

**Supporting Statement for the
Confidential Treatment Checkboxes on the Financial Statements for Holding Companies
(FR Y-9C, FR Y-9LP, FR Y-9SP, and FR Y-9ES; OMB No. 7100-0128),
(FR Y-12; OMB No. 7100-0300), (FR Y-15, OMB No. 7100-0352),
(FR Y-11 and FR Y-11S; OMB No. 7100-0244),
(FR 2314 and FR 2314S; OMB No. 7100-0073),
(FR Y-7N, FR Y-7NS, and FR Y-7Q; OMB No. 7100-0125),
(FR 2320; OMB No. 7100-0345), (FR H-(b)11; OMB No.7100-0334), and
(FR 2886b; OMB No. 7100-0086)**

Summary

The Board of Governors of the Federal Reserve System (Board), under delegated authority from the Office of Management and Budget (OMB), proposes to revise, without extension, the following mandatory financial statements for holding companies for implementation in March 2016:

- (1) Consolidated Financial Statements for Holding Companies (FR Y-9C), Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP), Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP), and Financial Statements for Employee Stock Ownership Plan Holding Companies (FR Y-9ES) (OMB No. 7100-0128),¹
- (2) Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12; OMB No. 7100-0300),
- (3) Banking Organization System Risk Report (FR Y-15; OMB No. 7100-0352),
- (4) Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11) and Abbreviated Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11S) (OMB No. 7100-0244),
- (5) Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314) and Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314S) (OMB No. 7100-0073),
- (6) Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7N), Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7NS), and Capital and Asset Report for Foreign Banking Organizations (FR Y-7Q) (OMB No. 7100-0125),
- (7) Quarterly Savings and Loan Holding Company Report (FR 2320; OMB No. 7100-0345),
- (8) Savings Association Holding Company Report (FR H-(b)11; OMB No.7100-0334), and
- (9) Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b; OMB No. 7100-0086).

Pursuant to the Bank Holding Company Act of 1956, as amended, and the Home Owners' Loan Act (HOLA), the Federal Reserve requires bank holding companies (BHCs), savings and loan holding companies (SLHCs), and securities holding companies (collectively, holding companies (HCs)) to provide standardized financial statements to fulfill the Federal Reserve's statutory obligation to supervise these organizations. HCs file the FR Y-9C and FR Y-9LP quarterly, the FR Y-9SP semiannually, and the FR Y-9ES annually.

¹ The family of FR Y-9 reporting forms also contains the Supplement to the Consolidated Financial Statements for Holding Companies (FR Y-9CS) which is not being revised.

The FR Y-12 collects information from certain domestic BHCs and SLHCs on their equity investments in nonfinancial companies. The FR Y-12 data serve as an important risk-monitoring device for institutions active in this business line by allowing supervisory staff to monitor an institution's activity between review dates. They also serve as an early warning mechanism, to identify institutions whose activities in this area are growing rapidly and therefore warrant special supervisory attention. Respondents report the FR Y-12 either quarterly or semi-annually based on reporting threshold criteria.

The FR Y-15 annual report collects systemic risk data from U.S. BHCs with total consolidated assets of \$50 billion or more, and any U.S.-based organizations identified as global systemically important banks (GSIBs)² that do not otherwise meet the consolidated assets threshold for BHCs.³ The Federal Reserve uses the FR Y-15 data primarily to monitor, on an ongoing basis, the systemic risk profile of the institutions which are subject to enhanced prudential standards under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA).⁴

The FR Y-11 and FR Y-11S reporting forms collect financial information for individual non-functionally regulated U.S. nonbank subsidiaries of domestic HCs. HCs file the FR Y-11 on a quarterly or annual basis or the FR Y-11S annually based on size thresholds, and for the FR Y-11S, based on an additional threshold related to the percentage of consolidated assets of the top-tier organization. The FR Y-11 family of reports data are used with other HC data to assess the condition of HCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

The FR 2314 and FR 2314S reporting forms collect financial information for non-functionally regulated direct or indirect foreign subsidiaries of U.S. state member banks (SMBs), Edge and agreement corporations, and HCs. Parent organizations (SMBs, Edge and agreement corporations, or HCs) file the FR 2314 on a quarterly or annual basis or the FR 2314S annually based on additional size thresholds. The FR 2314 family of reports data are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

The FR Y-7N and FR Y-7NS collect financial information for non-functionally regulated U.S. nonbank subsidiaries held by foreign banking organizations (FBOs) other than through a U.S. BHC, U.S. financial holding company (FHC), or U.S. bank. FBOs file the FR Y-7N quarterly or annually or the FR Y-7NS annually predominantly based on asset size thresholds. The FR Y-7Q collects consolidated regulatory capital information from all FBOs either quarterly or annually. The FR Y-7Q is filed quarterly by FBOs that have effectively elected to become

² See *Update of group of global systemically important banks (G-SIBs)*, available at www.financialstabilityboard.org/publications/r_121031ac.pdf.

³ To allow additional time for compliance, the Federal Reserve limited the FR Y-15 reporting panel for the December 31, 2012, as of date to the eight U.S. top-tier BHCs that were designated as GSIBs by the Financial Stability Board on November 1, 2012 (77 FR 76484).

⁴ See 12 U.S.C. 5365.

FHCs and by FBOs that have total consolidated assets of \$50 billion or more, regardless of FHC status. All other FBOs file the FR Y-7Q annually.

The FR 2320 collects select parent only and consolidated balance sheet and income statement financial data and organizational structure data from SLHCs exempt from initially filing Federal Reserve regulatory reports.⁵ The FR 2320 is used by the Federal Reserve to analyze the overall financial condition of exempt SLHCs to ensure safe and sound operations.

The FR H-(b)11 collects from exempt SLHCs information on filings with the Securities and Exchange Commission (SEC), reports provided by the nationally recognized statistical rating organizations and securities analysts, supplemental information for select questions from the FR 2320, financial statements, and other materially important events and exhibits. The Federal Reserve uses the FR H-(b)11 data to analyze the overall financial condition of SLHCs to ensure safe and sound operations.

The FR 2886b collects quarterly financial data from banking Edge and agreement corporations⁶ and investment (nonbanking) Edge and agreement corporations. Except for examination reports, it provides the only financial data available for these corporations. The Federal Reserve is solely responsible for authorizing, supervising, and assigning ratings to Edge and agreement corporations. The Federal Reserve uses the data collected on the FR 2886b to identify present and potential problems and monitor and develop a better understanding of activities within the industry.

The Board proposes to add questions regarding confidential treatment in the form of check boxes to all of the reports listed on page one so institutions may indicate whether they are requesting confidential treatment for any portion of the data provided, and whether they are submitting a formal justification with the data or separately. The proposed revision would enhance existing processes related to the handling of data confidentiality requests. A sample of a marked up reporting form page and general instructions is provided in the attachment. The questions regarding confidential treatment in the form of check boxes would be effective March 31, 2016.

The total current annual burden for these series of reports would remain unchanged since there is currently a requirement that written requests be provided for confidential treatment. The Board believes the change in burden associated with the change in procedures for processing would be nominal. For detailed annual burden information on each report, see the burden tables under the Estimates of Respondent Burden section at the end of this proposal.

⁵ An exempt SLHC meets one of the following criteria (1) formed under section 10(c)(9)(C) of the HOLA whose saving association subsidiaries' consolidated assets make up less than 5 percent of the total consolidated assets of the SLHCs or (2) its top-tier HC is an insurance company that only prepares financial statements using statutory accounting principles.

⁶ Regulation K defines an Edge corporation as being engaged in banking if it accepts deposits in the U.S. from nonaffiliated parties as an ordinary part of its business.

Background and Justification

The FR Y-9C, FR Y-9LP, and FR Y-9SP serve as standardized consolidated and/or parent only financial statements for HC's and the FR Y-9ES is a financial statement for HCs that are Employee Stock Ownership Plans (ESOPs). The Board also has the authority to use the FR Y-9CS (a free-form supplement) to collect additional information deemed to be (1) critical and (2) needed in an expedited manner. On December 18, 2014, the President signed into law Public Law 113-250 (the Act), which directed the Board to propose revisions to the Small Bank Holding Company Policy Statement (Policy Statement) to raise the total consolidated asset limit in the Policy Statement from \$500 million to \$1 billion, and expand the scope of the Policy Statement to include SLHCs. On January 29, 2015, the Board announced revisions and proposed reporting changes and capital requirements to the FR Y-9 reports effective in 2015. The interim final rule and the notice of proposed rulemaking were published in the *Federal Register* notice on February 3, 2015.⁷

The FR Y-9 family of reporting forms continues to be the primary source of financial data for HCs on which examiners rely between on-site inspections and off-site assessments through the Small Bank Holding Company Supervision Program. Financial data from these reporting forms is used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate HC mergers and acquisitions, and to analyze an HC's overall financial condition to ensure the safety and soundness of its operations.

The FR Y-12 report was implemented in September 2001, in response to the Gramm-Leach-Bliley Act (GLB Act) of 1999, which substantially broadened the scope of permissible investment in nonfinancial companies. These investments present the potential for additional volatility and risk in banking organizations' portfolios. The FR Y-12 data serve as an important risk-monitoring device for institutions active in this business line by allowing supervisory staff to monitor an institution's activity between review dates. The data also serve as an early warning mechanism to identify institutions whose activities in this area are growing rapidly and therefore warrant special supervisory attention.

The FR Y-15 report was implemented in response to the financial crisis, the Basel Committee on Banking Supervision (BCBS) adopted a series of reforms to improve the resilience of banks and banking systems. Among those reforms is a capital surcharge (GSIB surcharge) that increases for GSIBs the "capital conservation buffer" the BCBS included in the revised international standards it published in 2010, *Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems* (Basel III).⁸

The FR Y-15 was implemented on December 31, 2012. In addition to (1) facilitating the future implementation of the GSIB surcharge through regulation, (2) identifying institutions that may be GSIBs under a future framework, and (3) analyzing the systemic risk implications of proposed mergers and acquisitions, the Federal Reserve uses the FR Y-15 data to monitor, on an

⁷ See 80 FR 5666 and 5694.

⁸ The Basel III framework is available at www.bis.org/publ/bcbs189.htm.

ongoing basis, the systemic risk profile of the institutions which are subject to enhanced prudential standards under section 165 of DFA. The Federal Reserve also submits data to the BCBS for use in determining whether an institution is a GSIB and, if so, which GSIB surcharge would be applicable to it.⁹

The FR Y-11 family of reports collects financial information for individual U.S. nonbank subsidiaries of domestic HCs, which is essential for monitoring the subsidiaries' potential impact on the HC or its subsidiary banks' condition. In addition to providing information used in the supervision of HCs, the FR Y-11 family of reports provides essential information to assist the Board in the formulation of regulations and supervisory policies. The data are also used by the Board to respond to requests from Congress and the public for information on HCs.

The FR 2314 family of reports is the only source of comprehensive and systematic data on the assets, liabilities, and earnings of foreign subsidiaries of U.S. banking organizations and the data are used to monitor the growth, profitability, and activities of these foreign companies. The data help the Federal Reserve identify present and potential problems of these companies, monitor their activities in specific countries, and develop a better understanding of activities within the industry and within specific institutions. This information, coupled with information from the Foreign Branch Reports of Condition (FFIEC 030; OMB No. 7100-0071), provides a picture of the breadth and scope of international banking operations for U.S. banking organizations both individually and in the aggregate.

The FR Y-7N, FR Y-7NS, and FR Y-7Q continues to be the primary source of financial data for non-functionally regulated U.S. nonbanks subsidiaries held by FBOs other than through a HC, FHC, or U.S. bank. With the enactment of the International Banking Act of 1978 (IBA), the Congress established a framework for federal regulation of foreign banks operating in U.S. financial markets. The Federal Reserve System uses information collected on the FR Y-7N, FR Y-7NS, and FR Y-7Q reports to assess an FBO's ability to be a continuing source of strength to its U.S. operations and to determine compliance with U.S. laws and regulations. This information is not available from other sources.

The Federal Reserve uses the FR 2320 and FR H-(b)11 data to analyze the overall financial condition of exempt SLHCs to ensure safe and sound operations. The information is also used to assess the SLHC's ability to be a continuing source of strength to its savings association operations and in determining whether an institution is in compliance with applicable laws and regulations. These reports assist the Federal Reserve in the evaluation of a diversified HC and in determining whether an institution is in compliance with applicable laws and regulations.

The FR 2886b continues to be the primary source of financial data for Edge and agreement corporations. The Federal Reserve has the sole supervisory and regulatory authority over all Edge and agreement corporations, under sections 25 and 25A of the Federal Reserve Act, regardless of whether they are owned by U.S. banking organizations, foreign banks, or

⁹ Data for BHCs with total exposures in excess of 100 billion euros are submitted to the BCBS for potential inclusion in the GSIB assessment methodology.

nonbank companies. Edge and agreement corporations have been operating since 1919 and during most of that time have been required to provide some type of financial information to the Federal Reserve.

Information collected on the FR 2886b is used to help plan and target the scope of examinations of Edge and agreement corporations and in the evaluation of applications. Data from the FR 2886b are also used to monitor aggregate institutional trends, such as growth in assets and the number of offices, changes in leverage, and the types and locations of customers.

Description of the Information Collection

FR Y-9C

The FR Y-9C consists of standardized financial statements similar to the Call Reports filed by commercial banks. It collects consolidated data from HCs and is filed quarterly by top-tier HCs with total consolidated assets of \$1 billion or more.¹⁰

FR Y-9LP

The FR Y-9LP includes standardized financial statements filed quarterly on a parent company only basis from each HC that files the FR Y-9C. In addition, for tiered HCs, a separate FR Y-9LP must be filed for each lower-tier HC.

FR Y-9SP

The FR Y-9SP is a parent company only financial statement filed semiannually by smaller HCs. Respondents include HCs with total consolidated assets of less than \$1 billion. This form is a simplified or abbreviated version of the FR Y-9LP. This report is designed to obtain basic parent company balance sheet and income data, data on intangible assets, and data on intercompany transactions.

FR Y-9ES

The FR Y-9ES collects annual financial data from ESOPs, which are also HCs, on their benefit plan activities. It consists of four schedules: a Statement of Changes in Net Assets Available for Benefits, a Statement of Net Assets Available for Benefits, Memoranda, and Notes to the Financial Statements.

FR Y-12

The FR Y-12 collects information on the types of investments made by BHCs, SLHCs and their subsidiaries in nonfinancial companies (excluding investments held in trading accounts). The FR Y-12 reporting panel comprises a subset of top-tier domestic HCs that file the FR Y-9C or the FR Y-9SP and meet the FR Y-12 reporting threshold criteria. A screening

¹⁰ Under certain circumstances described in the General Instructions, HCs with assets under \$1 billion may be required to file the FR Y-9C.

question on both FR Y-9 reports is used to determine whether the HC is required to complete the FR Y-12. The FR Y-12 reporting form comprises four schedules: Schedule A - Type of Investments, Schedule B - Type of Security, Schedule C - Type of Entity within the Banking Organization, and Schedule D – Nonfinancial Investment Transactions During Reporting Period.

FR Y-15

The FR Y-15 report collects consolidated systemic risk data from large U.S. BHCs. The data items collected in this report mirror those developed by the Basel Committee on Banking Supervision (BCBS) to assess the global systemic importance of banks. The FR Y-15 reporting form comprises six schedules each consisting of one or more systemic risk indicators: Schedule A - Size Indicator, Schedule B - Interconnectedness Indicators, Schedule C - Substitutability Indicators, Schedule D - Complexity Indicators, Schedule E - Cross-Jurisdictional Activity Indicators, and Schedule F - Ancillary Indicators.

FR Y-11 and FR 2314

Domestic BHCs file the FR Y-11 for their U.S. nonbank subsidiaries. The FR 2314 collects financial information for direct or indirect foreign subsidiaries of U.S. SMBs, Edge and agreement corporations, and BHCs. The FR Y-11 and FR 2314 consists of an income statement and balance sheet, schedules that collect information on changes in equity capital, the allowance for loan and lease losses, off-balance-sheet data items, loans, and a memoranda section. These reports are filed quarterly, as of the last calendar day of March, June, September, and December. The FR Y-11 and FR 2314 are filed annually, as of December 31, for each individual subsidiary (that does not meet the criteria for filing quarterly) with total assets of at least \$500 million, but less than \$1 billion.

The FR Y-11S and FR 2314S are abbreviated reporting forms that collect four data items: net income, total assets, equity capital, and total off-balance-sheet data items. These reporting forms are filed annually, as of December 31, for each individual subsidiary with total assets of at least \$250 million, but less than \$500 million.

FR Y-7N/NS and FR Y-7Q

The FR Y-7N consists of an income statement and a balance sheet, schedules that collect information on changes in equity capital, changes in the allowance for loan and lease losses, off-balance-sheet data items, loans, and a memoranda section. All FBOs file the FR Y-7N quarterly for their significant nonbank subsidiaries, or annually, as of December 31, for each individual nonbank subsidiary that does not meet the criteria for filing quarterly. The FR Y-7NS is an abbreviated reporting form that collects net income, total assets, equity capital, and total off-balance-sheet data items. The FR Y-7NS is filed annually, as of December 31 by top-tier FBOs for each individual nonbank subsidiary that does not meet the filing criteria for filing the FR Y-7N report.

The FR Y-7Q collects consolidated capital and asset information from all FBOs. The reporting form collects tier 1 capital, total risk-based capital, risk-weighted assets, total assets

and total combined assets of U.S. operations, net of intercompany balances and transactions between U.S. domiciled affiliates, branches, and agencies. In addition, FBOs that file the FR Y-7Q because of the FHC designation also must provide separate capital schedules quarterly for each lower-tier FBO operating a branch, agency, Edge or agreement corporation, or commercial lending company in the United States. The FR Y-7Q is filed quarterly by FBOs if the top-tier FBO or any FBO in its tiered structure has effectively elected to be an FHC, and by FBOs with total consolidated assets of \$50 billion or more, regardless of FHC status. The FR Y-7Q is filed annually if the FBO or any FBO in its tiered structure has not effectively elected to be a FHC and the FBO has total consolidated assets of less than \$50 billion.

FR 2320

The FR 2320 collects select balance sheet and income statement, a total of 31 data items,¹¹ from parent only and consolidated financial data and organizational structure data from SLHCs exempt from initially filing Federal Reserve regulatory reports.

FR H-(b)11

The FR H-(b)11 collects from exempt top-tier SLHCs information on filings with the Securities and Exchange Commission (SEC), reports provided by the nationally recognized statistical rating organizations and securities analysts, supplemental information for select questions from FR 2320, financial statements, and other materially important events and exhibits.

FR 2886b

The FR 2886b comprises a balance sheet, income statement, two schedules reconciling changes in capital and reserve accounts, and 11 supporting schedules. This information is collected from all Edge and agreement corporations, although investment Edges file only four of the 11 supporting schedules: Trading Assets and Liabilities; Derivatives and Off-Balance-Sheet Items; Claims on and Liabilities to Related Organizations; and Past Due and Nonaccrual Loans, Leases, and Other Assets.

Proposed Revisions

The Board proposes to add questions regarding confidential treatment in the form of check boxes to page 1 of these regulatory reports so that reporting institutions can indicate whether they are requesting confidential treatment for any portion of the data provided and, if so, whether they are submitting a written justification with or separate from the data. By indicating “yes,” a reporter provides notice that the reporter is requesting confidential treatment. Further, indicating whether the written justification is accompanying the data or has been submitted separate from the data alerts Reserve Bank staff to the way in which it should expect to receive the written justification and, thereby, is intended to facilitate the Reserve Bank staff’s review of the request. Requiring institutions to indicate their request for confidential treatment in the check boxes reduces the risk of public disclosure of data for which confidential treatment has

¹¹ The Federal Reserve regards information submitted in response to line items 24, 25, and 26 as confidential.

been requested. Reporting institutions would continue to be required to submit a written justification with the request, and that request must be received by the Reserve Bank prior to or included with the submission of the associated data to the Reserve Bank. If an institution does not fulfill both requirements, the request for confidential treatment cannot be fully considered by Reserve Bank staff. Accordingly, associated data would be available for immediate public release. The dual controls of the check boxes and written justification will mitigate the risk of public release of confidential data while also imposing minimal burden on the reporter. The response to the check boxes regarding the request for confidential treatment will be considered public information. The questions regarding confidential treatment in the form of check boxes would be effective March 31, 2016.

Frequency

The Board recommends no changes to the reporting frequency of the FR Y-9 family of reports, FR Y-12, FR Y-15, FR Y-11, FR Y-11S, FR 2314, FR 2314S, FR Y-7N, FR Y-7NS, FR Y-7Q, FR 2320, FR H-(b)11, or FR 2886b reports. The current reporting frequencies provide adequate timely data to meet the analytical and supervisory needs of the Federal Reserve.

Time Schedule for Information Collection

The Federal Reserve recommends no changes to the time schedule for the FR Y-9 family of reports, FR Y-12, FR Y-15, FR Y-11, FR Y-11S, FR 2314, FR 2314S, FR Y-7N, FR Y-7NS, FR Y-7Q, FR 2320, FR H-(b)11, or FR 2886b reports. The current time schedule provides adequate timely data to meet the analytical and supervisory needs of the Federal Reserve.

Legal Status

The Board's Legal Division has determined these reports are authorized under:

FR Y9 family of reports, FR Y-12, FR Y-15, FR Y-11, and FR Y-11S: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)) and section 10 of HOLA (12 U.S.C. 1467a(b)) and 1850a(c)(1)(A).

FR 2314 and FR 2314S: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)) and sections 9(6), 25(7), and 25A(17) of the Federal Reserve Act (12 U.S.C. 324, 602, and 625).

FR Y-7N, FR Y-7NS, and FR Y-7Q: Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)) and sections 8(c) and 13 of the International Banking Act (12 U.S.C. 3106(c) and 3108).

FR 2320: Section 312 of the DFA and section 10 of HOLA, as amended by section 369 of the DFA, (12 U.S.C. 1467a(b)(2)), as amended by Pub. L. No. 111-201, 369(8). The Board's Legal Division has also determined that a few of the data items that OTS had deemed confidential, specifically the FR 2320 counterparts to items C572, C573, and C574 on Schedule

HC, may be protected from disclosure under exemption 4 of the Freedom of Information Act (FOIA).

FR H-(b)11: Section 10 of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(2)(A)). Item 3 consists of supplemental information for any questions on the FR 2320 to which the SLHC answered "yes." Furthermore, Board Legal has determined that supplemental information in response to a yes answer for the FR 2320's questions 24, 25, and 26 may be protected from disclosure under exemption 4 of FOIA, which covers "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential" (5 U.S.C. 522(b)(4)).

FR 2886b: Sections 25 and 25A of the Federal Reserve Act authorize the Federal Reserve to require the FR 2886b (12 U.S.C. 602 and 625). In addition, with respect to the contact information collected in the Patriot Act Contact Information section, the Board's regulation's (12 CFR Part 211.5(m)) instruct Edge and agreement corporations to comply with the information sharing regulations that the Department of the Treasury issued pursuant to section 314(a) of the USA Patriot Act of 2001, Pub L 107-56, 115 Stat. 307 (31 U.S.C. 5318(h)) and implemented at 31 CFR Part 1010.520(b). Edge corporations engaged in banking, current Schedules RC-M (with the exception of item 3) and RC-V are held confidential pursuant to section (b)(4) of FOIA (5 U.S.C. 552(b)(4)). For investment Edge corporations, only information collected on Schedule RC-M (with the exception of item 3) are given confidential treatment pursuant to section (b)(4) of FOIA (5 U.S.C. 552(b)(4)). In addition, it appears that the information provided in the Patriot Act Contact Information section may be withheld as confidential under FOIA to prevent unauthorized individuals from falsely posing as an institution's point-of-contact in order to gain access to the highly sensitive and confidential communications sent by e-mail between the Financial Crimes Enforcement Network or federal law enforcement officials and the Patriot Act point-of-contact. The identity and contact information of private individuals, which is collected and maintained for law enforcement purposes under the Patriot Act, appears exempt from disclosure pursuant to exemption 7(C) of FOIA (5 USC 552(b)(7)).

Respondents may request such treatment for any information that they believe is subject to an exemption from disclosure pursuant to sections (b)(4), (b)(6), or (b)(8) of FOIA (5 U.S.C. 522(b)(4), (b)(6), and (b)(8)).

Consultation Outside the Agency

On March 27, 2015, the Federal Reserve published an initial notice in the *Federal Register* (80 FR 16386) requesting public comment for 60 days on the revision, without extension, of the mandatory financial statements for holding companies. The comment period for this notice expired on May 26, 2015. The Board did not receive any public comments addressing the proposed revisions to these information collections. However, due to delays in enhancements to the Federal Reserve's automated systems, the Board extended the implementation date from June 30, 2015, to March 31, 2016. On August 28, 2015, the Board published a final notice in the *Federal register* (80 RFR 52282).

Estimates of Respondent Burden

The current annual reporting burden for the FR Y-9 family of reports is estimated to be 193,321 hours as shown in the following table. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The annual burden for the FR Y-9 family of reports would represent less than 1.21 percent of total Federal Reserve System paperwork burden.

| FR Y-9 | <i>Number of respondents¹²</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|-----------------------|---|-------------------------|---|--------------------------------------|
| FR Y-9C - non AA BHCs | 644 | 4 | 48.84 | 125,812 |
| FR Y-9C - AA BHCs | 12 | 4 | 50.09 | 2,404 |
| FR Y-9LP | 818 | 4 | 5.25 | 17,178 |
| FR Y-9SP | 4,390 | 2 | 5.40 | 47,412 |
| FR Y-9ES | 86 | 1 | 0.50 | 43 |
| FR Y-9CS | 236 | 4 | 0.50 | 472 |
| <i>Total</i> | | | | 193,321 |

The total annual cost to the public for the FR Y-9 family of reports is estimated to be \$9,840,039.

The current annual reporting burden for the FR Y-12 is estimated to be 1,716 hours. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The total burden for the FR Y-12 represents less than 1 percent of total Federal Reserve System annual burden.

| FR Y-12 | <i>Number of respondents¹³</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|-----------------|---|-------------------------|---|--------------------------------------|
| FR Y-9C filers | 24 | 4 | 16.5 | 1,584 |
| FR Y-9SP filers | 4 | 2 | 16.5 | 132 |
| <i>Total</i> | | | | 1,716 |

The total annual cost to the public for the FR Y-12 is estimated to be \$87,344.

The total annual burden for the FR Y-15 report is estimated to be 9,735 hours as shown in the following table. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. These reporting requirements

¹² Of these respondents, 132 FR Y-9C (non AA BHCs), 0 FR Y-9C (AA BHCs), 158 FR Y-9LP, 3,839 FR Y-9SP, 86 FR Y-9ES, and 0 FR Y-9CS are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets) www.sba.gov/content/small-business-size-standards. AA BHCs are institutions that are subject to the Advanced Capital Adequacy Framework to determine their capital requirements.

¹³ Of these respondents, 4 are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

represent less than 1 percent of total Federal Reserve System paperwork burden.

| FR Y-15 | <i>Number of respondents¹⁴</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|----------------|---|-------------------------|---|--------------------------------------|
| FR Y-15 | 33 | 1 | 295 | 9,735 |

The total annual cost to the public for the FR Y-15 is estimated to be \$495,512.

As shown in the following table, the current annual burden for the FR Y-11 reports is 18,836 hours and 21,461 hours for the FR 2314 reports. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The reporting requirements for the FR Y-11, FR Y-11S, FR 2314, and FR 2314S reports represent less than 1 percent of total Federal Reserve System annual burden.

| FR Y-11 and FR 2314 | <i>Number of respondents¹⁵</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|----------------------------|---|-------------------------|---|--------------------------------------|
| <i>Current</i> | | | | |
| FR Y-11 (quarterly) | 587 | 4 | 6.8 | 15,966 |
| FR Y-11 (annual) | 359 | 1 | 6.8 | 2,441 |
| FR Y-11S | 429 | 1 | 1.0 | <u>429</u> |
| | <i>Total</i> | | | 18,836 |
| <i>Current</i> | | | | |
| FR 2314(quarterly) | 698 | 4 | 6.6 | 18,427 |
| FR 2314 (annual) | 387 | 1 | 6.6 | 2,554 |
| FR 2314S | 480 | 1 | 1.0 | <u>480</u> |
| | <i>Total</i> | | | 21,461 |

The total annual cost to the public for the FR Y-11 reports is estimated to be \$958,752. The total annual cost to the public for the FR 2314 reports is estimated to be \$1,092,365.

As shown in the following table, the current annual reporting burden for the FR Y-7N, FR Y-7NS, and FR Y-7Q family of reports is estimated to be 6,452 hours. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The reporting requirements for the FR Y-7 family of reports represent less than 1 percent of total Federal Reserve System annual burden.

¹⁴ Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

¹⁵ Of these respondents, 605 for the FR Y-11 family of reports and 594 for the FR 2314 family of reports are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

| FR Y-7N, FR Y-7NS, and FR Y-7Q | <i>Number of respondent¹⁶</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|---|--|-----------------------------|---|--|
| FR Y-7N (quarterly) | 190 | 4 | 6.8 | 5,168 |
| FR Y-7N (annual) | 90 | 1 | 6.8 | 612 |
| FR Y-7NS | 74 | 1 | 1 | 74 |
| FR Y-7Q (quarterly) | 62 | 4 | 1.75 | 434 |
| FR Y-7Q (annual) | 109 | 1 | 1.5 | <u>164</u> |
| <i>Total</i> | | | | 6,452 |

The total annual cost to the public for the FR Y-7N, FR Y-7NS, and FR Y-7Q is estimated to be \$328,407.

The annual burden for the FR 2320 is estimated to be 180 hours as shown in the following table. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The FR 2230 reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

| FR 2320 | <i>Number of respondents¹⁷</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|----------------|---|-----------------------------|---|--|
| FR 2320 | 18 | 4 | 2.5 | 180 |

The total annual cost to the public for the FR 2320 is estimated to be \$9,162.

The current annual burden for the FR H-(b)11 is estimated to be 264 hours as shown in the following table. The estimated number of proposed respondents includes (1) grandfathered unitary SLHCs whose assets are primarily commercial and whose thrifts make up less than 5 percent of its consolidated assets and (2) SLHCs whose assets are primarily insurance-related and who do not otherwise submit financial reports with the SEC pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934. The estimated hours per response is based on the hourly estimate currently associated with the FR H-(b)11 and would not change. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. The FR H-(b)11 reporting requirements represent less than 1 percent of the total Federal Reserve System burden.

¹⁶ Of these respondents, 116 of the FR Y-7N/NS respondents and none of the FR Y-7Q respondents are small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

¹⁷ Of these respondents, 4 are small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

| FR H-(b)11 | <i>Number of respondent¹⁸</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|-------------------|--|-------------------------|---|--------------------------------------|
| FR H-(b)11 | 33 | 4 | 2 | 264 |

The total annual cost to the public for the FR H-(b)11 is estimated to be \$13,438.

As shown in the following table, the current annual burden for the FR 2886b is estimated to be 1,389 hours. The FR 2886b respondent panel is comprised of 47 Edge and agreement corporations, 8 banking corporations (deposit taking institutions), and 39 investment corporations. The estimated reporting burden is lower for investment Edges, which file only 4 supporting schedules, than for banking Edges, which file all 11 supporting schedules. The Board believes that no additional burden would be required since the institutions are familiar with the confidentiality requirements. These reporting requirements represent less than 1 percent of the total Federal Reserve System paperwork burden.

| FR 2886b | <i>Number of respondents¹⁹</i> | <i>Annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|---|---|-------------------------|---|--------------------------------------|
| Banking: | | | | |
| Edge and agreement corporations (quarterly) | 7 | 4 | 15.15 | 424 |
| Edge and agreement corporations (annual) | 1 | 1 | 15.15 | 15 |
| Investment: | | | | |
| Edge and agreement corporations (quarterly) | 20 | 4 | 9.60 | 768 |
| Edge and agreement corporations (annual) | 19 | 1 | 9.60 | <u>182</u> |
| <i>Total</i> | | | | 1,389 |

The total annual cost to the public for the FR 2886b is estimated to be \$70,700.

¹⁸ Of these respondents, 4 are small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

¹⁹ Of these respondents, 21 are small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets).

The total annual cost to the public for all of the information collections above is estimated to be \$12,895,719.²⁰

Sensitive Questions

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

Estimate of Cost to the Federal Reserve System

Current costs to the Federal Reserve System for collecting and processing the FR Y-9 reports are estimated to be \$1,922,600 per year; the FR Y-12 are estimated to be \$16,900 per year; the FR Y-15 are estimated to be \$12,600; the FR Y-11 and FR Y-11S are estimated to be \$54,800 per year; the FR 2314 and FR 2314S are estimated to be \$32,500 per year; the FR Y-7N, FR Y-7NS, and FR Y7Q reports are estimated to be \$16,800 per year; the FR 2320 are estimated to be \$21,100 per year; the costs associated with the processing of the FR H-(b)11 are minimal; and the FR 2886b are estimated to be \$14,700 per year.

²⁰ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$18, 45% Financial Managers at \$61, 15% Lawyers at \$63, and 10% Chief Executives at \$86). Hourly rate for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2013*, published April 1, 2014 www.bls.gov/news.release/ocwage.nr0.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/