SUPPORTING STATEMENT

Consolidated Reports of Condition and Income

FFIEC 031, 041, and 051
(OMB No. 3064-0052)

INTRODUCTION

The Federal Deposit Insurance Corporation (FDIC) is requesting 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 Report). These reports are filed quarterly by FDIC-supervised banks and savings associations (collectively, institutions). The Call Report revisions that are the subject of this request have been approved by the FFIEC. Revisions that would address changes in the accounting for equity investments have a proposed effective date of March 31, 2018, which coincides with the first reporting period in which the accounting changes must be adopted under U.S. generally accepted accounting principles (GAAP) by certain reporting institutions. Burden-reducing revisions and a scope revision The Federal Reserve Board (FRB) and the Office of the Comptroller of the Currency (OCC) are submitting these same Call Report changes for OMB review for the banks and savings associations under their supervision.

In summary, the FDIC, the FRB, and the OCC (collectively, the agencies) are proposing to revise the Call Report information collection by (1) implementing burden-reducing revisions to all three versions of the Call Report, including deleting or consolidating a large number of items, raising certain reporting thresholds, and reducing the reporting frequency for a number of items, (2) revising the scope of the FFIEC 031 and FFIEC 041 reports to require all institutions with consolidated total assets of $100 billion or more, regardless of whether an institution has any foreign offices, to file the FFIEC 031 rather than the FFIEC 041, and (3) revising the reporting of information on equity securities and other equity investments on several schedules in response to changes in the accounting for equity investments under U.S. generally accepted accounting principles (GAAP). The first two categories of revisions have a proposed effective date of June 30, 2018. The third category of revisions has a proposed effective date of March 31, 2018, which coincides with the first reporting period in which the accounting changes take effect under U.S. GAAP for certain reporting institutions.

The following table summarizes the proposed burden-reducing revisions to Call Report data items that are the subject of this submission.

Proposed Burden-Reducing Call Report Data Revisions in this Submission

Proposed Call Report Revisions	051	041	031
Items Proposed to be Removed, Net*	54	106	86
Proposed Change in Item Frequency to Semiannual	17	31	31
Proposed Change in Item Frequency to Annual	26	3	3
Items with a Proposed New or Increased Reporting Threshold	26	106	178

*"Items Proposed to be Removed, Net" reflects the effects of consolidating existing items and relocating individual items to other schedules.

Appendices B, C, and D of the agencies' final Paperwork Reduction Act (PRA) Federal Register notice for the proposed Call Report revisions (83 FR 939, January 8, 2018) identify the specific data items in the FFIEC 051, FFIEC 041, and FFIEC 031, respectively, that are affected by the proposed burden-reducing Call Report revisions that are the subject of this submission. These three appendices are attached to this Supporting Statement.

The proposed revisions to the reporting of information on equity securities and other equity investments in response to the changes in U.S. GAAP arising from Accounting Standards Update (ASU) 2016-01 are as follows:

(1) Schedule RI, Income Statement: Item 8, would be revised effective March 31, 2018, by creating new items 8.a, "Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations," and 8.b, "Unrealized holding gains (losses) on equity securities not held for trading." Existing Schedule RI, item 8, "Income (loss) before applicable income taxes and discontinued operations," would be renumbered as item 8.c, and would be the sum of items 8.a and 8.b. From March 31, 2018, through September 30, 2020, item 8.b would be completed only by institutions that have adopted ASU 2016-01. From March 31, 2018, through September 30, 2020, the instructions for Schedule RI, item 6.b, "Realized gains (losses) on available-for-sale securities," would state that, for institutions that have adopted ASU 2016-01, item 6.b includes realized gains (losses) only on available-for-sale (AFS) debt securities. Effective December 31, 2020, the caption for item 6.b would be revised to "Realized gains (losses) on available-for-sale debt securities."

(2) Schedule RI-D, Income from Foreign Offices (FFIEC 031 only): The instructions for Schedule RI-D would be revised effective March 31, 2018, to indicate that, for institutions that have adopted ASU 2016-01, the amount of unrealized holding gains (losses) on equity securities not held for trading in foreign offices that is included in Schedule RI, item 8.b, should be reported in Schedule RI-D, item 5, "Realized gains (losses) on held-to-maturity and available-for-sale securities in foreign offices." Effective December 31, 2020, the caption for item 5 would be revised to "Realized gains (losses) on held-to-maturity and available-for-sale debt securities and

unrealized holding gains (losses) on equity securities not held for trading in foreign offices."

(3) Schedule RC, Balance Sheet: New item 2.c, "Equity securities with readily determinable fair values not held for trading," would be added effective March 31, 2018. From March 31, 2018, through September 30, 2020, item 2.c would be completed only by institutions that have adopted ASU 2016-01. During this period, the instructions for Schedule RC, item 2.b, "Available-for-sale securities," would explain that institutions that have adopted ASU 2016-01 should include only debt securities in item 2.b. Effective December 31, 2020, the caption for item 2.b would be revised to "Available-for-sale debt securities" and all institutions would report their holdings of equity securities with readily determinable fair values not held for trading in item 2.c.

(4) Schedule RC-B, Securities: Item 7, "Investments in mutual funds and other equity securities with readily determinable fair values," would be removed effective December 31, 2020. From March 31, 2018, through September 30, 2020, the instructions would include guidance stating that item 7 is to be completed only by institutions that have not adopted ASU 2016-01.

(5) Schedule RC-F, Other Assets: The caption for item 4 would be changed from "Equity securities that DO NOT have readily determinable fair values" to "Equity investments without readily determinable fair values" effective March 31, 2018. The types of equity securities and other equity investments currently reported in item 4 would continue to be reported in this item.

(6) Schedule RC-H, Selected Balance Sheet Items for Domestic Offices (FFIEC 031 only): Item 16, "Investments in mutual funds and other equity securities with readily determinable fair values," would be removed effective December 31, 2020, and the caption for item 17 would be changed from "Total held-to-maturity and available-for-sale securities (sum of items 10 through 16)" to "Total held-to-maturity and available-for-sale debt securities (sum of items 10 through 15)." From March 31, 2018, through September 30, 2020, item 16 would be completed only by institutions that have not adopted ASU 2016-01. In addition, effective March 31, 2018, item 18, "Equity securities that do not have readily determinable fair values," would be replaced by item 18.a, "Equity securities with readily determinable fair values," and item 18.b, "Equity investments without readily determinable fair values." From March 31, 2018, through September 30, 2020, item 18.a would be completed only by institutions that have adopted ASU 2016-01. The types of equity securities and other equity investments without readily determinable fair values that are currently reported in item 18 would be reported in item 18.b.

(7) Schedule RC-K, Quarterly Averages: The caption for item 4, "All other securities," would be changed to "All other debt securities and equity securities with readily determinable fair values not held for trading purposes" effective March 31, 2018. The types of securities that are currently reported in item 4 would be reported in item 4. From March 31, 2018, through September 30, 2020, the instructions for item 4 would indicate that, for institutions that have adopted ASU 2016-01, the quarterly average for equity securities with readily determinable fair values should be based on fair value and, for institutions that have not adopted ASU 2016-01, the quarterly average for such equity securities (i.e., AFS equity securities) should be

based on historical cost. Effective December 31, 2020, the instructions would indicate that the quarterly average for equity securities with readily determinable fair values not held for trading should be based on fair value, which would apply to all institutions. In addition, for item 9, "Total assets," the instructions would indicate that, from March 31, 2018, through September 30, 2020, institutions that have adopted ASU 2016-01 should reflect the quarterly average for equity securities with readily determinable fair values at fair value and the quarterly average for equity securities without readily determinable fair values at their balance sheet carrying amounts, and institutions that have not adopted ASU 2016-01 should reflect the quarterly average for equity securities with readily determinable fair values at the lower of cost or fair value and the quarterly average for equity securities without readily determinable fair values at historical cost. Then, effective December 31, 2020, the instructions for item 9 would indicate that, for equity securities not held for trading, the quarterly average for total assets should reflect such securities with readily determinable fair values at fair value and those without readily determinable fair values at their balance sheet carrying amounts.

(8) Schedule RC-M, Memoranda: New item 4, "Cost of equity securities with readily determinable fair values not held for trading," would be added effective March 31, 2018. New item 4 would be completed only by insured state banks that have adopted ASU 2016-01 and have been approved to hold grandfathered equity investments. The equity securities for which the cost would be reported in item 4 would be the same equity securities for which institutions that have adopted ASU 2016-01 would report in new Schedule RC, item 2.c.

(9) Schedule RC-Q, Assets and Liabilities Measured at Fair Value on a Recurring Basis (FFIEC 041 and FFIEC 031 only): The caption for item 1, "Available-for-sale securities," would be changed to "Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading" effective March 31, 2018. From March 31, 2018, through September 30, 2020, the instructions for item 1 would state that, for institutions that have adopted ASU 2016-01, the amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c, and for institutions that have not adopted ASU 2016-01, the amount reported in item 1, column A, must equal Schedule RC, item 2.b. Effective December 31, 2020, this guidance would indicate that the amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

(10) Schedule RC-R, Part I, Regulatory Capital Components and Ratios: The instructions for item 9.a would include guidance from March 31, 2018, through September 30, 2020, stating that, for institutions that have not adopted ASU 2016-01, item 9.a should include net unrealized gains (losses) on AFS debt and equity securities and, for institutions that have adopted the ASU, item 9.a should include net unrealized gains (losses) on AFS debt securities. During this same period, the instructions for item 9.b would indicate that item 9.b is to be completed only by institutions that have not adopted ASU 2016-01. Effective December 31, 2020, item 9.b would be removed and the caption for item 9.a would be revised to "LESS: Net unrealized gains (losses) on available-for-sale debt securities." In addition, from March 31, 2018, through September 30, 2020, the instructions for Schedule RC-R, Part I,

item 31, would include guidance indicating that item 31 is to be completed only by institutions that have not adopted ASU 2016-01. Effective December 31, 2020, item 31 would be removed from Schedule RC-R, Part I.

(11) Schedule RC-R, Part II, Risk-Weighted Assets: The caption for item 2.b, "Available-for-sale securities," would be changed to "Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading" effective March 31, 2018. The types of securities that are currently reported in item 2.b would continue to be reported in item 2.b.

<u>JUSTIFICATION</u>

1. <u>Circumstances and Need</u>

Section 7 of the Federal Deposit Insurance Act requires all insured depository institutions to submit four "reports of condition" each year to their primary federal bank supervisory authority, i.e., the FDIC, the OCC, or the FRB, as appropriate. FDIC-supervised institutions, i.e., insured state nonmember banks and state savings associations, submit these reports to the FDIC. The FDIC uses the quarterly Call Reports to monitor the condition, performance, and risk profile of individual institutions and the industry as a whole. In addition, Call Reports provide the FDIC with the most current statistical data available for evaluating depository institution corporate applications such as mergers; identifying areas of heightened focus and reduced emphasis for both on-site and off-site examinations; calculating all insured institutions' deposit insurance and Financing Corporation assessments; and other public purposes.

Within the Call Report information collection system as a whole, separate report forms apply to institutions that have domestic and foreign offices (FFIEC 031), institutions with domestic offices only (FFIEC 041), and institutions with domestic offices only and total assets less than $1 billion not otherwise required to file the FFIEC 041 (FFIEC 051).

The amount of data required to be reported varies between the three versions of the report form, with the report form for institutions with domestic and foreign offices (FFIEC 031) having more data items than either of the report forms for institutions with domestic offices only (FFIEC 041 and FFIEC 051). Furthermore, within the FFIEC 041 report form, the amount of data required to be reported varies, primarily based on the size of an institution, but also in some cases based on activity levels. The FFIEC 051 report form is a significantly streamlined version of the FFIEC 041, but the amount of data required in the FFIEC 051 also varies depending on the size of an institution and activity levels.

The proposed revisions to the Call Report information collection are primarily 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. In embarking on this formal initiative, the FFIEC is responding to industry concerns about the cost and burden associated with the Call Report. In addressing these concerns, the agencies have 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.

The most significant actions under this initiative have included community institution outreach efforts, internal surveys of users of Call Report data at FFIEC member entities, and the implementation of a streamlined Call Report for small institutions. In this regard, the first phase of the agencies' Call Report burden-reduction proposals concluded with the agencies receiving approval from OMB to implement a proposed new streamlined Call Report (FFIEC 051) for eligible small institutions and burden-reducing revisions to the existing versions of the Call Report (FFIEC 041 and FFIEC 031) effective as of the March 31, 2017, report date.

The aforementioned internal surveys of Call Report data users have served as the foundation for a statutorily mandated review of the existing Call Report data items, which the agencies were required to complete in 2017.[1] Call Report data users at the FFIEC member entities participated in a series of nine surveys conducted over a 19-month period that began in mid-July 2015 and ended in mid-February 2017. Based on the results of the user surveys, the agencies identified data items to be considered for removal, less frequent collection, and new or revised reporting thresholds to reduce burden.

The results of the agencies' initial reviews of the first portion of the user surveys were included in the agencies' Call Report proposal for a new streamlined FFIEC 051 Call Report for eligible small institutions and burden-reducing revisions to the existing FFIEC 041 and FFIEC 031 versions of the Call Report, which was published in August 2016 and finalized in December 2016.[2] The proposed burden-reducing Call Report revisions that are the subject of this submission were based on the agencies' reviews of the results of the second portion of the user surveys. In addition, the results of certain of the first portion of the surveys were re-evaluated and further burden-reducing changes were incorporated into this submission. Burden-reducing reporting changes from the third and final group of user surveys and the re-evaluation of certain earlier surveys were included in a proposal published on November 8, 2017, with a proposed effective date of June 30, 2018.[3]

The proposed burden-reducing Call Report revisions that are the subject of this submission would not require institutions to obtain any additional data when preparing their Call Reports. Rather, the proposed revisions would reduce the amount of data that would be collected in the Call Report by removing existing items, reducing the reporting frequency for certain existing items, and establishing new or higher reporting thresholds for certain existing items.

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

[2] See 81 FR 54190 (August 15, 2016) and 82 FR 2444 (January 9, 2017).

[3] See 82 FR 51908 (November 8, 2017).

Further information on the FFIEC's community bank Call Report burden-reduction initiative and the reasons for the changes that are the subject of this submission is presented in the agencies' initial and final Paperwork Reduction Act (PRA) Federal Register notices applicable to this submission (82 FR 29147, June 27, 2017, and 83 FR 939, January 8, 2018, respectively).

Besides burden-reducing revisions, the agencies also are proposing to revise the reporting of information on equity securities and other equity investments on several schedules in response to changes in the accounting for equity investments under U.S. GAAP. In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." One of the main provisions of this ASU requires equity investments, with certain exceptions, to be measured at fair value with changes in fair value recognized in net income. Thus, the ASU eliminates the existing concept of AFS equity securities, which are measured at fair value with changes in fair value generally recognized in other comprehensive income.

Because of the different effective dates for ASU 2016-01 for public business entities and all other entities, as well as the varying fiscal years across the population of institutions that file Call Reports, the period over which institutions will be implementing ASU 2016-01 ranges from the first quarter of 2018 through the fourth quarter of 2020. As a result, the revisions the agencies are to the reporting of information on equity securities and other equity investments in response to ASU 2016-01 would be introduced in the Call Report effective March 31, 2018, but would not be fully phased in until the Call Report for December 31, 2020.

2. Use of Information Collected

The information collected in the Call Reports is used by the FDIC and the other federal banking agencies both on an individual institution basis and in aggregate form for supervisory, surveillance, regulatory, research, statistical, insurance assessment, and informational purposes. Call Report data for all institutions, not just the institutions under an individual banking agency's primary supervision, are available to each of the three banking agencies in order for each agency to have access to information for the insured depository institution system as a whole.

The FDIC uses the data collected in the Call Reports extensively for supervisory and surveillance purposes in an effort to detect at an early date those institutions that are experiencing deterioration or some other significant change in their condition, performance, or risk profile. The underlying basis for this activity at the FDIC, as well as at the OCC and the FRB, is the goal of maintaining a safe and sound banking system and reducing the possibility of the failure of individual institutions and the concomitant exposure of the Deposit Insurance Fund administered by the FDIC. The FDIC has two major surveillance programs (EWS and UBPR) for its use in performing off-site evaluation of the condition of banks and savings associations. In addition, various quarterly management and supervisory reports used for off-site monitoring capabilities are available in web-based systems like ViSION (Virtual Supervisory Information on the Net) and distributed systems like ARIS (Automated Regional Information System).

Early Warning Systems (EWS) – The EWS is the FDIC's umbrella of off-site surveillance models that are used to monitor the condition of insured institutions between regular on-site examinations. Data collected from each institution's Call Report are subjected to a screening process in the EWS known as SCOR (Statistical CAMELS Off-site Rating). SCOR is an off-site model for insured institutions that compares an institution's financial condition against examination ratings for comparable financial institutions. SCOR derives a rating for each component of the Uniform Financial Institutions Rating System (UFIRS). The composite and component ratings are then compared to those given at the last examination and a downgrade probability is derived for each institution. Those institutions whose downgrade probability exceeds a specified level are subject to supervisory follow-up procedures including the prompt scheduling of examinations or visitations. The FDIC also has developed two off-site rating tools called GMS (Growth Monitoring System) and REST (Real Estate Stress Test) in order to effectively and efficiently monitor risk to the banking and thrift system. GMS identifies institutions that may pose greater risks due to rapid growth and/or funding issues. GMS places institutions into percentile rankings based on GMS scores. Those with the highest GMS scores are subject to formal off-site review requirements similar to SCOR. REST identifies institutions with high concentrations of commercial real estate and other exposures similar to the exposure characteristics of problem institutions and institutions that failed during the New England crisis of the late 1980s and early 1990s.

Another part of the EWS includes the Uniform Bank Performance System (UBPS). The UBPS is an on-line support subsystem that calculates for each institution approximately 300 financial ratios and accompanying peer group and ranking data and presents this information in a manner consistent with the Uniform Bank Performance Report, which is discussed below. The UBPS covers the most recent and preceding 15 quarters.

Uniform Bank Performance Report (UBPR) – This report is prepared quarterly for each insured institution from Call Report data and presents information for five periods on an institution's performance and financial statement composition in the form of ratios, percentages, and dollar amounts. Each UBPR also includes corresponding average data for the institution's peer group and percentile rankings for most ratios. The comparative and trend data contained in these reports complement the EMS data and are utilized for further off-premises review of individual institutions, particularly at the field office level. Based on an analysis of the information in the UBPR, an examiner can set the priorities for the examination of an individual institution. An institution's condition, performance, and risk profile can then be evaluated during the examination in light of its recent trends and the examiner's findings can be communicated to the institution's management. Management can verify this trend data for itself in the institution's own UBPRs. UBPRs are available on-line on the Internet for access by institutions, regulators, and the public.

ViSION and ARIS – ViSION is a secure web-enabled system that was developed as a comprehensive and easy-to-use reporting source for the FDIC's supervisory and financial data. The system provides FDIC users with multiple reports that display information for a specific institution or set of institutions. ViSION provides users the ability to retrieve various supervisory and off-site reports. These various management reports are used to assist in off-site monitoring efforts and are reviewed at the regional or field office level on a regular basis. ARIS is a localized database and reporting system that includes many levels of drill-down management and supervisory reporting.

Through the use of monitoring and surveillance systems that rely on Call Report information, the FDIC is able to more effectively and efficiently allocate resources to those institutions experiencing difficulties or exhibiting heightened risk profiles. Also, FDIC policy requires examiners to use information from Call Reports as well as data available from monitoring and surveillance systems to assist in their pre-examination planning activities. Through pre-examination planning, examiners can determine the areas of an institution's operations and activities on which to focus heightened attention or to place reduced emphasis during their time on-site at the institution. Moreover, effective pre-examination planning can help to limit the amount of time examiners need to spend on-site during an examination. These efforts would not be feasible if Call Report data, with their emphasis on the collection of information for supervisory and surveillance purposes, were not available on a quarterly or, for certain data, a semiannual or annual, basis.

Call Reports also provide the most current statistical data available for evaluating statutory factors relating to the FDIC's consideration of institutions' applications for deposit insurance and for consent to merge, establish a branch, relocate an office, and retire capital. The amount of each individual institution's deposit insurance and Financing Corporation assessments is calculated directly by the FDIC from the data reported in the institution's Call Report. In addition, under the FDIC's risk-related insurance assessment system, Call Report data are used to help determine the risk category to which each insured institution should be assigned. The FDIC's Division of Insurance and Research uses data collected in the Call Reports to prepare quarterly reports on the condition and performance of the banking system and for numerous economic studies and analyses of trends in banking that are incorporated into reports submitted to Congress and made available to the public.

As previously mentioned, one of the elements of the FFIEC's community bank Call Report burden-reduction initiative that has contributed to the proposed Call Report revisions that are the subject of this submission has been the series of surveys of Call Report data users within the FFIEC member entities that served as the foundation for the agencies' statutorily mandated review of the existing Call Report data items. Proposed changes resulting from the second portion of these surveys were included in the current proposal, and a summary of the member entities' uses of the data items retained in the Call Report schedules covered in these surveys is included as Appendix A of the agencies' final PRA Federal Register notice applicable to this submission (83 FR 939, January 8, 2018). This appendix is attached to this Supporting Statement.

3. <u>Use of Technology to Reduce Burden</u>

All banks and savings associations are subject to an electronic filing requirement for the Call Report. In this regard, the agencies have created a secure shared database for collecting, managing, validating, and distributing Call Report data. This database system, the Central Data Repository (CDR), was implemented in 2005 and is the only method now available for banks and savings associations to submit their Call Report data. Under the CDR system, institutions file their Call Report data via the Internet using software that contains the FFIEC's edits for validating Call Report data before submission.

4. <u>Efforts to Identify Duplication</u>

There is no other report or series of reports that collects from all insured banks and savings associations the regulatory capital and other information gathered through the Consolidated Reports of Condition and Income taken as a whole. There are other information collection systems which tend to duplicate certain parts of the Call Report; however, the information they provide would be of limited value as a replacement for the Call Report.

For example, the FRB collects various reports in connection with its measurement of monetary aggregates, bank credit, and the flow of funds. Reporting institutions supply the FRB with detailed information relating to such balance sheet accounts as balances due from depository institutions, loans, and deposit liabilities. The FRB also collects financial data from bank holding companies on a regular basis. Such data is presented for the holding company on a parent company only basis and, if certain conditions are met, on a consolidated basis, including the holding company's banking and nonbanking subsidiaries.

However, FRB reports from insured institutions are frequently obtained on a sample basis rather than from all insured institutions. Moreover, these reports are often prepared as of dates other than the last business day of each quarter, which would seriously limit their comparability to the Call Report. Institutions below a certain size are exempt entirely from some FRB reporting requirements. FRB data collected from bank holding companies on a consolidated basis reflect an aggregate amount for all subsidiaries within the organization, both banking and nonbanking, so that the actual dollar amounts applicable to any depository institution subsidiary are not determinable from the holding company reports. Hence, FRB reports could not be a viable replacement for even a significant portion of the Call Reports since the FDIC, in its role as supervisor of insured state nonmember banks and state savings associations, would be lacking the data necessary to assess the financial condition of individual institutions to determine whether there had been any deterioration in their condition. This is also the case for the FDIC in its role as the deposit insurer of all insured depository institutions because FRB reports would not provide the data required as inputs to the FDIC's deposit insurance assessment systems.

As another example, insured institutions with either 500 or more, or 2,000 or more, shareholders (depending on charter type) or with a class of equity securities listed on a securities exchange are required by the Securities Exchange Act of 1934, as amended, to register their stock with their primary federal banking agency. Following the effective date of the stock registration, quarterly and annual reports, which contain financial statements, must be filed with the appropriate banking agency. Of the 3,668 FDIC-supervised banks and savings associations, approximately 15 have stock that is registered with the FDIC pursuant to the Securities Exchange Act. For this nominal number of registered institutions, quarterly and annual reports generally need not be filed until as many as 45 days and 90 days after the report date, respectively, while Call Reports generally must be received no later than 30 days after the report date. Moreover, the Call Reports have a fixed format to permit industry data aggregation by computer and automated monitoring of each individual institution's performance and condition. The financial statement format for registered institutions is generally comparable to that of the Call Report, but each institution has the flexibility to expand or contract the level of detail on individual items as circumstances warrant. Such free-form reporting would make it extremely difficult for the FDIC to substitute these registered institutions' quarterly and annual reports for Call Reports.

Finally, some of the information contained in the Call Report is also developed by FDIC examiners during regular safety and soundness examinations of insured institutions. In addition, examiners check the Consolidated Reports of Condition and Income that an institution has submitted to the FDIC between examinations to ensure that the required data have been properly reported. However, using the examination process to develop quarterly Call Report data would be unworkable since one of the principal purposes of the supervisory and surveillance emphasis on the use of these data is for off-site monitoring of the condition and performance of individual institutions between examinations. Furthermore, examinations are conducted as of various dates throughout the year and at differing time intervals for different institutions. Thus, the examination process could not supply the banking agencies with financial data on a timely basis for all insured institutions as of fixed dates each year.

5. <u>Minimizing the Burden on Small Institutions</u>

Pursuant to regulations issued by the Small Business Administration (13 CFR 121.201), a "small entity" includes depository institutions with assets of $550 million or less. The FDIC supervises 3,668 insured state nonmember banks and state savings associations. Of this number, about 2,950 have total assets of $550 million or less. Data collected in the Call Report information collection as a whole is tiered to the size and activity levels of reporting institutions.

The Call Report requires the least amount of data from small institutions with domestic offices only and less than $1 billion in total assets that file the streamlined FFIEC 051 report form. Within the FFIEC 051, certain institutions with less than $300 million in total assets have fewer items applicable to them than do institutions with $300 million to

$1 billion in assets. In addition, the supplemental information schedule in the FFIEC 051, which replaced five entire schedules and parts of certain other schedules that had been in the FFIEC 041, includes nine indicator questions with “yes”/”no” responses that ask about an institution’s involvement in certain complex or specialized activities. Only if the response to a particular indicator question is a “yes” is an institution required to complete from an average of three indicator items that provides data on the extent of the institution’s involvement in that activity. The next least amount of data is collected from other institutions with domestic offices only that file the FFIEC 041 report form (even if they are eligible to file the FFIEC 051) and have less than $300 million in total assets. Exemptions from reporting certain Call Report data within the FFIEC 041 report form also apply to institutions with less than $500 million and $1 billion in total assets. In both the FFIEC 051 and the FFIEC 041, other exemptions are based on activity levels rather than total assets and these activity-based thresholds tend to benefit small institutions. In addition, as a result of the creation of the FFIEC 051 report form for eligible small institutions effective March 31, 2017, and the revisions to the FFIEC 051 that are the subject of this submission, the reporting frequency of a significant number of data items in the FFIEC 051 report form are now collected semiannually or annually rather than quarterly.

As mentioned in Section 1 above, further burden-reducing reporting changes to the small bank FFIEC 051 Call Report and also to the FFIEC 31 and 041 Call Reports were proposed in a Federal Register notice published on November 8, 2017, with an anticipated implementation date of June 30, 2018.

6. <u>Consequences of Less Frequent Collection</u>

Collection of Call Reports less frequently than quarterly would reduce the FDIC’s ability to identify on a timely basis those institutions experiencing adverse changes in their condition or risk profile so that appropriate corrective measures can be implemented at an early stage to restore their safety and soundness. Such identification cannot be accomplished through periodic on-site examinations alone. To allocate its examination resources in the most efficient manner, off-site analysis of Call Report data to single out institutions in need of accelerated on-site follow-up must be performed (see Item 2 above). Submission of the Consolidated Reports of Condition and Income less frequently than quarterly would permit deteriorating conditions at institutions to fester considerably longer before they would be detected through the FDIC’s computer-based monitoring systems, through the fortunate scheduling of an examination, or by other means. Such institutions would therefore run a greater risk of failure because of delays in effecting corrective action, either on institution management’s own initiative or at the behest of the FDIC. Nevertheless, as part of the FFIEC’s formal Call Report burden-reduction initiative, the agencies have identified specific Call Report data items for which a quarterly reporting frequency is no longer considered necessary from some or all institutions, particularly in the streamlined FFIEC 051 Call Report for eligible small institutions.

In addition to supporting the identification higher-risk situations and enabling timely corrective action for such cases, the quarterly reporting of Call Report data 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.

Furthermore, certain Call Report data items are required quarterly due to various statutes or regulations. Leverage ratios based on average quarterly assets (reported on Schedule RC-K) and risk-based capital ratios (reported on Schedule RC-R) are necessary under the prompt corrective action framework established under 12 U.S.C. 1831o. Data on off-balance sheet assets and liabilities (reported on Schedule RC-L) are required every quarter for which an institution submits a balance sheet to the agencies pursuant to 12 U.S.C. 1831n. Granular data on deposit liabilities and data affecting risk assessments for deposit insurance (reported on Schedules RC-E and RC-O) are required four times per year under 12 U.S.C. 1817.

7. Special Circumstances

There are no special circumstances.

8. Summary of Public Comments

On June 27, 2017, the agencies requested comment on proposed revisions to the Call Report that primarily related to the deletion or consolidation of a large number of items, the raising of certain reporting thresholds, and a reduction in reporting frequency for a number of items in all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051). The proposed revisions also addressed the definition of "past due" for regulatory reporting purposes as well as changes in the accounting for equity investments.

The agencies collectively received comments on the June 2017 proposal from 13 entities, including banking organizations, bankers' associations, and a government entity.

Comments on the Overall Proposal and the Burden-Reduction Initiative – Commenters expressed mixed opinions on the June 2017 proposal and the agencies' Call Report burden-reduction initiatives to date. Seven commenters representing banking organizations and bankers' associations supported the effort put forth by the agencies. One bankers' association stated that it "appreciates the time and effort the FFIEC has devoted to identifying opportunities to reduce the burdens associated with the Call Report requirements." The commenter went on to say that the removal or change in reporting frequency of line items or increase to reporting thresholds "serves as needed clean-up of the Call Report." Three banking organizations also "appreciate" the agencies' initiatives focused on reducing the burden associated with the Call Reports. 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.

On the other hand, the majority of the comment letters asserted that the proposed revisions to the Call Reports would provide no real savings in effort or cost for smaller institutions and that the overall reduction in burden is of limited value to such institutions. One of the banking organizations and two of the bankers' associations further indicated that reducing reporting frequency would provide only "limited relief." These commenters noted that regardless of whether cumulative data is reported every quarter or every six months, institutions would still need to gather the data on a quarterly basis in order to produce the reported data on a semiannual basis. Two bankers' associations responded that combining data items also would not provide any relief to institutions, because processes are already in place to gather the information separately. One banking organization and one bankers' association stated that the proposed revisions would increase burden due to the system changes that would be necessary to modify the processes currently in place, such as deactivating or reactivating each quarter the reporting of data items that would change from a quarterly to a semiannual or annual reporting frequency.

The agencies recognize that not all institutions would see an immediate and large reduction in burden from the proposed revisions in the June 2017 proposal. However, reducing the frequency of collection for certain data items or consolidating existing data items into fewer data items would result in institutions spending less time completing the Call Report since there would be fewer items to review prior to each quarterly submission. Also, an institution would have fewer instructions to review to determine whether it has reportable (nonzero) amounts. To the extent that an institution currently tracks granular data items that are proposed to be consolidated, there may be limited burden relief from consolidating the items. However, institutions that currently track data at an aggregate level and then must allocate that amount to the existing subcategories every quarter would see additional burden relief. Accordingly, these changes represent meaningful Call Report burden relief to institutions that do not engage in complex activities.

Furthermore, as previously mentioned, internal surveys of users of Call Report data at FFIEC member entities, including staff of the agencies, were one of the significant actions under the FFIEC's community bank Call Report burden-reduction initiative. The survey responses have been the foundation for the statutorily mandated review of the existing Call Report data items that the agencies have been conducting over the course of the burden-reduction initiative. After completing this review, the statute directs the agencies to "reduce or eliminate any requirement to file information or schedules . . . (other than information or schedules that are otherwise required by law)" if the agencies determine that "the continued collection of such information or schedules is no longer necessary or appropriate." The findings from the agencies' review revealed that certain information is no longer needed from some or all institutions, either on a quarterly basis or at all, and that the current level of detail is no longer needed from some or all institutions in certain Call Report schedules. Accordingly, for those Call Report data items for which the results of the statutorily mandated review have triggered these conclusions, the agencies are removing, consolidating, or reducing the reporting frequency of, or creating a new or increased reporting threshold for, the affected Call Report data items notwithstanding any system changes that institutions would need to make in response to these reporting changes.

Additionally, in an effort to address the concerns of institutions relating to the proposed reductions in frequency from quarterly to semiannual, the agencies note that the FFIEC's CDR allows institutions to submit data quarterly, even if the data items are only required to be reported semiannually or annually. This will permit institutions to choose to avoid any perceived burden needed to reduce the reporting frequency from the quarterly frequency required in the existing Call Report.

<u>General Recommendations from Commenters on the June 2017 Proposal</u> – Three commenters suggested the agencies adopt a "short-form" Call Report to be filed for at least two quarters of the year. The short-form Call Report recommended by two of these 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, and the short-form Call Report in the first and third quarters. The third commenter recommended including a limited number of additional schedules in the first and third quarters to report more detailed information on loans and regulatory capital, with additional schedules filed in the second and fourth quarters.

While the agencies understand the commenters' desire for a short-form Call Report, the agencies did not adopt this suggestion for the reasons noted in response to the comment letters received on the August 2016 proposal for a streamlined Call Report for small institutions.[4] Most notably, in addition to the basic financial statements, the most streamlined quarterly report possible must also include data items required by law or regulation, along with quarterly data necessary for adequate supervision by the agencies. Furthermore, the agencies leverage a significant amount of the data reported quarterly in the more detailed general and supplemental Call Report schedules when conducting off-site monitoring and determining the scope and frequency of on-site examinations. Limiting the information collected on these schedules to semiannual could significantly impair the agencies' supervisory planning and review processes and potentially lead to a less efficient use of supervisory resources.

One commenter recommended that the FFIEC establish an industry advisory committee to develop advice and guidance on the Call Report and establish a regular forum to address technical questions and new changes to the Call Report. In response, the agencies plan to continue to offer outreach in connection with significant revisions to the Call Report, as they did with the adoption of the revised Schedule RC-R, Regulatory Capital, and with the implementation of the FFIEC 051. The agencies also receive and respond to a number of questions from individual institutions each quarter. Issues that could affect multiple institutions are often addressed through the Call Report

[4] See 82 FR 2444 (January 9, 2017).

Supplemental Instructions published quarterly or updates to the Call Report instruction book published as needed. Consistent with the PRA, the agencies also offer an opportunity for members of the banking industry to comment on proposed changes to the Call Report or to make any additional suggestions for improving, streamlining, or clarifying the Call Report.

One commenter on the June 2017 proposal recommended that the agencies align the proposed revisions in the Call Report with revisions to the FR Y-9C report for holding companies.[5] The commenter stated that having differences in reporting between the Call Report and FR Y-9C can create burden for reporting firms. The agencies agree that aligning proposed revisions in the Call Report with proposed revisions to comparable data items collected in the consolidated FR Y-9C report would reduce burden for reporting holding companies. The Board will take this comment into consideration when it develops proposed revisions to the FR Y-9C report.

One commenter recommended that the agencies increase the asset-size threshold for filing the FFIEC 051 Call Report from the current $1 billion to at least $10 billion, indexed for inflation. Raising the threshold to $10 billion or higher at this time could result in a significant loss of data necessary for supervisory or other purposes from institutions with assets above $1 billion. Therefore, while the agencies are not adopting this recommendation at this time, the agencies are continuing to evaluate the appropriate scope and criteria for expanding the number of institutions eligible to file the FFIEC 051.

The agencies received three comment letters from banking organizations that highlighted the burden required for their institutions to prepare Schedule RC-R, Regulatory Capital. Reporting on Schedule RC-R is directly tied to the requirements in the agencies' regulatory capital rules.[6] The agencies recently issued a proposal for modifications to simplify the regulatory capital rules.[7] To the extent changes contained in that proposal are adopted in a final rule, the agencies would incorporate those simplifications into Schedule RC-R.

One commenter stated that Schedule RC-C, Part II, is particularly burdensome to complete and should be eliminated. The agencies previously reduced the frequency of this schedule from quarterly to semiannual for institutions filing the FFIEC 051. However, the agencies cannot eliminate this schedule because the submission of information on small business and small farm loans is specifically required by statute.[8] Appendix A to the agencies' January 9, 2017, Federal Register notice (82 FR 2444) provides information about how the agencies use the data reported in Schedule RC-C, Part II.

---

[5] FR Y-9C Consolidated Financial Statements for Holding Companies (OMB Control No.: Board, 7100-0128).

[6] 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR part 324 (FDIC).

[7] 82 FR 49984 (October 27, 2017).

[8] See Section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991, Public Law 102-242.

Scope Revision – In the June 2017 proposal, the agencies proposed to revise the scope of the FFIEC 031 Call Report to require all institutions with consolidated total assets of $100 billion or more to file this form, regardless of whether an institution has any foreign offices. The agencies proposed this change because institutions with consolidated total assets of $100 billion or more without foreign offices are considered to have a similar degree of complexity in their activities as institutions of this size with foreign offices that currently file the FFIEC 031.

The agencies received two comments opposing the proposed scope revision. One bankers' association stated that the proposal could be viewed as creating three Call Reports for larger banks, which could create a problem if the reports evolve and do not remain aligned in the future. Another bankers' association opposed the agencies' use of a size-based threshold alone (i.e., $100 billion or more in assets) to revise the scope of the FFIEC 031, rather than looking at the business model and risk profile of an institution.

The agencies are proceeding with the proposed scope revision of the FFIEC 031 to include all institutions with foreign offices and all institutions with consolidated total assets of $100 billion or more. The agencies note that this revision would affect only five institutions, as the majority of institutions with assets of $100 billion or more also have foreign offices and currently file the FFIEC 031. Currently, the FFIEC 031 and FFIEC 041 collect the same information on an institution's domestic office activities. When preparing the FFIEC 031, institutions with no foreign offices would not need to report items that request information on foreign offices, including the entirety of Schedules RI-D; RC-E, Part II; and RC-I; nor would they need to complete Schedule RC-H, which collects certain domestic office data. These institutions also would report the same amounts for "domestic offices" and the "consolidated bank" in other schedules that request this breakout, which would not require these institutions to compile additional information. In addition, there is currently a single set of Call Report instructions for both the FFIEC 031 and FFIEC 041, which helps promote consistency in reporting between those versions of the Call Report and should reduce the burden of a transition for the affected institutions. As noted in the June 2017 proposal, the agencies consider all institutions with $100 billion or more in total assets to be of similar complexity. Institutions of this size typically have similar business activities and risk profiles for their domestic operations, and the agencies' examiners review these domestic operations in a similar manner. Receiving information from all institutions in this size category on the same Call Report form will improve the agencies' ability to perform comparisons among these institutions' domestic operations. This proposed scope revision also has enabled the agencies to propose removing items from, or consolidating a significant number of items in, the FFIEC 041 form, as the agencies believe these items are no longer necessary based on the business activities and risk profiles of institutions with domestic offices only and consolidated total assets less than $100 billion.

Burden-Reducing Revisions – The agencies received two comments from banking organizations on the proposed revisions to Schedule RI-E to reduce the reporting frequency of the data items for significant components of "other noninterest income" and "other noninterest expense" from quarterly to annual in the FFIEC 051 and increase the percentage threshold for reporting individual components in all three versions of the Call Report. One commenter noted this revision would actually reduce burden in preparing the reports. The other commenter stated that his organization does not meet the existing thresholds to separately report noninterest income and expense components on that schedule, so the reporting burden would not change.

After considering these specific comments, as well as the comments received on the overall proposal and the burden-reduction initiative that were discussed above, the agencies decided to proceed with the proposed burden-reducing changes to Schedule RI-E, along with all other burden-reducing changes to Call Report schedules included in the June 2017 proposal. The agencies recognize that not every proposed change will reduce burden for every institution, but they believe that the proposed changes will reduce burden in the Call Reports as a whole, which is also reflected in a reduction in the estimated burden hours per quarter for the Call Reports. (See Sections 12 and 16 below.)

Instructional Revision for the Reporting of Assets as "Past Due" – Under the current Call Report instructions, closed-end installment loans, amortizing loans secured by real estate, and other loans and lease financing receivables with payments scheduled monthly are to be reported as past due in Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, when the borrower is in arrears two or more monthly payments. This means that a loan is to be reported as past due if two monthly payments have not been received by the close of business on the due date of the second monthly payment. Similarly, the Call Report instructions provide that open-end credit such as credit cards, check credit, and other revolving credit plans are to be reported as past due when the customer has not made the minimum payment for two or more billing cycles. The instructions also provide that, at an institution's option, loans and leases with payments scheduled monthly may be reported as past due when one scheduled payment is due and unpaid for 30 days or more.

In their June 2017 proposal, the agencies noted there is an existing widely used industry standard, known as the Mortgage Bankers Association (MBA) method, which provides that loans with payments scheduled monthly become 30 days past due if a monthly payment is not received by the end of the day immediately preceding the loan's next due date. The agencies understand that the MBA method is used by most major mortgage data repositories, including the three major credit bureaus and two major mortgage loan data processing service bureaus used by institutions. The MBA method is also used by reporting forums such as the MBA, McDash Analytics, and the OCC Mortgage Metrics Reports.

Therefore, to promote the use of a consistent standard in the industry and reduce the burden for certain institutions calculating past-due loans under two methods (i.e., one method for Call Report purposes and a different method for other reporting purposes), the agencies proposed in the June 2017 notice to modify the definition of "past due" for regulatory reporting purposes that is currently contained in the general instructions of Schedule RC-N to align with the MBA method. Specifically, under that proposal, closed end installment loans, amortizing loans secured by real estate, and other loans and lease financing receivables with payments scheduled monthly, as well as open-end credit such as credit cards, check credit, and other revolving credit plans with payments scheduled monthly, would be reported as past due in Schedule RC-N if a payment is not received by the end of the day immediately preceding the loan's next payment due date.

The agencies received comments from two bankers' associations and three banking organizations regarding the proposed instructional revision to the definition of "past due." These commenters generally opposed the proposed revision. All commenters cited increased burden related to operational difficulties to implement the change as well as concerns about how this definitional change would flow through to or affect other reporting requirements. Operational challenges cited by commenters include substantial processing system changes; the need to modify contracts with third-party vendors, loan securitization agreements, and other legal agreements; communication issues with loan servicing customers; and coordination issues with third-party vendors to implement the proposed revision. Other related reporting concerns include possible restatements of audited financial statements and filings with the Securities and Exchange Commission; the effect on the calculation of the allowance for loan and lease losses; the impact on the risk weighting associated with delinquent and nonaccrual loans as reported on Schedule RC-R, Regulatory Capital; the use of performing loans as inputs for stress testing and recovery and resolution planning purposes; the impact on liquidity reporting; and the impact on the calculation of surcharge scores assessed to global systemically important banks (G-SIBs). Additionally, one bankers' association stated that the proposed instructional change would remove the current reporting flexibility for institutions to use a combination of actual-day count, the MBA method, and the current Call Report method based on the institutions' particular portfolios.

Based on the issues raised in the comments received on the proposed instructional revision to the definition of past due, the agencies are giving further consideration to this proposal, including its effect on and relationship to other regulatory reporting requirements. Accordingly, the agencies decided not to proceed with this proposed instructional revision and the existing instructions for the definition of past due will remain in effect.

<u>Proposed Revisions to Address Changes in Accounting for Equity Investments – </u>Based on their consideration of the changes in the accounting for equity investments under ASU 2016-01 and the effect of these changes on the manner in which data on equity securities and other equity investments are currently reported in the Call Report, the agencies proposed in the June 2017 notice to revise the reporting of information on equity securities and other equity investments in Call Report Schedules RI, Income Statement; RI-D, Income from Foreign Offices (on the FFIEC 031); RC, Balance Sheet; RC-B, Securities; RC-F, Other Assets; RC-H, Selected Balance Sheet Items for Domestic Offices (on the FFIEC 031); RC-K, Quarterly Averages; RC-Q, Assets and Liabilities Measured at Fair Value on a Recurring Basis (on the FFIEC 041 and FFIEC 031); and RC-R, Regulatory Capital.[9] Furthermore, because of the different effective dates for

[9] See 82 FR 29158-29159 (June 27, 2017) for complete descriptions of the proposed revisions to these schedules.

ASU 2016-01 for public business entities and all other entities, as well as the varying fiscal years across the population of institutions that file Call Reports, the period over which institutions will be implementing this ASU ranges from the first quarter of 2018 through the fourth quarter of 2020. As a result, the agencies proposed to implement the revisions to the reporting of information on equity securities and other equity investments in response to the ASU in the Call Report effective March 31, 2018, with the final changes taking effect as of the December 31, 2020, report date.

The agencies received comments from two banking organizations and two bankers' associations addressing the proposed Call Report revisions related to equity securities. Both bankers' associations expressed general support for the proposed changes to reporting of information on equity securities and other equity investments. However, for an institution that has adopted the new accounting standard, the associations sought clarification of the appropriate categorization on the proposed revised Call Report balance sheet (Schedule RC) of equity securities with readily determinable fair values that are bought and sold on a regular basis, but are not held with the intention of trading as this term is defined in the agencies' market risk rules.[10] The agencies note that, for purposes of categorizing assets and liabilities on the Call Report balance sheet, they do not apply the trading definition in the market risk rules. Rather, the Call Report instructions state that:

> Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts; other financial instruments; and other assets for resale, (b) acquiring or taking positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes.[11]

Thus, when an institution's holdings of equity securities with readily determinable fair values fall within the scope of the preceding description of trading activities, the equity securities should be reported as trading assets in Schedule RC, item 5. Otherwise, the equity securities should be reported in new item 2.c, "Equity securities with readily determinable fair values not held for trading." The agencies will modify the Call Report instructions to make this distinction more clear.

One banking organization noted that the proposal aligns the Call Report with the new accounting standard for equity investments, but it requested clarification of the balance sheet categorization of money market mutual funds following the adoption of the accounting standard. This organization observed that the Securities and Exchange Commission's rules permit such funds to be categorized as cash equivalents in financial

[10] The market risk rules define a "trading position" as a position held "for the purpose of short-term resale or with the intent of benefiting from actual or expected short-term price movements, or to lock in arbitrage profits." See 12 CFR 3.202 (OCC), 12 CFR 217.202 (Board), and 12 CFR 324.202 (FDIC).

[11] See the instructions for Schedule RC, item 5, "Trading assets," the General Instructions for Schedule RC-D, Trading Assets and Liabilities, and the Glossary entry for "Trading Account" in the Call Report instructions.

statements filed with the Commission if appropriate criteria are met. The organization asked whether the agencies intended to permit a similar categorization for Call Report purposes. The Call Report does not recognize cash equivalents as part of "Cash and balances due from depository institutions," as described in the instructions for Schedule RC, item 1. Thus, for Call Report purposes, an institution that has adopted ASU 2016-01 should report its investments in money market mutual funds with readily determinable fair values, which are considered equity securities for accounting purposes,[12] in new Schedule RC, item 2.c, provided these investments are not held for trading (as discussed above). The agencies also will revise the Call Report instructions to clarify the reporting of money market mutual funds as equity securities, not as cash.

The other banking organization supported the proposed changes to the income statement for reporting unrealized holding gains (losses) on equity securities not held for trading, but recommended excluding unrealized gains on equity securities from tier 1 capital for regulatory capital purposes as is currently the case under today's accounting standards. The manner in which unrealized gains on equity securities are reported for regulatory capital purposes in Call Report Schedule RC-R depends entirely on how these unrealized gains are treated under the agencies' regulatory capital rules. After an institution adopts ASU 2016-01, unrealized gains on the institution's investments in equity securities with readily determinable fair values not held for trading will be recognized in net income and, hence, retained earnings. Because retained earnings is a common equity tier 1 (CET1) capital element under the agencies' regulatory capital rules, the operation of these rules will automatically result in the inclusion of all unrealized gains on such equity securities in CET1 capital after an institution's adoption of ASU 2016-01. Continuing to exclude unrealized gains on equity securities with readily determinable fair values not held for trading from CET1 capital after the adoption of ASU 2016-01 would require revisions to the agencies' regulatory capital rules and is outside the scope of the proposed equity securities reporting changes in the Call Report.

This banking organization also recommended retaining the existing regulatory framework governing investments in stock set forth in section 362.3 of the FDIC's regulations (12 CFR 362.3) and the related information on equity securities currently reported in Call Report Schedule RC-B, Securities. More specifically, under section 362.3(a) of the FDIC's regulations, an insured state bank may not "directly or indirectly acquire or retain as principal any equity investment of a type that is not permissible for a national bank." However, this regulation provides for the grandfathering of certain investments in equity securities by insured state banks if certain conditions are met, including approval by the FDIC. The equity investments that are authorized to be grandfathered are common and preferred stock listed on a national securities exchange and shares of an investment company registered under the Investment Company Act of 1940.[13] However, the FDIC's regulations provide that an insured state bank's aggregate investment in these authorized investments "shall in no event exceed, when made, 100 percent of the bank's tier one capital" and that "[t]he lower of the bank's cost as determined in accordance with call

[12] See FASB Accounting Standards Codification paragraph 321-10-55-7.

[13] 12 CFR 362.3(a)(2)(iii)(A).

report instructions or the market value" of the authorized investments "shall be used to determine compliance."[14]

At present, the cost basis and fair value of an insured state bank's grandfathered equity investments are included in the amounts reported in available-for-sale columns C and D, respectively, of Call Report Schedule RC-B, item 7, "Investments in mutual funds and other equity securities with readily determinable fair values." These two Schedule RC-B items currently serve as the starting point for assessing compliance with the limit on grandfathered equity investments at those insured state banks that have received FDIC approval to hold such investments. However, in their June 2017 proposal, the agencies proposed to remove item 7, columns C and D, from Schedule RC-B effective December 31, 2020. From March 31, 2018, through September 30, 2020, institutions that have adopted ASU 2016-01 would leave Schedule RC-B, item 7, columns C and D, blank.[15] The fair value of the "Investments in mutual funds and other equity securities with readily determinable fair values" that these institutions had reported in Schedule RC-B, item 7, column D, before adopting ASU 2016-01 would instead be reported in new item 2.c, "Equity securities with readily determinable fair values not held for trading," on Schedule RC, Balance Sheet. However, under the June 2017 proposal, the cost of the equity securities reported in Schedule RC-B, item 7, column C, until an institution's adoption of ASU 2016-01 would no longer be reported after the institution's adoption of this new accounting standard because the standard eliminates the existing concept of available-for-sale equity securities. Thus, the banking organization that commented on the issue of grandfathered equity investments recommended the retention of the Call Report data items used to measure compliance with the aggregate investment limit in these authorized investments.

After considering this banking organization's recommendation as well as the provisions of section 362.3(a) of the FDIC's regulations, the agencies agree that, after its adoption of ASU 2016-01, an insured state bank that has been approved to hold authorized investments should continue to report the cost of their holdings of equity securities with readily determinable fair values not held for trading, which such an institution currently reports as available-for-sale securities in column C of Schedule RC-B, item 7. The continued collection of this cost information from insured state banks with grandfathered equity investments serves a long-term regulatory purpose by aiding the supervisory staffs of the agencies that supervise these insured state banks in performing their ongoing assessments of compliance with the aggregate limit on such investments. Accordingly, in place of Schedule RC-B, item 7, column C, which would no longer be applicable to institutions after their adoption of ASU 2016-01, and which would ultimately be removed effective December 31, 2020, the agencies would add a new item 4, "Cost of equity securities with readily determinable fair values not held for trading," to Schedule RC-M effective March 31, 2018. The new Schedule RC-M item would be completed only by insured state banks that have adopted ASU 2016-01 and have been approved to hold grandfathered equity investments. All other institutions would leave new

[14] 12 CFR 362.3(a)(2)(iii)(C).

[15] During this period, only those institutions that have not yet adopted ASU 2016-01 would complete Schedule RC-B, item 7, columns C and D.

Schedule RC-M, item 4, blank. The equity securities for which the cost would be reported in Schedule RC-M, item 4, would be the same equity securities for which institutions that have adopted ASU 2016-01 would report the fair value in new Schedule RC, item 2.c.

In addition, as previously mentioned, the agencies also received three comments from banking organizations regarding the burden associated with Schedule RC-R, Regulatory Capital, which is one of the schedules for which several revisions related to equity securities were proposed. In this regard, a proposed change to this schedule in the June 2017 notice was to add a new item 2.c, "Equity securities with readily determinable fair values not held for trading," to Schedule RC-R, Part II, Risk-Weighted Assets, effective March 31, 2018. As proposed, this new item would be completed only by institutions that had adopted ASU 2016-01 and, for such institutions, Schedule RC-R, Part II, item 2.b, "Available-for-sale securities," should include only debt securities. Effective December 31, 2020, which is the quarter-end report date as of which all institutions would be required to have adopted ASU 2016-01, the caption for item 2.b would be revised to "Available-for-sale debt securities." These proposed revisions correspond to the changes the agencies proposed to make to the categories of securities reported on Schedule RC, Balance Sheet.

The commenters who addressed Schedule RC-R recommended simplifying and shortening the schedule to reduce burden. After considering the concerns expressed by commenters about the burden of Schedule RC-R in relation to the proposed revisions to this schedule for equity securities, the agencies decided against adding a new item 2.c to Part II of Schedule RC-R. Instead, the agencies would retain the existing risk-weighting reporting process under which those equity securities with readily determinable fair values and debt securities currently categorized as available-for-sale securities are reported together in item 2.b of Schedule RC-R, Part II. To clarify the scope of item 2.b for institutions that have and have not adopted ASU 2016-01, the agencies would change the caption for item 2.b to "Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading" effective March 31, 2018.

All the other revisions to the reporting of information on equity securities and other equity investments proposed by the agencies in response to the changes in the accounting requirements for these types of assets would be implemented as described in Section III.D.2 of the June 2017 proposal and would take effect beginning as of March 31, 2018.[16]

9. Payment or Gift to Respondents

No payment or gift will be provided to respondents.

[16] 82 FR 29147, 29156-29159 (June 27, 2017).

10. Confidentiality

At present, all data items collected from individual institutions in the Call Report are publicly available with limited exceptions. In this regard, for all institutions, the amount, if any, reported in Schedule RI-E, item 2.g, "FDIC deposit insurance assessments," is treated as confidential on an individual institution basis. In addition, on the FFIEC 031 and FFIEC 041 versions of the Call Report, the following data are treated as confidential on an individual institution basis:

(1) Amounts reported in Schedule RC-P, items 7.a and 7.b, for representation and warranty reserves for 1-4 family residential mortgages sold to specified parties;
(2) Information that large and highly complex institutions report on criticized and classified items, nontraditional 1-4 family residential mortgage loans, higher-risk consumer loans, higher risk commercial and industrial loans and securities, top 20 counterparty exposures, and largest counterparty exposure for assessment purposes in Schedule RC-O, Memorandum items 6 through 9, 14, and 15, which are used as inputs to scorecard measures in the FDIC's deposit insurance assessment system for these institutions; and
(3) The table of consumer loans by loan type and probability of default band reported for deposit insurance assessment purposes by large and highly complex institutions in Schedule RC-O, Memorandum item 18.

Furthermore, contact information for depository institution personnel that is provided in institutions' Call Report submissions is not available to the public.

11. Information of a Sensitive Nature

The Call Report contains no questions of a sensitive nature.

12. Estimate of Annual Burden

It is estimated that, on average, it will take an FDIC-supervised institution approximately 45.62 hours each quarter on an ongoing basis to prepare and file its Call Report as it is proposed to be revised. This estimate reflects the average ongoing reporting burden for all FDIC-supervised institutions after the proposed revisions that are the subject of this submission have been implemented effective March 31, 2018, and June 30, 2018.[17] The estimated total annual ongoing reporting burden for the 3,668 FDIC-supervised institutions to prepare and file the Call Report after the proposed revisions have taken effect would be 669,337 hours.

The FDIC's estimated average of 45.62 burden hours per quarter reflects the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports for the number of FDIC-

[17] Due to the application of the transition rules in ASU 2016-01, the final implementation of certain proposed revisions to the reporting of equity securities would be effective December 31, 2020,

supervised institutions that currently file each report. When the estimates are calculated by type of report across the three banking agencies, the estimated average burden hours per quarter are 123.06 (FFIEC 031), 57.71 (FFIEC 041), and 39.38 (FFIEC 051). The burden hours for the currently approved reports are 128.05 (FFIEC 031), 74.88 (FFIEC 041), and 44.94 (FFIEC 051),[18] so the revisions that are the subject of this submission would represent a reduction in estimated average burden hours per quarter by type of report across the agencies of 4.99 (FFIEC 031), 17.17 (FFIEC 041), and 5.56 (FFIEC 051). 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).

The agencies' burden estimate includes 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 as well as time for reviewing instructions for all items, even if the institution determines it does not have a reportable amount, and time for verifying the accuracy of amounts reported in the Call Report. The agencies' estimates of the average times to complete each Call Report data item factor in the varying levels of automation versus manual interventions that exist across institutions for every data item.

For all FDIC-supervised institutions, year-to-date Call Report data as of September 30, 2017, indicate that salaries and employee benefits per full-time equivalent employee averaged nearly $42.25 per hour. Thus, for all 3,668 FDIC-supervised institutions, the annual recurring salary and employee benefit cost for the Call Report burden hours shown above is estimated to be $28.3 million. This cost is based on the application of the $42.25 average hourly rate to the estimated total ongoing annual reporting burden of 669,337 hours.

The estimate of annual burden cited above in this item is primarily the estimated ongoing burden for the quarterly filing of the Call Report. The total operation and maintenance and purchase of services component of the total annual cost burden to FDIC-supervised institutions (excluding salary and employee benefit costs cited above) is estimated to be $18.7 million. This cost is based on the application of an average hourly rate of $28.00 to the estimated total hours of estimated annual reporting burden of 669,337. This estimate reflects recurring expenses (other than salaries and employee benefits) incurred by all FDIC-supervised institutions in the Call Report preparation and filing process, including expenses associated with software, data processing, and institution records that are not used internally for management purposes but are necessary to complete the Call Report.

13. Estimate of Total Annual Cost Burden

None.

[18] See 82 FR 2444 (January 9, 2017).

14. Estimate of Total Annual Cost to the Federal Government

None.

15. Reason for Change in Burden

The change in burden associated with this submission is caused by two factors: (a) a net decrease in the number of reporting institutions supervised by the FDIC, and (b) the proposed changes to the Call Report that are the subject of this submission.

At present, there are 3,668 FDIC-supervised institutions, which is 156 less than previously reported (3,824 previously versus 3,668 now), which results in 624 fewer responses per year for this quarterly report. An analysis of the change in estimated burden for the Call Report information collection as it is proposed to be revised is as follows:

Currently approved burden	735,432 hours
Change Due to Adjustment in Estimate	- 36,093 hours
Change Due to Reduction in Number of Responses	- 30,002 hours
Requested (new) burden	669,337 hours
Net change in burden:	- 66,095 hours

16. Publication

Not applicable.

17. Display of Expiration Date

Not applicable.

18. Exceptions to Certification

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.

Appendix A

Summary of the FFIEC Member Entities' Uses of the Data Items in the Call Report Schedules in the Portion of the User Surveys Evaluated in the Development of The June 2017 Proposal

Schedule RI-D (Income from Foreign Offices) [FFIEC 031 only]

Schedule RI-D collects data on income from foreign offices. Collectively, the data are used in country and currency risk analyses to monitor the level, trend, quality and sustainability of the income component of foreign offices. These data help support a variety of examination activities that include, but are not limited to, earnings and yield analysis, asset securitizations, core assessment, price risk, and trading. Quarterly data also improve the off-site monitoring of trading and asset management activities. Data on investment banking, advisory, brokerage, and underwriting fees and commissions are used to track the global asset management activities of institutions with foreign offices. The global presence of these activities adds to the complexity of the asset management business conducted by financial institutions and this information is continually monitored to detect potential shifts in business models. It also serves as one component of measurement of the degree of global interconnectedness and systemic risk.

Schedule RI-E (Explanations)

Schedule RI-E collects explanations for items that significantly contribute to the total amounts reported for other noninterest income and other noninterest expense. Since other noninterest income makes up almost half of total noninterest income and other noninterest expense makes up approximately 40 percent of noninterest expense on an aggregate basis for all filers of the Call Report, data on the composition of each of these income statement data items is essential to understanding what is driving the level of and changes over time in these data items at individual institutions. The stratification of the information in this schedule allows for identification of potential unusual sources of changes in earnings that affect trend analyses. This information is particularly important for identifying losses of an unusual or nonrecurring nature when an institution is in a stressed condition, which was evident during the recent financial crisis. This stratified noninterest income and expense information continues to be critical in understanding the causes of swings in an institution's profitability.

Schedule RI-E also collects descriptive information on discontinued operations, significant adjustments to the allowance for loan and lease losses (ALLL), accounting changes and error corrections, and certain capital transactions with stockholders. These data items provide the agencies and their examiners better insight on factors driving changes in net income and the ALLL (due to sources other than provisions, charge-offs, and recoveries), along with nonrecurring types of changes in institutions' equity capital.

The detailed breakdown of components of other noninterest income in excess of the Schedule RI-E reporting threshold is essential to the Consumer Financial Protection Bureau's (CFPB) understanding of the viability of institutions' offerings of consumer services regulated by the CFPB. This information provides unique insights into institutions' reliance on key revenue streams that can impact consumer access to and the availability of services. These streams include bank and credit card interchange, income and fees from automated teller machines, and institution-described components of other noninterest income. This information also helps the CFPB monitor trends in the consumer marketplace. Similarly, the detailed breakdown of other noninterest expense facilitates the CFPB's ability to conduct statutorily-required cost analyses for rulemakings and other policy endeavors.

Schedule RC-B (Securities)

Information collected on Schedule RC-B is essential for assessment of liquidity risk, market risk, interest rate risk, and credit risk. Specifically, information on held-to-maturity, available-for-sale, and pledged securities is critical for analysis of the institution's ability to manage short-term financial obligations without negatively impacting capital or income (liquidity risk), and risk of loss due to market movements (market risk). Maturity and repricing information on debt securities collected in the Memorandum items on Schedule RC-B, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, is critical for the assessment of the risk to an institution from changes in interest rates (interest rate risk), and also contributes to the evaluation of liquidity. Thus, the maturity and repricing information collected throughout the Call Report also aids in evaluating the strategies institutions take to mitigate liquidity and interest rate 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.

In this regard, the reported amount of debt securities with a remaining maturity of one year or less is a key input into the calculation of an institution's short-term assets that, when analyzed in conjunction with non-core funding data, can indicate the extent to which the institution is relying on short-term funding to fund longer-term assets, which presents an exposure to liquidity risk. Further, liquidity risk inputs into agency models that vary by type of security provide examiners the ability to customize and apply liquidity stress tests. Extensive back testing has shown that the liquidity risk inputs for securities contain substantial forward-looking information by which to ascertain the likelihood that an institution would be able to avoid significant liquidity problems in a stressed environment.

As another example, agency models that consider both the amortized cost and fair value of held-to-maturity and available-for-sale securities reported in Schedule RC-B are used for off-site monitoring of interest rate risk to identify individual institutions that may be significantly exposed to rising interest rates. Individual types of securities from Schedule RC-B are grouped into major categories for purposes of performing duration-based analyses of potential investment portfolio depreciation for both severe and more moderate interest rate increases. The Schedule RC-B data for these groupings of securities, together with Call Report data for other types of balance sheet assets and liabilities, also serve as inputs to quarterly duration-based estimates of potential changes in fair values for the overall balance sheet in response to various forecasted interest rate changes. Outlier institutions identified by these models are the subject of prompt supervisory follow-up to address their interest rate risk exposure.

The institution’s risk profile in these areas is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations. For example, the quarterly reporting of the Call Report information on held-to-maturity and available-for-sale securities 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.

Information on the amortized cost and fair value of the securities portfolio allows for measurement of depreciation/appreciation, which is important for assessing the potential impact that unrealized gains and losses may have on earnings and liquidity. Unrealized gains and losses on available-for-sale equity securities and, for certain institutions, unrealized gains and losses on available-for-sale debt securities are an integral input into regulatory capital calculations. Furthermore, because the amount of unrealized gains and losses on both held-to-maturity and available-for-sale debt securities is an indicator of risk in the debt securities portfolio, it also is a key factor in examiners’ qualitative assessments of capital adequacy.

Data showing significant depreciation in specific types of securities not issued or guaranteed by the U.S. government or its agencies can signal an institution’s failure to properly evaluate the existence of other-than-temporary impairments arising from credit losses and other factors. Similarly, data on year-to-date sales and transfers of held-to-maturity securities is a basis for off-site or on-site follow-up by examiners to determine whether the reasons for these transactions are acceptable under U.S. GAAP or have resulted in the tainting of this securities portfolio. In addition, the reporting of debt securities by security type is important to identify concentrations in higher risk types of investments, which may have greater liquidity and/or credit risk than other types of securities. Information on investments in securities issued by states and political subdivisions in the United States is used by many state regulatory agencies as a starting point for monitoring compliance with certain state municipal investment regulations. The amortized cost and fair value of held-to-maturity and available-for-sale debt securities, respectively, for certain types of securities as well as the fair value of all U.S. Treasury and U.S. Government agency securities are used in the risk-based premium deposit insurance pricing methodology for large institutions and highly complex institutions.

Schedule RC-D (Trading Assets and Liabilities) [FFIEC 031 and FFIEC 041 only]

Schedule RC-D collects information on trading activity from institutions with more than a limited amount of trading assets in recent quarters. Trading assets are segmented into detailed securities and loan categories. Trading liabilities separately cover liability for short positions and other trading liabilities. The schedule's Memorandum items request additional information, including the unpaid principal balance of loans and the fair value of structured financial products and asset-backed securities held for trading purposes.

The information contained in Schedule RC-D is used to assess the overall composition of the institution's trading portfolio and also provides detailed information to evaluate the liquidity, credit, and interest rate risk within the trading portfolio, which impacts the overall risk profile of the institution. Data on the types of trading assets held by an institution – such as U.S. Treasury securities versus structured financial products versus commercial and industrial loans, for example – serve as a barometer of the relative levels of these risks in the trading portfolio. Regarding liquidity risk, the higher the level of more liquid assets an institution has within its trading portfolio, the more financial flexibility it has if faced with uncertainties or unfavorable market conditions. If an institution has a low level of liquid assets within its trading portfolio, this impacts its ability to rapidly adjust its holdings in response to adverse market movements. Information on the volume and composition of trading assets and how it has changed over recent quarters also can provide insight into an institution's trading strategies and its views on market trends. The assessment of trading portfolio composition and risks enters into pre-examination planning to determine the appropriate scoping and staffing for examinations of institutions engaged in trading activities.

Furthermore, data on securities and loans held for trading are combined with data on securities and loans held for investment, as reported in Schedule RC-B and Schedule RC-C, Part I, to benchmark weekly loan and security data collected by the Board from a sample of both small and large institutions. These weekly data are used to estimate weekly measures of extension of credit for the banking sector as a whole to provide a more timely input for purposes of monitoring the macroeconomy.

Information on mortgage-backed securities and mortgage loans held for trading assisted the CFPB's 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). Going forward, data items from this schedule and Schedules RC-B and RC-C, Part I, 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.

Schedule RC-K (Quarterly Averages)

Average quarterly asset and liability information is essential to the ability of the FFIEC member entities to more appropriately evaluate the performance of individual institutions. Quarterly average data from Schedule RC-K also provide important information at the industry level for policy review at FFIEC member entities.

The average data reported in Schedule RC-K are used in conjunction with income and expense information from Schedule RI to calculate yields and costs for the corresponding categories of assets and liabilities. These ratios are presented in the Uniform Bank Performance Report (UBPR) where they are used as a tool by examiners, both on- and off-site, to monitor and evaluate trends related to an institution's earnings and capital. These ratios also help the agencies identify trends across the banking industry. Important ratios derived from quarterly average data include, but are not limited to, earnings ratios (e.g., return on average assets, overhead ratio, and net interest margin) and the leverage capital ratio.

The granularity of the data in Schedule RC-K assists in analyzing performance within a bank's asset and liability portfolios. Quarterly average balances allow for better analyses of trends in the composition of an institution's assets and liabilities than is possible from comparisons of quarter-end data, which may be affected by fluctuations related to seasonality or abnormal levels of activity at period-end. The detailed average data used to calculate the yield on specific types of interest-earning assets helps examination teams understand the impact of credit quality on the earnings performance of particular loan portfolios. Where an institution's yields on particular types of loans exceed those of its peers, this warrants examiner scrutiny to determine whether this outcome is a result of the institution's origination or purchase of lower credit quality loans. In addition, the data on the cost of funds by funding type is important in assessing the funding mix at the institution level for oversight purposes. Higher costs for particular types of deposits or other liabilities compared to these costs at an institution's peers also warrants examiner review to determine whether the institution is making greater use of more volatile non-core funding sources. The yield on interest-earning assets and cost of funds also gives insight into the effectiveness of an institution's plans and initiatives related to asset/liability mix, liquidity, and interest rate risk strategies and their resulting impact on earnings. These performance ratios are essential to the consideration of an institution's earnings during pre-examination planning to determine the appropriate scoping of this area, particularly because earnings is evaluated and rated as part of the CAMELS rating system.[19]

[19] CAMELS is an acronym that represents the ratings from six essential components of an institution's financial condition and operations: capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risk. These components represent the primary areas evaluated by examiners during examinations of institutions.

Schedule RC-L (Derivatives and Off-Balance-Sheet Items)

Schedule RC-L provides data on off-balance sheet assets and liabilities as well as derivatives contracts. The quarterly reporting of all off-balance sheet items in the Call Report is required by law (12 USC 1831n(a)(3)(C)). The most recent financial crisis emphasized the importance of identifying and monitoring significant exposures arising from any contingent or off-balance sheet liabilities and the effect of these exposures on an institution's overall risk profile. The granular data on components of off-balance sheet items, as well as derivatives data, assist the banking agencies in ensuring the safety and soundness of financial institutions through both off-site and on-site monitoring of a variety of potential risks. These risks include, but are not limited to, liquidity risk, credit risk, interest rate risk, and foreign exchange risk. The data on Schedule RC-L also is essential for the examination scoping process, which begins during pre-examination planning. The data offer insight into outliers and exceptions, which provide information to examiners on areas on which to focus during their on-site examinations.

The data on Schedule RC-L on the FFIEC 031 and FFIEC 041 are useful in determining an institution's potential exposure to losses from derivatives activities. It is also useful in identifying the extent to which an institution may be engaging in hedging strategies that will affect its future earnings prospects. An excessive and/or inappropriate credit derivative position could have a substantial and immediate detrimental impact to an institution's liquidity, interest rate risk, earnings, or capital adequacy. For institutions with material volumes of derivatives as reported on Schedule RC-L, examiners can assess whether the institution's management has the appropriate expertise and policies in place to manage and control the risks associated with its derivatives activities and whether the institution's capital levels are commensurate with its risk exposure. This is particularly true with respect to interest rate derivatives, which are the most widely held derivatives, and are commonly used in the management of interest rate risk. Schedule RC-L provides a granular perspective about the types of interest rate contracts an institution has entered into, which helps an examiner focus on assessing how effectively management uses the various types of interest rate contracts in its derivatives portfolio to hedge its exposure to interest rate risk. Also, examiners investigate fluctuations in the fair values of an institution's holdings of derivatives to determine if there are changes in the institution's risk appetite as set by the board of directors and implemented by management.

The unused commitments information on Schedule RC-L is essential to examiners, especially during periods of financial distress when borrowers rely increasingly on drawing down their lines of credit and unused commitments as a source of funding. The unused commitments data enable examiners to identify whether growth in unused commitments over time is at a manageable level and permit assessments of the potential impact, if such commitments are funded, on the credit quality of the related loan categories, as well as on the liquidity and on the capital position of an institution. Also, institutions may have a concentration in a particular loan category, which may not be readily apparent from balance sheet data until unused commitments to borrowers in this category are actually funded, which dictates that examiners consider the reported amounts on unused commitments by loan category to ensure they identify and assess the concentration risk. Financial and performance standby letters of credit also present liquidity and credit risk considerations for examiners, which also may be greater during periods of financial distress when the counterparties may be more likely to fail to perform as required under the terms of the underlying contract.

The derivatives information on Schedule RC-L is also one of the primary sources that feeds into a derivatives quarterly report that is used to report on bank trading and derivatives activities. This public report issued by the OCC helps the banking agencies' on-site examiners at the largest banks to continuously evaluate the credit, market, operational, reputation, and compliance risks of bank derivatives activities.

Schedule RC-M (Memoranda)

Schedule RC-M collects various types of information. Section 7(k) of the Federal Deposit Insurance Act (12 U.S.C. 1817(k)) authorizes the federal banking agencies to require the reporting and public disclosure of information concerning extensions of credit by an institution to its executive officers and principal shareholders and their related interests. The Board's Regulation O (12 CFR 215), which has been made applicable to all institutions, imposes an aggregate lending limit on extensions of credit to insiders (executive officers, directors, principal shareholders, and their related interests) and, in general, requires an institution to make available the names of its executive officers and principal shareholders to whom the institution had outstanding as of the end of the latest previous quarter aggregate extensions of credit that, when aggregated with all other outstanding extensions of credit to such person and their related interests, equaled or exceeded the lesser of 5 percent of capital and unimpaired surplus or $500,000. The data collected in Schedule RC-M on extensions of credit to the reporting institution's insiders generally align with these requirements and assist the agencies in monitoring compliance with the insider lending regulations between examinations and determining whether supervisory follow-up is warranted when material increases in insider lending are identified.

Because identifiable intangible assets are deducted from regulatory capital or are subject to regulatory capital limits and deducted amounts are not risk weighted, the reporting of these amounts aids in validating an institution's regulatory capital calculations in Schedule RC-R. In addition to their treatment under the regulatory capital rules, mortgage servicing assets in particular are complex in nature and present liquidity risk and interest rate risk and their value is affected by the credit risk of the underlying serviced assets. Mortgage servicing assets also contribute to the level of an institution's mortgage prepayment exposure. When the level of this exposure rises above a specified benchmark at an individual institution, this exposure may warrant additional attention by examiners between examinations and necessitate greater scrutiny of management's prepayment assumptions in its own interest rate risk model during examinations or visitations.

The components of other real estate owned are needed to monitor asset quality trends at individual institutions and industry-wide, including when coupled with the past due and nonaccrual data for loans secured by the same type of property from Schedule RC-N. The component information may provide insight into the market conditions affecting the segments of the real estate market in the institution's trade area, including possible deteriorating conditions.

Maturity and repricing information on other borrowed money, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, is needed to evaluate liquidity and interest rate risk to 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 attention. Data on certain secured liabilities also are used in the assessment of institutions' liquidity positions. Increases in the relative volume of secured versus unsecured liabilities may signal that an institution is encountering difficulties in rolling over unsecured borrowings due to deterioration in its condition, which would call for supervisory follow-up when identified between examinations.

Information on mutual funds and annuities, bank websites with transactional capability, certain trustee and custodial activities, and captive insurance subsidiaries, is used to identify institutions engaged in these activities, some of which are not typical activities for community banks. If an institution begins to report that it engages in one or more of these activities or reports a significant increase in assets tied to an activity between examinations, this may indicate the need for examiner follow-up to assess the institution's expertise and management of these activities. An institution's involvement in these activities may also affect the staffing and scoping of examinations, particularly for activities for which compliance with applicable laws and regulations must be evaluated during examinations. The reporting of an institution's internet websites and trade names supports the FDIC's ability to serve as an information resource for insured institutions by responding to inquiries from the public with the most current information concerning the insured status of the institution behind an internet website or a physical branch office that uses a trade name.

For Qualified Thrift Lenders (QTL) subject to 12 U.S.C. 1467a(c), reporting of QTL test information assists the agencies in timely identifying thrift institutions that need to take action to remain in compliance, or that fail to comply and become subject to certain restrictions. International remittance transfers data by type are needed annually to monitor compliance with regulatory requirements (12 CFR 1005.30, et seq.). Different types of transfers pose different consumer protection concerns and information of transfer activity aids in the monitoring of the evolution of this market, and how institutions diversify remittance offerings beyond wire transfers.

<u>Schedule RC-R (Regulatory Capital)</u>

Schedule RC-R collects information about an institution's capital. Part I (Regulatory Capital Components and Ratios) collects information about the types and amounts of capital instruments and the leverage and risk-based capital ratios. Part II (Risk-Weighted Assets) collects additional information about types of assets on an institution’s balance sheet and certain off-balance sheet items to use in computing the risk-based capital ratios.

Each federal banking agency is required to establish a leverage limit and risk-based capital requirement for insured depository institutions under 12 U.S.C. 1831o and to monitor compliance with those requirements. The agencies implemented the capital requirements in their regulatory capital rules (12 CFR part 3 for OCC; 12 CFR part 217 for the Board; 12 CFR part 324 for the FDIC) and the compliance requirements in their prompt corrective action rules (12 CFR part 6 for OCC; 12 CFR part 208, Subpart D for the Board; 12 CFR 324, Subpart H for the FDIC). The capital rules recognize three types of capital instruments: CET-1, Additional Tier 1, and Tier 2 capital. The total of each type on Schedule RC-R, Part I, includes all potential adjustments to each component as allowed under the capital rules. The capital rules also provide for a calculation of risk-weighted assets, which consists of assigning a risk-weight to every asset on an institution’s balance sheet that is not deducted from capital, as well as to certain off-balance sheet items. Schedule RC-R, Part II, includes all of the fields necessary to properly calculate an institution’s risk-weighted asset amount. Finally, the results of the calculation of capital instrument amounts and risk-weighted assets are used to calculate risk-based and leverage capital ratios on Schedule RC-R, Part I. The agencies need to be able to monitor compliance with the capital rules and prompt corrective action provisions no less frequently than quarterly.

In addition to using the resulting capital ratios to determine an institution’s status under 12 U.S.C. 1831o and the banking agencies’ prompt corrective action regulations, the FFIEC member entities use the regulatory capital information for other purposes. The calculation of Tier 1 capital at quarter-end flows into the amount of average tangible equity for the calendar quarter that institutions report in Schedule RC-O, which is used in the measurement of institutions’ assessment bases for deposit insurance purposes. The Tier 1 leverage ratio is one of the inputs into the calculation of deposit insurance assessment rates for small institutions and Tier 1 capital is a commonly used input when calculating these rates for large and highly complex institutions. Capital adequacy is rated in an institution’s on-site examination as the C of the CAMELS component ratings, and the information provided on Schedule RC-R helps examiners evaluate and rate that component. It is also used in the off-site monitoring process, and is important in reviewing the risk profile and viability of a financial institution. For example, the ratio of risk-weighted assets to unweighted assets has been found to provide an informative forward-looking signal regarding an institution’s risk posture. The information provided on Schedule RC-R also is used in deciding whether to approve an 18-month examination cycle for a specific institution and in reviewing merger applications.

Information on specific sub-components of regulatory capital is useful as well. For example, the amounts of unrealized gains and losses on securities that flow into regulatory capital provide an indication of an institution’s interest rate and market risk. Information on the risk weighting of assets and off-balance sheet items provides insight into management's risk tolerance and the institution's risk to the deposit insurance fund. The risk-weighted asset composition information and risk-based capital ratios that flow into the UBPR are helpful to examiners when reviewing Reports of Examination and to establish a peer group average for comparison when evaluating changes in these items. The risk-weighted asset composition information also assists examiners in evaluating the reasons for changes in total risk-weighted assets over time at individual institutions. The derivatives exposure items reported in the Memoranda section of Schedule RC-R, Part II, provide a key insight into the notional principal amounts of both cleared and over-the-counter derivatives in the banking system, in addition to being inputs into the calculation for risk-weighted assets.

Appendix B

FFIEC 051: To be completed by banks with domestic offices only and total assets less than $1 billion

Data Items Removed, Other Impacts to Data Items, Data Items with a Reduction in Frequency of Collection, or Data Items with an Increase in Reporting Threshold

Data Items Removed

Schedule	Item	Item Name	MDRM Number
RI	5.d.(1)	Fees and commissions from securities brokerage	RIADC886
RI	5.d.(2)	Investment banking, advisory, and underwriting fees and commissions Note: Items 5.d.(1) and 5.d.(2) of Schedule RI will be combined into one data item.	RIADC888
RI	5.d.(3)	Fees and commissions from annuity sales	RIADC887
RI	5.d.(4)	Underwriting income from insurance and reinsurance activities	RIADC386
RI	5.d.(5)	Income from other insurance activities Note: Items 5.d.(3), 5.d.(4), and 5.d.(5) of Schedule RI will be combined into one data item.	RIADC387
RI	5.g	Net securitization income	RIADB493
RI	M1	Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513
RI-B, Part II	M4	Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3)	RIADC781
RI-E	1.f	Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229
RI-E	1.h	Gains on bargain purchases	RIADJ447
RC	10.a	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b.	RCON3163
RC	10.b	Other intangible assets (from Schedule RC-M) Note: Items 10.a and 10.b of Schedule RC will be combined into one data item.	RCON0426
RC-B	2.a	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S. Government agencies (Columns A through D)	RCON1289, RCON1290, RCON1291, RCON1293
RC-B	2.b	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S. Government-sponsored agencies (Columns A through D)	RCON1294, RCON1295, RCON1297, RCON1298

Schedule	Item	Item Name	MDRM Number
		Note: Items 2.a and 2.b of Schedule RC-B will be combined into one data item (Columns A through D).	
RC-B	5.b.(1)	Structured financial products: Cash (Columns A through D)	RCONG336, RCONG337, RCONG338, RCONG339
RC-B	5.b.(2)	Structured financial products: Synthetic (Columns A through D)	RCONG340, RCONG341, RCONG342, RCONG343
RC-B	5.b.(3)	Structured financial products: Hybrid (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B will be combined into one line item (Columns A through D).	RCONG344, RCONG345, RCONG346, RCONG347
RC-B	M6.a	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by financial institutions (Columns A through D)	RCONG348, RCONG349, RCONG350, RCONG351
RC-B	M6.b	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by real estate investment trusts (Columns A through D)	RCONG352, RCONG353, RCONG354, RCONG355
RC-B	M6.c	Structured financial products by underlying collateral or reference assets: Corporate and similar loans (Columns A through D)	RCONG356, RCONG357, RCONG358, RCONG359
RC-B	M6.d	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs) (Columns A through D)	RCONG360, RCONG361, RCONG362, RCONG363
RC-B	M6.e	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS not issued or guaranteed by GSEs (Columns A through D)	RCONG364, RCONG365, RCONG366, RCONG367
RC-B	M6.f	Structured financial products by underlying collateral or reference assets: Diversified (mixed) pools of structured financial products (Columns A through D)	RCONG368, RCONG369, RCONG370, RCONG371
RC-B	M6.g	Structured financial products by underlying collateral or reference assets: Other collateral or reference assets (Columns A through D)	RCONG372, RCONG373, RCONG374, RCONG375
RC-K	7	Trading assets	RCON3401
RC-L	1.b.(1)	Unused consumer credit card lines	RCONJ455
RC-L	1.b.(2)	Other unused credit card lines	RCONJ456
RC-L	1.d	Unused commitments: Securities underwriting	RCON3817
RC-M	2.b	Purchased credit card relationships and nonmortgage servicing assets Note: Amounts reported in item 2.b will be included in item 2.c, All other identifiable intangible assets.	RCONB026
RC-M	3.f	Foreclosed properties from "GNMA loans" Note: Amounts reported in item 3.f will be	RCONC979

Schedule	Item	Item Name	MDRM Number
		included in item 3.c, Other real estate owned: 1—4 family residential properties.	

Other Impacts to Data Items

Schedule	Item	Item Name	MDRM Number
RI	5.d.(1) (New)	Fees and commissions from securities brokerage, investment banking, advisory, and underwriting activities Note: Items 5.d.(1) and 5.d.(2) of Schedule RI removed above will be combined into this data item.	To be determined (TBD)
RI	5.d.(2) (New)	Income from insurance activities (includes underwriting income from insurance and reinsurance activities) Note: Items 5.d.(3), 5.d.(4), and 5.d.(5) of Schedule RI removed above will be combined into this data item.	TBD
RC	10 (New)	Intangible assets (from Schedule RC-M) Note: Items 10.a and 10.b of Schedule RC removed above will be combined into this data item.	RCON2143
RC-B	2 (New)	U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities (Columns A through D) Note: Items 2.a and 2.b of Schedule RC-B removed above will be combined into this data item (Columns A through D).	TBD (4 MDRMs)
RC-B	5.b (New)	Structured financial products (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B removed above will be combined into this line item (Columns A through D).	TBD (4 MDRMs)
RC-M	2.b (Re-mapping)	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b., and the phrase “other than goodwill” will be removed from the caption for Schedule RC-M, item 2.	RCON3163

Data Items with a Reduction in Frequency of Collection

Semiannual Reporting (June 30 and December 31)

Schedule	Item	Item Name	MDRM Number
RC-B	M3	Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date	RCON1778
RC-C, Part I	M7.a	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Outstanding balance	RCONC779
RC-C, Part I	M7.b	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Amount included in Schedule RC-C, Part I, items 1 through 9	RCONC780
RC-C, Part I	M8.a	Total amount of closed-end loans with negative amortization features secured by 1–4 family residential properties	RCONF230
RC-C, Part I	M12	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year (Columns A through C)	RCONGW45, RCONGW46, RCONGW47
RC-L	11.a	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the acquiring bank	RCONC223
RC-L	11.b	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the agent bank with risk	RCONC224
RC-N	M7	Additions to nonaccrual assets during the quarter Note: This caption would be revised to “Additions to nonaccrual assets during the last 6 months.”	RCONC410
RC-N	M8	Nonaccrual assets sold during the quarter Note: This caption would be revised to “Nonaccrual assets sold during the last 6 months.”	RCONC411
RC-N	M9.a	Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Outstanding balance (Columns A through C)	RCONL183, RCONL184, RCONL185
RC-N	M9.b	Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Amount included in Schedule RC-N, items 1 through 7, above (Columns A through C)	RCONL186, RCONL187, RCONL188

Annual Reporting (December 31)

Schedule	Item	Item Name	MDRM Number
RI-E	1.a through 1.l	Other noninterest income (from Schedule RI, item 5.l)	RIADC013, RIADC014, RIADC016, RIAD4042, RIADC015, RIADF555, RIADT047, RIAD4461, RIAD4462, RIAD4463
RI-E	2.a through 2.p	Other noninterest expense (from Schedule RI, item 7.d)	RIADC017, RIAD0497, RIAD4136, RIADC018, RIAD8403, RIAD4141, RIAD4146, RIADF556, RIADF557, RIADF558, RIADF559, RIADY923, RIADY924, RIAD4464, RIAD4467, RIAD4468

Data Items with an Increase in Reporting Threshold

To be completed by banks with components of other noninterest income in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l

Schedule	Item	Item Name	MDRM Number
RI-E	1.a through 1.l	Other noninterest income (from Schedule RI, item 5.l)	RIADC013, RIADC014, RIADC016, RIAD4042, RIADC015, RIADF555, RIADT047, RIAD4461, RIAD4462, RIAD4463

To be completed by banks with components of other noninterest expense in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d

Schedule	Item	Item Name	MDRM Number
RI-E	2.a through 2.p	Other noninterest expense (from Schedule RI, item 7.d)	RIADC017, RIAD0497, RIAD4136, RIADC018, RIAD8403, RIAD4141, RIAD4146, RIADF556, RIADF557, RIADF558, RIADF559, RIADY923, RIADY924, RIAD4464, RIAD4467, RIAD4468

Appendix C

FFIEC 041: To be completed by banks with domestic offices only and consolidated total assets less than $100 billion

Data Items Removed, Other Impacts to Data Items, Data Items with a Reduction in Frequency of Collection, or Data Items with an Increase in Reporting Threshold

Data Items Removed

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
RI	M8.f.(1)	Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets: Gross credit valuation adjustment (CVA)	RIADFT36
RI	M8.f.(2)	Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets: CVA hedge	RIADFT37
RI	M8.g.(1)	Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities: Gross debit valuation adjustment (DVA)	RIADFT38
RI	M8.g.(2)	Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities: DVA hedge	RIADFT39
RI	M8.h	Gross trading revenue before including positive or negative net CVA and net DVA	RIADFT40
RI-E	1.f	Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229
RI-E	1.h	Gains on bargain purchases	RIADJ447
RC	10.a	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b.	RCON3163
RC	10.b	Other intangible assets (from Schedule RC-M) Note: Items 10.a and 10.b of Schedule RC will be combined into one data item.	RCON0426
RC-B	2.a	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S.	RCON1289, RCON1290, RCON1291, RCON1293

Schedule	Item	Item Name	MDRM Number
		Government agencies (Columns A through D)	
RC-B	2.b	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S. Government-sponsored agencies (Columns A through D) Note: Items 2.a and 2.b of Schedule RC-B will be combined into one data item (Columns A through D).	RCON1294, RCON1295, RCON1297, RCON1298
RC-B	5.b.(1)	Structured financial products: Cash (Columns A through D)	RCONG336, RCONG337, RCONG338, RCONG339
RC-B	5.b.(2)	Structured financial products: Synthetic (Columns A through D)	RCONG340, RCONG341, RCONG342, RCONG343
RC-B	5.b.(3)	Structured financial products: Hybrid (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B will be combined into one data item.	RCONG344, RCONG345, RCONG346, RCONG347
RC-D	5.a.(1)	Structured financial products: Cash	RCONG383
RC-D	5.a.(2)	Structured financial products: Synthetic	RCONG384
RC-D	5.a.(3)	Structured financial products: Hybrid Note: Items 5.a.(1), 5.a.(2), and 5.a.(3) of Schedule RC-D will be combined into one data item.	RCONG385
RC-D	6.a.(1)	Construction, land development, and other land loans	RCONF604
RC-D	6.a.(2)	Loans secured by farmland	RCONF605
RC-D	6.a.(3)(a)	Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	RCONF606
RC-D	6.a.(3)(b)(1)	Closed-end loans secured by 1–4 family residential properties: Secured by first liens	RCONF607
RC-D	6.a.(3)(b)(2)	Closed-end loans secured by 1–4 family residential properties: Secured by junior liens	RCONF611
RC-D	6.a.(4)	Loans secured by multifamily (5 or more) residential properties	RCONF612
RC-D	6.a.(5)	Loans secured by nonfarm nonresidential properties Note: Items 6.a.(1), 6.a.(2), 6.a.(3)(a), 6.a.(3)(b)(1), 6.a.(3)(b)(2), 6.a.(4), and 6.a.(5) of Schedule RC-D will be replaced by two data items: (1) Loans secured by 1—4 family residential properties, and (2) All other loans secured by real estate.	RCONF613
RC-D	6.c.(1)	Loans to individuals for household, family, and other personal expenditures: Credit cards	RCONF615
RC-D	6.c.(2)	Loans to individuals for household, family, and other personal expenditures: Other revolving credit plans	RCONF616

Schedule	Item	Item Name	MDRM Number
RC-D	6.c.(3)	Loans to individuals for household, family, and other personal expenditures: Automobile loans	RCONK199
RC-D	6.c.(4)	Loans to individuals for household, family, and other personal expenditures: Other consumer loans Note: Items 6.c.(1), 6.c.(2), 6.c.(3), and 6.c.(4) of Schedule RC-D will be combined into one data item.	RCONK210
RC-D	M1.a.(1)	Unpaid principal balance of loans measured at fair value: Construction, land development, and other land loans	RCONF625
RC-D	M1.a.(2)	Unpaid principal balance of loans measured at fair value: Loans secured by farmland	RCONF626
RC-D	M1.a.(3)(a)	Unpaid principal balance of loans measured at fair value: Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit	RCONF627
RC-D	M1.a.(3)(b)(1)	Unpaid principal balance of loans measured at fair value: Closed-end loans secured by 1–4 family residential properties: Secured by first liens	RCONF628
RC-D	M1.a.(3)(b)(2)	Unpaid principal balance of loans measured at fair value: Closed-end loans secured by 1–4 family residential properties: Secured by junior liens	RCONF629
RC-D	M1.a.(4)	Unpaid principal balance of loans measured at fair value: Loans secured by multifamily (5 or more) residential properties	RCONF630
RC-D	M1.a.(5)	Unpaid principal balance of loans measured at fair value: Loans secured by nonfarm nonresidential properties Note: Items M1.a.(1), M1.a.(2), M1.a.(3)(a), M1.a.(3)(b)(1), M1.a.(3)(b)(2), M1.a.(4), and M1.a.(5) of Schedule RC-D will be replaced by two data items: (1) Unpaid principal balance of loans measured at fair value: Loans secured by 1—4 family residential properties, and (2) Unpaid principal balance of loans measured at fair value: All other loans secured by real estate.	RCONF631
RC-D	M1.c.(1)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Credit cards	RCONF633
RC-D	M1.c.(2)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Other revolving credit plans	RCONF634
RC-D	M1.c.(3)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Automobile loans	RCONK200
RC-D	M1.c.(4)	Unpaid principal balance of loans measured at	RCONK211

Schedule	Item	Item Name	MDRM Number
		fair value: Loans to individuals for household, family, and other personal expenditures: Other consumer loans Note: Items M1.c.(1), M1.c.(2), M1.c.(3), and M1.c.(4) of Schedule RC-D will be combined into one data item.	
RC-D	M2.a	Loans measured at fair value that are past due 90 days or more: Fair value	RCONF639
RC-D	M2.b	Loans measured at fair value that are past due 90 days or more: Unpaid principal balance	RCONF640
RC-D	M3.a	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by financial institutions	RCONG299
RC-D	M3.b	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by real estate investment trusts	RCONG332
RC-D	M3.c	Structured financial products by underlying collateral or reference assets: Corporate and similar loans	RCONG333
RC-D	M3.d	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs)	RCONG334
RC-D	M3.e	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS not issued or guaranteed by GSEs	RCONG335
RC-D	M3.f	Structured financial products by underlying collateral or reference assets: Diversified (mixed) pools of structured financial products	RCONG651
RC-D	M3.g	Structured financial products by underlying collateral or reference assets: Other collateral or reference assets	RCONG652
RC-D	M4.a	Pledged trading assets: Pledged securities	RCONG387
RC-D	M4.b	Pledged trading assets: Pledged loans	RCONG388
RC-D	M5.a	Asset-backed securities: Credit card receivables	RCONF643
RC-D	M5.b	Asset-backed securities: Home equity lines	RCONF644
RC-D	M5.c	Asset-backed securities: Automobile loans	RCONF645
RC-D	M5.d	Asset-backed securities: Other consumer loans	RCONF646
RC-D	M5.e	Asset-backed securities: Commercial and industrial loans	RCONF647
RC-D	M5.f	Asset-backed securities: Other	RCONF648
RC-D	M6	Retained beneficial interests in securitizations	RCONF651
RC-D	M7.a	Equity securities: Readily determinable fair values	RCONF652
RC-D	M7.b	Equity securities: Other	RCONF653
RC-D	M8	Loans pending securitization	RCONF654
RC-D	M9	Other trading assets	RCONF655, RCONF656, RCONF657

Schedule	Item	Item Name	MDRM Number
RC-D	M10	Other trading liabilities	RCONF658, RCONF659, RCONF660
RC-L	1.a.(1)	Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment	RCONJ477
RC-L	1.a.(2)	Unused commitments for proprietary reverse mortgages outstanding that are held for investment Note: Items 1.a.(1) and 1.a.(2) of Schedule RC-L will be combined into one data item.	RCONJ478
RC-L	8	Spot foreign exchange contracts	RCON8765
RC-L	16.a	Over-the-counter derivatives: Net current credit exposure (Columns B, C, and D)	RCONG419, RCONG420, RCONG421
RC-L	16.b.(1)	Over-the-counter derivatives: Fair value of collateral: Cash—U.S. dollar (Columns B, C, and D)	RCONG424, RCONG425, RCONG426
RC-L	16.b.(2)	Over-the-counter derivatives: Fair value of collateral: Cash—Other currencies (Columns B, C, and D)	RCONG429, RCONG430, RCONG431
RC-L	16.b.(3)	Over-the-counter derivatives: Fair value of collateral: U.S. Treasury securities (Columns B, C, and D)	RCONG434, RCONG435, RCONG436
RC-L	16.b.(4)	Over-the-counter derivatives: Fair value of collateral: U.S. Government agency and U.S. Government-sponsored agency debt securities (Columns A, B, C, D, and E)	RCONG438, RCONG439, RCONG440, RCONG441, RCONG442
RC-L	16.b.(5)	Over-the-counter derivatives: Fair value of collateral: Corporate bonds (Columns A, B, C, D, and E)	RCONG443, RCONG444, RCONG445, RCONG446, RCONG447
RC-L	16.b.(6)	Over-the-counter derivatives: Fair value of collateral: Equity securities (Columns A, B, C, D, and E)	RCONG448, RCONG449, RCONG450, RCONG451, RCONG452
RC-L	16.b.(7)	Over-the-counter derivatives: Fair value of collateral: All other collateral (Columns B, C, and D) Note: Amounts reported in items 16.b.(4), 16.b.(5), and 16.b.(6), Columns A and E, will be included in item 16.b.(7), Columns A and E.	RCONG454, RCONG455 RCONG456
RC-L	16.b.(8)	Over-the-counter derivatives: Fair value of collateral: Total fair value of collateral (Columns B, C, and D) Note: Amounts reported in items 16.a, 16.b.(1), 16.b.(2), 16.b.(3), 16.b.(4), 16.b.(5), 16.b.(6), and 16.b.(7), Columns B, C, and D, will be included in items 16.a, 16.b.(1), 16.b.(2), 16.b.(3), and 16.b.(7), Column E.	RCONG459, RCONG460 RCONG461
RC-M	2.b	Purchased credit card relationships and nonmortgage servicing assets	RCONB026

Schedule	Item	Item Name	MDRM Number
		Note: Amounts reported in item 2.b will be included in item 2.c, All other identifiable intangible assets.	
RC-M	3.f	Foreclosed properties from ”GNMA loans” Note: Amounts reported in item 3.f will be included in item 3.c, Other real estate owned: 1—4 family residential properties.	RCONC979

Other Impacts to Data Items

Schedule	Item	Item Name	MDRM Number
RC	10 (New)	Intangible assets Note: Items 10.a and 10.b of Schedule RC will be combined into this data item.	RCON2143
RC-B	2 (New)	U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities (Columns A through D) Note: Items 2.a and 2.b of Schedule RC-B removed above will be combined into this data item (Columns A through D).	TBD (4 MDRMs)
RC-B	5.b (New)	Structured financial products (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B removed above will be combined into this data item (Columns A through D).	TBD (4 MDRMs)
RC-D	5.a (New)	Structured financial products Note: Items 5.a.(1), 5.a.(2), and 5.a.(3) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	6.a.(1) (New)	Loans secured by 1–4 family residential properties Note: Items 6.a.(3)(a), 6.a.(3)(b)(1), and 6.a.(3)(b)(2) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	6.a.(2) (New)	All other loans secured by real estate Note: Items 6.a.(1), 6.a.(2), 6.a.(4), and 6.a.(5) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	6.c (New)	Loans to individuals for household, family and other personal expenditures (i.e., consumer loans) (includes purchased paper) Note: Items 6.c.(1), 6.c.(2), 6.c.(3), and 6.c.(4) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	M1.a.(1) (New)	Unpaid principal balance of loans measured at fair value: Loans secured by 1–4 family residential	TBD

		properties Note: Items M1.a.(3)(a), M1.a.(3)(b)(1), and M1.a.(3)(b)(2) of Schedule RC-D removed above will be combined into this data item.	
RC-D	M1.a.(2) (New)	Unpaid principal balance of loans measured at fair value: All other loans secured by real estate Note: Items M1.a.(1), M1.a.(2), M1.a.(4), and M1.a.(5) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	M1.c (New)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures Note: Items M1.c.(1), M1.c.(2), M1.c.(3), and M1.c.(4) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-L	1.a.(1) (New)	Unused commitments for reverse mortgages outstanding that are held for investment Note: Items 1.a.(1) and 1.a.(2) of Schedule RC-L removed above will be combined into this data item.	TBD
RC-M	2.b (Re-mapping)	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b., and the phrase “other than goodwill” will be removed from the caption for Schedule RC-M, item 2.	RCON3163

Data Items with a Reduction in Frequency of Collection

Semiannual Reporting (June 30 and December 31)

Schedule	**Item**	**Item Name**	**MDRM Number**
RI	M12	Noncash income from negative amortization on closed-end loans secured by 1–4 family residential properties	RIADF228
RC-B	M3	Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date	RCON1778
RC-C, Part I	M7.a	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Outstanding balance	RCONC779
RC-C, Part I	M7.b	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Amount included in Schedule RC-C, Part I, items 1 through 9	RCONC780
RC-C, Part I	M8.a	Total amount of closed-end loans with negative amortization features secured by 1–4 family residential properties	RCONF230
RC-C,	M8.b	Total maximum remaining amount of negative	RCONF231

Schedule	Item	Item Name	MDRM Number
Part I		amortization contractually permitted on closed-end loans secured by 1–4 family residential properties	
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 above	RCONF232
RC-C, Part I	M12.a	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Loans secured by real estate (Columns A through C)	RCONG091, RCONG092, RCONG093
RC-C, Part I	M12.b	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Commercial and industrial loans (Columns A through C)	RCONG094, RCONG095, RCONG096
RC-C, Part I	M12.c	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Loans to individuals for household, family, and other personal expenditures (Columns A through C)	RCONG097, RCONG098, RCONG099
RC-C, Part I	M12.d	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: All other loans and all leases (Columns A through C)	RCONG100, RCONG101, RCONG102
RC-L	1.b.(1)	Unused consumer credit card lines	RCONJ455
RC-L	1.b.(2)	Other unused credit card lines	RCONJ456
RC-L	11.a	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the acquiring bank	RCONC223
RC-L	11.b	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the agent bank with risk	RCONC224
RC-N	M7	Additions to nonaccrual assets during the quarter Note: This caption would be revised to “Additions to nonaccrual assets during the last 6 months.”	RCONC410
RC-N	M8	Nonaccrual assets sold during the quarter Note: This caption would be revised to ”Nonaccrual assets sold during the last 6 months.”	RCONC411
RC-N	M9.a	Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Outstanding balance (Columns A through C)	RCONL183, RCONL184, RCONL185
RC-N	M9.b	Purchased credit-impaired loans accounted for in	RCONL186, RCONL187,

Schedule	Item	Item Name	MDRM Number
		accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Amount included in Schedule RC-N, items 1 through 7, above (Columns A through C)	RCONL188

Annual Reporting (December)

Schedule	Item	Item Name	MDRM Number
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	14.a	Total assets of captive insurance subsidiaries	RCONK193
RC-M	14.b	Total assets of captive reinsurance subsidiaries	RCONK194

Data Items with an Increase in Reporting Threshold

Schedule RC-D is to be completed by banks that reported total trading assets of *$10 million* or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

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

Schedule	Item	Item Name	MDRM Number
RC-B	M5.a	Asset-backed securities: Credit card receivables (Columns A, B, C, and D)	RCONB838, RCONB839, RCONB840, RCONB841
RC-B	M5.b	Asset-backed securities: Home equity lines (Columns A, B, C, and D)	RCONB842, RCONB843, RCONB844, RCONB845
RC-B	M5.c	Asset-backed securities: Automobile loans (Columns A, B, C, and D)	RCONB846, RCONB847, RCONB848, RCONB849
RC-B	M5.d	Asset-backed securities: Other consumer loans (Columns A, B, C, and D)	RCONB850, RCONB851, RCONB852, RCONB853
RC-B	M5.e	Asset-backed securities: Commercial and industrial loans (Columns A, B, C, and D)	RCONB854, RCONB855, RCONB856, RCONB857
RC-B	M5.f	Asset-backed securities: Other (Columns A, B, C, and D)	RCONB858, RCONB859, RCONB860, RCONB861
RC-B	M6.a	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by financial institutions (Columns A through D)	RCONG348, RCONG349, RCONG350, RCONG351
RC-B	M6.b	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by real estate investment trusts (Columns A through D)	RCONG352, RCONG353, RCONG354, RCONG355
RC-B	M6.c	Structured financial products by underlying collateral or reference assets: Corporate and similar loans (Columns A through D)	RCONG356, RCONG357, RCONG358, RCONG359
RC-B	M6.d	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs) (Columns A through	RCONG360, RCONG361, RCONG362, RCONG363

		D)	
RC-B	M6.e	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS not issued or guaranteed by GSEs (Columns A through D)	RCONG364, RCONG365, RCONG366, RCONG367
RC-B	M6.f	Structured financial products by underlying collateral or reference assets: Diversified (mixed) pools of structured financial products (Columns A through D)	RCONG368, RCONG369, RCONG370, RCONG371
RC-B	M6.g	Structured financial products by underlying collateral or reference assets: Other collateral or reference assets (Columns A through D)	RCONG372, RCONG373, RCONG374, RCONG375

To be completed by banks with components of other noninterest income in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l

Schedule	**Item**	**Item Name**	**MDRM Number**
RI-E	1.a through 1.l	Other noninterest income (from Schedule RI, item 5.l)	RIADC013, RIADC014, RIADC016, RIAD4042, RIADC015, RIADF555, RIADT047, RIAD4461, RIAD4462, RIAD4463

To be completed by banks with components of other noninterest expense in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d

Schedule	**Item**	**Item Name**	**MDRM Number**
RI-E	2.a through 2.p	Other noninterest expense (from Schedule RI, item 7.d)	RIADC017, RIAD0497, RIAD4136, RIADC018, RIAD8403, RIAD4141, RIAD4146, RIADF556, RIADF557, RIADF558, RIADF559, RIADY923, RIADY924, RIAD4464, RIAD4467, RIAD4468

To be completed by banks with total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Schedule	**Item**	**Item Name**	**MDRM Number**
RC-K	7	Trading assets	RCON3401

Appendix D

FFIEC 031: To be completed by banks with domestic and foreign offices and banks with domestic offices only and consolidated total assets of $100 billion or more

Data Items Removed, Other Impacts to Data Items, Data Items with a Reduction in Frequency of Collection, or Data Items with an Increase in Reporting Threshold

Data Items Removed

Schedule	Item	Item Name	MDRM Number
RI-E	1.f	Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229
RI-E	1.h	Gains on bargain purchases	RIADJ447
RC	10.a	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b.	RCFD3163
RC	10.b	Other intangible assets Note: Items 10.a and 10.b of Schedule RC will be combined into one data item.	RCFD0426
RC-B	2.a	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S. Government agencies (Columns A through D)	RCFD1289, RCFD1290, RCFD1291, RCFD1293
RC-B	2.b	U.S. Government agency obligations (exclude mortgage-backed securities): Issued by U.S. Government-sponsored agencies (Columns A through D) Note: Items 2.a and 2.b of Schedule RC-B will be combined into one data item.	RCFD1294, RCFD1295, RCFD1297, RCFD1298
RC-B	5.b.(1)	Structured financial products: Cash (Columns A through D)	RCFDG336, RCFDG337, RCFDG338, RCFDG339
RC-B	5.b.(2)	Structured financial products: Synthetic (Columns A through D)	RCFDG340, RCFDG341, RCFDG342, RCFDG343
RC-B	5.b.(3)	Structured financial products: Hybrid (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B will be combined into one data item.	RCFDG344, RCFDG345, RCFDG346, RCFDG347
RC-D	All data items reported in Column B, “Domestic offices”	Column B, “Domestic offices” Note: Data items 6.a.(1) through 6.a.(5), Column B, will be combined into two data items to be collected for the consolidated bank in Column A, which will replace data item 6.a, Column A. In addition, data items M1.a.(1) through M1.a.(5), Column B, will be combined into two data items to be collected for the consolidated bank in Column A, which will replace data item M.1.a, Column A.	RCON3531, RCON3532, RCON3533, RCONG379, RCONG380, RCONG381, RCONK197, RCONK198, RCONG383, RCONG384, RCONG385, RCONG386, RCONF604, RCONF605, RCONF606, RCONF607, RCONF611, RCONF612, RCONF613, RCONF614,

Schedule	Item	Item Name	MDRM Number
		Data items 12 and 15, Column B, will be moved to Schedule RC-H, new items 19 and 20. Data items 6.a.(1) through 6.d, Column B, will be combined into one data item and moved to Schedule RC-H, new item 21.	RCONF615, RCONF616, RCONK199, RCONK210, RCONF618, RCON3541, RCON3543, RCON3545, RCON3546, RCONF624, RCON3547, RCON3548, RCONF625, RCONF626, RCONF627, RCONF628, RCONF629, RCONF630, RCONF631, RCONF632, RCONF633, RCONF634, RCONK200, RCONK211, RCONF636, RCONF639, RCONF640, RCONG299, RCONG332, RCONG333, RCONG334, RCONG335, RCONG651, RCONG652, RCONG387, RCONG388
RC-D	5.a.(1)	Structured financial products: Cash (Column A)	RCFDG383
RC-D	5.a.(2)	Structured financial products: Synthetic (Column A)	RCFDG384
RC-D	5.a.(3)	Structured financial products: Hybrid (Column A) Note: Items 5.a.(1), 5.a.(2), and 5.a.(3) of Schedule RC-D, Column A, will be combined into one data item.	RCFDG385
RC-D	6.a	Loans secured by real estate (Column A)	RCFDF610
RC-D	6.c.(1)	Loans to individuals for household, family, and other personal expenditures: Credit cards (Column A)	RCFDF615
RC-D	6.c.(2)	Loans to individuals for household, family, and other personal expenditures: Other revolving credit plans (Column A)	RCFDF616
RC-D	6.c.(3)	Loans to individuals for household, family, and other personal expenditures: Automobile loans (Column A)	RCFDK199
RC-D	6.c.(4)	Loans to individuals for household, family, and other personal expenditures: Other consumer loans Note: Items 6.c.(1), 6.c.(2), 6.c.(3), and 6.c.(4) of Schedule RC-D, Column A, will be combined into one data item.	RCFDK210
RC-D	M1.a	Unpaid principal balance of loans measured at fair value: Loans secured by real estate (Column A)	RCFDF790
RC-D	M1.c.(1)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Credit cards (Column A)	RCFDF633
RC-D	M1.c.(2)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Other revolving credit plans (Column A)	RCFDF634
RC-D	M1.c.(3)	Unpaid principal balance of loans measured at fair	RCFDK200

Schedule	Item	Item Name	MDRM Number
		value: Loans to individuals for household, family, and other personal expenditures: Automobile loans (Column A)	
RC-D	M1.c.(4)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures: Other consumer loans (Column A) Note: Items M1.c.(1), M1.c.(2), M1.c.(3), and M1.c.(4) of Schedule RC-D, Column A, will be combined into one data item.	RCFDK211
RC-D	M6	Retained beneficial interests in securitizations	RCFDF651
RC-L	1.a.(1)	Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment	RCONJ477
RC-L	1.a.(2)	Unused commitments for proprietary reverse mortgages outstanding that are held for investment Note: Items 1.a.(1) and 1.a.(2) of Schedule RC-L will be combined into one data item.	RCONJ478
RC-L	16.a	Over-the-counter derivatives: Net current credit exposure (Column B)	RCFDG419
RC-L	16.b.(1)	Over-the-counter derivatives: Fair value of collateral: Cash—U.S. dollar (Column B)	RCFDG424
RC-L	16.b.(2)	Over-the-counter derivatives: Fair value of collateral: Cash—Other currencies (Column B)	RCFDG429
RC-L	16.b.(3)	Over-the-counter derivatives: Fair value of collateral: U.S. Treasury securities (Column B)	RCFDG434
RC-L	16.b.(4)	Over-the-counter derivatives: Fair value of collateral: U.S. Government agency and U.S. Government-sponsored agency debt securities (Column B)	RCFDG439
RC-L	16.b.(5)	Over-the-counter derivatives: Fair value of collateral: Corporate bonds (Column B)	RCFDG444
RC-L	16.b.(6)	Over-the-counter derivatives: Fair value of collateral: Equity securities (Column B)	RCFDG449
RC-L	16.b.(7)	Over-the-counter derivatives: Fair value of collateral: All other collateral (Column B)	RCFDG454
RC-L	16.b.(8)	Over-the-counter derivatives: Fair value of collateral: Total fair value of collateral (Column B) Note: Amounts reported in items 16.a, 16.b.(1), 16.b.(2), 16.b.(3), 16.b.(4), 16.b.(5), 16.b.(6), 16.b.(7), and 16.b.(8), Column B, will be included in items 16.a, 16.b.(1), 16.b.(2), 16.b.(3), 16.b.(4), 16.b.(5), 16.b.(6), 16.b.(7), and 16.b.(8), Column E.	RCFDG459
RC-M	2.b	Purchased credit card relationships and nonmortgage servicing assets Note: Amounts reported in item 2.b will be included in item 2.c, All other identifiable intangible assets.	RCFDB026
RC-M	3.f	Foreclosed properties from ”GNMA loans”	RCONC979

Schedule	Item	Item Name	MDRM Number
		Note: Amounts reported in item 3.f will be included in item 3.c, Other real estate owned: 1—4 family residential properties.	

Other Impacts to Data Items

Schedule	Item	Item Name	MDRM Number
RC	10 (New)	Intangible assets Note: Items 10.a and 10.b of Schedule RC will be combined into this data item.	RCFD2143
RC-B	2 (New)	U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities) (Columns A through D) Note: Items 2.a and 2.b of Schedule RC-B removed above will be combined into this data item (Columns A through D).	TBD (4 MDRMs)
RC-B	5.b (New)	Structured financial products (Columns A through D) Note: Items 5.b.(1), 5.b.(2), and 5.b.(3) of Schedule RC-B removed above will be combined into this data item (Columns A through D).	TBD (4 MDRMs)
RC-D	5.a (New)	Structured financial products Note: Items 5.a.(1), 5.a.(2), and 5.a.(3) of Schedule RC-D, Column A, removed above will be combined into this data item.	TBD
RC-D	6.a.(1) (New)	Loans secured by 1—4 family residential properties Note: Items 6.a.(3)(a), 6.a.(3)(b)(1), and 6.a.(3)(b)(2) of Schedule RC-D, Column B, removed above will be combined into this data item for the consolidated bank in Column A, which will partially replace item 6.a, Column A.	TBD
RC-D	6.a.(2) (New)	All other loans secured by real estate Note: Items 6.a.(1), 6.a.(2), 6.a.(4), and 6.a.(5) of Schedule RC-D, Column B, removed above will be combined into this data item for the consolidated bank in Column A, which will partially replace item 6.a, Column A.	TBD
RC-D	6.c (New)	Loans to individuals for household, family and other personal expenditures (i.e., consumer loans) (includes purchased paper) Note: Items 6.c.(1), 6.c.(2), 6.c.(3), and 6.c.(4) of Schedule RC-D removed above will be combined into this data item.	TBD
RC-D	M1.a.(1)	Unpaid principal balance of loans measured at fair	TBD

	(New)	value: Loans secured by 1—4 family residential properties Note: Items M1.a.(3)(a), M1.a.(3)(b)(1), and M1.a.(3)(b)(2) of Schedule RC-D, Column B, removed above will be combined into this data item for the consolidated bank in Column A, which will partially replace item M.1.a, Column A.	
RC-D	M1.a.(2) (New)	Unpaid principal balance of loans measured at fair value: All other loans secured by real estate Note: Items M1.a.(1), M1.a.(2), M1.a.(4), and M1.a.(5) of Schedule RC-D, Column B, removed above will be combined into this data item for the consolidated bank in Column A, which will partially replace item M.1.a, Column A.	TBD
RC-D	M1.c (New)	Unpaid principal balance of loans measured at fair value: Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper) Note: Items M1.c.(1), M1.c.(2), M1.c.(3), and M1.c.(4) of Schedule RC-D, Column A, removed above will be combined into this data item.	TBD
RC-H	19 (Re-mapping)	Total trading assets Note: Schedule RC-D, item 12, Column B, will be moved to Schedule RC-H, item 19. The proposed threshold change applicable to Schedule RC-D applies to this item.	RCON3545
RC-H	20 (Re-mapping)	Total trading liabilities Note: Schedule RC-D, item 15, Column B, will be moved to Schedule RC-H, item 20. The proposed threshold change applicable to Schedule RC-D applies to this item.	RCON3548
RC-H	21 (New)	Total loans held for trading Note: The proposed threshold change applicable to Schedule RC-D applies to this item.	TBD
RC-L	1.a (New)	Unused commitments for reverse mortgages outstanding that are held for investment Note: Items 1.a.(1) and 1.a.(2) of Schedule RC-L removed above will be combined into this data item.	TBD
RC-M	2.b (Re-mapping)	Goodwill Note: Schedule RC, item 10.a will be moved to Schedule RC-M, new item 2.b., and the phrase “other than goodwill” will be removed from the caption for Schedule RC-M, item 2.	RCFD3163

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

<u>Semiannual Reporting (June 30 and December 31)</u>

Schedule	Item	Item Name	MDRM Number
RI	M12	Noncash income from negative amortization on closed-end loans secured by 1–4 family residential properties	RIADF228
RC-B	M3	Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date	RCFD1778
RC-C, Part I	M7.a	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Outstanding balance	RCFDC779
RC-C, Part I	M7.b	Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30: Amount included in Schedule RC-C, Part I, items 1 through 9	RCFDC780
RC-C, Part I	M8.a	Total amount of closed-end loans with negative amortization features secured by 1–4 family residential properties	RCONF230
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 above	RCONF232
RC-C, Part I	M12.a	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Loans secured by real estate (Columns A through C)	RCFDG091, RCFDG092, RCFDG093
RC-C, Part I	M12.b	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Commercial and industrial loans (Columns A through C)	RCFDG094, RCFDG095, RCFDG096
RC-C, Part I	M12.c	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: Loans to individuals for household, family, and other personal expenditures (Columns A through C)	RCFDG097, RCFDG098, RCFDG099
RC-C, Part I	M12.d	Loans (not subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year: All other loans and all leases (Columns A through C)	RCFDG100, RCFDG101, RCFDG102

Schedule	Item	Item Name	MDRM Number
RC-L	1.b.(1)	Unused consumer credit card lines	RCFDJ455
RC-L	1.b.(2)	Other unused credit card lines	RCFDJ456
RC-L	11.a	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the acquiring bank	RCFDC223
RC-L	11.b	Year-to-date merchant credit card sales volume: Sales for which the reporting bank is the agent bank with risk	RCFDC224
RC-N	M7	Additions to nonaccrual assets during the quarter Note: This caption would be revised to “Additions to nonaccrual assets during the last 6 months.”	RCFDC410
RC-N	M8	Nonaccrual assets sold during the quarter Note: This caption would be revised to ”Nonaccrual assets sold during the last 6 months.”	RCFDC411
RC-N	M9.a	Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Outstanding balance (Columns A through C)	RCFDL183, RCFDL184, RCFDL185
RC-N	M9.b	Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3): Amount included in Schedule RC-N, items 1 through 7, above (Columns A through C)	RCFDL186, RCFDL187, RCFDL188

Annual Reporting (December)

Schedule	Item	Item Name	MDRM Number
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?	RCFD4088
RC-M	14.a	Total assets of captive insurance subsidiaries	RCFDK193
RC-M	14.b	Total assets of captive reinsurance subsidiaries	RCFDK194

Data Items with an Increase in Reporting Threshold:

Schedule RI-D is to be completed by banks with foreign offices (including Edge or Agreement subsidiaries and International Banking Facilities) *and* $10 billion or more in total assets where foreign office revenues, assets, or net income exceed 10 percent of consolidated total revenues, total assets, or net income.

Schedule RC-D is to be completed by banks that reported total trading assets of *$10 million* or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

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

Schedule	**Item**	**Item Name**	**MDRM Number**
RC-B	M5.a	Asset-backed securities: Credit card receivables (Columns A, B, C, and D)	RCFDB838, RCFDB839, RCFDB840, RCFDB841
RC-B	M5.b	Asset-backed securities: Home equity lines (Columns A, B, C, and D)	RCFDB842, RCFDB843, RCFDB844, RCFDB845
RC-B	M5.c	Asset-backed securities: Automobile loans (Columns A, B, C, and D)	RCFDB846, RCFDB847, RCFDB848, RCFDB849
RC-B	M5.d	Asset-backed securities: Other consumer loans (Columns A, B, C, and D)	RCFDB850, RCFDB851, RCFDB852, RCFDB853
RC-B	M5.e	Asset-backed securities: Commercial and industrial loans (Columns A, B, C, and D)	RCFDB854, RCFDB855, RCFDB856, RCFDB857
RC-B	M5.f	Asset-backed securities: Other (Columns A, B, C, and D)	RCFDB858, RCFDB859, RCFDB860, RCFDB861
RC-B	M6.a	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by financial institutions (Columns A through D)	RCFDG348, RCFDG349, RCFDG350, RCFDG351
RC-B	M6.b	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by real estate investment trusts (Columns A through D)	RCFDG352, RCFDG353, RCFDG354, RCFDG355
RC-B	M6.c	Structured financial products by underlying collateral or reference assets: Corporate and similar loans (Columns A through D)	RCFDG356, RCFDG357, RCFDG358, RCFDG359
RC-B	M6.d	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs) (Columns A through D)	RCFDG360, RCFDG361, RCFDG362, RCFDG363
RC-B	M6.e	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS not issued or guaranteed by GSEs (Columns A through D)	RCFDG364, RCFDG365, RCFDG366, RCFDG367
RC-B	M6.f	Structured financial products by underlying collateral or reference assets: Diversified (mixed) pools of structured financial products (Columns A through D)	RCFDG368, RCFDG369, RCFDG370, RCFDG371
RC-B	M6.g	Structured financial products by underlying collateral or reference assets: Other collateral or reference assets (Columns A through D)	RCFDG372, RCFDG373, RCFDG374, RCFDG375

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

Schedule	Item	Item Name	MDRM Number
RC-D	M2.a	Loans measured at fair value that are past due 90 days or more: Fair value (Column A)	RCFDF639
RC-D	M2.b	Loans measured at fair value that are past due 90 days or more: Unpaid principal balance (Column A)	RCFDF640
RC-D	M3.a	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by financial institutions (Column A)	RCFDG299
RC-D	M3.b	Structured financial products by underlying collateral or reference assets: Trust preferred securities issued by real estate investment trusts (Column A)	RCFDG332
RC-D	M3.c	Structured financial products by underlying collateral or reference assets: Corporate and similar loans (Column A)	RCFDG333
RC-D	M3.d	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs) (Column A)	RCFDG334
RC-D	M3.e	Structured financial products by underlying collateral or reference assets: 1–4 family residential MBS not issued or guaranteed by GSEs (Column A)	RCFDG335
RC-D	M3.f	Structured financial products by underlying collateral or reference assets: Diversified (mixed) pools of structured financial products (Column A)	RCFDG651
RC-D	M3.g	Structured financial products by underlying collateral or reference assets: Other collateral or reference assets (Column A)	RCFDG652
RC-D	M4.a	Pledged trading assets: Pledged securities (Column A)	RCFDG387
RC-D	M4.b	Pledged trading assets: Pledged loans (Column A)	RCFDG388
RC-D	M5.a	Asset-backed securities: Credit card receivables	RCFDF643
RC-D	M5.b	Asset-backed securities: Home equity lines	RCFDF644
RC-D	M5.c	Asset-backed securities: Automobile loans	RCFDF645
RC-D	M5.d	Asset-backed securities: Other consumer loans	RCFDF646
RC-D	M5.e	Asset-backed securities: Commercial and industrial loans	RCFDF647
RC-D	M5.f	Asset-backed securities: Other	RCFDF648
RC-D	M7.a	Equity securities: Readily determinable fair values	RCFDF652
RC-D	M7.b	Equity securities: Other	RCFDF653
RC-D	M8	Loans pending securitization	RCFDF654
RC-D	M9	Other trading assets	RCFDF655, RCFDF656, RCFDF657
RC-D	M10	Other trading liabilities	RCFDF658, RCFDF659, RCFDF660

To be completed by banks with total trading assets of $10 million or more for any quarter of the preceding calendar year

Schedule	Item	Item Name	MDRM Number
RI	M8.a	Trading revenue: Interest rate exposures	RIAD8757
RI	M8.b	Trading revenue: Foreign exchange exposures	RIAD8758
RI	M8.c	Trading revenue: Equity security and index exposures	RIAD8759
RI	M8.d	Trading revenue: Commodity and other exposures	RIAD8760
RI	M8.e	Trading revenue: Credit exposures	RIADF186

To be completed by banks with components of other noninterest income in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l

Schedule	Item	Item Name	MDRM Number
RI-E	1.a through 1.l	Other noninterest income (from Schedule RI, item 5.l)	RIADC013, RIADC014, RIADC016, RIAD4042, RIADC015, RIADF555, RIADT047, RIAD4461, RIAD4462, RIAD4463

To be completed by banks with components of other noninterest expense in amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d

Schedule	Item	Item Name	MDRM Number
RI-E	2.a through 2.p	Other noninterest expense (from Schedule RI, item 7.d)	RIADC017, RIAD0497, RIAD4136, RIADC018, RIAD8403, RIAD4141, RIAD4146, RIADF556, RIADF557, RIADF558, RIADF559, RIADY923, RIADY924, RIAD4464, RIAD4467, RIAD4468

To be completed by banks with total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Schedule	Item	Item Name	MDRM Number
RC-K	7	Trading assets	RCFD3401