SUPPORTING STATEMENT

Consolidated Reports of Condition and Income

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

SUMMARY

The Federal Deposit Insurance Corporation (FDIC) requests approval from the Office of Management and Budget (OMB) to revise the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 3064-0052) under the emergency clearance provisions of OMB's regulations. These reports are required of insured state nonmember banks and insured state savings associations and are filed on a quarterly basis. The revisions to the Call Reports that are the subject of this request have been approved by the FFIEC. The Federal Reserve Board (FRB) and the Office of the Comptroller of the Currency (OCC) have also submitted a similar request for OMB review to request this information from institutions under their supervision.

The FDIC requires the information collected on the Call Reports to fulfill its statutory obligation to supervise insured state nonmember banks and insured savings associations. These FDIC-supervised institutions are required to file both detailed schedules of assets, liabilities, and capital accounts in the form of a condition report and summary statement as well as detailed schedules of operating income and expense, sources and disposition of income, and changes in equity capital.

The FDIC, the FRB, and the OCC (the agencies) propose to revise the Call Reports effective for reports reflecting the June 30, 2018, report date by adjusting the definitions of reciprocal brokered deposits and brokered deposits, adding data items related to reciprocal deposits, and revising the definition of high volatility commercial real estate (HVCRE) exposures that institutions use to calculate risk-weighted assets and, hence, risk-based capital ratios. For FDIC-supervised institutions, the current annual burden for the Call Reports is estimated to be 636,938 hours and the proposed revisions are estimated to increase the annual burden by 726 hours to 637,664 hours.

JUSTIFICATION

1. Circumstances and Need

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 insured 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 (1) institutions that have domestic and foreign offices and institutions with domestic offices only and consolidated total assets of $100 billion or more (FFIEC 031), (2) institutions with domestic offices only and consolidated total assets less than $100 billion, except those institutions that file the FFIEC 051 (FFIEC 041), and (3) 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 FFIEC 031 report form that, in general, is filed by the largest institutions (i.e., institutions with domestic and foreign offices and institutions with domestic offices only and consolidated total assets of $100 billion or more) having more data items than the FFIEC 041 and FFIEC 051 report forms that, in general, are filed by smaller institutions, i.e., institutions with domestic offices only and consolidated total assets less than $100 billion. 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.

Proposed Revisions That are the Subject of This Proposal

The agencies propose under the emergency clearance provisions of OMB's regulations to revise the Call Reports effective beginning with the June 30, 2018, report date. The agencies have determined that (1) the collection of information within the scope of this request is needed prior to the expiration of time periods established under 5 CFR 1320.10, (2) this collection of information is essential to the mission of the agencies, and (3) the agencies cannot reasonably comply with the normal clearance procedures because an unanticipated event has occurred and the use of normal clearance procedures is reasonably likely to prevent or disrupt the collection of information.

These revisions arise from Congressional enactment of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). Section 202 of EGRRCPA requires the FDIC to adjust the definition of reciprocal brokered deposits and brokered deposits reported on the Call Report. Section 214 of EGRRCPA requires the agencies to revise the definition of HVCRE exposures that banks use to calculate risk-weighted assets and, hence, risk-based capital ratios. These provisions became effective automatically when the law was signed on May 24, 2018.

The agencies must receive data from the quarterly Call Reports as part of their shared missions of ensuring the safety and soundness of financial institutions and the financial system and the protection of consumer financial rights as well as agency-specific missions affecting national and state-chartered institutions, including the administration of federal deposit insurance. The next reports are due from the end of July 2018 through early August 2018, based on information as of June 30, 2018. In order for the agencies to implement Sections 202 and 214 as required by law, the agencies cannot comply with the normal clearance process and still receive the June 30, 2018, financial data in a timely manner.

<u>Reciprocal Deposits</u> – Section 202 of EGRRCPA amends Section 29 of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1831f) to exclude a capped amount of reciprocal deposits from treatment as brokered deposits for qualifying institutions. Section 202 also defines “reciprocal deposits” to mean “deposits received by an agent institution through a deposit placement network with the same maturity (if any) and in the same aggregate amount as covered deposits placed by the agent institution in other network member banks.” The terms “agent institution,” “deposit placement network,” “covered deposit,” and “network member bank,” all of which are used in the definition of “reciprocal deposit,” also are defined in Section 202.

In particular, an “agent institution” is an FDIC-insured depository institution that meets at least one of the following criteria:

- The institution is well-capitalized <u>and</u> has a composite condition of “outstanding” or “good” when most recently examined under section 10(d) of the FDI Act (12 U.S.C. 1820(d));
- The institution has obtained a waiver from the FDIC to accept, renew, or roll over brokered deposits pursuant to section 29(c) of the FDI Act (12 U.S.C. 1831f(c)); or
- The institution does not receive reciprocal deposits in an amount that is greater than a “special cap” (discussed below).

Under the “general cap” set forth in Section 202, an agent institution may classify reciprocal deposits up to the lesser of the following amounts as non-brokered reciprocal deposits:

- $5 billion or
- An amount equal to 20 percent of the agent institution’s total liabilities.

Any amount of reciprocal deposits in excess of the “general cap” would be treated as, and should be reported in the Call Report as, brokered deposits.

A “special cap” applies if an agent institution is either <u>not</u> “well-rated” or <u>not</u> well-capitalized. In this situation, the institution may classify reciprocal deposits as non-brokered in an amount up to the lesser of the “general cap” or the average amount of reciprocal deposits held at quarter-end during the last four quarters the institution was well-capitalized <u>and</u> in “outstanding” or “good” condition.

The current Call Report instructions, consistent with the law prior to the enactment of EGRRCPA, treat all reciprocal deposits as brokered deposits. The FDIC proposes to allow institutions to report pursuant to the new law for the June 30, 2018, Call Report by applying the newly defined terms and other provisions of Section 202 of EGRRCPA to determine whether an institution and its reciprocal deposits are eligible for the statutory exclusion from being treated as brokered deposits. Qualifying institutions may use available information to then reasonably estimate and report as brokered deposits (in Schedule RC-E, Memorandum items 1.b through 1.d), and reciprocal brokered deposits (in Schedule RC-O, item 9 and, if applicable, item 9.a), only those reciprocal deposits that are still considered brokered deposits under the new law.

Alternatively, when reporting as of June 30, 2018, institutions may continue to report reciprocal deposits in Schedules RC-E and RC-O consistent with the current Call Report instructions (i.e., those instructions in effect prior to passage of EGRRCPA).

The agencies propose to issue additional instructions regarding the application of Section 202 to reciprocal deposits for purposes of reporting in the Call Report effective for the September 30, 2018, report date, including revising the existing instructions for the brokered deposit items in Schedule RC-E and the reciprocal brokered deposit items in Schedule RC-O to conform to the new law. In addition, the agencies propose to add a new Memorandum item 1.g to Schedule RC-E effective for the September 30, 2018, report date in which institutions would report their "Total reciprocal deposits" (as of the report date) in accordance with the definition of this term in Section 202. For the September 30, 2018, report date only, the agencies further propose to add a new Memorandum item 1.h to Schedule RC-E in which institutions would report on a one-time basis their "Total reciprocal deposits as of June 30, 2018." These proposed additions would be made to the FFIEC 031, the FFIEC 041, and the FFIEC 051 Call Reports.

Because the measurement of an institution's "special cap" is based in part on the average amount of reciprocal deposits held at quarter-end during the last four quarters the institution was well-capitalized and in "outstanding" or "good" condition, the amounts of "Total reciprocal deposits" reported in proposed new Schedule RC-E, Memorandum item 1.g, for those four quarter-end report dates would be an input to the calculation of the "special cap" by an institution that no longer meets both of these conditions. The FDIC would also be able to use the reported amounts of "Total reciprocal deposits" to verify the institution's determination of its "special cap." With Section 202 effective upon enactment, the Call Report for June 30, 2018, did not include a data item in which institutions would report the quarter-end amount of their "Total reciprocal deposits" as of that report date. The proposed one-time only Memorandum item 1.h of Schedule RC-E would provide this amount (in the Call Report for September 30, 2018) to institutions and the FDIC should an institution become either not "well-rated" or not well-capitalized at a future date when the four-quarter look-back period used to calculate its "special cap" would include June 30, 2018.

From a supervisory perspective, a funding concentration could arise if a significant amount of an institution's deposits comes from reciprocal deposits obtained through a single deposit placement network, regardless of whether the reciprocal deposits are treated as brokered under Section 202. The FDIC's examination staff reviews funding concentrations on an institution-by-institution basis. In this regard, to the extent that reciprocal deposits depend upon the existence of a network, these deposits are vulnerable to the financial health of the network. If the network were to fail or exclude an institution from continued use of the network because of deterioration in its condition, the institution could experience liquidity problems. An institution that is a member of a deposit placement network could attract deposits in excess of the deposit insurance limit from customers with whom the institution has no customer relationships. By using the network to place the uninsured portion of these deposits with other institutions and receive equal amounts of insured deposits in return, the institution could use reciprocal deposits to grow rapidly, but it may have more funds than it can prudently lend or otherwise invest. By collecting data on an institution's "Total reciprocal deposits," as proposed, the identification of significant changes in the reported amounts of such deposits at an institution would trigger supervisory follow-up.

<u>HVCRE Exposures</u> – Section 214 of EGRRCPA adds a new Section 51 to the FDI Act governing the risk-based capital requirements for certain acquisition, development, or construction (ADC) loans. EGRRCPA provides that the agencies may only require a depository institution to assign a heightened risk weight to an HVCRE exposure if such exposure is an "HVCRE ADC Loan," as defined in Section 214 of EGRRCPA. Accordingly, an institution is permitted to risk weight at 150 percent only those commercial real estate exposures it believes meet the statutory definition of an "HVCRE ADC Loan."

When reporting HVCRE exposures in the Call Report regulatory capital schedule (Schedule RC-R) as of June 30, 2018, and subsequent report dates, institutions may use available information to reasonably estimate and report only "HVCRE ADC Loans" held for sale and held for investment in Schedule RC-R, Part II, items 4.b and 5.b, respectively. Any "HVCRE ADC Loans" held for trading would be reported in Schedule RC-R, Part II, item 7. The portion of any "HVCRE ADC Loan" that is secured by collateral or has a guarantee that qualifies for a risk weight lower than 150 percent may continue to be assigned a lower risk weight when completing Schedule RC-R, Part II. Institutions may refine their estimates of "HVCRE ADC Loans" in good faith as they obtain additional information, but they will not be required to amend Call Reports previously filed for report dates on or after June 30, 2018, as these estimates are adjusted.

Alternatively, institutions may continue to report and risk weight HVCRE exposures in a manner consistent with the current Call Report instructions for Schedule RC-R, Part II, until the agencies take further action.

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. In 2017, data visualization features (e.g., graphs and charts) were added to the UBPR to assist users in gaining further value from UBPR ratio data.

The comparative and trend data contained in the UBPR complement the EMS data and are utilized by FDIC supervisory staff 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, with separate reports also prepared for community institutions, 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.

3. Use of Technology to Reduce Burden

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 available to banks and savings associations for submitting 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. Efforts to Identify Duplication

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 3,633 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. Minimizing the Burden on Small Institutions

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 3,633 insured state nonmember banks and state savings associations. Of this number, about 2,900 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 an average of three indicator items that provide 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, a significant number of data items in the FFIEC 051 report are now collected semiannually or annually from small institutions with domestic offices only and less than $1 billion in total assets that file the FFIEC 051 report rather than quarterly as they had been when these institutions filed the FFIEC 041 report.

6. Consequences of Less Frequent Collection

Collecting Call Report data 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. Timely identification enables the FDIC to work with the managements of such institutions to initiate appropriate corrective measures at an early stage to restore the institutions' safety and soundness. Timely 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 Call Reports less frequently than quarterly would permit deteriorating conditions at institutions to fester considerably longer before they would be detected through the FDIC's 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, certain Call Report data items are collected less frequently than quarterly from some or all institutions, particularly in the streamlined FFIEC 051 Call Report for eligible small institutions.

In addition to supporting the identification of 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

The FDIC coordinated and consulted with the FRB and the OCC in proposing these revisions. The agencies will follow this request for emergency processing with a request under normal clearance procedures, during which comments will be solicited for the typical 60-day and 30-day periods. All comments received on paperwork burden, whether during the 60-day or 30-day comment periods, will be considered in finalizing the collection.

9. Payment or Gift to Respondents

No payment or gift will be provided to respondents.

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 43.88 hours each quarter on an ongoing basis to prepare and file its Call Report as it is proposed to be revised, an increase from the currently estimated average reporting burden of 43.83 hours per quarter. As a result, the estimated total annual ongoing reporting burden for the 3,633 FDIC-supervised institutions to prepare and file the Call Report after the proposed revisions have taken effect would increase from the current annual estimate of 636,938 hours to 637,664 hours. 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 December 31, 2017, indicate that salaries and employee benefits per full-time equivalent employee averaged approximately $42.00 per hour. Thus, for all 3,633 FDIC-supervised institutions, the annual recurring salary and employee benefit cost for the Call Report as it is proposed to be revised is estimated to be $26.8 million. This cost is based on the application of the $42.00 average hourly rate to the estimated total ongoing annual reporting burden of 637,664 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 $17.9 million. This cost is based on the application of an average hourly rate of $28.00 to the 637,664 estimated total hours of annual reporting burden. 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.

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 the proposed changes to the Call Report information collection resulting from Sections 202 and 214 of EGRRCPA, which were effective upon enactment and are the subject of this submission. An analysis of the change in the overall estimated annual burden for 3,633 FDIC-supervised institutions subject to the Call Report information collection as it is proposed to be revised is as follows:

Currently approved burden	636,938 hours
Change Due to Adjustment in Estimate Resulting from Revisions in Reporting Requirements	+ 726 hours
Requested (new) burden	637,664 hours
Net change in burden:	+ 726 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.