industrial loans and securities	RCONN029
RC-O	M9.b*	Securitizations of higher-risk commercial and industrial loans and securities	RCONN030
RC-O	M10.a*	Total unfunded commitments	RCONK676
RC-O	M10.b*	Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCONK677
RC-O	M11*	Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCONK669
RC-O	M12*	Nonbrokered time deposits of more than $250,000 (included in	RCONK678

Schedule	Item	Item Name	MDRM Number
		Schedule RC-E, Memorandum item 2.d)	
RC-O	M13.a*	Construction, land development, and other land loans secured by real estate	RCONN177
RC-O	M13.b*	Loans secured by multifamily residential and nonfarm nonresidential properties	RCONN178
RC-O	M13.c*	Closed-end loans secured by first liens on 1-4 family residential properties	RCONN179
RC-O	M13.d*	Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONN180
RC-O	M13.e*	Commercial and industrial loans	RCONN181
RC-O	M13.f*	Credit card loans to individuals for household, family, and other personal expenditures	RCONN182
RC-O	M13.g*	All other loans to individuals for household, family, and other personal expenditures	RCONN183
RC-O	M13.h*	Non-agency residential mortgage-backed securities	RCONM963
RC-O	M14*	Amount of the institution's largest counterparty exposure	RCONK673
RC-O	M15*	Total amount of the institution's 20 largest counterparty exposures	RCONK674
RC-O	M16*	Portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, part I, Memorandum item 1)	RCONL189
RC-O	M17.a*	Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONL194

Schedule	Item	Item Name	MDRM Number
RC-O	M17.b*	Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	RCONL195
RC-O	M17.c*	Unsecured "Other borrowings" with a remaining maturity of one year or less	RCONL196
RC-O	M17.d*	Estimated amount of uninsured deposits, including related interest accrued and unpaid	RCONL197
RC-O	M18.a*	"Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations (Columns A through O)	RCONM964, RCONM965, RCONM966, RCONM967, RCONM968, RCONM969, RCONM970, RCONM971, RCONM972, RCONM973, RCONM974, RCONM975, RCONM976, RCONM977, RCONM978
RC-O	M18.b*	Closed-end loans secured by first liens on 1-4 family residential properties (Columns A through O)	RCONM979, RCONM980, RCONM981, RCONM982, RCONM983, RCONM984, RCONM985, RCONM986, RCONM987, RCONM988, RCONM989, RCONM990, RCONM991, RCONM992, RCONM993
RC-O	M18.c*	Closed-end loans secured by junior liens on 1-4 family residential properties (Columns A through O)	RCONM994, RCONM995, RCONM996, RCONM997, RCONM998, RCONM999,

Schedule	Item	Item Name	MDRM Number
			RCONN001, RCONN002, RCONN003, RCONN004, RCONN005, RCONN006, RCONN007, RCONN008, RCONN009
RC-O	M18.d*	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (Columns A through O)	RCONN010, RCONN011, RCONN012, RCONN013, RCONN014, RCONN015, RCONN016, RCONN017, RCONN018, RCONN019, RCONN020, RCONN021, RCONN022, RCONN023, RCONN024
RC-O	M18.e*	Credit cards (Columns A through O)	RCONN040, RCONN041, RCONN042, RCONN043, RCONN044, RCONN045, RCONN046, RCONN047, RCONN048, RCONN049, RCONN050, RCONN051, RCONN052, RCONN053, RCONN054
RC-O	M18.f*	Automobile loans (Columns A through O)	RCONN055, RCONN056, RCONN057, RCONN058, RCONN059, RCONN060, RCONN061, RCONN062, RCONN063,

Schedule	Item	Item Name	MDRM Number
			RCONN064, RCONN065, RCONN066, RCONN067, RCONN068, RCONN069
RC-O	M18.g*	Student loans (Columns A through O)	RCONN070, RCONN071, RCONN072, RCONN073, RCONN074, RCONN075, RCONN076, RCONN077, RCONN078, RCONN079, RCONN080, RCONN081, RCONN082, RCONN083, RCONN084
RC-O	M18.h*	Other consumer loans and revolving credit plans other than credit cards (Columns A through O)	RCONN085, RCONN086, RCONN087, RCONN088, RCONN089, RCONN090, RCONN091, RCONN092, RCONN093, RCONN094, RCONN095, RCONN096, RCONN097, RCONN098, RCONN099
RC-O	M18.i*	Consumer leases (Columns A through O)	RCONN100, RCONN101, RCONN102, RCONN103, RCONN104, RCONN105, RCONN106, RCONN107, RCONN108, RCONN109, RCONN110, RCONN111,

Schedule	Item	Item Name	MDRM Number
			RCONN112, RCONN113, RCONN114
RC-O	M18.j*	Total (Columns A through N)	RCONN115, RCONN116, RCONN117, RCONN118, RCONN119, RCONN120, RCONN121, RCONN122, RCONN123, RCONN124, RCONN125, RCONN126, RCONN127, RCONN128

<u>Data Items with a Change in Frequency of Collection:</u>

<u>Semiannual Reporting (June and December)</u>

Schedule	Item	Item Name	MDRM Number
RC-B	M6.a through M6.g	Structured financial products by underlying collateral or reference assets (Columns A through D)	RCONG348, RCONG349, RCONG350, RCONG351, RCONG352, RCONG353, RCONG354, RCONG355, RCONG356, RCONG357, RCONG358, RCONG359, RCONG360, RCONG361, RCONG362, RCONG363, RCONG364, RCONG365, RCONG366, RCONG367, RCONG368, RCONG369, RCONG370, RCONG371,

Schedule	Item	Item Name	MDRM Number
			RCONG372, RCONG373, RCONG374, RCONG375
RC-C, Part I	M4	Adjustable-rate closed-end loans secured by first liens on 1–4 family residential properties (included in Schedule RC-C, Part I, item 1.c.(2)(a), column B)	RCON5370
RC-F	6.a through 6.i	All other assets: itemized items greater than $100,000 that exceed 25 percent of this item	RCON2166, RCON1578, RCONC010, RCONC436, RCONJ448, RCON3549, RCON3550, RCON3551
RC-G	4.a through 4.g	All other liabilities: itemized items greater than $100,000 that exceed 25 percent of this item	RCON3066, RCONC011, RCON2932, RCONC012, RCON3552, RCON3553, RCON3554
RC-L	9.c through 9.f	All other off-balance sheet liabilities (exclude derivatives): itemized items over 25 percent of Schedule RC, item 27.a. "Total bank equity capital"	RCONC978, RCON3555, RCON3556, RCON3557
RC-L	10.b through 10.e	All other off-balance sheet assets (exclude derivatives): itemized items over 25 percent of Schedule RC, item 27.a. "Total bank equity capital"	RCONC5592, RCON5593, RCON5594, RCON5595
RC-N	M5.a	Loans and leases held for sale (Columns A through C)	RCONC240, RCONC241, RCONC226

Annual Reporting (December)

Schedule	Item	Item Name	MDRM Number
RI	M12	Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a))	RIADF228
RC-C, Part I	M8.b	Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1–4 family residential properties.	RCONF231
RC-C, Part I	M8.c	Total amount of negative amortization on closed-end loans secured by 1–4 family residential properties included in the amount reported in Memorandum item 8.a	RCONF232
RC-M	6	Does the reporting bank sell private label or third-party mutual funds and annuities?	RCONB569
RC-M	7	Assets under the reporting bank's management in proprietary mutual funds and annuities	RCONB570
RC-M	9	Do any of the bank's Internet websites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the website?	RCON4088
RC-M	11	Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463
RC-M	12	Does the bank provide custody, safekeeping, or other services involving the acceptance of order for the sale or purchase of securities?	RCONG464
RC-M	14.a	Total assets of captive insurance subsidiaries	RCONK193
RC-M	14.b	Total assets of captive reinsurance subsidiaries	RCONK194

<u>Data Items Moved to Schedule SU – Supplemental Information:</u>

Schedule	Item	Item Name	MDRM Number
RI	M13.a	Net gains (losses) on assets	RIADF551
RI	M13.b	Net gains (losses) on liabilities	RIADF553
RI-B, Part I	M4	Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)	RIADC388
RI-B, Part II	M2	Separate valuation allowance for uncollectible retail credit card fees and finance charges	RIADC389
RI-B, Part II	M3	Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges	RIADC390
RC-C, Part I	M6	Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a	RCONC391
RC-L	13	Total gross notional amount of derivative contracts held for trading (Column A)	RCONA126
RC-L	14	Total gross notional amount of derivative contracts held for purposes other than trading (Columns A)	RCON8725
RC-M	13.b.(7)	Portion of covered other real estate owned included in items 13.b.(1) through (5) that is protected by FDIC loss-sharing agreements	RCONK192
RC-N	11.f	Portion of covered loans and leases included in items 11.a through 11.e that is protected by FDIC loss-sharing agreements (Columns A through C)	RCONK102, RCONK103, RCONK104
RC-S	M4	Outstanding fees and credit card charges included in Schedule RC-S, item 1, column C	RCONC407

Appendix C

FFIEC 031 for March 31, 2017: Data Items Removed or Change in Reporting Threshold

Data Items Removed

Schedule	Item	Item Name	MDRM Number
RI-B, Part I	2.a	Loans to and acceptances of U.S. banks and other U.S. depository institutions (Column A and Column B)	RIAD4653, RIAD4663
RI-B, Part I	2.b	Loans to and acceptances of foreign banks (Column A and Column B)	RIAD4654, RIAD4664
RC-C, Part II	1	Yes/No indicator whether all or substantially all of the dollar volume of ‘loans secured by nonfarm nonresidential properties’ and ‘commercial and industrial loans to U.S. addressees’ have original amounts of $100,000 or less	RCON6999
RC-C, Part II	2.a	Total number of loans secured by nonfarm nonresidential properties currently outstanding	RCON5562
RC-C, Part II	2.b	Total number of commercial and industrial loans to U.S. addressees currently outstanding	RCON5563
RC-C, Part II	5	Yes/No indicator whether all or substantially all of the dollar volume of ‘Loans secured by farmland’ and ‘Loans to finance agricultural production and other loans to farmers’ have original amounts of $100,000 or less	RCON6860
RC-C, Part II	6.a	Total number of loans secured by farmland currently outstanding	RCON5576
RC-C, Part II	6.b	Total number of loans to finance agricultural production and other loans to farmers currently outstanding	RCON5577
RC-E, Part I	M6.c	Total deposits in all other transaction accounts of individuals, partnerships, and corporations	RCONP755
RC-M	13.a.(2)	Loans to finance agricultural production and other loans to farmers covered by loss-sharing agreements with the FDIC	RCFDK178
RC-M	13.a.(3)	Commercial and industrial loans covered by loss-sharing agreements with the FDIC	RCFDK179
RC-M	13.a.(4)(a)	Credit card loans covered by loss-sharing agreements with the FDIC	RCFDK180
RC-M	13.a.(4)(b)	Automobile loans covered by loss-sharing agreements with the FDIC	RCFDK181
RC-M	13.a.(4)(c)	All other consumer loans covered by loss-	RCFDK182

Schedule	Item	Item Name	MDRM Number
		sharing agreements with the FDIC	
RC-N	11.b	Loans to finance agricultural production and other loans to farmers covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCFDK072, RCFDK073, RCFDK074
RC-N	11.c	Commercial and industrial loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCFDK075, RCFDK076, RCFDK077
RC-N	11.d.(1)	Credit card loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCFDK078, RCFDK079, RCFDK080
RC-N	11.d.(2)	Automobile loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCFDK081, RCFDK082, RCFDK083
RC-N	11.d.(3)	All other consumer loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCFDK084, RCFDK085, RCFDK086

Change in Reporting Threshold

To be completed by banks with $10 billion or more in total assets

Schedule	Item	Item Name	MDRM Number
RI	M9.a	Net gains (losses) on credit derivatives held for trading	RIADC889
RI	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890
RC-E, Part II	1	Deposits of Individuals, partnerships, and corporations (include all certified and official checks)	RCFNB553
RC-E, Part II	2	Deposits of U.S. banks and other U.S. depository institutions in foreign offices	RCFNB554
RC-E, Part II	3	Deposits of foreign banks in foreign offices	RCFN2625
RC-E, Part II	4	Deposits of foreign governments and official institutions in foreign offices	RCFN2650
RC-E, Part II	5	Deposits of U.S. Government and states and political subdivisions in the U.S in foreign offices	RCFNB555
RC-E, Part II	6	Total deposits in foreign offices	RCFN2200

NOTE: The preceding list of "Data Items Removed" from the FFIEC 031 excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, *Federal Register* notice (81 FR 45357): Schedule

RI, Memorandum items 14.a and 14.b.

<u>Change in Reporting Threshold</u>

To be completed by banks with $10 million or more in average trading assets

Schedule	Item	Item Name	MDRM Number
RI	M8.a	Trading revenue from interest rate exposures	RIAD8757
RI	M8.b	Trading revenue from foreign exchange exposures	RIAD8758
RI	M8.c	Trading revenue from equity security and index exposures	RIAD8759
RI	M8.d	Trading revenue from commodity and other exposures	RIAD8760
RI	M8.e	Trading revenue from credit exposures	RIADF186

Appendix D
FFIEC 041 for March 31, 2017: Data Items Removed or Change in Reporting Threshold

Data Items Removed

Schedule	Item	Item Name	MDRM Number
RI	1.a.(4)	Interest on loans to foreign governments and official institutions	RIAD4056
RI	1.e	Interest income from trading assets	RIAD4069
RI-B, Part I	2	Loans to depository institutions and acceptances of other banks (Column A through Column B)	RIAD4481, RIAD4482
RI-B, Part I	6	Loans to foreign governments and official institutions (Column A through Column B)	RIAD4643, RIAD4627
RC-C, Part I	2.a.(1)	Loans to U.S. branches and agencies of foreign banks	RCONB532
RC-C, Part I	2.a.(2)	Loans to other commercial banks in the U.S. Note: Items 2.a.(1) and 2.a.(2) of Schedule RC-C, Part I, will be combined into one data item for total loans to commercial banks in the U.S.	RCONB533
RC-C, Part I	2.c.(1)	Loans to foreign branches of other U.S. banks	RCONB536
RC-C, Part I	2.c.(2)	Loans to other banks in foreign countries Note: Items 2.c.(1) and 2.c.(2) of Schedule RC-C, Part I, will be combined into one data item for total loans to banks in foreign countries.	RCONB537
RC-C, Part I	7	Loans to foreign governments and official institutions (including foreign central banks)	RCON2081
RC-E	M6.c	Total deposits in all other transaction accounts of individuals, partnerships, and corporations	RCONP755
RC-M	13.a.(3)	Commercial and industrial loans covered by loss-sharing agreements with the FDIC	RCONK179
RC-M	13.a.(4)(a)	Credit card loans covered by loss-sharing agreements with the FDIC	RCONK180
RC-M	13.a.(4)(b)	Automobile loans covered by loss-sharing agreements with the FDIC	RCONK181
RC-M	13.a.(4)(c)	All other consumer loans covered by loss-sharing agreements with the FDIC	RCONK182
RC-N	6	Loans to foreign governments and official institutions (Column A through Column C)	RCON5389, RCON5390, RCON5391

Schedule	Item	Item Name	MDRM Number
RC-N	11.c	Commercial and industrial loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCONK075, RCONK076, RCONK077
RC-N	11.d.(1)	Credit card loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCONK078, RCONK079, RCONK080
RC-N	11.d.(2)	Automobile loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCONK081, RCONK082, RCONK083
RC-N	11.d.(3)	All other consumer loans covered by loss-sharing agreements with the FDIC (Column A through Column C)	RCONK084, RCONK085, RCONK086
RC-N	M6	Derivative contracts: fair value of amounts carried as assets (Column A through Column B)	RCON3529, RCON3530

NOTE: The preceding list of "Data Items Removed" from the FFIEC 041 excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, *Federal Register* notice (81 FR 45357): Schedule RI, Memorandum items 14.a and 14.b.

Change in Reporting Threshold

To be completed by banks with $10 billion or more in total assets

Schedule	Item	Item Name	MDRM Number
RI	M9.a	Net gains (losses) on credit derivatives held for trading	RIADC889
RI	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890

Change in Reporting Threshold

To be completed by banks with $10 million or more in average trading assets

Schedule	Item	Item Name	MDRM Number
RI	M8.a	Trading revenue from interest rate exposures	RIAD8757
RI	M8.b	Trading revenue from foreign exchange exposures	RIAD8758
RI	M8.c	Trading revenue from equity security and index exposures	RIAD8759
RI	M8.d	Trading revenue from commodity and other exposures	RIAD8760
RI	M8.e	Trading revenue from credit exposures	RIADF186