Supporting Statement for the
Capital Assessments and Stress Testing Reports
(FR Y-14A/Q/M; OMB No. 7100-0341)

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Capital Assessments and Stress Testing Reports (FR Y-14A/Q/M; OMB No. 7100-0341). These collections of information are currently applicable to top-tier U.S. bank holding companies (BHCs) and U.S. intermediate holding companies (IHCs) of foreign banking organizations (FBOs) with $100 billion or more in total consolidated assets; effective June 30, 2020, covered savings and loan holding companies (SLHCs)[1] (collectively with BHCs and IHCs, holding companies) with $100 billion or more in consolidated assets will also become respondents to the FR Y-14A/Q/M.[2] The FR Y-14A, FR Y-14Q, and FR Y-14M reports are used to support the Board's Comprehensive Capital Analysis and Review (CCAR) exercise, supervisory stress test models, and continuous monitoring efforts.

The Board adopted revisions to a number of the schedules of the FR Y-14A, FR Y-14Q, and FR Y-14M reports. The adopted revisions consist of deleting and adding items, adding and expanding schedules or sub-schedules, and modifying or clarifying the instructions for existing data items, primarily on the FR Y-14Q and FR Y-14M reports. The Board adopted most of these changes in an effort to reduce reporting burden for firms, clarify reporting instructions and requirements, address inconsistencies between the FR Y-14 reports and other regulatory reports, and to incorporate revised rules and accounting principles. A limited number of adopted revisions would modify the reporting requirements and add or expand sub-schedules to improve the availability and quality of data to enhance supervisory modeling and for use in the Dodd-Frank Act Stress Test (DFAST).

The Board also adopted revisions to address the modified accounting for credit losses under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13) and to implement the current expected credit loss (CECL) accounting methodology across all of the FR Y-14 reports.

All adopted revisions will have effective dates ranging from December 31, 2019, to December 31, 2020.

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[1] Covered SLHCs are those that are not substantially engaged in insurance or commercial activities. See 12 CFR 217.2.

[2] The Board had separately revised the respondent panel for the FR Y-14 reports in connection with the Board's rule regarding Prudential Standards for Large Bank Holding Companies and Savings and Loan Holding Companies (the Tailoring Rule). See 84 FR 59230 (November 1, 2019) and 84 FR 50932 (November 1, 2019). Under the Tailoring Rule, effective December 31, 2019, the respondent panel for the FR Y-14 reports consists of BHCs and IHCs with total consolidated assets of $100 billion. Covered SLHCs with $100 billion or more in total consolidated assets become respondents to the FR Y-14A/Q/M effective for reports with a June 30, 2020, as-of date (for the FR Y-14Q and FR Y-14M) or a December 31, 2021, as-of date (for the FR Y-14A).

The current estimated total annual burden for the FR Y-14 is 819,204 hours, and would decrease to 804,916 hours. The adopted revisions would result in a decrease 14,288 hours. The draft forms and instructions are available on the Board's public website at https://www.federalreserve.gov/apps/reportforms/review.aspx.

Background and Justification

Section 165(i)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)[3] requires the Board to conduct an annual stress test of certain companies to evaluate whether the company has sufficient capital, on a total consolidated basis, to absorb losses as a result of adverse economic conditions (supervisory stress test).[4] Further, section 165(i)(2) of the Dodd-Frank Act requires the Board to issue regulations requiring such companies to conduct company-run stress tests.[5] On May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) became law and amended sections 165(i)(1) and (2) of the Dodd-Frank Act, among other changes.[6] The Board's rules implementing sections 165(i)(1) and (i)(2) of the Dodd-Frank Act establish stress testing requirements for certain BHCs, state member banks, savings and loan holding companies, foreign banking organizations, and nonbank financial companies supervised by the Board.[7]

Additionally, the Board's capital plan rule requires certain firms to submit capital plans to the Board annually and requires such firms to request prior approval from the Board under certain circumstances before making a capital distribution.[8] In connection with submissions of capital plans to the Board, firms are required, pursuant to 12 CFR 225.8(e)(3), to provide information including, but not limited to, the firm's financial condition, structure, assets, risk exposure, policies and procedures, liquidity, and risk management.

The annual CCAR exercise complements other Board supervisory efforts aimed at enhancing the continued viability of large firms, including continuous monitoring of firms' planning and management of liquidity and funding resources, as well as regular assessments of credit, market and operational risks, and associated risk management practices.

The FR Y-14 series of reports collects CCAR, stress test, and capital plan data from the largest holding companies, which are those with $100 billion or more in total consolidated assets. The data collected through the FR Y-14A/Q/M reports provide the Board with the information needed to help ensure that large holding companies have strong, firm-wide risk measurement and

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[3] Pub. L. No. 111-203, 124 Stat. 1376 (2010).
[4] See 12 U.S.C. § 5365(i)(1).
[5] See 12 U.S.C. § 5365(i)(2).
[6] EGRRCPA requires "periodic" supervisory stress tests for bank holding companies with $100 billion or more, but less than $250 billion, in total consolidated assets and amended section 165(i)(1) to require annual supervisory stress tests for bank holding companies with $250 billion or more in total consolidated assets. EGRRCPA amended section 165(i)(2) to require bank holding companies with $250 billion or more in total consolidated assets, and financial companies with more than $250 billion in total consolidated assets, to conduct "periodic" stress tests. Finally, EGRRCPA amended both sections 165(i)(1) and (2) to no longer require the Board to include an "adverse" scenario in company-run or supervisory stress tests, reducing the number of required stress test scenarios from three to two.
[7] See 12 CFR 252, subparts B, E, F, and O.
[8] See 12 CFR 225.8.

management processes supporting their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions.

Description of Information Collection

These collections of information are applicable to holding companies with total consolidated assets of $100 billion or more. This family of information collections is composed of the following three mandatory reports:

- The semi-annual FR Y-14A, which collects quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios, and qualitative information on methodologies used to develop internal projections of capital across scenarios.[9]
- The quarterly FR Y-14Q, which collects granular data on various asset classes, including loans, securities, trading assets, and pre-provision net revenue (PPNR) for the reporting period.
- The monthly FR Y-14M, which is comprised of three retail portfolio- and loan-level schedules, and one detailed address matching schedule to supplement two of the portfolio- and loan-level schedules.

FR Y-14A (semi-annual collection)

The semi-annual collection of quantitative projected regulatory capital ratios across various macroeconomic scenarios is comprised of five primary schedules (Summary, Scenario, Regulatory Capital Instruments, Operational Risk, Business Plan Changes (BPC)), each with multiple supporting tables.

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

Firms are also required to submit qualitative information supporting their projections, including descriptions of the methodologies used to develop the internal projections of capital across scenarios and other analyses that support their comprehensive capital plans.

FR Y-14Q (quarterly collection)

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

[9] In certain circumstances, a BHC or U.S. IHC may be required to re-submit its capital plan. See 12 CFR 225.8(e)(4). Firms that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

firm-specific data on positions and exposures that are used as inputs to supervisory stress test models to monitor actual versus forecast information on a quarterly basis and to conduct ongoing supervision.

FR Y-14M (monthly collection)

The FR Y-14M report includes two portfolio- and loan-level schedules for First Lien data and Home Equity data, and an account- and portfolio-level schedule for Domestic Credit Card data. To match senior and junior lien residential mortgages on the same collateral, the Address Matching schedule gathers additional information on the residential mortgage loans reported in the First Lien and Home Equity schedules.

Respondent Panel

The respondent panel consists of holding companies with $100 billion or more in total consolidated assets,[10] as based on (1) the average of the firm's total consolidated assets in the four most recent quarters as reported quarterly on the firm's Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128) or (2) the average of the firm's total consolidated assets in the most recent consecutive quarters as reported quarterly on the firm's FR Y-9Cs, if the firm has not filed an FR Y-9C for each of the most recent four quarters. Reporting is required as of the first day of the quarter immediately following the quarter in which the respondent meets this asset threshold, unless otherwise directed by the Board.

Proposed non-CECL Revisions

The Board proposed revisions to implement a number of changes to the FR Y-14 reporting requirements, forms, and instructions.

The Board proposed most of the changes in an effort to bring the reports in alignment with current accounting standards, rules, and other regulatory reports. This includes modifications to existing items and the addition of items in conformance with:

- The Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-01 (Recognition and Measurement of Financial Assets and Financial Liabilities),
- ASU 2017-12 (Targeted Improvements to Accounting for Hedging Activities),
- Revisions made to the Consolidated Financial Statements for Holding Companies (FR Y-9C),
- Changes to the regulatory capital rules,
- The Tax Cuts and Jobs Act (TCJA),[11] and
- The new U.S. London Interbank Offered Rate (LIBOR) alternative.

[10] Covered SLHCs with $100 billion or more in consolidated assets are not required to file the FR Y-14Q and FR Y-14M until the reports with the June 30, 2020, as-of date, and are not required to file the FR Y-14A until the report with the December 31, 2020, as-of date.
[11] Pub. L. No. 115-97, 131 Stat. 2054 (2017).

Introducing these changes would resolve questions from filing firms regarding the FR Y-14 reporting requirements in light of inconsistencies with updated standards, and would reduce confusion and reliance on workarounds.

Many of the proposed revisions were intended to reduce inconsistent reporting due to ambiguous, contradictory, or unclear instructions. The proposal would also incorporate editorial or technical edits.

Finally, the Board proposed revisions in order to more accurately capture the data needed for running the stress tests and in support of DFAST and CCAR. This includes the proposed elimination of certain items from the FR Y-14M that are no longer needed because they are available from alternative data sources or are not necessary for stress tests, DFAST, or CCAR. Other proposed revisions, for example on FR Y-14Q, Schedule L (Counterparty), would modify the reporting requirements to collect more accurate, consistent, or comprehensive information. Similarly, the proposal would formalize on the FR Y-14 several collections the Board currently collects from a limited number of firms directly in support of running the supervisory stress test. Given the ongoing use of these data in the supervisory stress test, the Board proposed to collect them on the FR Y-14 reports on new or existing schedules in order to reduce operational challenges with data submission and processing and improve data quality.

Onboarding of new firms

The Board proposed to expand and clarify the instructions regarding the onboarding requirements in each of the FR Y-14 reports. Based on the experience of firms that have met the FR Y-14 reporting threshold and went through the process of beginning to file, the Board has identified certain aspects of the current FR Y-14 onboarding instructions that could be interpreted in different ways. The proposal would add language to the general instructions for each of the FR Y-14A/Q/M reports to clarify the onboarding requirements for first-time filers.

First, the Board proposed adding a statement to the instructions for the FR Y-14A/Q/M to indicate that firms do not need to begin filing the FR Y-14 reports until the reporting period after the end of the quarter in which they met the threshold, unless otherwise directed by the Board. For example, if a BHC crossed the $100 billion threshold on July 25 of a given year, and met the threshold based on their FR Y-9C submission as of the end of the third quarter, the firm would be required to first report the FR Y-14Q and FR Y-14A reports as of December 31 of that year, and the FR Y-14M report as of December of that year.[12]

Second, the Board proposed to modify the current instructions in the FR Y-14Q and FR Y-14M pertaining to onboarding delays that extend the initial report due dates for new filers. The modification would clarify that these onboarding delays can be used only by firms that have not previously filed the FR Y-14 reports. The purpose of these onboarding delays is to provide applicable firms additional time to acquire, establish, and acclimate to the FR Y-14 reports submission process, systems, and requirements. A firm that has previously filed any portion of the FR Y-14 reports cannot use onboarding delays when the firm first meets the requirements to

[12] Firms onboarding to the FR Y-14 reports submit their initial FR Y-14Q and FR Y-14M reports with delays outlined in the report instructions.

file a new schedule or component of the FR Y-14 reports.

Secured Overnight Financing Rate (SOFR)

LIBOR may cease as a benchmark rate in 2022, and a new standard, SOFR, began trading in the second quarter of 2018. To accommodate this change, the Board proposed updating the FR Y-14Q and FR Y-14M reports to capture this new index. Not adding this code would result in various types of indices mixed in the default code category or "other," limiting possible uses of the data for supervisory purposes. The following updates to FR Y-14Q/M schedules would bring the FR Y-14 in line with industry used indices.

In the FR Y-14M, Schedules A (First Lien), B (Home Equity), and D (Credit Cards), the Board proposed adding codes to capture the new SOFR rates in the ARM Index field (Schedule A, Line item 32, and Schedule B, Line item 29), and Variable Rate Index field (Schedule D, Line item 77). The additional codes would include 1 month, 3 month, 6 month, 1 year, Unknown, and SOFR Other, similar to the structure of the existing LIBOR codes.

Similarly, in the FR Y-14Q, Schedule H, the Board proposed adding an option to the Interest Rate Index fields (Schedule H.1, Line item 39, and Schedule H.2, Line item 28) for firms to report SOFR.

ASU 2016-01

In January 2016, FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." This ASU requires investments in equity securities to be measured at fair value, with changes in fair value recognized in net income. This effectively eliminates the concept of available-for-sale (AFS) equity securities, which are measured at fair value with changes in fair value generally recognized in other comprehensive income.

The Board proposed to revise the FR Y-14 report forms and instructions to account for the changes to U.S. generally accepted accounting principles (GAAP) set forth in ASU 2016-01. These changes are consistent with previous modifications to other regulatory reports that were made to allow for reporting under ASU 2016-01, in particular the FR Y-9C. The changes to the accounting for equity investments under ASU 2016-01 affected several existing data items in the FR Y-14A and FR Y-14Q, and result in the following proposed revisions:

- Addition of a line item to the FR Y-14A, Schedule A.1.a (Income Statement) to capture unrealized holdings gains (losses) on equity securities not held for trading as defined on the FR Y-9C, HI (Income Statement), line item 8.b (Unrealized holding gains (losses) on equity securities not held for trading),
- Addition of a line item to the FR Y-14A, Schedule A.1.b (Balance Sheet) for equity securities with readily determinable fair values not held for trading to be reported as defined in the FR Y-9C, Schedule HC (Balance Sheet), line item 2.c (Equity securities with readily determinable fair values not held for trading),
- Modification of line item 2.b (Securities (excluding securitizations): Available-for-sale) on the FR Y-14A, Schedule A.1.c (Standardized RWA) to also include equity securities with readily determinable fair values not held for trading as defined in the FR Y-9C,

Schedule HC-R (Regulatory Capital), Part II (Risk-Weighted Assets), line item 2.b (Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading),

- Modification of reporting for certain fields on all sub-schedules of the FR Y-14A, Schedule A.3 (AFS/held-to-maturity (HTM) Securities) for equity securities,
- Clarification that in the average assets section of the FR Y-14A, Schedule A.7.b (PPNR Net Interest Income) and FR Y-14Q, Schedule G (PPNR), the average balance of these equity securities should be reported as Other Interest/Dividend Bearing Assets, and
- Modification of instructions for the FR Y-14Q, Schedule B (Securities) to clarify that firms must also report equity securities with readily determinable fair values under 2016-01 on this schedule, and to provide options in certain fields to enable this reporting.

Loans in U.S. Territories

On the FR Y-9C, loans in U.S. territories for categories reported by office are treated as international, but the instructions for reporting loans in U.S. territories on the FR Y-14 reports are inconsistent or unclear across schedules. The Board proposed the following changes to confirm the Board's intent to align the FR Y-14 definition and reporting for loans in U.S. territories with the FR Y-9C. The Board proposed to revise the instructions for the FR Y-14A, sub-schedule A.7 (PPNR), FR Y-14Q, Schedule A (International Retail schedules), and FR Y-14Q, Schedule G to include loans in U.S. territories and associated revenues as international. On the FR Y-14A, sub-schedule A.7 and FR Y-14Q, Schedule G, the Board proposed to revise the definitions of 'Domestic Revenue' and 'International Revenue,' as well as to update references to Puerto Rican loan revenues throughout both schedules (loans in other U.S. territories are already reported as international on these schedules). On the FR Y-14Q, Schedule A, the Board proposed to remove the exception for loans in U.S. territories from the international loan-reporting requirement. Specifically, the portion of the FR Y-14Q, Schedule A instructions indicating that "international" is 'not US or US territories and possessions' would be removed from sub-schedules A.1 (International Auto), A.3 (International Credit Card), A.4 (International Home Equity), and A.5 (International First Lien Mortgage). Similarly, references to the reporting of loans in US territories and possessions in retail sub-schedules for US loans would be eliminated. The FR Y-14Q, Schedule A instructions would continue to reference the applicable FR Y-9C definitions. The impact of this change would clarify the treatment of Puerto Rican loans that have been reported inconsistently. These changes would result in firms reporting loans in U.S. territories and associated revenues on the FR Y-14A and FR Y-14Q as international.

FR Y-14A, Schedule A (Summary)

Schedule A.1.b (Balance Sheet)

The Board adopted several burden-reducing revisions to the FR Y-9C effective for the June 30, 2018, as of date.[13] The burden-reducing revisions eliminated or combined various items throughout the report. The FR Y-14 series references FR Y-9C items where applicable to

[13] See 83 FR 36935 (July 31, 2018).

streamline the collections. In response to these FR Y-9C revisions, the Board proposed to update any applicable FR Y-9C references on the FR Y-14 reports so that they can remain in sync. In addition to updating referenced items, the only other proposed revision to the FR Y-14 reports in line with these FR Y-9C revisions is to combine existing FR Y-14A, Schedule A.1.b item 115, "Purchased Credit Card Relationships and Nonmortgage Servicing Rights" into existing item 116, "All Other Identifiable Intangible Assets."

Schedule A.1.d (Capital)

In response to observed reporting by the firms and due to certain provisions in the TCJA, the Board proposed to clarify certain line items in the FR Y-14A Summary – Capital Schedule (Schedule A.1.d) under the TCJA. The TCJA eliminated net operating loss carrybacks. In order to properly quantify a firm's tax expense, data need to be collected on current period taxes paid. Therefore, the Board proposed to rename line item 109 "Potential net operating loss carrybacks" to "Taxes previously paid that the bank holding company could recover if the bank holding company's temporary differences (both deductible and taxable) fully reverse at the report date." The instructions for the item would state that firms should report the amount of taxes previously paid that the bank holding company could recover through loss carrybacks if the bank holding company's temporary differences (both deductible and taxable) fully reverse at the report date.

In addition, the Board proposed to modify the FR Y-14A, Schedule A.1.d to require the reporting of certain line items at a federal, state, and other jurisdictions level. Collecting these line items by three jurisdictions would allow the Board to project a firm's tax expense, deferred tax assets, and valuation allowance using more granular data, which should lead to a more accurate projection of capital. The affected items would include "Taxes previously paid that the bank holding company could recover if the bank holding company's temporary differences (both deductible and taxable) fully reverse at the report date" (line item 109), "Valuation allowances related to deferred tax assets that arise from net operating loss and tax credit carryforwards" (line item 111), "Deferred tax assets arising from temporary differences, net of DTLs" (line item 112), and "Valuation allowances related to DTAs arising from temporary differences" (line item 113).

Finally, the instructions would be clarified to indicate where firms should include items associated with the global market shock DFAST component,[14] including in their projections. This clarification would provide guidance on how firms should reflect the impact of the global market shock on items subject to adjustment or deduction from capital. Specifically, if a firm were to adjust its projection of an item to reflect the impact of the global market shock, the instructions will indicate that the firm must also report an adjusted starting value that reflects the global market shock.

Schedule A.2.a (Retail Balance and Loss Projections)

Currently, the balance line items for home equity loans reflect total outstanding balances, including both purchased credit-impaired (PCI) and non-PCI portfolios, while the loan loss items reflect losses only for non-PCI portfolios. Under the CECL methodology, financial assets

[14] Firms with significant trading operations are required to include a global market shock component as part of the supervisory adverse and severely adverse scenarios.

classified as PCI assets prior to the effective date of the new standard will be classified as purchased credit-deteriorated (PCD) assets. The definition of PCD in ASU 2016-13 is broader than that of PCI, and so the Board expects more balances would be classified as PCD under CECL than were classified as PCI under previous accounting rules. This makes it more important to accurately capture the value of PCD exposures as compared to item totals. Therefore, to allow for the ability to accurately assess a firm's projections and to compare loss rates, the Board proposed to collect PCD balances and loan losses across the mortgage line items on the FR Y-14A, Schedule A.2.a (proposed Balances line items 1, 9, 17, 26, 27, 28, 35, and 43, and proposed Losses items 6, 14, 22, 32, 40, 48). These items would first be effective September 30, 2019, and there would be guidance on the form and instructions indicating that only firms that have adopted ASU 2016-13 should report these items.[15]

Schedule A.4 (Trading)

Currently, the FR Y-14Q, Schedule A.4 (Summary - Trading) collects firm-wide trading profit and loss (P&L) results in high-level categories. These aggregated categories make it difficult to identify the underlying drivers of the P&L results. As a result, the Board has had to regularly follow up with firms regarding the decomposition of P&L results into more granular risk and product sub-components to inform the supervisory modeling process.

To make the data collection process operationally more efficient and allow for timely receipt of the granular information necessary to inform supervisory modeling, the Board proposed to expand the current FR Y-14A, Schedule A.4 to require firms to report risk and product level sub-component categories for P&L estimates. The Board also proposed that firms provide any additional detail regarding their trading P&L submission, including a description of items included in other categories within each asset class, as supporting documentation associated with FR Y-14A, Schedule A.4. Firms would submit the trading and credit valuation adjustment (CVA) hedges P&L breakdowns and associated supporting documentation on the same timeline as the current FR Y-14A, Schedule A.4 (data as of the market shock date for a given year are submitted on April 5).

The collection of this information on the FR Y-14 would formalize the previously ad-hoc and informal collection of the same data. The additional data the Board proposed to collect on this sub-schedule would support data quality assurance activities and would provide essential information regarding the drivers of reported P&L results.

Schedule A.7 (Pre-Provision Net Revenue (PPNR))

The Board proposed eliminating the deposit funding threshold for the FR Y-14A, Schedule A.7 (PPNR), in particular the net interest income sub-schedule (A.7.b), which is currently optional for firms with deposits comprising less than 25 percent of total liabilities for any period reported in any of the four most recent FR Y-14Q reports. Currently, nearly all respondents are required to submit this schedule and the change would require net interest income submissions from all respondents. For the reports as of June 30, 2016, the deposit-

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[15] Since the FR Y-14A is not filed as of September 30, 2019, firms would not report the proposed PCD items until December 31, 2019.

funding threshold was eliminated from the FR Y-14Q, Schedule G (PPNR). This modification would create consistency across the FR Y-14A/Q and collecting this information will enhance the comparability of assets and liabilities across BHCs and promote greater consistency in supervisory evaluations.

The Board has received questions regarding the appropriate place to report dividends on equity products on the FR Y-14 reports. Currently, dividend income on equity products associated with sales and trades is reported as either interest income in “Other [sales and trading net interest income]” (item 5B) on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1 (PPNR Submission Worksheet), or as noninterest income in “Commissions and Fees” (item 18B) on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1. However, the current instructions do not clarify as to when dividend income on equity products should be reported as interest income and when it should be reported as noninterest income. In addition, the Board believes it is more appropriate for dividend income on equity products to be reported as “Other [sales and trading noninterest income]” in item 18C on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1, as opposed to being included in item 18B on both reports. Therefore, the Board proposed four revisions regarding dividend income on equity products.

First, the Board proposed to revise the instructions for item 5B on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1 to include dividend income on equity products with readily determinable fair values not held for trading. This treatment would be consistent with the treatment of dividend income on equity securities with readily determinable fair values not held for trading on the FR Y-9C. Second, the Board proposed to revise the instructions for item 18B on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1 to remove references to dividends on equity products. Third, the Board proposed to revise the instructions for item 18C on the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1 to include dividend income on equity products held for trading. Finally, the Board proposed to streamline the instructions for item 5B on both the FR Y-14A, Schedule A.7.a and the FR Y-14Q, Schedule G.1 by removing redundant language.

In regards to the supporting documentation requirements associated with the FR Y-14A, Schedule A.7, outlined in section A.9 (PPNR) of the FR Y-14A, Appendix, the Board proposed adding additional specification surrounding the requirements for supporting information provided by IHCs. Specifically, the proposal would add instructions to the supporting documentation clarifying that IHCs with material transfer pricing or cost allocation items with related entities should report these revenues and expenses in the appropriate business-line category, rather than the “other” category. In addition, the proposal would request supporting documentation from IHCs that disaggregates the impact of transfer pricing and cost allocations on revenue and expense projections to allow the Board to understand the revenue impact of these arrangements. This information is not available from other sources and is important to understanding drivers of revenue, particularly with respect to IHCs.

FR Y-14A, Schedule B (Scenario)

In December 2017, the Board transitioned submission of FR Y-14A, Schedule B to extensible markup language (XML) format. As a result, some technical details in the general instructions for Schedule B regarding submissions were no longer applicable. Therefore, the Board proposed to update the general instructions of this schedule to accurately reflect the requirements associated with XML submissions.

FR Y-14A, Schedule E (Operational Risk)

In December 2016, the Board adopted a proposal that implemented two new sub-schedules to the FR Y-14A, Schedule E (Operational Risk), which collect information surrounding material operational risk and operational risk scenarios.[16] Following the initial collection of these sub-schedules, the Board assessed the information received and observed inconsistencies in reporting. The existing instructions and column names did not properly clarify what should be reported in each sub-schedule and how that information should be reported. Therefore, the Board proposed to make clarifications to the schedule form and instructions.

The Board intended to collect substantively the same information on these sub-schedules, but proposed to rename and reorganize columns on the FR Y-14A, Schedules E.2 (Material Operational Risk Identification) and E.3 (Operational Risk Scenarios) to make it clearer what is to be reported on these sub-schedules, and how. For example, in Schedule E.2, the columns titled Material Operational Risk and Risk Name would be combined and renamed “Material Operational Risk Name and Brief Description,” and the Risk Segment column would be renamed “Business Line(s)/Firm-wide.” In addition, the column for reporting methodology would be removed from Schedule E.3, and a column would be added on Schedule E.2 to capture the loss estimation methodology used to estimate the operational risk losses. Clarifying changes would also be made to certain column titles in Schedule E.3.

To enhance the instructions and clarify the intended reporting on these sub-schedules, the Board also proposed to add definitions to the instructions for Schedules E.2 and E.3. In line with these definitions, the Board proposed adding comparable text to the high-level explanation of each sub-schedule currently provided in the instructions. The Board also proposed to make formatting and other minor changes to the report form, as shown in the associated drafts. This includes adding sections, numbering the reported scenarios, and specifying that dollar values should be reported in millions.

FR Y-14Q, Schedule A (Retail)

The Board proposed adding a new category segment to the existing Original Commercially Available Credit Bureau Score or Equivalent field (Segment Variable 4) on the FR Y-14Q, Schedule A.2 (U.S. Auto). The addition of a category for “<=560” (proposed code 00) would allow the Board to separately capture information regarding the deep subprime population to inform supervisory modeling. These loans are currently captured as part of the “<=620” segment (current code 01), which would be changed to “>560 and <=620”. Although firms would need to update systems to reallocate the reported information to the new segment, the Board does not expect the reporting of any new or additional loans as a consequence of this change.

[16] See 81 FR 93917 (December 22, 2016).

In addition, the Board proposed to add a segment-level summary variable to the FR Y-14Q, Schedules A.1 – A.10 (Retail) to collect information on the weighted average life of loans. This field would reflect the current position, impact of new business activity, and impact of behavior assumptions based on the expected remaining life of the loan. The life of the loan is necessary for calculating losses under CECL and because the mix of loans on the retail sub-schedules would make calculating the weighted average life challenging.

FR Y-14Q, Schedule B (Securities)

In August 2017, FASB issued ASU 2017-12, "Targeted Improvements to Accounting for Hedging Activities." This ASU amended ASC 815, Derivatives and Hedging. The amendments changed the hedge accounting recognition and presentation requirements. To accommodate ASU 2017-12, the Board proposed to add a column to the securities hedge schedule (FR Y-14Q, Schedule B.2) to identify partial term hedges, if applicable, as allowed under the new hedge accounting standard (ASU 2017-12). The field, ASU 2017-12 Hedge Designations (proposed line item 15) would require firms to indicate if any of the ASU 2017-12 hedge designations allowed in conjunction with partial-term hedging election in ASC 815-20-25-12b(2)(ii) are applicable. Adding this field to the FR Y-14Q, Schedule B.2 (Securities 2) would allow the Board to identify relevant new hedge designations under ASU 2017-12 and track these hedges in addition to, and separately from, other types of hedges. In addition, the instructions for line item 6, Type of Hedge, and line item 9, Hedge Percentage, would be updated to reference the amendments in conjunction with partial-term hedging election allowed under ASU 2017-12. Finally, the Board proposed eliminating existing line item 15, Ineffective Portion of Cumulative Gains and Losses, as the ineffective portion of cash flow hedges is no longer required to be reported separately under ASU 2017-12.

In addition, the Board proposed other changes to the FR Y-14Q, Schedule B, including (1) adding a clause regarding acceptable use of CUSIP numbers[17] or CINS[18] numbers for the Identifier Type and Value, and (2) eliminating of the requirement to report the sector in the Security description for corporate bonds.

FR Y-14Q, Schedule C (Regulatory Capital Instruments (RCI)

Currently, firms must make a one-time submission of all subordinated debt as of quarter end that includes all the information required in Schedule C.3, Regulatory Capital and Subordinated Debt Instruments Issuances During the Quarter, for each subordinated debt instrument outstanding as of quarter end. Firms must also report changes in subordinated debt positions in Schedules C.2, Repurchases/Redemptions, and C.3. The current structure includes unused fields and complicates the collection process by requiring flows (issuances and redemptions) to obtain the stock at quarter end. The Board also receives questions as part of the FR Y-14 Question and Answer (Q&A) process[19] seeking clarification on the intended reporting

[17] A number assigned by the Committee on Uniform Securities Identification Procedures.
[18] CUSIP International Numbering System.
[19] Non-confidential questions regarding the FR Y-14 reports submitted by FR Y-14 filing firms are responded to by the Board and published in a monthly Q&A report available on the Board's public website: https://www.federalreserve.gov/publications/y-14-qas.htm.

on these sub-schedules. The proposed changes would address those questions and remove several variables that are unnecessary, in order to reduce reporting burden.

To improve the value of collected data, the Board proposed moving six items from Schedule C.3 to Schedule C.1, Regulatory Capital and Subordinated Debt Instruments as of Quarter End. These proposed Columns I through N on Schedule C.1 would apply to subordinated debt instruments, and related interest rate hedges as well as any new interest rate hedges associated with outstanding subordinated debt instruments.[20] The instructions for Schedule C.1 would subsequently indicate that firms should report the total interest rate hedges rather than individual swaps for their subordinated debt instruments as of the end of the most recent quarter end to include new hedges issued during the quarter and described in Schedule C.3.

The Board also proposed revisions to (1) redefine Column JJ, Interest Rate Swap Payment Spread (bps) in Schedule C.3 to specify that firms should report the effective spread (which is currently unclear), (2) eliminate Column EE, Interest Rate Swap Issue Date, FF, Interest Rate Swap Maturity Date, and HH, Interest Rate Swap Fixed Payment Rate, from Schedule C.3, as they do not materially contribute to the stress tests, and (3) remove a sentence that indicated how to report duplicate records with the same CUSIP as Schedule C.1 does not collect information on individual swaps.

FR Y-14Q, Schedule D (Regulatory Capital Transitions)

The capital rules contained transition provisions that phased-in certain requirements over several years in order to allow sufficient time for implementation. Effective January 1, 2018, the agencies adopted changes to the regulatory capital rules that extended the regulatory capital treatment applicable during 2017 for certain items for firms that are not subject to the capital rules' advanced approaches.[21] For all other firms, the transition provisions ended in 2018.

In response to the end of the transition provisions for non-advanced approaches firms, the Board proposed to eliminate most sub-schedules and data items on the FR Y-14Q, Schedule D, as they are duplicative of reporting elsewhere now that the common equity tier 1 deductions are fully phased-in. The proposed schedule would include a limited number of items that are not reported elsewhere, including, but not limited to, items related to:

- Significant and non-significant investments in the capital of unconsolidated financial institutions in the form of common stock,
- Mortgage servicing assets,
- Deferred tax assets due to temporary differences,
- Aggregate items subject to the 15 percent limit,[22] and

[20] Currently columns BB, carrying value, as-of quarter end; CC, unamortized discounts/premiums, fees, and foreign exchange translation impacts as of quarter end; DD, fair value of swaps, as of quarter end; GG, notional amount of interest rate swap; KK, currency denomination of the instrument; and OO, FR Y-9C BHCK 4062 reconciliation on Schedule C.3.

[21] See 82 FR 55309 (November 21, 2017).

[22] Per the agencies' regulatory capital rules, the aggregate amount of the threshold items, that is significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs; mortgage servicing assets (MSAs), net of associated DTLs; and DTAs arising from temporary differences

- Other quarterly changes.

Additionally, the Board proposed to add four items relating to non-significant investments subject to a threshold deduction from common equity tier 1 (CET1) capital to the schedule:

- Aggregate amount of non-significant investments in the capital of unconsolidated financial institutions,
- Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock,
- 10 percent threshold for non-significant investments,[23] and
- Amount to be deducted from common equity tier 1 due to 10 percent deduction threshold.[24]

These items are necessary to retain as they are not collected on the FR Y-9C report and are needed in order to calculate CET1 capital. In total, these changes would significantly reduce the burden associated with the schedule.

In addition, the Board proposed making conforming revisions to the general instructions of Schedule D in line with the aforementioned changes. In light of the modifications, the schedule would be renamed the "Regulatory Capital" schedule and would consist of a single schedule with no sub-schedules. Certain items on the remaining sub-schedule would be reported by firms (instead of derived by the Board) due to the elimination of items that were previously used to calculate the data value.

FR Y-14Q, Schedule F (Trading)

Currently, the Board collects additional information regarding fair value option (FVO) loan hedges from fewer than 10 FR Y-14 filing firms to support supervisory modeling during DFAST. The collection captures profit and loss sensitivity of transactions used to hedge loans for which companies have adopted fair value accounting, excluding forward contracts with federal agencies. The collected data are critical to the modeling process.

The Board proposed to formalize the collection of this information by creating a new submission type for the FR Y-14Q, Schedule F dedicated to FVO loan hedges that would be submitted by firms that are subject to the global market shock and are required to complete the trading schedule. The submission type would mirror the other submission types of the trading schedule and firms would complete the submission type in the same manner as outlined in the FR Y-14Q, Schedule F instructions, unless otherwise indicated. Firms would report the data

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that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs must be deducted from a Board-regulated institution's common equity tier 1 capital, if the aggregate amount exceeds the 15 percent common equity tier 1 capital deduction threshold.

[23] Per the agencies' regulatory capital rules, a Board-regulated institution must deduct its non-significant investments in the capital of unconsolidated financial institutions that, in the aggregate, exceed 10 percent of the sum of the Board-regulated institution's common equity tier 1 capital minus applicable deductions.

[24] This item would be derived from other items reported in this schedule.

quarterly, as of the last day of each quarter. Collecting these data with a quarterly frequency would be consistent with the other trading submission types and would allow for trend analysis and performance monitoring throughout the year. Firms would be required to submit the data 47 calendar days after the calendar quarter-end for March, June, and September, and 52 calendar days after the calendar quarter-end for December.

To ensure that the Board is receiving the universe of material FVO loan hedge exposures and that the transition to reporting this information on the FR Y-14 is clear and efficient, the following questions would be included in the *Federal Register* notice associated with this proposal:

- Is there anything else that the Federal Reserve should consider in requiring firms to report FVO loan hedges on the FR Y-14Q Trading schedule, separately from trading book positions and CVA hedges?
- Should this requirement be limited to global market shock firms already required to submit the FR Y-14Q Trading form (as proposed), or should it also include other firms?
- If it includes other firms, should it be limited to firms with material exposure to FVO loans or FVO loan hedges?
- If a firm does not ordinarily submit the FR Y-14Q Trading schedule, but does have FVO loan hedges to report, are there appropriate simplifications to the reporting requirements of the Trading form that could be applied?

Through the FR Y-14 Q&A process, the Board has identified opportunities to define the intended scope and clarify the method of reporting exposures on the FR Y-14Q, Schedule F. The revised instructions align with prior Board feedback to respondents, and would encourage consistent reporting across firms. With this objective, the Board proposed the following modifications to the forms and instructions:

- Adding a sentence to the General Instructions, Section A (Purpose of Schedule) to indicate that mandated investments should be excluded from Schedule F.
- Specifying that on the FR Y-14Q, Schedule F.18 (Corporate Credit-Advanced) and F.19 (Corporate Credit-Emerging Markets), firms must report tenor exposures based on the option maturity for index options.
- Revising the instructions for the FR Y-14Q, Schedule F.6 (Rates DV01) to clarify that agency mortgage-backed securities (MBS) exposures should be reported in the Swaps row of the Trading schedule, while agency debt should be reported in the Agency row.
- Describing the scope of sub-schedule F.24 (Private Equity) to include both fair value and non-fair value private equity (PE) investments. To distinguish these types of PE investments, the proposal would break this sub-schedule out into two sections, one for fair value and one for non-fair value PE investments.
- Revising the forms and instructions for sub-schedules F.24 and F.25 (Other Fair Value Assets) to reflect changes made to the Global Industry Classification Standards (GICS) structure. Examples of these revisions include consolidating the various Real Estate industry groups into one group, as well as moving the Media industry group from the Consumer Discretionary sector to the new Communication Services sector.

FR Y-14Q, Schedule H (Wholesale)

Several FR Y-14 Q&As have highlighted inconsistent, unclear and potentially burdensome language in the wholesale schedules. The Board proposed the following changes to Schedule H with the objective of remediating these issues and clarifying reporting for firms.

The Line of Business (LOB) field (Field Number (No.) 27 in Schedule H.1 and Field No. 22 in Schedule H.2) currently requires firms to report the "internal line of business that originated the credit facility using the institutions own department descriptions." Analysis of submitted data has shown that the LOB values change over time, making the value of the LOB at origination less valuable. To reduce burden of reporting in cases where the facility changes LOB or is acquired, the Board proposed updating the instructions to eliminate the "at origination" requirement.

The Board proposed modifying the maturity date field (Field No. 19 in Schedule H.1 and H.2) to eliminate the implied requirement to test compliance with the terms of the credit agreement each quarter. The current wholesale schedules (Schedules H.1 and H.2) permit the inclusion of extensions at the borrowers' discretion in calculating the maturity date only "when such conditions are in compliance with the credit agreement," which implies that firms must assess compliance quarterly. This is not consistent with business practice and causes unintended burden that would be reduced with this modification.

The Board is aware of an unintentional discrepancy between the definition of "country" on the FR Y-14Q Schedule H.1 (Corporate) and the definition of "domicile" on the FR Y-9C report. The general instructions for Schedule H.1 reference the FR Y-9C definition, but the instructions for Field No. 6, Country, are not consistent. The Board proposed modifying the definition of Field No. 6, Country, in Schedule H.1 to eliminate this discrepancy by referring to the FR Y-9C instructions.

In addition, the Board proposed adding two additional sub-schedules to the FR Y-14Q, Schedule H: Schedule H.3, Line of Business, and Schedule H.4, Internal Risk Rating Scale. Schedule H.3 would collect (1) each firm's universe of LOB's as reported on schedules H.1 and H.2, and (2) a free text description of each LOB. Schedule H.4 would collect (1) each firm's universe of internal risk ratings as reported on schedule H.1 and H.2, and (2) a free text description of each rating. The addition of Schedules H.3 and H.4 would allow for the mapping of each firm's ratings and LOB values to a consistent benchmark for use in modeling.

The current process for defining LOB and internal risk ratings is manual and facilitated through periodic communication with firms outside of the FR Y-14 report. The process has significant operational risk. Sub-schedules H.3 and H.4 would define sets of allowable values for the Line of Business and Internal Risk Rating fields in the H.1 and H.2 collections to improve quality control on the facility-level sub-schedules. Although the collection would add reporting burden, this would replace the burden of the current unstructured collection process. Introducing two new sub-schedules to collect this information would formalize the reporting process while also significantly improving data quality and consistency of reporting.

Finally, the Board proposed reconciling terminology related to reporting requirements for commitments and utilized (outstanding) balances for held-for-investment (HFI) and held-for-sale (HFS) loans reported under different accounting treatments across the H.1 and H.2 schedules to improve clarity, enhance reporting accuracy and to align more closely with FR Y-9C Schedule HC-C, Loans and Lease Financing Receivables. In addition, the Board proposed to add four new fields that would replace two existing fields on Schedules H.1 and H.2. The wholesale schedules collect information on both HFI and HFS loans that are reported at fair value under a FVO. Measuring these exposures accurately is critical for supervisory modeling. However, due to conflicting descriptions, outdated language, and references to various applicable accounting references within Schedule H, the reported data for these fields is often unreliable. The Board also proposed adding fields for committed and utilized (outstanding) par value balance, and to replace the existing fair value adjustments fields (which would be eliminated) with new fair value balance fields on Schedules H.1 and H.2. The Board expects that these changes would improve the instructions and reporting structure to ultimately increase the quality of reported data for use in supervisory modeling. This would result in the following changes:

- Modification of the H.1 and H.2 schedule reporting specifications and the instructions for Committed Exposure Global (Field No. 24 in Schedule H.1 and Field No. 5 in Schedule H.2), Utilized Exposure Global (Field No. 25 in Schedule H.1), and Outstanding Balance (Field No. 3 in Schedule H.2).
- Elimination of the Fair Value Adjustment Committed Exposure (Field No. 84 on Schedule H.1 and Field No. 50 on Schedule H.2) and Fair Value Adjustment Drawn (Field No. 85 on Schedule H.1 and Field No. 51 on Schedule H.2).
- Addition of fields for Committed Exposure Global Par Value, Utilized Exposure Global (Outstanding Balance) Par Value, Committed Exposure Global Fair Value, and Utilized Exposure Global (Outstanding Balance) Fair Value to Schedule H.1 and H.2.

FR Y-14Q, Schedule I (Mortgage Servicing Rights, MSR)

In an effort to reduce burden, the Board proposed to eliminate the FR Y-14Q, Schedule I. The ongoing collection of these data have shown that these data are only material for a limited number of firms.

FR Y-14Q, Schedule L (Counterparty)

The Board proposed several changes to the FR Y-14Q, Schedule L with the objective of increasing consistency across sub-schedules and submissions (stressed and unstressed) collecting counterparty exposures.

The Board proposed to change the scope and granularity of firms' reporting of CVA related data fields from the top 95 percent to all counterparties at the legal entity level on sub-schedules L.1(a-d), L.2, and L.3.[25] This proposed change is twofold. First, to improve loss estimation, the reporting of CVA related data fields would be modified to include all

[25] Sub-schedules L.1.a through L.1.d.2 capture information regarding derivatives profile by counterparty and aggregate across all counterparties. Sub-schedule L.2 captures expected exposure profile by counterparty and sub-schedule L.3 captures credit quality by counterparty.

counterparties, rather than the top 95 percent. The current approach of using only the top 95 percent of counterparties could miss material exposures from the remaining 5 percent. The change in reporting would allow for a more accurate assessment of stressed risks and determination of loss estimates. The reporting of all counterparties would also eliminate the need for the different breakdowns of data reported on schedules L.1.b through L.1.d, and if the changes were implemented, these collections would be removed.

Second, the proposal would require firms to report non-sovereign and non-central counterparties on sub-schedule L.1.a-L.1.d at a counterparty legal entity level, rather than a consolidated parent level. This change would result in the elimination and addition of items to facilitate the collection of data at this level. Other existing items would be modified to include language in captions and definitions to specify at what level the information should be reported. There was previously a need to limit the reporting of counterparties on the FR Y-14Q, Schedule L to the consolidated parent level due to restrictions with the Excel submission method.

However, this created inconsistency in the reporting granularity across counterparty types in that firms are required to report sovereign and central counterparties at the legal entity level and non-sovereign/central counterparties at the consolidated group/parent level. Now that the schedule is collected in XML, the Board has received feedback from some FR Y-14 filers requesting to report counterparty entity-level data on sub-schedule L.1.a-L.1.d (similar to how sovereign and central counterparties are currently being reported). The Board understands that doing so may streamline reporting from system infrastructure and could align reporting with a firm's internal practices for tracking counterparty exposures. From the Board's perspective, counterparty level entity level data would provide additional granularity to ensure proper implementation of models using these data.

The Board also proposed requiring firms to report derivatives and fair valued securities financing transactions (SFTs) in CVA items in sub-schedules L.1 through L.4.[26] This would clarify requirements regarding the range of products for estimating mark-to-market losses under the stressed scenario, which firms currently inconsistently report due to a lack of specificity in the FR Y-14Q instructions. The scope of schedules L.1-4 includes derivative trades, but does not explicitly include or exclude SFTs, leading some firms to report SFTs (fair valued, non-fair valued, or both) in the schedules. This clarification should result in consistent product capture and would ensure appropriate and comparable inputs across firms for supervisory modeling.

In August 2018, the Board proposed adding back an item to the FR Y-14Q, Schedule L.5 to capture Total Stressed Net Current Exposure (Total Stressed Net CE).[27] The proposal also clarified the intended ranking methodology for the stressed scenario. In line with this change, the Board proposed to add an item to collect Total Net CE from reporting firms in sub-schedule L.5 and to modify the ranking methodology for the unstressed scenario. The proposed changes would create consistency in the top 25 counterparty ranking methodologies between the stressed and unstressed scenarios. The change would also help subject matter experts understand and analyze key drivers of large counterparty default losses and would be responsive to questions regarding the appropriate reporting under the unstressed scenarios.

[26] Sub-schedule L.4 captures aggregate and top CVA sensitivities.
[27] See 83 FR 39093 (August 8, 2018).

Finally, the Board has identified editorial and technical clarifications that would increase the use of consistent language and terminology and formatting across the counterparty instructions of Schedule L. The Board also proposed including language in the instructions that specifies how the FR Y-14Q submission should relate to the reported FR Y-14A data. In addition, the Board proposed consolidating certain counterparty identifier fields to make the collection of information surrounding these identifiers consistent across sub-schedules and to eliminate redundancy. The proposal would implement the clarifications as outlined in the draft instructions.

FR Y-14M, Schedule A (First Lien), Schedule B (Home Equity), and Schedule D (Credit Card)

In regard to the FR Y-14M reports, the Board proposed to modify existing fields and to clarify the reporting instructions with the objective of improving clarity surrounding the intent of fields and to support more accurate and complete reporting. Many of the proposed clarifications are in response to questions and feedback received through the FR Y-14 Q&A process. As a result of the Board's effort to continually review the use and value of data items, the Board also proposed eliminating a number of fields across the FR Y-14M schedules. The proposed revisions are detailed below.

The Board proposed eliminating 16 fields from Schedule A (First Lien), seven fields from Schedule B (Home Equity), and four fields from Schedule D (Credit Cards). The Board proposed eliminating the fields in an effort to reduce the burden of reporting information that has been identified as redundant or of reduced value to data end-users. Firms sparsely, inconsistently, or incorrectly report several of the fields. Specifically, the proposal would remove the following fields:

FR Y-14M, Schedule A.1 (First Lien, Loan Level):

- Item 26, Buy Down Flag
- Item 51, Servicer Advances
- Item 58, Scheduled Principal Balance Amount
- Item 76, Active Repayment Plan Flag
- Item 78, Repayment Plan Performance Status
- Item 79, "Home Affordable Refinance Program" Flag
- Item 80, HAMP Loan number
- Item 90, Property Valuation Method at Modification
- Item 107, Escrow Amount Before Modification
- Item 108, Escrow Amount After Modification
- Item 109, Alternative Home Liquidation Loss Mitigation Date
- Item 110, Alternative Home Retention Loss Mitigation Date
- Item 114, Escrow Amount at Origination
- Item 119, Loss/Write Down Amount
- Item 120, Loss/Write Down Date
- Item 123, Ever 90+ DPD in the Past 12 Months

FR Y-14M, Schedule B.1 (Home Equity, Loan Level):

- Item 35, ARM Periodic Pay Cap
- Item 36, ARM Periodic Pay Floor
- Item 56, Repayment Plan Performance Status
- Item 67, Repayment Plan Start Date
- Item 93, Loss/Write Down Amount
- Item 94, Loss/Write Down Date
- Item 97, Ever 90+ DPD in the past 12 months

FR Y-14M, Schedule D.1 (Credit Card, Loan Level):

- Item 35, Updated Borrower's Income
- Item 36, Updated Income Source
- Item 37, Date Refreshed Income Obtained
- Item 55, Interest Type in Current Month

While the Board has identified fields that are no longer necessary, certain new fields are proposed to provide similar information in clearer and more accurate ways. Specifically, the Board proposed adding two new fields, for Charge-Off Amount and Charge-off Date to the Home Equity schedule (Schedule B.1, proposed items 118 and 119). These fields would fill a gap in information available regarding non-performing loans and provide more accurate insight into a firm's expectation that an account is unlikely to repay. Given the volume of Q&As and data issues evidenced in the reporting of the current loss/write down amount and date fields (proposed to be eliminated), the Board anticipates that the reporting of the two new charge-off fields would simplify reporting and improve data quality.

Two proposed modifications to the reporting instructions for existing fields would change the reporting requirements in order to achieve better data quality, reduce missing data, and reduce reporting burden. First, the Board proposed updating the instructions for the FR Y-14M, Schedule A and Schedule B to indicate that in the case of involuntary terminations, loans should be reported for up to 24 months following termination, until the data in the loss severity fields (Schedule A, line items 93 (Total Debt at Time of any Involuntary Termination), 94 (Net Recovery Amount), 95 (Credit Enhanced Amount), and 121 (Sales Price of Property), and Schedule B, line item 99 (Total Debt at Time of Any Involuntary Termination), line item 100 (Net Recovery Amount), and line item 101(Sales Price of Property)) are available to report. If the data were available sooner, the firm would not have to continue reporting these loans in the following months. Firms have indicated that the recovery, total debt, sales price, and credit enhanced amount data collected in these fields are often not available until after a loan has been charged-off. Currently firms stop reporting involuntary terminated loans the month following the involuntary termination, resulting in firm reporting those fields as null or zero. The proposed change in reporting would provide additional time for firms to gather and report data in these fields.

Furthermore, the Board proposed limiting the reporting of the loss severity fields in Schedule B (line items 99, 100, and 101) to only first liens, with the objective of reducing burden. The Board understands that it may be burdensome for firms to obtain and report this information for junior liens, particularly if they do not service the loan. Firms would report these fields as null for any junior liens.

Second, the Board proposed updating the general instructions for the FR Y-14M, Schedule D to indicate that firms (1) can discontinue reporting non-defaulted accounts after accounts are closed for inactivity or other reasons without a balance and (2) should report recoveries for up to 24 months after the account's closure with a balance or charge-off, rather than the current 12-month window. The proposed change would extend the post-charge-off reporting window for closed accounts to accommodate recoveries received past the one-year mark, and would eliminate the need to report accounts with no unpaid balance after the month of closure.

To align reporting requirements for recoveries and charge-offs across fields within the FR Y-14M Schedule D, the Board proposed clarifying the instructions for four portfolio level fields and two loan level fields. Specifically, the Board would clarify that Schedule D.1 (Credit Card, Loan level), line item 107, Principal Charge-off Amount – current month and Schedule D.2 (Credit Card, Portfolio level) line item 13, Managed Gross Charge-offs for the current month and line item 14, Booked Gross Charge-offs for the current month, should include all gross charge-offs, including those related to acquired impaired loans. Similarly, the instructions for line item 63, Recovery Amount – Current month, on Schedule D.1 and line items 17, Managed Recoveries, and 18, Booked Recoveries on Schedule D.2, would be clarified to note that these items include all recoveries, including those related to acquired impaired loans.

Finally, the Board proposed several clarifications to the FR Y-14M instructions that would incorporate typographical edits, clarify reporting, and align the instructions with or resolve Q&As. Editorial fixes and clarifications are outlined in the draft instructions and clarifications are as follows:

FR Y-14M, Schedule A.1 (First Lien, Loan level):

- Line item 15, Credit Class: Confirm that the reported credit class should be reported as assessed at the time of loan origination and should not change over time.
- Line item 59, Principal and Interest (P&I) Amount Current: Clarify that the scheduled principal and interest due from the borrower in the reporting month should also be reported for balloon loans that mature in the reporting month.
- Line item 65, Foreclosure Status: Clarify how firms should report the foreclosure status in the month in which the loan is liquidated.
- Line item 84, Step Modification Flag: Clarify the difference in reporting between a rate drop that is gradual (stepped) versus immediate, including to rates that are different from the contract rate.
- Line item 96, Troubled Debt Restructuring Flag: Note that firms should report this field as null for non-portfolio loans as this field only applies to portfolio loans.

FR Y-14M, Schedule B.1 (Home Equity, Loan Level):

- Line item 24, Credit Class: Confirm that the reported credit class should be reported as assessed at the time of loan origination and should not change over time.
- Line item 43, Principal and Interest (P&I) Amount Current: Clarify that the scheduled principal and interest due from the borrower in the reporting month should also be reported for balloon loans that mature in the reporting month.

FR Y-14M, Schedule D.1 (Credit Card, Loan level):

- Line item 5, State: Clarify that option A also includes US Territories.
- Line item 7, Credit Card Type: Clarify that joint liability loans, which the instructions do not explicitly exclude or include, should be reported in Schedule D as corporate cards.[28]
- Line item 28, Multiple Banking Relationship Flag: State that loans that the firm owns but does not service should be included in this field.
- Line item 31, Authorized Users: Note that the field should be left blank for closed and charged off accounts.
- Line item 39, Origination Credit Bureau Score for the co-borrower (if any): Indicate that firms should report the guarantor's credit score if there is no co-borrower or the credit score of the co-borrower is not available and there is a guarantor.
- Line item 47, Line Increase or Decrease Flag: Clarify that for accounts with both an increase and decrease in a reporting month, the flag should reflect the net change in credit limit.
- Line item 50, Next Payment Due Date: Clarify that if no payment is due, the field should be left blank.
- Line item 68, Account Sold Flag: Specify that the identifier should be reported starting from the sale announcement date.
- Line item 104, Workout Program Performance Status: Specify that the active and performing status should include accounts in a settlement program, where the borrower is fulfilling all obligations as agreed.
- Line item 17, Accounts Under Promotion, and 81, Promotional APR: Clarify that these fields include accounts under promotion with a positive promotional balance as reported in field 18, Cycle Ending Balances Mix – Promotional.

Proposed CECL Revisions

In June 2016, the FASB issued ASU 2016-13, which introduced the CECL methodology for estimating allowances for credit losses and added Topic 326, Credit Losses, to the Accounting Standards Codification (ASC). The new credit losses standard changed several aspects of existing U.S. generally accepted accounting principles (U.S. GAAP), such as by introducing a new credit loss methodology, reducing the number of credit impairment models, replacing the concept of purchased credit-impaired (PCI) assets with that of purchased credit-deteriorated (PCD) financial assets, and changing the period over which firms should estimate expected credit losses on off-balance sheet exposures.

[28] This clarification also applies to line item 3 in the FR Y-14M, Schedule D.2 Credit Card, Portfolio Level.

CECL will be applicable to all financial instruments carried at amortized cost (including loans held for investment (HFI) and held to maturity (HTM) debt securities, as well as trade and reinsurance receivables and receivables that relate to repurchase agreements and securities lending agreements), net investments in leases, and off-balance sheet credit exposures not accounted for as insurance, including loan commitments, standby letters of credit, and financial guarantees.

Under ASU 2016-13, institutions will record credit losses through an allowance for credit losses for available-for-sale (AFS) debt securities rather than as a write-down through earnings for other-than-temporary impairment (OTTI). The broader scope of financial assets for which allowances must be estimated under ASU 2016-13 results in the proposed reporting of additional allowances, related charge-off and recovery data, and proposed changes to the terminology used to describe allowances for credit losses. To address the broader scope of assets that will have allowances under ASU 2016-13, the Board proposed to change the allowance nomenclature to consistently use "allowance for credit losses" followed by the relevant specific asset type, e.g., "allowance for credit losses on loans and leases" and "allowance for credit losses on HTM debt securities."

By broadening the scope of financial assets for which the need for allowances for credit losses must be assessed to include HTM and AFS debt securities, the new accounting standard eliminates the existing OTTI model for such securities. After a firm adopts ASU 2016-13, the concept of OTTI will no longer be relevant and information on OTTI would no longer be captured.

The new accounting standard also eliminates the separate impairment model for PCI loans and debt securities. Under CECL, credit losses on PCD financial assets are subject to the same credit loss measurement standard as all other financial assets carried at amortized cost. Subsequent to an institution's adoption of ASU 2016-13, information on PCI loans would no longer be captured.

While the standard generally does not change the scope of off-balance sheet credit exposures subject to an allowance for credit loss assessment, the standard does change the period over which the firm should estimate expected credit losses. For off-balance sheet credit exposures, a firm will estimate expected credit losses over the contractual period in which they are exposed to credit risk. For the period of exposure, the estimate of expected credit losses should consider both the likelihood that funding will occur and the amount expected to be funded over the estimated remaining life of the commitment or other off-balance sheet exposure. In contrast to the existing practices, FASB determined that no credit losses should be recognized for off-balance sheet credit exposures that are unconditionally cancellable by the issuer. The exclusion of unconditionally cancellable commitments from the allowance for credit losses assessment on off-balance sheet credit exposures requires clarification to applicable reporting instructions.

In December 2018, the Federal Reserve amended its stress testing rules to require a banking organization that has adopted CECL to incorporate CECL in its stress testing methodologies, data, and disclosure beginning in the cycle coinciding with its first full year of

CECL adoption. For example, firms that have adopted CECL in or before 2020, are required to reflect their CECL provision for credit losses beginning in the 2020 stress test cycle. The effective date for adopting CECL varies depending on whether a firm is a public business entity (PBE), a Securities and Exchange Commission (SEC) report filer, or an early adopter.[29] Due to the different effective dates for ASU 2016-13, the period over which institutions may be implementing this ASU ranges from 2019 through 2022.[30]

The Board proposed revisions to the FR Y-14 reports in response to ASU 2016-13 to align the information reported with the new standard as it relates to the credit losses for loans and leases, including off-balance sheet credit exposures. These revisions would address the broadening of the scope of financial assets for which an allowance for credit losses assessment must be established and maintained, along with the elimination of the existing model for PCI assets.

Generally, institutions subject to filing the FR Y-14 reports would reflect the standard in data reported on the FR Y-14A, FR Y-14Q, and FR Y-14M, with as-of dates following the start of the firm's fiscal year and the adoption of the standard, beginning with the FR Y-14 reports as-of December 31, 2019. Certain items, as described in the Collection of Supplemental CECL Information section, may require balances to be reported as of December 31 prior to CECL adoption. Firms should refer to the final CECL rule for specifics surrounding inclusion of credit losses in a given stress test cycle.

The proposed changes to the FR Y-14 are designed to accommodate differences in implementation dates for different firms. Specifically, although new items would be added to the report form and instructions, the proposed revisions to schedule titles or specific data item captions resulting from the change in nomenclature upon the adoption of CECL would not be reflected in the FR Y-14 report forms until full adoption by all FR Y-14 filers, or March 31, 2022, at the latest. With the reports as-of March 31, 2022, the FR Y-14 reporting forms and instructions for each impacted schedule title or data item would be updated to fully incorporate CECL nomenclature and reporting. This would include, unless otherwise indicated, revising the schedule titles or specific data item captions referencing the "provision for loan and lease losses" and the "allowance for loan and lease losses" to be changed to the "provision for credit losses" and the "allowance for credit losses," respectively. For these items, to address the period from December 31, 2019, to March 31, 2022, the reporting form and instructions for each schedule title or data item impacted by the change in nomenclature would include guidance stating how institutions that have adopted the standard would report the data items related to the "provision for credit losses" and "allowance for credit losses," as applicable.

Items where the FR Y-14 instructions state, "to report as defined in the FR Y-9C" (i.e.,

[29] For institutions that are PBEs and also are SEC filers, as both terms are defined in U.S. GAAP, the new credit losses standard is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For a PBE that is not an SEC filer, the credit losses standard is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For an institution that is not a PBE, the credit losses standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years.

[30] It is expected that the majority of FR Y-14 filing institutions will implement the standard by the first or fourth quarter of 2021.

there is no deviation from the FR Y-9C item definition), should always conform with the reporting as defined on the FR Y-9C unless otherwise noted. This includes as it pertains to reporting under ASU 2016-13 on the FR Y-14 after the proposed implementation date in December 31, 2019.

The revisions for the FR Y-14 reports are described below in detail, mostly on a schedule-by-schedule basis.

FR Y-14A, Schedule A (Summary)

Schedule A.1.a (Income Statement)

To address the broader scope of financial assets for which a provision will be calculated under ASU 2016-13, the Board proposed to revise Schedule A.1.a (Income Statement) to capture changes in allowances for credit losses on loans and leases (ALLL), HTM, and AFS debt securities. This change would be comparable to the breakout on the FR Y-9C, Schedule HI-B, Part II (Charge-Offs and Recoveries on Loans and Leases and Changes in Allowance).

Specifically, to accommodate the collection of the additional financial assets, item 68, “ALLL, prior quarter”; item 91, “Provisions for loan and lease losses during the quarter”; item 114, “Net Charge-offs during the quarter”; item 115, “Other ALLL Changes”; and item 116, “ALLL, current quarter,” would be updated. First, as-of December 31, 2019, the existing items, would be re-numbered to items 68a, 91a, 114a, 115a, and 116a, and would continue to capture allowances, provisions, or charge-offs for loan and lease losses for institutions that have not yet adopted ASU 2016-13. Guidance would be added to the FR Y-14A, Schedule A.1.a (Income Statement) forms and instructions indicating that institutions that have adopted ASU 2016-13, should report allowances for credit losses on loans and leases, provisions for loans and leases, or net charge-offs on loans and leases in items 68a, 91a, 114a, 115a, and 116a. In addition, the title of item 114a would be revised to “Net charge-offs during the quarter on loans and leases.” Second, as-of December 31, 2019, two additional items (noted as b. and c.) would be added to items 68, 91, 114, 115, and 116 to capture amounts associated with HTM and AFS debt securities. A footnote would indicate that these items are only to be reported by institutions that have adopted ASU 2016-13. Third, a total item would be added to derive the sum of the components of item 68, “Total ALLL prior quarter”; item 91, “Total provisions for loan and lease losses during the quarter”; item 114, “Total Net Charge-offs during the quarter”; item 115, “Other ALLL Changes”; and item 116, “Total Allowances, current quarter.” For institutions that have not adopted ASU 2016-13, this total line item would represent the allowance for loan and lease losses.

As previously noted, as-of December 31, 2019, the Board would add guidance to all other references in the FR Y-14A, Schedule A.1.a (Income Statement) to “provision for loan and lease losses” and the “allowance for loan and lease losses” to indicate that institutions that have adopted ASU 2016-13 should report the “provision for credit losses” and the “allowance for credit losses.” Upon full adoption, all applicable captions and descriptions would be updated to reflect adoption of the new credit loss terminology and footnoted guidance would be eliminated.

To address the elimination of the concept of OTTI by ASU 2016-13, upon full adoption or as-of March 31, 2022, at the latest, the Board proposed eliminating references to OTTI from item 126, “Realized Gains (Losses) on available-for-sale securities, including OTTI,” and item 127, “Realized Gains (Losses) on held to maturity securities, including OTTI.” From December 31, 2019, through March 31, 2022, a footnote would indicate that the inclusion of OTTI in these items does not apply to institutions that have adopted ASU 2016-13.

Schedule A.1.b (Balance Sheet)

To address the broader scope of financial assets for which allowances will be estimated under ASU 2016-13, the Board proposed revisions to the FR Y-14A report form and instructions to specify which assets should be reported net of an allowance for credit losses. As-of December 31, 2019, the Board proposed adding a footnote to item 1, “Held to Maturity”; item 120, “Securities Purchased Under Agreements to Resell”; and item 129, “Other Assets,” on Schedule A.1.b. (Balance Sheet) to note that, in line with reporting on Schedule HC (Balance Sheet) of the FR Y-9C, institutions that have adopted ASU 2016-13 should report these amount net of any applicable allowance for credit losses.

The Board proposed to keep the derivation of allowances on the FR Y-14A, Schedule A.1.b (Balance Sheet) specific to loans and leases. Therefore, as-of December 31, 2019, footnotes would be added to item 110, “Allowance for Loan and Lease Losses,” and item 111, “Net of Unearned Income and Allowance for Loan and Leases Losses” indicating that for institutions that have adopted ASU 2016-13, the value would reflect allowance for credit losses on loans and leases in these items, and the item references would be updated. Upon full adoption, with the reports as-of March 31, 2022, at the latest, the caption would be updated to reflect the new credit loss terminology.

Schedule A.1.d (Capital)

The proposed reporting changes to Schedule A.1.d (Capital) align with the revisions described in the final CECL rule and the FR Y-9C.

Specifically, the Board proposed to revise the instructions for Schedule A.1.d to indicate that institutions that have adopted CECL should use the adjusted allowances for credit losses instead of allowance for loan and lease losses in calculating regulatory capital. A footnote would be added as-of December 31, 2019, indicating this guidance on Schedule A.1.d., item 54, “Allowance for loan and lease losses includable in tier 2 capital.” Upon full adoption, with the reports as-of March 31, 2022, at the latest, the caption would be updated to reflect the new credit loss terminology.

To address the potential election of the CECL transition provision as described in the final CECL rule, the Board also proposed to add guidance to the FR Y-14A, Schedule A.1.d, item 20, “Retained earnings,” item 39, “DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold,” item 54, “Allowance for loan and lease losses includable in tier 2 capital,” item 77, “DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs,", and item 85, "Average total consolidated assets," indicating that institutions that have adopted ASU 2016-13 and have elected to apply the transition provision should include or exclude, as outlined in the FR Y-9C, the applicable portion of the CECL transitional amount.

Schedule A.2.a (Retail Balance and Loss Projections)

To address the elimination of PCI assets under ASU 2016-13, the Board proposed to revise the instructions to indicate that institutions that have adopted ASU 2016-13 would not need to file item 7, "Cumulative Interim Loan Losses – Non-PCI," or item 8, "Cumulative Interim Loan Losses, PCI." Upon full adoption of ASU 2016-13, or as of March 31, 2022, at the latest, the Board proposed to eliminate items 7 and 8. Finally, since the projected fields are not currently reported for items 7 and 8, the Board proposed to move these fields to FR Y-14Q, Schedule M (Balances), effective December 31, 2019. These items would continue to be reported for each applicable mortgage type.

Schedule A.3 (AFS/HTM Securities)

Currently, three sub-schedules on the FR Y-14A, Schedule A.3 (AFS/HTM Securities) collect detailed information on projected OTTI by individual security (A.3.a), high level OTTI methodology and assumptions by portfolio (A.3.b), and projected OTTI by portfolio (A.3.c). By broadening the scope of financial assets for which the need for allowances for credit losses must be assessed to include HTM and AFS debt securities, the new credit loss standard eliminates the existing OTTI model for such securities. Subsequent to an institution's adoption of ASU 2016-13, the concept of OTTI will no longer be relevant and information on OTTI would no longer be captured. Therefore as-of December 31, 2019, the Board proposed that institutions that have adopted ASU 2016-13 would not report sub-schedules A.3.a, A.3.b, and A.3.c. Furthermore, sub-schedule A.3.a would also be eliminated as-of December 31, 2019, as this information is of limited value and use. A footnote and instructions would indicate that institutions that have adopted ASU 2016-13 do not need to file sub-schedules A.3.b and A.3.c starting as-of December 31, 2019, and the sub-schedules would be eliminated upon full adoption, as-of March 31, 2022, at the latest.

With the proposed removal of FR Y-14A, Schedule A.3 sub-schedules related to OTTI, the Board proposed replacing the three sub-schedules with two new sub-schedules, A.3.f (Expected Credit Loss and Provision for Credit Loss – HTM securities) and A.3.g (Expected Credit Loss and Provision for Credit Loss – AFS securities) to be filed by all institutions that have adopted ASU 2016-13 beginning as-of December 31, 2019. These sub-schedules would provide another source of information regarding impairment of securities. The new sub-schedules, A.3.f and A.3.g, would aim to collect basic credit loss and reserve information on HTM and AFS securities, respectively, that is crucial to assess whether institutions properly estimate credit risk exposures and set aside adequate reserves to cover expected losses from their securities portfolios under CECL. The collected information would include the security asset class, accounting intent, amortized cost, total allowance for credit losses, and cumulative expected lifetime loss and provision for credit loss across the projection horizon.

In line with the above changes, the Board also proposed modifying the supporting documentation associated with AFS/HTM securities outlined in Appendix A.5 of the FR Y-14A as-of December 31, 2019. A statement would be added to the instructions indicating that institutions that have adopted ASU 2016-13 should submit supporting documentation on their other comprehensive income, expected credit loss, and provision projections as outlined in the instructions. Upon full adoption of CECL by all FR Y-14 filers, references to OTTI in the instructions for Appendix A would be eliminated.

Finally, given the changes in methodology for HTM securities under ASU 2016-13, the Board also proposed changing the scope of the FR Y-14A, sub-schedules A.3.d and A.3.e to include data related to only AFS and Equity securities. Institutions reporting under CECL methodology would no longer report impaired HTM securities in these sub-schedules beginning with the reports as-of December 31, 2019. Guidance would be added to the instructions indicating this. Upon full adoption of ASU 2016-13, the title and description of the sub-schedules would be updated.

Schedule A.7 (Pre-Provision Net Revenue (PPNR))

Currently, the instructions for the FR Y-14A, Schedule A.7 (PPNR), specify that gains and losses on AFS and HTM securities, including OTTI estimates, should not be reported as a component of PPNR. To reflect the elimination of the existing OTTI model under CECL, the Board proposed that the instructions for the FR Y-14A, sub-schedules A.7.a, A.7.b, and A.7.c be updated to indicate that institutions that have adopted ASU 2016-13 should not report gains and losses on AFS and HTM securities, including changes in credit loss provisioning, as a component of PPNR. A footnote would be added throughout the FR Y-14A, Schedule A.7 (PPNR) sub-schedules (including, but not limited to, items 11 and 24) as-of December 31, 2019, and would be incorporated in line with the instructions upon full adoption of CECL by all institutions.

In addition, references to PCI in the FR Y-14A, Schedule A.7.c, would not be applicable for institutions that have adopted ASU 2016-13 and would be eliminated upon full adoption of ASU 2016-13 by all institutions, or as-of March 31, 2022, at the latest. Specifically, as-of December 31, 2019, the Board proposed to add a footnote to item 50, “Carrying Value of Purchased Credit Impaired Loans,” to indicate that institutions that have adopted ASU 2016-13 should report the carrying value of PCD loans in this item. Upon full adoption, the item caption and instructions would be updated. Because the net accretion of discount on loans is still necessary for modeling purposes, the Board proposed to add a footnote to item 51 indicating that institutions that have adopted ASU 2016-13 should report the net accretion of discount on loans included in interest revenues on item 51. The caption would be updated and the footnote removed upon full adoption of CECL by all institutions.

FR Y-14A, Schedule F (Business Plan Changes)

The FR Y-14A, Schedule F (Business Plan Changes) mirrors the structure of the FR Y-14A, Schedule A (Summary) schedule. Therefore, reporting guidance related to the adoption of ASU 2016-13 provided for the FR Y-14A, Schedule A, applies to comparable line items reported on the FR Y-14A, Schedule F. Certain items that are derived on the FR Y-14A, Schedule A may need to be reported on the FR Y-14A, Schedule F and would be listed in the instructions and technical documentation, as necessary.

Collection of Supplemental CECL Information

As indicated in the final CECL rule and as outlined in the effective date description above, institutions would first reflect proposed amendments related to the adoption of ASU 2016-13 in the 2020 stress test cycle. For institutions that adopt ASU 2016-13, the CECL methodology may be reflected in the projection horizon of the FR Y-14A reports as-of December 31. However, actual data reported as-of December 31 may not reflect the adoption of CECL. Reporting in this manner would not allow for comparability of data across the actual and projected data for the annual cycle used in producing DFAST results and for the CCAR qualitative review. Furthermore, the Board needs to be able to identify the effect and timing of the adoption of CECL and the associated transition provision. Therefore, the Board proposed to add items to be reported by institutions that adopt ASU 2016-13 to capture the timing and impact of CECL adoption as of December 31. Upon full CECL adoption, or with the reports as-of March 31, 2022, at the latest, these items would be deleted from the report. This would include items related to:

- The first quarter of projected data in which a firm incorporates CECL,
- The impact of the CECL transition provision on certain regulatory capital components,
- The cumulative-effect adjustment for changes in the allowance for credit losses,
- Allowances for credit losses recognized upon the acquisition of PCD assets,
- Initial effect of CECL methodology on loans and leases and HTM debt securities,
- Total allowance for credit losses,
- Allowance for credit losses on loans and leases held for investment, and
- Allowance for credit losses on debt securities.

The reporting form and instructions would note that, unless otherwise specified, these items are to be completed only by holding companies that have adopted ASU 2016-13 in the stress test cycle year of adoption.

FR Y-14Q, Schedule B (Securities)

Under CECL, certain concepts will no longer apply, including but not limited to PCI, OTTI, ASC 310-10, and ASC 310-30. The Board proposed eliminating or replacing references to these concepts throughout the FR Y-14Q, Schedule B.1 (Securities – Main Schedule). As-of December 31, 2019, a footnote would be added to the general instructions for this schedule indicating that these concepts do not apply to institutions that have adopted ASU 2016-13. Upon full adoption of CECL by all institutions, the references would be eliminated or updated with CECL terminology.

Similarly, the instructions for book yield and purchase date on the FR Y-14Q, Schedule B.1, include references to OTTI and ASC Topics that do not apply to institutions that have adopted ASU 2016-13. As-of December 31, 2019, a footnote would be added to those two items indicating that institutions that have adopted ASU 2016-13 should report based on the new credit loss methodology and in accordance with ASC Topic 326. Upon full adoption of CECL by all institutions, the item definitions would be updated in accordance with the footnote and the footnotes would be eliminated.

To further address the elimination of the concept of OTTI by ASU 2016-13, the Board proposed to remove the “OTTI Taken” item from the FR Y-14Q, Schedule B upon full adoption of CECL by all institutions. As-of December 31, 2019, the report form and instructions for this field would include guidance stating that it is to be completed only by institutions that have not adopted ASU 2016-13.

Due to the expanded scope of credit losses under CECL, the Board proposed collecting additional information on the FR Y-14Q, Schedule B.1 from institutions that have adopted ASU 2016-13 to properly assess the allowance established and maintained on applicable securities. To facilitate the collection of these data, as-of December 31, 2019, the Board proposed adding two items to the FR Y-14Q, Schedule B.1 that would be filed by institutions that have adopted ASU 2016-13: 1) “Amount of Allowance for Credit Losses;” and 2) “Writeoffs”. A footnote would be added indicating that only institutions that have adopted ASU 2016-13 would report these items. The footnote would be removed upon full adoption of CECL by all institutions.

FR Y-14Q, Schedule D (Regulatory Capital Transitions)

The FR Y-14Q, Schedule D (Regulatory Capital Transitions) reflects the revised regulatory capital and supplementary leverage ratio rules on a fully phased-in basis for the reporting quarter. In consideration of the final CECL rule, the Board proposed adding guidance to the General Instructions of the FR Y-14Q, Schedule D, to indicate that this schedule should not reflect any election of the CECL transition provision. Where applicable, institutions would continue to reference the methodology descriptions outlined within the FR Y-9C, Schedule HC-R (Regulatory Capital). However, the numbers would not necessarily tie to the FR Y-9C reports, given that the FR Y-14Q, Schedule D requires calculations on a fully phased-in basis.

Consistent with the final CECL rule, institutions that have adopted ASU 2016-13 would report adjusted allowances for credit losses instead of allowance for loan and lease losses in calculating regulatory capital. Therefore, as-of December 31, 2019, the Board proposed to add guidance in FR Y-14Q, Schedule D.4, indicating the reporting of adjusted allowances for credit losses by institutions that have adopted ASU 2016-13 in item 23, “RWA for purposes of calculating the allowance for loan and lease losses (ALLL) 1.25 percent threshold,” and item 38, “Excess allowance for loan and lease losses.” Upon full adoption of CECL by all institutions, the data item captions for both items would be updated to reflect adjusted allowance for credit loss methodology.

FR Y-14Q, Schedule G (PPNR)

The Board proposed changes to the FR Y-14Q, Schedule G (PPNR) that would mirror those outlined for the FR Y-14A, Schedule A.7 (Summary – PPNR), as applicable.

FR Y-14Q, Schedule H (Wholesale)

Since ASU 2016-13 supersedes ASC 310-30 and ASC 310-10, the Board proposed to revise Schedules H.1 and H.2 (Wholesale) to indicate that references and items related to ASC 310-30 and ASC 310-30 do not apply to institutions that have adopted ASU 2016-13, and to add items to accommodate reporting under ASU 2016-13. The changes are detailed below. The Board proposed the changes to the FR Y-14Q, Schedules H.1 and H.2, with the intent that FR Y-9C and FR Y-14 reporting of the affected items by CECL and non-CECL filers align across the reports. The proposed revisions also aim to simplify the instructions for line items affected or eliminated by the change in credit loss methodology and to reduce necessary changes to the schedule over the CECL adoption period.

First, as-of December 31, 2019, the Board proposed updating the instructions for Committed Exposure Global (H.1, item 24, and H.2, item 5), Utilized Exposure Global (H.1, item 25), and Outstanding Balance (H.2, item 3) by eliminating references in the instructions to ASC 310-30 and ASC 310-10, and clarifying that all institutions should report these items consistent with the guidance in the FR Y-9C instructions, whether or not they have adopted ASU 2016-13.

Second, the existing items on Schedule H (Wholesale) that collect information on the reserve or adjustment applied to the credit facility according to ASC 310-10 (H.1, item 30 and H.2, item 46) or ASC 310-30 (H.1, item 31, and H.2, item 47) would no longer be filed by institutions that have adopted ASU 2016-13 given those impairment models are replaced by CECL. To accommodate reporting under ASU 2016-13, as-of December 31, 2019, the Board proposed adding two items to each of Schedule H.1 and H.2 for the reporting of applicable allowances for credit losses under ASC 326-20 (H.1, item 102, and H.2, item 63) and applicable purchased credit deteriorated noncredit discount (or premium) (H.1, item 103 and H.2, item 64). As-of December 31, 2019, guidance would also be added to the instructions for existing items 30 and 31 on Schedule H.1 and items 46 and 47 on Schedule H.2, indicating that these items would be reported as “0” by institutions that have adopted ASU 2016-13. The guidance would direct firms to report under the proposed new items (H.1, items 102 and 103, and H.2, items 63 and 64). Upon full adoption of ASU 2016-13 by all institutions, the Board proposed to eliminate all four items related to ASC 310-10 (H.1, item 30 and H.2, item 46) and ASU 310-30 (H.1, item 31 and H.2, item 47).

Third, to calculate the expected life of a loan, a field for current maturity date would be added to both the FR Y-14Q, Schedules H.1 and H.2 (items 104 and 65, respectively) as-of December 31, 2019. Under ASU 2016-13, the maturity date used in calculating lifetime losses does not allow for the inclusion of extension options (extension options are currently included in the existing maturity date field). A footnote would indicate that only institutions that have adopted ASU 2016-13 would report this field.

Finally, consistent with the above changes, as-of December 31, 2019, the Board proposed to simplify the instructions in the “Reporting Specifications” section of both Schedules H.1 and H.2 to indicate that institutions should report all loan and lease financing receivables consistent with the FR Y-9C instructions and to remove certain references to ASC 310-10 and ASC 310-30.

For the remaining references to ASC 310-10 and ASC 310-30, a footnote would be added as-of December 31, 2019, indicating that institutions that have adopted ASU 2016-13 should report charge-offs, fair value adjustments, ASC 326-20 allowance for credit losses, and PCD noncredit discount (or premium) separately in the designated fields. Upon full adoption of CECL by all institutions, the remaining references to ASC 310-10, ASC 310-30, and Statement of Position (SOP) 03-3 would be eliminated or replaced with footnoted language and updated ASC references applicable under CECL.

FR Y-14Q, Schedule K (Supplemental)

Due to the elimination of PCI assets under ASU 2016-13, as-of December 31, 2019, the Board proposed adding a footnote to the FR Y-14Q, Schedule K (Supplemental) instructions and report form, indicating that institutions that have adopted ASU 2016-13 do not need to report information for Column C, "Cumulative Lifetime Purchase Impairments and Fair Value Adjustments." The Board determined this information would no longer be needed following the implementation of CECL, and Column C would be eliminated upon full adoption by all institutions.

FR Y-14Q, Schedule M (Balances)

Currently, Schedule M.3, Unpaid Principal Balance of Retail Loans in Domestic Offices Held for Investment at Amortized Cost by Purchased Credit Impairment, collects the book value and unpaid principal balance (UPB) of all retail loans and leases held for investment at amortized cost (HFI at AC) in domestic offices by purchased credit impairment status. To capture comparable information under ASU 2016-13 and retain the ability to determine the book value and UPB of loans by impairment status for modeling purposes, the Board proposed to modify Schedule M.3 to collect the book value and UPB of loans by purchased credit deterioration from institutions that have adopted ASU 2016-13.

As-of December 31, 2019, the Board proposed adding guidance to the instructions for Schedule M.3 indicating that institutions that have adopted ASU 2016-13 should report the book value of non-PCD loans in column A, the UPB of non-PCD loans in column B, the book value of PCD loans in column C and the UPB of PCD loans in column D. A similar footnote would be added to the report form.

In addition, to allow for reporting of cumulative interim loan losses (previously captured in items 7 and 8 of FR Y-14A, Schedule A.2.a) by institutions that have adopted ASU 2016-13, the Board proposed, as-of December 31, 2019, to require institutions that have adopted ASU 2016-13 to report the cumulative interim loan losses in a new item, "Cumulative Interim Loan Losses" in Schedule M.3, reported for each applicable retail mortgage type. This new item would be included in a new section of Schedule M.3 that would also include the Cumulative Interim Loan Losses – Non-PCI," and "Cumulative Interim Loan Losses, PCI," items the Board proposed to move from FR Y-14A, Schedule A.2.a.

Upon full adoption of CECL by all institutions, the existing guidance, schedule title, and column titles, would be updated to reflect PCD and non-PCD terminology and references to PCI would be eliminated.

FR Y-14M, Schedule A (First Lien), Schedule B (Home Equity), and Schedule D (Credit Card)

Effective as-of December 31, 2019, unless otherwise indicated in the draft forms and instructions, the Board proposed adding guidance to the FR Y-14M data item captions and instructions for Schedules A (First Lien), B (Home Equity), and D (Credit Card) that reference the "provision for loan and lease losses" or the "allowance for loan and lease losses" to indicate that institutions that have adopted ASU 2016-13 should report the "provision for credit losses" and the "allowance for credit losses," respectively. Upon full adoption of CECL by all institutions, the data item captions and instructions would be updated to reflect the CECL terminology. This update would result in modifications to the following items:

- Schedule A.1, item 96, "Troubled Debt Restructure Flag," and Schedule A.1, item 119 "Loss/Write-down Amount," and Schedule A.2, item 3 "Loss/Write-down Amount"
- Schedule B.1, item 93 "Loss/Write-down Amount," and Schedule B.2, item 3 "Loss/Write-down Amount"
- Schedule D.1, item 107 "Principal Charge-off Amount – Current Month," Schedule D.2, item 9 "ALLL Managed Balance," item 10 "ALLL Booked Balance," item 18 "Booked Recoveries," item 23 "Interest and Fees Charge-off/Reversal Amount," item 26 "Loan Loss Provision Build," item 35 "Interest Income," and item 36 "Fee Income"

In addition, CECL introduces the concept of PCD financial assets, which replaces PCI assets under existing U.S. GAAP. To continue to differentiate PCD from non-PCD loans, references and items in the FR Y-14M to PCI or non-PCI would be modified to refer to PCD or non-PCD for institutions that have adopted ASU 2016-13.

Specifically, as-of December 31, 2019, the Board proposed adding guidance to the SOP 03-3 Status/Flag field (Schedule A.1, item 92; Schedule B.1, item 60; and Schedule D.1, item 14) indicating that institutions that have adopted ASU 2016-13 would report in this field whether loans are accounted for as purchased credit deteriorated. Upon full adoption, the existing PCI and SOP 03-3 terminology would be eliminated and the item captions would change to "Purchased Credit Deteriorated (PCD) Status".

Currently, institutions segment portfolio level data in Schedules A (First Lien) and B (Home Equity) based on certain characteristics, including a segment for portfolio loans that are held for investment and purchased impaired. Consistent with other changes to the FR Y-14M report, as-of December 31, 2019, the Board proposed indicating in the FR Y-14M instructions that institutions that have adopted ASU 2016-13 should report PCD Loans in the existing "HFI Purchased Credit Impaired" segment. Upon full adoption, the name of the segment would be updated to "HFI Purchased Credit Deteriorated." The allowable values for the corresponding Portfolio Segment ID field (Schedule A.2, item 1 and Schedule B.2, item 1) would contain the same guidance and, upon full adoption of ASU 2016-13, would be updated accordingly.

Finally, the Board proposed updating the instructions for Unpaid Principal Balance (Net) (item 95) on Schedule B.1, to indicate that references to PCI in the definition for this item do not apply to institutions that have adopted ASU 2016-13. The Board would remove these references in the definition upon full adoption.

Time Schedule for Information Collection

The following tables outline, by schedule and reporting frequency (annually, semi-annually, quarterly, or monthly), the as-of dates for the data and their associated due date for the current submissions to the Board.

Schedules and Sub-schedules	Data as-of-date	Submission Date to Board
FR Y-14A - Semi-annual Schedules		
Summary, **Macro Scenario**	December 31st June 30th	April 5th of the following year. October 5th of the same year.
FR Y-14A - Annual Schedules		
Operational Risk and Business Plan Changes Schedules	December 31st	April 5th of the following year.
<u>CCAR Market Shock exercise</u> **Summary schedule** • **Trading Risk** • **Counterparty**	A specified date in the first quarter that would be communicated by the Board.[31]	April 5th
Regulatory Capital Instruments	December 31st	• Original submission: Data are due April 5th of the following year. • Adjusted submission: The Board will notify companies at least 14 calendar days in advance of the date on which it expects companies to submit any adjusted capital actions. • Incremental submission: At the time the firm seeks approval for additional capital distributions (see 12 CFR 225.8(g)) or notifies the Board of its intention to make additional capital distributions under the de minimis exception (see 12 CFR 225.8(g)(2)).

[31] See 12 CFR 252.14(b)(2). In February 2017, the Board finalized modifications to the capital plan rule extending the range of dates from which the Board may select the as-of date for the global market shock to October 1 of the calendar year preceding the year of the stress test cycle to March 1 of the calendar year of the stress test cycle. 82 FR 9308 (February 3, 2017).

Schedules	Data as-of date	Submission Date to Board
FR Y-14Q (Quarterly Filings)		
Securities **PPNR** **Retail** **Wholesale** **Operational** **MSR Valuation** **Supplemental** **Retail FVO/HFS** **Regulatory Capital Transitions** **Regulatory Capital Instruments** **Balances**	Each calendar quarter-end.	Data are due seven calendar days after the FR Y-9C reporting schedule (52 calendar days after the calendar quarter-end for December and 47 calendar days after the calendar quarter-end for March, June, and September).
Trading Schedule **Counterparty Schedule**	Due to the CCAR Market Shock exercise, the as-of date for the fourth quarter would be communicated in the subsequent quarter. For all other quarters, the as-of date would be the last day of the quarter, except for firms that are required to re-submit their capital plan. For these firms, the as-of date for the quarter preceding the quarter in which they are required to re-submit a capital plan would be communicated to the firms during the subsequent quarter	Data are due seven calendar days after the FR Y-9C reporting schedule for data as of the quarter end for March, June, and September. **Fourth quarter – Trading and Counterparty (Regular/unstressed submission):** 52 calendar days after the notification date (notifying respondents of the as-of date) or March 15, whichever comes earlier. **<u>Unless the Board requires the data to be provided over a different weekly period</u>**, firms may provide these data as-of the most recent date that corresponds to their weekly internal risk reporting cycle, as long as it falls before the as-of date. **Fourth quarter – Counterparty (CCAR/stressed submission):** April 5th. In addition, for firms that are required to re-submit a capital plan, the due date for the quarter preceding the quarter in which the firms are required to re-submit a

Schedules	Data as-of date	Submission Date to Board
		capital plan would be the later of (1) the normal due date or (2) the date that the re-submitted capital plan is due, including any extensions.
FR Y-14M (Monthly Filings)		
All schedules	The last business day of each calendar month.	By the 30th calendar day of the following month.

Public Availablity of Data

There is no data related to this information collection available to the public.

Legal Status

The Board has the authority to require BHCs to file the FR Y-14 reports pursuant to section 5 of the Bank Holding Company Act of 1956 (BHC Act) (12 U.S.C. § 1844), to require SLHCs to file the FR Y-14 reports pursuant to section 10 of the Home Owners' Loan Act (12 U.S.C. § 1467a(b)), and to require the U.S. IHCs of FBOs to file the FR Y-14 reports pursuant to section 5 of the BHC Act, in conjunction with section 8 of the International Banking Act of 1978 (12 U.S.C. § 3106). The FR Y-14 reports are mandatory.

The information collected in these reports is collected as part of the Board's supervisory process, and therefore is afforded confidential treatment pursuant to exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(8)). In addition, individual respondents may request that certain data be afforded confidential treatment pursuant to exemption 4 of the FOIA, which exempts from disclosure "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential" (5 U.S.C. § 552(b)(4)). Determinations of confidentiality based on FOIA exemption 4 would be made on a case-by-case basis.

Consultation Outside the Agency

There has been no consultation outside the agency.

Public Comments

On July 31, 2019, the Board published two notices in the *Federal Register* (84 FR 37285 and 84 FR 37292) requesting public comment for 60 days on the extension, with revision, of the FR Y-14. The Board proposed to implement a number of changes to schedules of the FR Y-14A, FR Y-14Q, and FR Y-14M reports. The proposed revisions consisted of deleting or adding items, adding or expanding schedules or sub-schedules, and modifying or clarifying the instructions for existing data items, primarily on the FR Y-14Q and FR Y-14M reports. The Board proposed most of these changes in an effort to reduce reporting burden for firms, clarify reporting instructions and requirements, address inconsistencies between the FR Y-14 reports and other regulatory reports, and to account for revised rules and accounting principles. A limited number of proposed revisions would have modified the reporting requirements and added or expanded sub-schedules to improve the availability and quality of data to enhance supervisory modeling and for use in DFAST.

The proposed revisions also were meant to address revised accounting for credit losses under the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13) and implement the CECL accounting methodology across all of the FR Y-14 reports. The proposed changes to the FR Y-14 reports paralleled the related changes to the Consolidated Financial Statements for Holding Companies (FR Y-9C) for CECL, as appropriate.[32] The proposed reporting changes related to CECL also were consistent with the revisions indicated in the interagency final rule that incorporated the CECL transition.[33]

The comment period for the two notices regarding the Capital Assessments and Stress Testing Reports expired on September 30, 2019. The Board received four comment letters from banking organizations and one comment letter from a banking industry group on its non-CECL proposal. The Board received one comment letter from a banking organization and one comment letter from a banking industry group on its CECL proposal. All comments and responses are delineated below based on whether the comment was related to the non-CECL or CECL proposal.

Detailed Discussion of Public Comments

Timing of Proposed Changes

The Board proposed that all revisions associated with these proposals to be effective for September 30, 2019. Four commenters stated that those revisions should be delayed so that there would be time for FR Y-14 filers to set up or update, as well as adequately test, their internal reporting systems to adopt the reporting changes. For the FR Y-14A, two commenters suggested adjusting the effective date for most of the revisions to December 31, 2019, with the exception of the proposals to eliminate the deposit funding threshold from the PPNR schedule and to require IHCs to provide a cost allocation as a supplement to their PPNR schedules, which two commenters proposed to become effective December 31, 2020. Another commenter suggested that all revisions associated with FR Y-14A become effective December 31, 2020. For the FR Y-14Q, two commenters suggested adjusting the effective date to delay most of the revisions to December 31, 2019, with the exception of certain proposed changes to the Counterparty (Schedule L), Trading (Schedule F), and Retail (Schedule A) schedules, which the commenters suggested to delay until June 30, 2020. One commenter suggested delaying all proposed revisions associated with the FR Y-14Q to March 31, 2020. Finally, for the FR Y-14M, three commenters suggested delaying all proposed revisions to become effective March 31, 2020.

In light of the rationale for delaying implementation to allow firms adequate time to set

[32] See 84 FR 11783 (March 28, 2019).
[33] See 84 FR 4222 (February 14, 2019).

up, update, and test their internal systems, as well as the due to the fact that the proposed effective date has already passed, the Board has revised the effective date from September 30, 2019, to dates ranging from December 31, 2019, to December 31, 2020, for different aspects of the proposal. The December 31, 2019, date was chosen as some revisions are necessary for the DFAST 2020 stress test cycle, and so could not have been delayed to a later date. The effective dates for the other revisions were chosen as a balance between data needed by the Board and industry burden.

Timing of Non-CECL Revisions

For non-CECL revisions associated with the FR Y-14A, all revisions will be effective for December 31, 2020, except the revisions to Schedule A.1.d (Capital), the revisions to schedule A.2.a (Retail Balance and Loss Projections), the revisions to Schedule A.4 (Trading), and the revisions made to conform to changes previously made to the FR Y-9C. The revisions to schedule A.1.d, A.2.a, and A.4 will be effective for December 31, 2019, as they are critical for the DFAST 2020 stress test cycle.

For non-CECL revisions associated with the FR Y-14Q, all revisions will be effective for March 31, 2020, with the exception of the revisions to Schedule D (Regulatory Capital), the addition of the fair value option (FVO) hedges sub-schedule to Schedule F (Trading), certain revisions to Schedule H (Wholesale), the elimination of Schedule I ([Mortgage Servicing Rights] MSR Valuation Schedule), and the revisions made to conform to changes previously made to the FR Y-9C, which will be effective for December 31, 2019, as well as the revisions to the Counterparty schedule, which will be effective for June 30, 2020. The non-CECL FR Y-14Q revisions that are effective for December 31, 2019, are needed then because they are critical for the DFAST 2020 stress test cycle. For the December 31, 2019, as of date, the Board will allow firms to submit the FVO hedges sub-schedule to Schedule F by March 6, 2020, as opposed to the February due date for the rest of the FR Y-14Q. The Board recognizes that one commenter requested delaying proposed revisions to the Trading schedule and the proposal to add a weighted-average life (WAL) segment variable to the Retail schedules to June 30, 2020. However, the Board feels that extending the effective date by six months will provide adequate time to set up or update, as well as adequately test, pertinent internal systems. In addition, firms already provide a WAL item on the FR Y-14A, PPNR schedule (schedule A.7) at the portfolio level. The instructions for the new WAL item at the loan segment level are similar to the existing WAL items on the PPNR schedule, and so the Board has adopted the revisions as proposed, except with a March 31, 2020, effective date.

For non-CECL revisions associated with the FR Y-14M, all revisions will be effective for March 31, 2020.

Timing of CECL Revisions

As indicated in the final CECL rule and as outlined in FR Y-14 CECL proposal, an institution may reflect the adoption of ASU 2016-13 on the FR Y-14 reports beginning with the 2020 stress test cycle. Therefore, all CECL-related items need to be incorporated into the FR Y-14 reports for December 31, 2019.

Consistency of numbering across the two proposals

The Board also received several comments about inconsistent numbering of items across the FR Y-14 reports between the non-CECL and CECL proposals. Since the Board is adopting both proposals at once, the numbering is consistent in the forms and instructions provided with this notice.

Non-CECL Proposal Comments

General

The Board issues technical instructions so firms know how to configure their systems and files to submit the FR Y-14A and FR Y-14Q. One commenter asked for the Board to provide these technical instructions before year-end 2019 so firms have sufficient time to make any necessary adjustments. The Board seeks to provide firms technical instructions in a timely manner, and seeks to do so with respect to the technical instructions for these reporting changes.

FR Y-14A

Schedule A.1.d (Capital)

The Board proposed to revise the instructions to the FR Y-14A to provide guidance on how firms should reflect the impact of the "global market shock"[34] on items subject to adjustment or deduction from capital. Specifically, if a firm were to adjust its projection of an item to reflect the impact of the global market shock, the instructions would indicate that the firm must also report an adjusted starting value that reflects the global market shock for applicable items. One commenter questioned whether this revision conflicts with guidance previously issued through a CCAR frequently asked question (FAQ SHK0030),[35] in which the Board stated that firms should not assume a related decline in portfolio positions or risk-weighted assets as a result of global market shock losses. Another commenter suggested that this treatment is a significant policy question that should be separately clarified by the Board. The Board notes that the proposed revisions reflect a departure from the guidance issued in FAQ SHK0030. In the past, the Board required firms to report capital using post-stress losses, but pre-stress values of certain capital deductions. The Board is now requiring firms to adjust their capital deductions to reflect the impact of the global market shock in order to make their capital calculation further reflect post-stress values.[36] The Board has adopted this revision as proposed. To mitigate confusion, the Board is rescinding FAQ SHK0030, as that historical guidance is inconsistent with the new instructions.

The Board proposed to rename item 109 (Potential net operating loss carrybacks) to

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[34] The global market shock is a set of instantaneous, hypothetical shocks to a large set of risk factors. Generally, these shocks involve large and sudden changes in asset prices, interest rates, and spreads, reflecting general market dislocation and heightened uncertainty. The global market shock impacts the Trading and Counterparty schedules of the FR Y-14A and FR Y-14Q.

[35] See https://www.federalreserve.gov/publications/comprehensive-capital-analysis-and-review-questions-and-anwers.htm.

[36] See 84 FR 6664 (April 1, 2019) for more information on disclosure methodology.

"Taxes previously paid that the bank holding company could recover if the bank holding company's temporary differences (both deductible and taxable) fully reverse at the report date." The Board also proposed to revise the instructions for this item to state that firms should report the amount of taxes previously paid that the firm could recover through loss carrybacks if the firm's temporary differences (both deductible and taxable) fully reverse at the report date. The Board proposed these revisions to reflect provisions in the Tax Cuts and Jobs Act (TCJA) that changed the treatment of deferred tax assets (DTAs).[37] One commenter pointed out that the revisions to this item did not include taxes previously paid that the firm could recover through carrybacks of projected negative taxable income (i.e., net operating loss and credits) over the planning horizon. The commenter further noted that, although the TCJA eliminated net operating loss (NOL) carrybacks in the U.S., certain carrybacks are still allowed (e.g., credits and capital losses in U.S., as well as NOL carrybacks in various jurisdictions like the United Kingdom and certain U.S. states). The commenter requested the Board rename item 109 as a result. To better reflect the applicable provisions of the TCJA, the Board is renaming item 109 to "Taxes previously paid that the bank holding company could recover through allowed carrybacks if the bank holding company's DTAs on net operating loss, tax credits and temporary differences (both deductible and taxable) fully reverse at the report date," and is revising the instructions accordingly.

Schedule A.2.a (Retail Balance and Loss Projections)

CECL replaced the concept of purchased credit-impaired (PCI) with that of purchased credit-deteriorated (PCD). As a result, the Board proposed to revise FR Y-14A, Schedule A.2.a, to include PCD breakouts for all mortgage categories. One commenter pointed out that the draft instructions provided with the proposal specify that these new PCD fields only apply to home equity items. Consistent with the language used in the description of the initial proposal, the intent of the proposal was to make these fields applicable to all mortgage line items. The Board is revising the instructions accordingly.

Schedule A.7 (Pre-Provision Net Revenue (PPNR))

The Board proposed eliminating the deposit funding threshold for the FR Y-14A, Schedule A.7.b (Net Interest Income), which is currently optional for firms with deposits comprising less than 25 percent of total liabilities for any period reported in any of the four most recent FR Y-14Q reports. For the reports as of June 30, 2016, the deposit-funding threshold was eliminated from the FR Y-14Q, Schedule G (PPNR). Two commenters said that removing this threshold would impose significant burden on the small subset of firms that are not currently required to report this schedule. The commenters recommended that the Board postpone this revision until December 31, 2020, so that firms that are not currently required to file have ample time to set up and adequately test their reporting systems. Given the time necessary for these firms to set up and adequately test their reporting systems, the Board has adopted the revision and has postponed implementation until December 31, 2020.

The Board proposed adding further specification surrounding the requirements for supporting information provided by U.S. IHCs. Specifically, the proposal would add instructions

[37] Pub. L. No. 115-97, 131 Stat. 2054 (2017).

to the supporting documentation requirements clarifying that IHCs with material transfer pricing or cost allocation items with related entities should report these revenues and expenses in the appropriate business-line category, rather than the "other" category. In addition, the proposal would have required U.S. IHCs to provide supporting documentation that disaggregates the impact of transfer pricing and cost allocations on revenue and expense projections to allow the Board to understand the revenue impact of these arrangements.

Two commenters said there would have been insufficient time for IHCs to provide the proposed cost allocation breakout items for September 30, 2019, as these firms are still in the early stages of shared cost structures. Both commenters proposed delaying implementation of these revisions until December 31, 2020. One commenter further requested that the Board provide additional clarification on the proposed change regarding the granularity required for the cost allocation, and that this information not be required for stressed scenarios as that would require substantial investment in IHCs' models. Given the concerns posed by the commenters, the Board has provided clarification regarding cost allocation in the FR Y-14A instructions, has added this clarifying language to the FR Y-14Q, Schedule G instructions, and has delayed implementation until December 31, 2020. The Board believes this new effective date provides sufficient time for IHCs to gather the necessary information.

The Board proposed to revise several items on the PPNR schedules of the FR Y-14A and FR Y-14Q (Schedule G) to indicate how dividend income on equity products should be reported. The proposed revisions were intended to align with reporting on the FR Y-9C. In doing this, the Board proposed that dividend income on equity products with readily determinable fair values not held for trading be reported as interest income and that dividend income on equity products held for trading be reported as noninterest income. One commenter pointed out that the FR Y-9C is not explicit as to how dividend income on equity products should be reported. The commenter also pointed out that items impacted by these revisions flow through to other PPNR items, specifically those that relate to the earned average rate of trading assets. The Board notes that, under the proposal, the reporting of dividend income on equity products may not be consistent between the FR Y-9C and the FR Y-14, as the FR Y-9C instructions are not explicit as to how this income should be reported. As a result, the Board has revised the language for item 5B ("Other [sales and trading interest income]") on the FR Y-14A, Schedule A.7.a and FR Y-14Q, Schedule G.1, to include equity trading activity not reported in item 5A (Prime Brokerage [sales and trading noninterest income], instead of a direct reference to dividend income on equity products with readily determinable fair values not held for trading. The Board has also revised the language for item 18C ("Other [sales and trading noninterest income]") on Schedules A.7.a and G.1 to remove references to dividend income on equity securities held for trading.

The Board proposed to revise item 15 ("Other Interest/Dividend-Bearing Assets") on FR Y-14A, Schedule A.7.b and FR Y-14Q, Schedule G.2, to include balances from equity securities with readily determinable fair values not held for trading. One commenter pointed out that this is not consistent with the FR Y-9C, in which equity securities with readily determinable fair values are reported as "All other debt securities and equity securities with readily determinable fair values not held for trading purposes" (item 1.c), and not as "Other earning assets" (item 4.b), on Schedule K (Quarterly Averages). Given this, the commenter recommended moving balances from equity securities with readily determinable fair values not held for trading from item 15 to item 12 ("Securities AFS and HTM – Other"). The Board notes that item 12 is a more appropriate location for equity securities with readily determinable fair values not held for trading, as they share more risk characteristics with non-equity securities than with other earning assets. As a result, the Board is updating the instructions accordingly.

The Board proposed to revise the PPNR schedules of the FR Y-14A and FR Y-14Q, as well as Schedule A (Retail) of the FR Y-14Q, so that loans (and associated income) loans in U.S. territories (including Puerto Rico) would be treated as international. The intent of this proposal was to align the reporting of loans in U.S. territories between the FR Y-14 and the FR Y-9C. However, one commenter pointed out that the reporting of these loans is more nuanced on the FR Y-9C, as the treatment can differ within and across schedules, and so the proposed FR Y-14 revisions would still result in inconsistencies between the items on the PPNR schedules and similar items on the FR Y-9C. In response, the Board is revising the proposed instructions to the PPNR schedules to require firms to refer to the FR Y-9C for the definition of domestic and international. This will result in the classification of loans as international or domestic on the FR Y-14 PPNR schedules truly aligning with those of the FR Y-9C.

For the FR Y-14Q, Schedule A (Retail), the Board proposed to remove an exception for loans in U.S. territories from the international loan-reporting requirement. However, in contrast to the PPNR schedules, the existing instructions for Schedule A already directed firms to refer to the FR Y-9C definitions for international and domestic for applicable loan categories. Therefore, the Board has adopted the revisions to the FR Y-14Q, Schedule A (Retail), as proposed, so that the definitions of international and domestic align, without exception, with those on the FR Y-9C.

Schedule E (Operational Risk)

The Board proposed several revisions to Schedule E.2 (Material Risk Identification), one of which was to rename the "Risk segment" variable to "Business line(s)/firm-wide." One commenter pointed out that the name "Risk segment" provided a clear linkage to FR Y-14A, Schedule A.6 (BHC or IHC Operational Risk Scenario Inputs and Projections), as this schedule also had a variable named "Risk segment." The commenter asked whether the Board still expects this clear linkage despite the name change. The Board notes that the proposed revisions to Schedule E.2 allow for better linkage between the categories of the difference schedules, as firms will now have to identify and list the methodology used to estimate operational risk model. The Board has adopted the revisions as proposed.

FR Y-14Q

Schedule D (Regulatory Capital)

The Board proposed to eliminate most items on Schedule D, as they are duplicative of reporting elsewhere because the common equity tier 1 (CET1) capital deductions are now fully phased-in. One commenter asked for clarification as to whether the proposed changes to Schedule D apply to all firms, or only to non-advanced approaches firms. The Board notes that the changes apply to all firms that file the FR Y-14Q, as there are no exemptions listed in the proposed instructions.

While the Board proposed to eliminate most of the items on Schedule D, it did retain a limited number of items that are not reported elsewhere and proposed to add a handful of items relating to non-significant investments subject to a threshold deduction from CET1 capital. One commenter asked how one of the new items (item 15 – "DTAs arising from temporary differences, net of DTLs") differs from a retained item (item 18 – "DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs"). The difference between these two items is that item 15 is reported before netting of carrybacks and valuation allowance, whereas item 18 is inclusive of valuation allowance and carryback netting. The Board believes this reporting is clear based on the instructions, and has adopted the revisions as proposed.

The Board proposed to add a new memoranda item to Schedule D (item M1 – "Taxes paid through the as-of date of the current fiscal year"). The instructions for this item require respondents to report the amount of taxes paid during the current fiscal year through the as-of date that are included in Schedule D, item 17, "Potential net operating loss carrybacks," assuming that fiscal years align with calendar years. One commenter asked whether the data from this item can be appropriately sourced from FR Y-9C, Schedule HI (Income Statement), item 9 (Applicable income taxes (foreign and domestic)). The Board notes that, based on the instructions for item M1, firms should only report income taxes paid that are included in item 17, which may not equal the income taxes reported in FR Y-9C, Schedule HI, item 9. The Board has adopted the revisions as proposed.

Schedule F (Trading)

The Board proposed to delineate reporting of private equity investments between those reported at fair value and those reported using accounting methods other than fair value (non-fair value). Two commenters asked the Board to clarify whether the intended population of the private equity investments reported at fair value includes investments required to be held at fair value, as well as (1) investments in which FVO accounting treatment has been elected and (2) fund positions measured at net asset value (NAV). In response, the Board notes that the intended population of the private equity investments reported at fair value consists of investments required to be reported at fair value, including investments where fair value is estimated using NAV or where FVO has been elected. The commenters also suggested excluding all non-fair value investments from Schedule F because they believe the macro scenario is more appropriate than the global market shock scenario for capital planning purposes for these positions. The Board notes that private equity is the only asset type where non-fair value exposures are required to be reported on Schedule F. Further, the Board notes that fair value and non-fair value private equity investments have different risk characteristics, and so believes it is essential that these exposures are separately reported. Since the Board now has a breakout between fair value and non-fair value private equity investments, the Board will be able to assess whether the macro scenario is more appropriate than the global market shock for non-fair value exposures. If the macro scenario is more appropriate, then the Board will propose an alternative treatment in a future notice.[38] The Board has adopted the revisions as proposed.

The Board proposed to add a sub-schedule that captures FVO loan hedges. One commenter asked the Board to expand this sub-schedule to include all non-trading hedges, regardless of accounting treatment, as including these hedges would portray a more accurate picture of risk and because it may be difficult for firms to segment hedging activity that is directly correlated to a specific accounting treatment. The Board has been collecting FVO loan hedge information as a supplement to the supervisory stress test for several years, and this proposal was a formalization of this supplemental collection. FVO loan hedge information is critical to adequately assessing the risks posed by FVO loans. Without this information, the Board would have no way to determine whether firms are mitigating FVO loan risks through hedging. The Board has adopted the revisions as proposed, and will consider expanding the sub-schedule in a future proposal. The same commenter asked the Board to clarify whether the as-of date the FVO loan hedges sub-schedule should be at quarter end. Consistent with the instructions published with the initial proposal, the as-of date for the FVO loan hedges sub-schedule is quarter end.

One commenter asked whether the Board could provide examples of what should be included in the FVO loan hedge sub-schedule. The Board is revising the instructions to add a non-exhaustive list of examples of what should be included in this sub-schedule.

The Board proposed to exclude mandated investments, such as those in government or government-sponsored entities and stock exchanges, from Schedule F. One commenter asked the Board to further clarify the definition of mandated investments. The Board believes the proposed definition is sufficient, and therefore has adopted the revisions as proposed. The Board encourages firms to seek guidance from the Federal Reserve if they have specific questions related to bespoke investments.

The Board did not propose to revise the list of examples for what to include the Other Fair Value Assets Sub-schedule that is currently in the instructions. However, due to the placement of the list in the instructions, one commenter asked that the Board clarify whether the list applies only to the Other Fair Value Assets sub-schedule. The Board is revising the instructions to make it clear that this list applies only to the Other Fair Value Assets sub-schedule.

Schedule H (Wholesale)

The Board proposed to add two additional Schedules, H.3 (Line of Business) and H.4 (Internal Risk Rating Scale), which would allow for mapping of each firm's internal risk ratings and line of business values to a consistent benchmark for use in modeling. One commenter suggested the Board expand Schedule H.4 to ask for additional items, such as probability of default information. The commenter also suggested expanding Schedule H.4 to correspond to FR Y-14Q, Schedule L (Counterparty), instead of just Schedule H, as both schedules require an internal and external rating equivalent factor. At this time, the Board does not need any

[38] See 84 FR 6664 (February 28, 2019) for more information about the Federal Reserve's model development and validation practices.

additional fields on these schedules, but will consider expanding Schedule H.4 as part of a future proposal. Additionally, the Board will not expand Schedule H.4 to correspond with the Counterparty schedule at this time, as the data between the two schedules do not readily align.

The Board proposed to revise Schedule H.1 (Corporate Loan Data), item 25 ("Utilized Exposure Global"), and Schedule H.2 (Commercial Real Estate), item 3 ("Outstanding Balance"), to align reporting with the FR Y-9C definition of loan and lease financing receivables. This would cause the exposure amounts reported in Schedule H.1, item 25, and Schedule H.2, item 3, to be netted by deferred fees and costs. One commenter stated that while this would align with the FR Y-9C, firms would need significant time to accurately implement these revisions, and requested the proposal be dropped or delayed. These two fields are critical for modeling, and the Board believes that aligning the definitions between the FR Y-14Q and FR Y-9C will enhance reporting accuracy and improve clarity. The Board also acknowledges that unlike the FR Y-9C, the Wholesale schedule is reported at the facility level, and so firms need time to adequately capture the deferred fees and costs. Therefore, the Board has adopted the revisions as proposed, but is delaying implementation until December 31, 2019, so that these fields can be updated in time for CECL implementation on the FR Y-14Q, as these fields are critical for CECL.

The Board proposed to revise the line of business items (Schedule H.1, item 27; Schedule H.2, item 22) to not require that the line of business be reported at origination, as they typically change over time. One commenter requested the Board expand the description of these items to clarify that the current line of business should be reported. The Board believes its proposed revision captures this point because firms will no longer be required to report the line of business at origination, and is more consistent with the existing instructions for other items. The Board has adopted the revision as proposed.

The Board proposed to revise several Schedule H items to align with the definition of loans and lease financing receivables on the FR Y-9C. One commenter noted that the Board should also align the definition of major modification in origination date fields of Schedules H.1 and H.2 (items 18 and 10, respectively), with that of the FR Y-9C. While the Board strives to align reporting definitions when appropriate, the definition of a major modification on Schedule H is much broader than that of the FR Y-9C and is used to assess whether there has been a change in the origination date for all types of loans. The Board does not believe it is appropriate to use the FR Y-9C or GAAP definition of "modification" because this definition is mainly associated with troubled debt. The Board has adopted the revision as proposed.

The Board proposed to revise the definition of "country" on Schedule H.1 (item 6) to refer to the definition of "domicile," as defined in the FR Y-9C glossary. One commenter suggested the Board also revise Schedule H.1, items 5 ("City") and 7 ("Zip Code"), to reference the borrower's domicile in assigning the obligor's country in Schedule H.1, (item 6). The Board strives to align the definitions of related items where applicable, and so is revising the instructions accordingly.

The Board proposed to revise the maturity date fields of Schedules H.1 and H.2 (item 19 for both) to eliminate the implied requirement to test compliance with the terms of the credit agreement each quarter. One commenter asked whether this revision means that firms would now have to factor in the extension options that are solely at the discretion of the borrower from inception, or alternatively, whether it means that the extended date is only reported during the extension option window provided that the borrower has requested an extension and an assessment has been made that the conditions outlined in the agreement have been complied with. The Board has adopted the proposed revisions to the maturity date fields, which is inclusive of all extension options that are solely at the borrower's discretion regardless of the timing of the extension option window, including extension options that are conditional on certain terms being met without any need to assess compliance with the terms of the credit agreement.

The Board proposed to add items 65 ("Committed Exposure Global Fair Value") and 66 ("Outstanding Balance Fair Value") to Schedule H.2. One commenter questioned whether these two new items were capturing duplicative information, as items 5 ("Committed Exposure Global") and 3 ("Outstanding Balance"), respectively, seem to capture similar information for held-for-sale and FVO exposures. The Board notes that Schedule H.2, items 5 and 3, represent different concepts from the newly-proposed fair value items 65 and 66. Although there may be cases where values in items 5 and 3 coincide with the values in the newly proposed fair value items (65 and 66, respectively), in other instances the values may differ between these fields (specifically for held-for-sale (HFS) loans reported at lower of cost or fair value, when amortized cost is lower than fair value). The Board has adopted the revisions as proposed.

The Board proposed to add several fields related to committed exposure and utilized exposure global par values, as well as fair values, to Schedules H.1 (items 102 through 105) and H.2 (items 63 through 66). One commenter had several questions about these new items. First, the commenter wanted the Board to clarify whether firms should report their share of the global commitments or the total global commitment of the entire facility. The Board notes that firms are expected to report their pro-rata commitments in the committed exposure fields. The pro-rata share is net of adjustments that are noted in the FR Y-14Q instructions. The "Committed Exposure Global" fields should include the total commitment amount, including any unused portfolio of the commitment. Second, the commenter asked how to report these items for facilities that include held-for-sale loans or loans accounted for under a fair value option and held-for-investment loans. The Board notes that for loans reported in Schedule H.1, if the firm reports a value of 3 ("NA") in the "Lower of Cost or Market Flag" (item 86), then it should report "NA" for items 102 ("Committed Exposure Global Par Value") and 103 ("Utilized Exposure Global Par Value"). In cases where there are multiple loans in the same facility, firms should report the consolidated exposure based on the accounting type for loans that make up the predominant share of the facility. Third, the commenter asked whether firms should continue to report commitment balances on a trade date basis. The Board notes that firms should continue to report commitment balances on a trade date basis. The Board has adopted the revision as proposed.

The Board did not propose any changes to the treatment of disposed loans on Schedule H. However, one commenter suggested that the Board revise the instructions to allow disposed facilities to be reported with data as of the prior reporting cycle rather than the day of disposition. The Board believes collecting loan disposition information as it existed at the point of disposition is critical, and so will not revise the current requirements.

Schedule L (Counterparty)

The Board proposed to expand the scope of granularity of a firm's reporting of credit valuation adjustment (CVA) related data fields from the top 95 percent to all counterparties at the legal entity level for several sub-schedules. Four commenters expressed that this change would cause significant burden on firms not only from a data perspective, but also from a technical perspective, as firms' and vendors' systems may not be capable of handling data sets of that size. The Board acknowledges the operational concerns raised by the industry. In doing so, the Board has adopted a modification of the proposed revision that limits the scope of counterparty legal entity identifier (LEI) level reporting requirements in Schedules L.1-L.3[39] to top 95% stressed CVA, in addition to the existing 95% unstressed CVA. For the remaining counterparties that are not required to be reported at an individual LEI level, a new Schedule will be added to collect summary metrics with respect to their key attributes, for example by industry, rating, and region.

Two commenters requested the Board clarify whether this increased scope applied to all counterparties, or only counterparties with CVA. The Board confirms the scope of the counterparty population under the adopted modification of the proposed revision should apply only to counterparties with CVA.

In addition to the increased scope in CVA related fields, the Board proposed revisions to several definitions throughout Schedule L. Two commenters asked for additional clarification regarding the consistency of the "Netting Set ID" field throughout the Schedules, the definition of the "Trades Not Captured" field, as well as whether securities financing transactions (SFTs) should be included with derivatives in the same counterparty data sets. "Netting Set ID" and "Sub-netting Set ID" are optional fields for certain schedules. To ensure consistency across Schedule L, the Board is revising the instructions to require these field to be reported for all schedules, and is requiring that they be reported using the same granularity across Schedule L. Further, the Board is revising the instructions to indicate that the "Trades Not Captured" field should incorporate types of trades or counterparties for which CVA is computed offline (i.e., outside of the main CVA systems). This is effectively equivalent to the scope of counterparties and/or types of trades for which the firm is unable to submit data requirements associated with Schedule L.2 that relate to the components of the CVA. Finally, the Board is revising the instructions to clarify that fair-valued SFTs should be reported in aggregate under Schedule L.1.e.2 (Additional/Offline CVA Reserves), as opposed to at the granular counterparty LEI level reporting under Schedules L.1, L.2, and L.3. In doing so, a new line item will be added to collect fair-valued SFTs separately under Schedule L.1.e.2.

The Board proposed to require firms to report certain counterparties on Schedule L.1.a-L.1.d at a counterparty legal entity level, rather than a consolidated parent level. One commenter recommended that the reporting of sovereign counterparties remain unchanged since the

[39] Sub-schedules L.1.a through L.1.d.2 capture information regarding derivatives profile by counterparty and aggregate across all counterparties. Sub-schedule L.2 captures expected exposure profile by counterparty and sub-schedule L.3 captures credit quality by counterparty.

proposed instructions would require incremental data on whether sovereign counterparties are state-owned enterprises, which are backed by the full faith and credit of a sovereign entity, and that data is not readily available. The commenter added that if this change were required, then the Board should clarify the definition of "full faith and credit of a sovereign entity" and how to determine that using North American Industry Classification System (NAICS) codes. The commenter further suggested that the Board confirm whether the determination of designated central counterparties (CCPs) not located in the U.S. is consistent with those CCPs identified as Qualifying Central Counterparty (QCCP) under 12 CFR 217. If this is not the intended population, the commenter recommended that the Board specify the supervisory provisions that would constitute an international CCP being regulated and supervised in a manner equivalent to the designated financial market utilities. The Board notes that the proposed change to the instructions on sovereign and designated CCP counterparties is a codification of how the Board requires firms to calculate their largest counterparty as part of the large counterparty default (LCPD) component. However, the Board does acknowledge the benefit of using the definitions of sovereign and CCPs that are consistent with those in the regulatory capital rules. Given this, the Board is revising the definitions of sovereign and CCPs, including the scope of QCCPs vs non-QCCPs, to correspond with the definitions in section .2 of the regulatory capital rules (12 CFR 217), as recommended by the commenter. As a result of the Board revising the instructions to use the definition of sovereign in regulatory capital rules and the delaying of the effective date until June 30, 2020, the Board believes the concerns raised by the commenter have been mitigated.

The Board proposed to revise Schedule L.1.a (Individual Counterparties – Credit Valuation Adjustment (CVA)) to clarify that individual counterparties should be captured at the legal entity level, rather than at the aggregated parent or consolidated level. Two commenters asked the Board to clarify how this change impacts Schedule L.1.e (Aggregate CVA Data by Ratings and Collateralization) and Schedule L.4 (Aggregate and Top 10 CVA Sensitivities by Risk Factor). The Board is revising the instructions to show that Schedule L.1.e should be reported based on the immediate counterparty LEI facing the firm and that Schedule L.4 should continue to be reported at the aggregated parent or consolidated counterparty level.

The Board received a comment recommending that language be added to the Schedule L instructions specifying how the schedule should relate to data reported in FR Y-14A, Schedule A.5 (Counterparty Credit Risk). The Board strives to align or otherwise connect related data fields, where applicable, and is including language in the technical instructions to clarify how the data should reconcile between these two schedules with regards to both CVA and LCPD.

FR Y-14M

Schedule A (Domestic First Lien Closed-end 1-4 Family Residential Loan) and Schedule B (Domestic Home Equity Loan and Home Equity Line)

The Board proposed to revise Schedules A and B to indicate that in cases of involuntary terminations, loans should be reported for up to 24 months following termination until data in the four loss severity fields are available to report. The Board notes that this change should apply to loans that have experienced an involuntary termination within the past 12 months of the date of the revised instructions and for which the four loss severity fields are available. One commenter asked whether this revision should only be applied to accounts where the event (i.e., charge-off and involuntary termination) occurred in the first month after the revision became effective, and which accounts should now be included in these schedules. The Board clarifies that the reporting of accounts where the event occurred 12 months prior to the date of the revised instruction is not changing, and firms are not required to include accounts where the event occurred 24 months prior to the date of the revised instructions.

The Board received two other comments on its proposal regarding reporting cases of involuntary terminations on Schedule A and B. The first comment states that this proposal will create additional operational burden, specifically as it relates to loans serviced by others. Per the comment, loan servicers are responsible for tracking non-performing loans/lines, regardless of lien position, through the full loss mitigation process. When a loan/line is involuntary liquidated, the servicer is responsible for recording all of the loss severity information and passing that information to the bank that owns the loan/line. When this happens, the owning bank removes the liquidated loan/line from its system. The commenter points out that this revision should only be applied prospectively (i.e., for accounts with involuntary terminations from the date of the revised instructions forward). The second comment asks that certain commercial and serviced loans be exempt from this treatment, and asks to confirm whether all fields on Schedules A and B need to be filled out for these loans/lines, or whether only the loss severity fields need to be filled out.

The Board notes that only a portion of recoveries are realized within the first 12 months after charge-off, and so moving to a 24 month window would portray a more complete picture of applicable recoveries. The Board further notes that in the case of involuntary terminations, loans should be reported for up to 24 months following termination, until the data on specified fields (items 93 ("Total Debt at Time of any Involuntary Termination"), 94 ("Net Recovery Amount"), 95 ("Credit Enhanced Amount"), and 121 ("Sales Price of Property")) are available to report. If the data are available sooner, the firm does not have to continue reporting these loans in the following months. Moreover, these fields should only be reported for any portfolio or private securitized loans that experienced involuntary terminations. Per the proposal, the Board will require firms to carry involuntary liquidated loans/lines up to 24 months to fully populate all fields up until all the fields are captured or 24 months. A firm does not need to change its reporting conventions for loans before and after the involuntary liquidations. The Board has adopted the revision as proposed.

The Board proposed to revise item 65 ("Foreclosures Status") of Schedule A to clarify that in the month a loan liquidates, a firm should report the loan as a post-sale foreclosure. One commenter noted that a loan could have moved from a post-sale foreclosure to real estate owned in the month a loan liquidates, and suggested the Board clarify in the instructions that item 65 should be reported as of the month end in the month the loan liquidates. The Board notes that the instructions for this item already require reporting as of the end of the reporting month. However, for clarification purposes, the Board is revising the instructions to indicate that if a loan was in foreclosure in the prior month, and the loan liquidates during the current month, then it should be reported as a post-sale foreclosure.

The Board proposed to revise Schedule A, item 59, and Schedule B, item 43 (both "Principal and Interest (P&I) Amount Current"), to clarify that firms should report the principal and interest due from the borrower in the reporting month, even in cases of balloon loans that mature in the reporting month. One commenter pointed out that this clarification contradicts other parts of these items instructions, which state that a loan in the process of paying off in a reporting month can be reported with a value of zero. As a result, the Board is revising the instructions for these two items to state that for balloon loans in the process of paying off in a reporting month, firms should report the full amount due.

The Board proposed to add two new items to Schedule B (items 118 ("Charge-off Amount") and 119 ("Charge-off Date")). A commenter asked whether similar fields should have been added to Schedule A. The Board did not propose to add these fields to Schedule A, as it does not need this information for that loan population.

Schedule D (Domestic Credit Card)

The Board proposed to revise the instructions for Schedule D to state if an account at the time of closure or charge-off had a positive unpaid balance that needed to be repaid or recovered, then information on that account should be reported up to 24 months after the closure or charge-off. Previously, information on that account would have only been reported up to 12 months after the closure or charge-off. A commenter noted that this requirement should only be applied prospectively due to the burden of retrieving data from the past 24 months. The Board notes that only a portion of recoveries are realized within the first 12 months after charge-off, and so moving to a 24 month window would portray a more complete picture of applicable recoveries. The Board notes that this reporting change should only apply to loans that have experienced a charge-off or termination event within the past 12 months of the date of the revised instructions. The Board has adopted this revision as proposed.

The same commenter asked the Board to clarify when closed accounts should be excluded in cases when they have a zero balances at closure and in cases where they do not. The Board clarifies that charge-off and non-charge off accounts should be have a zero balance reported in the month they close, and should be excluded in the month after they close. Accounts that have a balance greater than zero when closed should be reported up to 24 months after they close.

The Board proposed to update the instructions for items 17 ("Managed Recoveries") and 18 ("Booked Recoveries") on Schedule D to clarify that all gross charge-offs, including those related to acquired impaired loans, should be included. One commenter asked why charge-offs should be included in amounts related to recoveries. The Board is revising the instructions to make it clear that these items should be capturing the recovery of the charged-off amount for acquired impaired loans.

The Board proposed to add a clause to the instructions for item 68 ("Account Sold Flag") on Schedule D to indicate that firms must start to report this item from the sale announcement date. The instructions were previously ambiguous as to when to begin to report this item. One commenter asked how this item should be reported if the sale has been announced but the accounts in the portfolio to be sold have not yet been finalized. The commenter asked the Board to allow for firms to not report this item if the information needed to report is not available as of the sale announcement date. The Board needs the information reported in this item as soon as it is available in order to adequately assess the risk effects of portfolios that are in the process of being sold, and so has adopted the revision as proposed.

One commenter requested revising the FR Y-14M to be reported quarterly instead of monthly, citing reporting burden of monthly filing as a rationale. Monthly data collection allows the Board's financial models to be sensitive to high-frequency changes in risk drivers, and so the Board will continue to require monthly data.

The Board did not propose revising how retired fields on the FR Y-14M should be reported. However, a commenter requested the Board confirm whether retired fields should be removed from the report or remain in the schedules but reported with null values. The Board confirms that due to previously received industry feedback regarding the burden of renumbering items, retired fields should continue to reported and reported with null values.

CECL Proposal Comments

General

The Board proposed to add items and update references to the FR Y-14 reports to incorporate CECL. One commenter expressed concern that firms would be required to produce additional information in order to demonstrate how their projections incorporating CECL differ from what the projections would have been under the incurred-loss methodology, even if the firms intend to retire their incurred-loss models upon adoption of CECL and do not intend to maintain parallel processes. The commenter referenced CCAR FAQ GEN0207, [40] in which the Board stated that firms should prepare to submit documentation on the methodology used to produce the capital plan submission in accordance with the capital plan rule. CCAR FAQ GEN0207 further stated that examiners may request any additional documentation necessary to understand and support the firm's estimated stressed capital insomuch as the firm relied upon that information to create and approve that plan. Per the response to CCAR FAQ GEN0207,firms are not required to maintain parallel methodologies (i.e., CECL and incurred-loss). Firms only need to provide documentation on the methodology used in their projections and capital plans.

The Board received a comment regarding whether the effective dates for CECL filers will be revised based on FASB's recent proposal to delay CECL effective dates for certain institutions (FASB approved this proposal on October 17, 2019).[41] The Board had initially proposed to remove incurred-loss model items and references from the FR Y-14 reports by March 31, 2022, at the latest, as that was the anticipated time by which all filers would have adopted CECL. However, given this extension, the Board is delaying the removal of these items until March 31, 2023.

[40] See https://www.federalreserve.gov/publications/comprehensive-capital-analysis-and-review-questions-and-anwers.htm.
[41] See
https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176173176157&acceptedDisclaimer=true.

The Board received a comment asking how the implementation of CECL would impact the disclosure of DFAST/CCAR results. The commenter points out that the fundamental inconsistencies between how the Board and participating firms will calculate credit loss allowances over the projection horizon will present challenges in comparing the risk profiles and capital planning capabilities of firms. Further, per the comment, stakeholders may have difficulty evaluating and understanding firms' stress-test disclosures, as well as the DFAST and CCAR results, because of the different methodologies used among firms and by the Board. To avoid potential confusion for stakeholders, the commenter recommends that the Board explain in its DFAST and CCAR results publications that its projections for the supervisory severely adverse scenario are not comparable to firms' projections for the same scenario because of the fundamentally different methodologies used by the Board and firms to project credit loss allowances, and that firms' own projections may not be comparable to one another's because of differences in how they incorporated CECL into their projection methodologies. Finally, the commenter recommends that to further promote clear communication to stakeholders and stakeholders' understanding of the stress test results, the Board should provide template disclosure that firms could include in their own DFAST disclosures explaining that their projections may not be comparable to those of other firms, and are not comparable to those of the Board because of methodological differences relating to the projections of credit loss allowances. In response, the Board understands the concerns posed by the commenter, and will consider this comment as part of its results disclosure process.

FR Y-14A

General

In the initial proposal, the Board mentioned that it would update applicable reporting instructions to account for the exclusion of unconditionally cancelable commitments from the allowance for credit losses off-balance sheet exposures. One commenter pointed out that the Board did not make any such revisions. The Board notes that the reference to updating applicable instructions should not have been made in the initial proposal because the only instructions that mention unconditionally cancelable commitments refer to the definition on the FR Y-9C, and so no additional updates were necessary.

Schedule A.1.a (Income Statement)

The Board proposed to add items that capture the provisions, net charge-offs, and allowances for held-to-maturity (HTM) and available-for-sale (AFS) debt securities to Schedule A.1.a. However, the Board did not add items that capture these fields for all other financial assets that fall within the scope of CECL, such as securities purchased under agreements to resell and other assets. One commenter pointed out that without adding these items, net income as reported on Schedule A.1.a would not be accurate. The Board notes that under the proposed instructions, net income would not reconcile across the FR Y-14 and FR Y-9C reports, and is revising the form and instructions to add applicable items to capture all other financial assets that fall within the scope of CECL.

Schedule A.1.b (Balance Sheet)

The Board proposed to revise the instructions for "Other assets" (item 129) to change the FR Y-9C items referenced in the definition. Specifically, the Board proposed to remove references to FR Y-9C, Schedule HC (Balance Sheet), items 8 ("Investments in unconsolidated subsidiaries and associated companies") and 9 ("Direct and indirect investments in real estate ventures"). One commenter noted that if the references to items 8 and 9 were removed, then the total assets balances would not reconcile between the FR Y-14A and FR Y-9C. The Board notes the total balances would not reconcile under the proposed revision, and is revising the instructions to add back these references.

Schedule A.1.d (Capital)

The Board proposed to several revisions to Schedule A.1.d to mirror those made to FR Y-9C, Schedule HC-R (Regulatory Capital), Part I (Regulatory Capital Components and Ratios), to incorporate the adoption of CECL. One commenter pointed out that in the proposed revisions for item 54 ("Allowance for loan and lease losses includable in tier 2 capital"), the Board did not properly mirror the revisions to the equivalent item on the FR Y-9C, Schedule HC-R, Part I (item 30.a), in that it did not add a clause to the instructions for item 54 specifying that firms should only include the portion of allowance for loan and lease losses (ALLL) or adjusted allowances for credit losses (AACL) that is includable in tier 2 capital, per the regulatory capital rule. The Board notes that this clause should be added to the instructions, as only the ALLL or AACL that is included in tier 2 capital should be included in item 54, and is revising the instructions for item 54 to use language in the equivalent FR Y-9C item.

The Board did not propose to revise the instructions for item 96 ("Supplementary leverage ratio exposure") to state that firms that have adopted ASU 2016-13 and have elected to apply the transition provision should incorporate the effects of this transition. One commenter pointed out that per the regulatory capital rules, the transitional amount should also be applied to the supplementary leverage ratio, and suggested the Board revise the instructions for item 96 to indicate so. The Board confirms that the transitional amount should be applied to the supplementary leverage ratio. However, the current instructions for item 96 directly reference the regulatory capital rules, which describe the items to which the transitional amount applies. Given this, the Board does not believe any further clarification is necessary.

The Board did not propose to add an item to separately capture the AACL on PCD assets on the FR Y-14. One commenter asked the Board to confirm it will not ask firms to provide this information through a supplemental request. The Board does not intend to add an item to separately capture this value on the FR Y-14.

Schedules A.3.f and A.3.g (Expected Credit Loss and Provision for Credit Loss – HTM and AFS securities, respectively)

The Board proposed to add Schedules A.3.f and A.3.g to capture allowance for credit loss information on HTM and AFS securities. One commenter asked whether the "Total allowance for credit loss" items on both schedules should be reported as of the prior quarter, the current quarter, or a projected quarter. The Board is revising the instructions to clarify that these items should be reported as of the report date (i.e., current quarter).

One commenter requested that the Board specify what the "Expected loss" item in both schedules consists of, whether it corresponds to any FR Y-9C item, and how it differs from the "Provision for credit loss" item that is also on both schedules. The "Expected loss" item is the expected credit losses as defined by ASU 2016-13 and before applying the "fair value floor" that limits the amount of the allowance for credit losses to the amount by which fair value is below amortized cost. This item should equal FR Y-9C, Schedule HI-B (Charge-offs and Recoveries on Loans and Leases and Changes in Allowances for Credit Losses), Part 2 (Change in Allowances for Credit Losses), item 5 ("Provision for credit losses"). To avoid confusion, the Board is renaming the "Expected loss" item to "Expected credit loss before applying the fair value floor," and is revising the instructions to indicate this as well. Also in response to this comment, the Board is removing the "Amortized cost of securities intended to sell or will be required to sell before recovery of amortized cost" item from Schedule A.3.g, as it is no longer necessary.

Finally, one commenter asked the Board to confirm that the sum of provision for credit loss items reported on Schedules A.3.f and A.3.g should equal proposed items 91.b ("Provisions for credit losses on held-to-maturity debt securities during the quarter") and 91.c ("Provisions for credit losses on available-for-sale securities during the quarter") on Schedule A.1.a, respectively. The Board confirms these values should be equal.

Collection of Supplemental CECL Information

The Board proposed to add a collection of supplemental CECL information to be reported by institutions that adopt ASU 2016-13 that captures the timing and impact of CECL adoption as of December 31. This collection would require firms to report actual values (i.e., not projected) that incorporate the adoption of CECL on the FR Y-14A, in the stress test cycle year of adoption. One commenter notes that the collection of supplemental CECL information would not require reporting of information on the stressed impact of CECL on either existing portfolios or on newly originated exposures during the stress test horizon. The commenter is also concerned that this proposed collection would not provide the Board with the insight it is seeking into the stressed impacts of CECL since these potential losses are important components of overall CECL estimates. The commenter further suggested that the Board provide a description of the relationship between each item on Collection of Supplemental CECL information and items on the FR Y-14A, Summary sub-schedules. Finally, the commenter pointed out that the instructions for item 6 ("Total allowance for credit losses") refer to sub-items 5.a and 5.b, which do not exist.

The Board notes that it intends to collect information of the day 1 unstressed impact; that is, the effect of the change in accounting principles on the effective date of CECL (i.e., not the impact over the entire projection horizon). The Board also notes that because this collection is a pro-forma estimate of the effect of the change in accounting principles, there is no relationship between items on this schedule and other FR Y-14A items corresponding to prior quarter end financial statement data. The Board believes that it will have sufficient data under the collection to reflect the impact of stress losses under CECL accounting. Therefore, the Board has adopted this revision as proposed, except that it is revising the heading on the form to make it clear that the Board is asking for the effect of changes in accounting principles, and it is revising the instructions for item 6 to refer to the sub-items of item 6. For clarification purposes, the Board is also updating the FR Y-14A instructions to include language about when this schedule should be filed and which items need to be reported for certain firms.

FR Y-14Q

Schedule B (Securities)

The Board proposed to add two items to Schedule B that would only be completed by firms that have adopted CECL ("Amount of allowance for credit losses" and "Writeoffs"). One commenter asked whether the Board will specify that reporting debt securities on a trade-lot level will continue to apply to firms that have adopted CECL if they calculate their credit loss allowances for AFS debt securities on security-level basis or for HTM debt securities on either a security-level or pool-level basis. The Board is revising the instructions for these two items to instruct firms that if a given allowance measurement or specific writeoff applies to more than one row on the reporting form, to allocate the allowances across the relevant investments on a pro rata basis, based on amortized cost.

The Board proposed instructions for "Writeoffs" to require firms to report any writeoffs of the security during the quarter. One commenter asked the Board to clarify whether that means on a quarter-to-date, year-to-date, or lifetime-to-date basis. The Board is revising the instructions to clarify that this item should be reported on a quarter-to-date basis.

Schedule D (Regulatory Capital)

The Board proposed minor revisions to Schedule D in the CECL proposal, but substantial revisions to the schedule in the non-CECL proposal. Two firms commented as to how to reconcile revisions in the event that certain text and items were eliminated in one proposal but not the other. Since the Board has adopted both proposals at the same time, the combined instructions document should clear up any ambiguity. Further, the Board clarifies that Schedule D should be reported by all firms that file the FR Y-14Q, and not just advanced approaches firms.

Schedule H (Wholesale)

The Board proposed to revise the instructions to Schedule H.1, item 24 ("Committed Exposure Global") to require firms to report the total commitment amount as the sum of loan and lease financing receivables recorded in FR Y-9C, Schedule HC-C (reported in field 25 – "Utilized Exposure Global") and any unused portion of the commitment recorded in Schedules HC-F (Other Assets), HC-G (Other Liabilities), and HC-L (Derivatives and Off-Balance Sheet Items). One commenter said that this revision made it unclear what to report in this item, and recommended the Board clarify the types of unused loan commitments that should be reported instead of referencing other FR Y-14Q or FR Y-9C items. The Board does not believe further clarification is necessary for two reasons. First, the Schedule H instructions already define the reportable facilities. Second, the Board believes it is better to leverage existing instructions within or across reports in order to reduce burden and improve data accuracy. The Board has adopted the revision as proposed.

The Board proposed to add additional items to Schedules H.1 and H.2 that are only reported by firms that have adopted CECL. Two of these items, "ASC326-20" and "Purchased Credit Deteriorated Noncredit Discount" (Schedule H.1 – items 102 and 103; Schedule H.2 – items 63 and 64, respectively), require firms to report the information at the credit facility level, if available, or if not, at a pro-rated allocation from the collective (pool) basis. One commenter stated it was unclear which basis should be used for the proposed allocation. Further, the commenter is concerned that without a prescribed allocation methodology, methods could vary broadly across firms. Per the comment, this inconsistency would weaken comparability and reduce the value of this schedule. Finally, the commenter requested the Board remove the requirements proposed in these two items, and instead prescribe a clear allocation methodology. The Board believes that the reporting firm is in the best position to determine the appropriate allocation methodology, and does not want to impose additional burden by prescribing a single allocation methodology. The Board has adopted the revision as proposed.

FR Y-14M

Generally, institutions subject to filing the FR Y-14 reports would reflect the CECL standard in data reported on the FR Y-14A, FR Y-14Q, and FR Y-14M, with as-of dates following the start of the firm's fiscal year and the adoption of the standard, beginning with the FR Y-14 reports as of December 31, 2019. In the initial proposal, the Board instructed firms to refer the final CECL rule for specifics surrounding inclusion of credit losses in a given stress test cycle. One commenter asked if a firm that adopts CECL January 1, 2020, could report CECL-related FR Y-14M items on a best effort basis for its January and February 2020 FR Y-14M submissions. The rationale for this request is that a firm will be required to file other regulatory reports reflecting CECL for the first time as of March 31, 2020 (FR Y-9C, FR Y-14Q, Securities and Exchange Commission (SEC) reports, etc.). In light of the concerns posed in this comment, the Board is allowing CECL-related FR Y-14M items to be reported on a best effort basis for the January and February 2020 submissions.

Aside from the changes discussed above, the Board will adopt the extension, with revision, of the FR Y-14 reports as originally proposed. On December 23, 2019, the Board published a final notice in the *Federal Register* (84 FR 70529).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR Y-14 is 819,204 hours, and would decrease to 804,916 hours with the adopted revisions. The Board estimates that the revisions to the FR Y-14 would decrease the estimated annual burden by 14,288 hours. These reporting requirements represent approximately 7.5 percent of the Board's total paperwork burden.

FR Y-14	*Estimated number of respondents*[42]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current				
FR Y-14A				
Summary	36	1	887	31,932
Macro scenario	36	1	31	1,116
Operational risk	36	1	18	648
Regulatory capital instruments	36	1	21	756
Business plan changes	36	1	16	576
Adjusted capital plan submission	5	1	100	500
Current FR Y-14A Total				35,528
FR Y-14Q				
Retail	36	4	15	2,160
Securities	36	4	13	1,872
PPNR	36	4	711	102,384
Wholesale	36	4	151	21,744
Trading	12	4	1,926	92,448
Regulatory capital transitions	36	4	23	3,312
Regulatory capital instruments	36	4	54	7,776
Operational risk	36	4	50	7,200
MSR valuation	15	4	23	1,380
Supplemental	36	4	4	576
Retail FVO/HFS	26	4	15	1,560
Counterparty	12	4	514	24,672
Balances	36	4	16	2,304
Current FR Y-14Q Total				269,388
FR Y-14M				
Retail Risk:				
1st lien mortgage	34	12	516	210,528
Home equity	27	12	516	167,184
Credit card	14	12	512	86,016
Current FR Y-14M Total				463,728

[42] Of these respondents, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than $600 million in total assets), https://www.sba.gov/document/support--table-size-standards. The estimated number of respondents for the FR Y-14M is lower than for the FR Y-14Q and FR Y-14A because, in recent years, certain respondents to the FR Y-14A and FR Y-14Q have not met the materiality thresholds to report the FR Y-14M due to their lack of mortgage and credit activities. The Board expects this situation to continue for the foreseeable future.

Implementation and Ongoing Revisions				
Implementation	0	1	7,200	0
Ongoing revisions	36	1	480	17,280
Current Implementation and Ongoing Revisions Total				17,280
Attestation				
Implementation	0	1	4,800	0
Ongoing	13	1	2,560	33,280
Current Attestation Total				33,280
Current Collection Total				819,204
Proposed				
FR Y-14A	36	1	1,065	38,340
FR Y-14Q	36	4	1,920	276,480
FR Y-14M	34	12	1,072	437,376
Implementation and Ongoing Revisions				
Implementation	0	1	7,200	0
Ongoing revisions	36	1	480	17,280
CECL implementation	36	1	60	2,160
Proposed Implementation and Ongoing Revisions Total				19,440
Attestation				
Implementation	0	1	4,800	0
Ongoing	13	1	2,560	33,280
Proposed Attestation Total				33,280
Proposed Collection Total				804,916
Change				(14,288)

The estimated total annual cost to the public for this collection of information is $47,186,150 and would decrease to $46,363,162 with the adopted revisions.[43]

Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System is $3,045,400 for ongoing costs.

[43] 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 $19, 45% Financial Managers at $71, 15% Lawyers at $69, and 10% Chief Executives at $96). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2018*, published March 29, 2019, https://www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, https://www.bls.gov/soc/.