

Supporting Statement for:
**Consolidated Reports of Condition and Income
(Call Report) (FFIEC 031, FFIEC 041, FFIEC 051)
OMB Control No. 1557-0081
and Reporting for Institutions Subject to the
Advanced Capital Adequacy Framework (FFIEC 101)
OMB Control No. 1557-0239**

Background

The Office of the Comptroller of the Currency (OCC), in coordination with the Federal Deposit Insurance Corporation (FDIC) and the Board of Governors of the Federal Reserve System (Board) (collectively, the agencies), each of which is submitting a separate request, hereby requests approval pursuant to the Office of Management and Budget's (OMB) Paperwork Reduction Act emergency processing procedures at 5 CFR § 1320.13 for revisions to the Consolidated Reports of Condition and Income (Call Report), Control No. 1557-0081, and the Reporting for Institutions Subject to the Advanced Capital Adequacy Framework, Control No. 1557-0239, that took effect for the June 30, 2020, report date. These reports are currently approved collections of information.

In connection with this request, the agencies are providing a summary of a number of interim final rules (all of which have been finalized substantively as issued) and associated reporting revisions related to the Community Bank Leverage Ratio; Paycheck Protection Program Liquidity Facility; Supplementary Leverage Ratio; Regulation D; and Regulation O; and a notice of proposed rulemaking (Assessments) issued in response to disruptions related to the coronavirus disease (COVID-19), as well as two reporting changes for new data items related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Sections 1102 and 4013).¹

Summary of Actions and Related Revisions

Community Bank Leverage Ratio – Two Interim Final Rules (Call Report)

Summary

Section 4012 of the CARES Act required the appropriate Federal banking agencies to reduce the community bank leverage ratio (CBLR) to 8 percent for a temporary period ending on the earlier of the termination date of the national emergency concerning the coronavirus disease COVID-19 outbreak declared by the President on March 13, 2020, under the National Emergencies Act² (National Emergency) or December 31, 2020, which the agencies did through an interim final rule.³ To provide further clarity around the possible end date of the statutory relief and provide a qualifying community banking organization that is planning to elect to use the community bank leverage ratio framework sufficient time to meet the leverage ratio

¹ Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281 (March 27, 2020).

² 50 U.S.C. 1601 et seq.

³ See 85 FR 22924 (April 23, 2020).

requirement, the agencies also issued an interim final rule extending relief for the 8 percent community bank leverage ratio through 2020, providing relief through an 8.5 percent community bank leverage ratio in 2021, and resuming the existing 9 percent community bank leverage ratio in 2022.⁴ Neither interim final rule changed the methodology for calculating the CBLR, merely the qualifying ratio for an institution to report as a CBLR institution.

Reporting Revisions

There are no substantive reporting revisions associated with the revised CBLR framework. However, it is possible that some additional banking organizations that are now eligible CBLR banks under the lower qualifying ratio may choose to use the less burdensome reporting for regulatory capital on Schedule RC-R. Since the CBLR framework only came into effect for purposes of reporting for the first quarter of 2020, the agencies currently do not have an accurate estimate of the number of banking organizations that elected to use the CBLR reporting for the first quarter of 2020. Similarly, the agencies cannot reliably estimate the number of banking organizations that might use the CBLR reporting in the second quarter of 2020 under the reduced ratio at this time. The agencies plan to revise the burden estimates after more data is available on banking organizations' election to use the CBLR framework.

Regulatory Capital: Paycheck Protection Program Liquidity Facility (PPPLF) and Paycheck Protection Program (PPP) Loans – Interim Final Rule and CARES Act Section 1102 (Call Report and FFIEC 101)

Summary

Section 1102 of the CARES Act allows for banking organizations to make loans under a program of the Small Business Administration (SBA) in connection with COVID-19 disruptions to small businesses (referred to as PPP loans or PPP covered loans). While the loans are funded by the banking organizations, they receive a guarantee from the SBA. The statute specified that these loans should receive a zero percent risk weight for regulatory capital purposes. The Federal Reserve subsequently established a liquidity facility to permit banking organizations to obtain non-recourse loans, for which PPP loans are pledged to the facility, to provide additional liquidity.

On April 13, 2020, the agencies published an interim final rule with an immediate effective date, which permits banking organizations to exclude from regulatory capital requirements PPP loans pledged to the PPPLF.⁵ The interim final rule modifies the agencies' capital rule to allow banking organizations to neutralize the effects on their risk-based and leverage capital ratios of making PPP loans that are pledged to the PPPLF. Specifically, a banking organization may exclude from its total leverage exposure, average total consolidated assets, standardized total risk-weighted assets, and advanced approaches total risk-weighted assets, as applicable, any exposure from a PPP loan pledged to the PPPLF. The interim final rule also codified the statutory zero percent risk weight for PPP loans; however, the PPP loans

⁴ See 85 FR 22930 (April 23, 2020).

⁵ See 85 FR 20387 (April 13, 2020).

already received a zero percent risk weight under the agencies' existing capital rules as an exposure directly and unconditionally guaranteed by an agency of the U.S. government.

The agencies would need to collect information on the number and outstanding balance of PPP loans, as well as the amount of PPP loans pledged to the liquidity facility, for their use in supervising banking organizations. Therefore, the agencies are proposing to add four new data items to collect this information, with the collection of these items expected to be time-limited. The agencies would expect to propose to discontinue the collection of a specific item once the aggregate industry activity has diminished to a point where the individual information is of limited practical utility.

Reporting Revisions

Call Report

Starting with the June 30, 2020, reporting period, a banking organization would report the total number of PPP loans outstanding, the outstanding balance of PPP loans, the outstanding balance of PPP loans pledged to the Federal Reserve's liquidity facility, and the quarterly average amount of PPP loans pledged to the Federal Reserve's liquidity facility and excluded from average total assets in the calculation of the leverage ratio. These items would tentatively be added to Schedule RC-M, as items 17.a, 17.b, 17.c, and 17.e.

Also starting with the June 30, 2020, reporting period, the quarterly average amount of PPP loans pledged to the liquidity facility and reported in 17.e would be reported as a deduction in Schedule RC-R, part I, item 29, "LESS: Other deductions from (additions to) assets for leverage ratio purposes," and thus excluded from Schedule RC-R, Part I, item 30, "Total assets for the leverage ratio."

Since PPP loans, regardless of whether they are pledged to the liquidity facility, receive a zero percent risk weight, they are effectively not included in the standardized total risk-weighted assets. Similarly, advanced approaches banking organizations would not reflect PPP loans in "Total risk-weighted assets" reported on Schedule RC-R, Part I, item 48.b.

Banking organizations subject to the supplementary leverage ratio requirement would report their adjusted "Total leverage exposure" and "Supplementary leverage ratio" in Schedule RC-R, Part I, items 55.a and 55.b, respectively. These organizations would adjust their existing calculations of "Total leverage exposure" by excluding PPP loans pledged to the Federal Reserve's liquidity facility. The instructions for item 55.a would be revised to state that institutions should measure their total leverage exposure in accordance with section 10(c)(4) of the regulatory capital rules and the applicable section of these rules for exposures related to the Paycheck Protection Program Liquidity Facility (section 305 for institutions supervised by the OCC and the Board; section 304 for institutions supervised by the FDIC).

Advanced approaches banking organizations would not include PPP loans in “Total risk-weighted assets” under the advanced approaches reported in the FFIEC 101, Schedule A, item 60. Since these loans already receive a zero percent risk weight, PPP loans are effectively excluded from risk-weighted assets under the current capital rule and the related reporting provisions.

For banking organizations subject to the supplementary leverage ratio requirement, PPP loans would be deducted from the calculation of total leverage exposure for the supplementary leverage ratio. Top-tier advanced approaches and Category III banking organizations would include PPP loans in the FFIEC 101, Schedule A, Supplementary Leverage Ratio (SLR) Table 1, item 1.7.c, “Adjustments for deductions of qualifying central bank deposits for custodial banking organizations,” and in SLR Table 2, item 2.2.b, “Deductions of qualifying central bank deposits from total on-balance sheet exposures for custodial banking organizations,” even if the banking organization is not a custodial banking organization.

Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio – Interim Final Rules (Call Report and FFIEC 101)

On April 14, 2020, the Board published in the *Federal Register* an interim final rule⁶ to temporarily exclude U.S. Treasury Securities (Treasuries) and deposits in their accounts at Federal Reserve Banks (deposits at Federal Reserve Banks) from total leverage exposure for bank holding companies, savings and loan holding companies, and intermediate holding companies subject to the supplementary leverage ratio through March 31, 2021.

On May 15, 2020, the agencies issued an interim final rule⁷ to provide depository institutions subject to the supplementary leverage ratio the ability to temporarily exclude Treasuries and deposits at Federal Reserve Banks from total leverage exposure. An electing depository institution must notify its primary Federal banking regulator of its election within 30 days after the interim final rule is effective. The interim final rule will terminate after March 31, 2021.

Reporting Revisions

Call Report

Depository institutions subject to the supplementary leverage ratio report Treasuries not held for trading in Schedule RC-B, item 1, “U.S. Treasury securities,” and those held for trading in Schedule RC, item 5, “Trading assets” (and, if applicable, in Schedule RC-D, item 1, “U.S. Treasury securities”). Such depository institutions report deposits at Federal Reserve Banks in Schedule RC-A, item 4, “Balances due from Federal Reserve Banks.”

Advanced approaches and Category III electing depository institutions would exclude Treasuries and deposits at Federal Reserve Banks reported in the items identified above from Schedule RC-R, Part I, item 55.a, “Total leverage exposure.” Custodial banking organizations

⁶ See 85 FR 20578 (April 14, 2020).

⁷ <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20200515a.htm>

will also be able to exclude from total leverage exposure deposits with qualifying foreign central banks reported as a part of Schedule RC-A, item 3, “Balances due from banks in foreign countries and foreign central banks,” subject to the limits in the Section 402 rule,⁸ in addition to the deductions under this interim final rule. For purposes of reporting the supplementary leverage ratio as of June 30, 2020, depository institutions may reflect the exclusion of Treasuries and deposits at Federal Reserve Banks from total leverage exposure as if this interim final rule had been in effect for the entire second quarter of 2020. The temporary exclusions from total leverage exposure are available through the March 31, 2021, report date.

FFIEC 101

For top-tier advanced approaches and Category III bank holding companies, savings and loan holding companies, and intermediate holding companies (and top-tier advanced approaches and Category III electing depository institutions), Treasuries and deposits at Federal Reserve Banks would continue to be reported in the FFIEC 101, Schedule A, SLR Tables. Custodial banking organizations would also be able to exclude from the SLR Tables deposits with qualifying foreign central banks subject to the limits in the Section 402 rule,⁹ in addition to the deductions under this interim final rule. Specifically, Treasuries and deposits at Federal Reserve Banks would be reported in SLR Table 1, item 1.7.c, “Adjustments for deductions of qualifying central bank deposits for custodial banking organizations” and SLR Table 2, item 2.2.b, “Deductions of qualifying central bank deposits from total on-balance sheet exposures for custodial banking organizations,” even if a banking organization is not a custodial banking organization. For purposes of reporting the supplementary leverage ratio as of June 30, 2020, banking organizations would be permitted to reflect the exclusion of Treasuries and deposits at Federal Reserve Banks from total leverage exposure as if these interim final rules had been in effect for the entire second quarter of 2020. The temporary exclusions from total leverage exposure would be available through the March 31, 2021, report date.

Regulation D Amendments – Interim Final Rule (Call Report)

Summary

The Board published in the Federal Register on April 28, 2020, an interim final rule that amends the Board’s Regulation D (Reserve Requirements of Depository Institutions).¹⁰ The interim final rule amends the six per month transfer limit in the “savings deposit” definition in Regulation D. This interim final rule deleted a provision in the “savings deposit” definition that required depository institutions either to prevent transfers and withdrawals in excess of the limit or to monitor savings deposits ex post for violations of the limit. The interim final rule also makes conforming changes to other definitions in Regulation D that refer to “savings deposit,” as necessary.

⁸ The agencies recently issued a final rule, effective April 1, 2020, which implements section 402 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) by amending the capital rule to allow a banking organization that qualifies as a custodial banking organization to exclude from total leverage exposure deposits at qualifying central banks, subject to limits (402 rule). 85 FR 4569 (January 27, 2020). OMB approved the reporting changes associated with the Section 402 rule in March 2020.

⁹ See footnote 8.

¹⁰ See 85 FR 23445 (April 28, 2020).

The interim final rule allows depository institutions to immediately suspend enforcement of the six transfer limit and to allow their customers to make an unlimited number of convenient transfers and withdrawals from their savings deposits. The interim final rule permits, but does not require, depository institutions to suspend enforcement of the six transfer limit. The interim final rule also does not require any changes to the deposit reporting practices of depository institutions.

Reporting Revisions

The agencies are revising the instructions to the Call Report to reflect the revised definition of “savings deposits” in accordance with the amendments to Regulation D in the interim final rule. Specifically, the agencies are revising the General Instructions for Schedule RC-E, Deposit Liabilities, and the Glossary entry for “Deposits” in the Call Report instructions to remove references to the six transfer limit. As a result of the amendments to Regulation D, if a depository institution chooses to suspend enforcement of the six transfer limit on a “savings deposit” the depository institution may continue to report that account as a “savings deposit” (and as a nontransaction account) or may instead choose to report that account as a “transaction account.”

In addition, certain reporting items on Schedule RC-E differentiate between transaction accounts and nontransaction accounts, in part based on the definitions in Regulation D (including the previous six transfer limit distinction). Specifically, the revised definition would apply to the classification of deposits in Schedule RC-E, items 1 through 7; and Memorandum items 2, 6, and 7 (including subcomponent items). Nevertheless, the agencies anticipate there will be no material change in burden resulting from these revisions to the reporting of deposit accounts.

Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks – Interim Final Rule (Call Report)

Summary

Under section 22(h) of the Federal Reserve Act and Regulation O, extensions of credit to insiders are subject to quantitative limits, prior approval requirements by an institution’s board, and qualitative requirements concerning loan terms. On April 22, 2020, the Board issued an interim final rule¹¹ that exempts certain loans that are guaranteed under the Small Business Administration’s Paycheck Protection Program (PPP) from the requirements of section 22(h) of the Federal Reserve Act and the corresponding provisions of the Board’s Regulation O. The interim final rule states that the Board has determined that PPP loans pose minimal risk because the SBA guarantees PPP loans at 100 percent of principal and interest and that PPP loans have fixed terms prescribed by the SBA. Accordingly, the IFR states that PPP loans will not be subject to section 22(h) or the corresponding provisions of Regulation O provided that they are not prohibited by the SBA lending restrictions.

Reporting Revisions

¹¹ See 85 FR 22345 (April 22, 2020).

The agencies currently collect data on the number and outstanding balance of all “extensions of credit” to the reporting institution’s executive officers, directors, principal shareholders, and their related interests that meet the definition of this term in Regulation O. This information is collected in Schedule RC-M, items 1.a and 1.b. Call Report instructions refer to Regulation O for guidance in reporting extensions of credit to insiders in these items. Accordingly, the agencies are proposing to revise Call Report instructions to clarify that PPP loans as described above should *not* be reported in these line items. The agencies do not believe that revising the instructions for this exception would change burden because the PPP loans did not exist in prior quarters and thus banking organizations would not need to revise the existing amounts subject to reporting in these items in response to this change.

Section 4013 - Temporary Relief from Troubled Debt Restructurings (TDR) Data Items - Revised

Summary

The CARES Act defines an eligible loan under Section 4013 (Section 4013 loan), as a loan modification that must be (1) related to COVID-19; (2) executed on a loan that was not more than 30 days past due as of December 31, 2019; and (3) executed between March 1, 2020, and the earlier of (A) 60 days after the date of termination of the National Emergency concerning the COVID-19 outbreak or (B) December 31, 2020. Section 4013 suspends the requirements under United States generally accepted accounting principles for eligible loan modifications related to the COVID–19 pandemic that would otherwise be categorized as troubled debt restructurings (TDRs). As provided for under Section 4013 of the CARES Act, financial institutions should maintain records of the volume of Section 4013 loans and the appropriate Federal banking agencies may collect data about such loans for supervisory purposes. Consistent with the CARES Act, the agencies seek to collect information about the volume of loans modified under Section 4013. If approved, financial institutions will be instructed to report the total number of loans outstanding that have been modified under Section 4013 and the outstanding balance of these loans in the Consolidated Reports of Condition and Income (commonly referred to as the Call Report) on Schedule RC-C, Loans and Lease Financing Receivables, Part I, Loans and Leases, Memorandum items 17.a and 17.b, respectively, beginning as of the June 30, 2020, report date, with the collection of these items expected to be time-limited. The agencies would expect to propose to discontinue the collection of a specific item once the aggregate industry activity has diminished to a point where the individual information is of limited practical utility.

If approved, the agencies would collect institution-level information on a confidential basis. While the agencies generally make institution-level Call Report data publicly available, the agencies are collecting Section 4013 loan information as part of condition reports for the impacted entities and the agencies believe disclosure of these items at the institution level would not be in the public interest.¹² Such information is permitted to be collected on a confidential basis, consistent with 5 U.S.C. § 552(b)(8).¹³

¹² See 12 U.S.C. 1464(v)(2).

The public disclosure of supervisory information on Section 4013 loans could have a detrimental impact on financial institutions offering modifications under this provision to borrowers that need relief due to COVID-19. Financial institutions may be reluctant to offer modifications under Section 4013 if information on these modifications made by each institution is publicly available, as analysts, investors, and other users of public Call Report information may penalize an institution for using the relief provided by the CARES Act. The agencies have encouraged financial institutions to work with their borrowers during the National Emergency related to COVID-19, including use of the relief under Section 4013.¹⁴

The agencies may disclose data on an aggregated basis, consistent with confidentiality.

Reporting Revisions

The agencies are proposing to add two new data items to the Call Report, which would be collected quarterly beginning with the June 30, 2020, report date. These new items, Memorandum item 17.a, “Number of Section 4013 loans outstanding,” and Memorandum item 17.b, “Outstanding balance of Section 4013 loans” (for which emergency clearance was previously requested and received), would be added to Schedule RC-C, Part I, Loans and Leases.

Assessments: Paycheck Protection Program (PPP), PPP Liquidity Facility (PPPLF), and Money Market Liquidity Facility (MMLF) – Notice of Proposed Rulemaking (Call Report)

Summary

On May 12, 2020, the FDIC approved a proposed rule modifying its deposit insurance assessment rules to mitigate the effects of participation in the PPP, PPPLF, and MMLF on insured depository institutions.¹⁵

To effect these modifications, the FDIC would need information on the outstanding balance of PPP loans, the amount of PPP loans pledged to the liquidity facility, the quarterly average amount of PPP loans pledged to the liquidity facility, short- and long-term borrowings from the Federal Reserve Banks under the PPPLF, the outstanding balance of assets purchased under the MMLF program, and the quarterly average amount of assets purchased under the MMLF. Five of these items – the outstanding balance of PPP loans, the amount and average balance of PPP loans pledged to the PPPLF, and the amount and average balance of assets purchased under the MMLF – are proposed as new Call Report data items arising from Regulatory Capital IFRs related to the PPPLF and MMLF, described elsewhere in this memo. Therefore, in addition to these five items, the agencies are proposing two additional new data items to collect this information for assessment purposes, with the collection of these items expected to be time-limited. The agencies would expect to propose to discontinue the collection

¹³ Exemption 8 of the Freedom of Information Act (FOIA), specifically exempts from disclosure information “contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions”.

¹⁴ See “Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised)” (April 7, 2020), available at: <https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-50a.pdf>.

¹⁵ See FDIC [Press Release PR-59-2020](#) (May 12, 2020).

of a specific item once the aggregate industry activity has diminished to a point where the individual information is of limited practical utility.

Reporting Revisions

Starting with the June 30, 2020, reporting period, the outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of one year or less and the outstanding balance of borrowings from the Federal Reserve Banks under the PPPLF with a remaining maturity of more than one year would be reported in new items 17.d.(1), and 17.d.(2) of Schedule RC-M, respectively.

Money Market Mutual Fund Liquidity Facility (MMLF) – Interim Final Rule (Call Report) (Revised)

In the emergency clearance request submitted on April 1, the agencies encouraged banking organizations to separately disclose in a “Narrative Statement Concerning the Amounts Reported in the Reports of Condition and Income,” the amount of assets purchased under the MMLF included in Schedule RC-R, Part II, item 2.a or item 2.b. Proposed Schedule RC-M, item 18.a, would collect the same information in a standardized format, and therefore the agencies would discontinue collecting the previously approved information in the Narrative Statement starting with the June 30, 2020, report date. The collection of this new item is expected to be time-limited. The agencies would expect to propose to discontinue the collection of a specific item once the aggregate industry activity has diminished to a point where the individual information is of limited practical utility.

In addition, the agencies encouraged banking organizations in that emergency clearance request to separately disclose, in a similar narrative, the average amount of assets purchased under the MMLF that were excluded from Schedule RC-R, Part I, item 30, “Total assets for the leverage ratio.” The agencies now propose to add this item to Schedule RC-M as item 18.b to collect this average amount in a standardized format. The collection of this new item is expected to be time-limited. The agencies would discontinue the previously approved encouraged reporting of similar information in the Narrative Statement starting with the June 30, 2020, report date.

A. JUSTIFICATION.

1. Circumstances that make the collection necessary:

The OCC is charged with assuring the safety and soundness of national banks and Federal savings associations. (12 U.S.C. 1). In carrying out those duties, banks must submit information to the OCC: 12 U.S.C. 161 (national banks) and 12 U.S.C. 1464 (savings associations). The OCC uses this information to assess and monitor the levels and components of each bank’s risk-based capital requirements and the adequacy of the entity’s capital under the Advanced Capital Adequacy Framework, which is a significant component of a bank’s safety and soundness.

2. Use of the information:

The OCC uses the information to assess and monitor the levels and components of each bank's risk-based capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework. The data allows the OCC to evaluate the quantitative impact and competitive implications of the framework on individual respondents and on the industry. The reporting schedules assist banks in understanding expectations surrounding the system development necessary for implementation and validation of the framework. The data also improves the OCC's ability to monitor bank activities through the examination processes.

The purpose of the detailed reports, identified below, is to obtain information that broadly reflects risk segments within each portfolio. The reports enable the OCC to conduct off-site assessment of banks' regulatory capital calculations, perform trend analyses of capital changes, conduct peer analyses of capital and risk parameters, and direct the focus of on-site examination efforts.

The information is collected using the form "FFIEC 101." The FFIEC 101 contains nineteen schedules, A through S, for banks to submit detailed data on the components of their capital and risk-weighted assets.

Schedule A includes information about the components of Tier 1 capital, Tier 2 capital, and adjustments to regulatory capital. It also includes Tables 1 and 2 for the Supplementary Leverage Ratio.

Schedule B contains: summary information about risk-weighted assets by risk type; and, for credit risk exposures, outstanding balances and aggregated information about the drivers and estimates on which the calculation of risk-weighted assets are based.

Schedules C-J include data items within the wholesale exposure category for banks' risk-weighted assets.

Schedules K-O are data items within the retail exposure category and each schedule represents a sub-portfolio of the retail exposure category for banks' risk-weighted assets.

Schedules P and Q are data items within the securitization exposure class for banks' risk-weighted assets.

Schedule R provides: information about a bank's equity exposures by type of exposure and by approach to measuring required capital; and information on equity exposures subject to specific weights and equity exposures to investment funds.

Schedule S provides data within the operational risk exposure class. The data items include details about historical operational losses for the reporting period and those used to model operational risk capital.

3. Consideration of the use of improved information technology:

Banks must file the information required under this collection electronically. Any information technology that permits review by OCC examiners may be used.

4. Efforts to identify duplication:

The required information is unique and is not duplicative of any other information already collected.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

Small banks are not impacted by this collection. The FFIEC 101 is only required for Category I and II institutions, and Category III top-tier holding companies, all of which have consolidated total assets of \$250 billion or more.

6. Consequences if the collection were conducted less frequently:

The OCC would not be able to adequately monitor capital levels and ensure safety and soundness of national banks and Federal savings associations in a timely manner.

7. Special circumstances:

There are no special circumstances in this collection.

8. Efforts to consult with persons outside the agency:

The agencies issued a Federal Register notice on July 22, 2020 and requested comment for 60 days on the FFIEC 101 and the Call Report. See 85 FR 44361. The agencies received two comments. One commenter (a government agency) requested that the agencies continue to collect the Call Report. The other commenter, a bank trade association, requested certain clarifications regarding the revisions to deposit data items:

The commenter suggested aligning the changes to the Call Report with the Board's proposed changes to the FR 2900, Report of Transaction Accounts, Other Deposits and Vault Cash.¹⁶ The commenter noted that the proposed changes to the FR 2900 would consolidate the reporting of ATS accounts, NOW accounts/share drafts, and telephone and preauthorized transfer accounts together with total savings deposits (including MMDAs) in a new data item, "Other liquid deposits." In addition, for data items collected annually on the FR 2900 for the June 30 report date, the report has been streamlined to collect only the data items needed for the reserve requirement exemption amount and low reserve tranche that combines demand deposits, NOW accounts, ATS accounts, telephone and preauthorized transfer accounts together with savings deposits in a new data item, "New Transaction Accounts." In contrast, the Call Report will continue to require institutions to report transaction and nontransaction accounts separately in Schedule RC-E. The commenter also expressed concerns with the difference in the reporting

¹⁶ 85 FR 54577 (September 2, 2020).

of sweep arrangements on the Call Report, which requires an institution to report transaction accounts and nontransaction accounts (usually a savings deposit account) separately but sweep arrangements would be reported as transaction accounts on the FR 2900. The commenter believes that these differences between the Call Report and the FR 2900 would create additional challenges by requiring separate internal processes for reporting similar data.

The agencies note that the FR 2900 and Call Report serve two separate purposes. The primary purpose of the FR 2900 report is to collect data for the construction of the monetary aggregates. Although the Call Report can aid in the construction of the monetary aggregates by utilizing deposit data collected on a quarterly basis, its primary purpose is to serve as the principal source of financial data used for the supervision and regulation of individual banks and savings associations and for monitoring the condition and performance of the banking industry. As such, the Call Report requires data to be reported on a more granular level than the FR 2900 report requires. Furthermore, section 7(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(5)) requires time and savings deposits to be reported separately from demand deposits in Call Reports. Therefore, the agencies believe that even though Call Report Schedule RC-E will maintain the requirement to report transaction and nontransaction accounts separately along with the demand deposit component of total transaction accounts and the components of total nontransaction accounts, institutions are familiar with the existing structure of Schedule RC-E and have systems and procedures in place for completing the schedule. Accordingly, the agencies do not anticipate that there would be a change in Call Report burden resulting from the retention of these deposit items in Schedule RC-E.

Secondly, the commenter recommended that a depositor's eligibility to hold a NOW account should not be included in the criteria assessment to determine the reporting treatment for savings deposits for which the numeric limits on transfers and withdrawals have been removed. The commenter noted that "if a firm does not offer NOW accounts, they would be required to report savings deposits as NOW accounts, ATS accounts, or telephone and preauthorized transfer accounts (and as transaction accounts) based on a depositor's eligibility to hold such account" and "for firms that do not offer NOW accounts, the data necessary to determine a depositor's eligibility for NOW accounts would not be readily available." In addition, the commenter also noted that this reporting treatment would be inconsistent with the Regulation D definition of savings deposits, as NOW account eligibility is not a component of the definition. The commenter believes gathering the data necessary to distinguish these depositors from other savings account holders solely for regulatory reporting purposes would create business and systems challenges. The agencies agree with the commenter that the depositor's eligibility to hold a NOW account should not be included in the assessment criteria for classification as a "savings deposit" as such reporting would not be consistent with the Regulation D definition of savings deposits. Therefore, the agencies will remove the depositor's eligibility to hold a NOW account from the assessment criteria.

Thirdly, the commenter requested clarification on how institutions should report the components of retail sweep arrangements in the Call Report. Specifically, the commenter asked whether institutions should continue to report the nontransaction components of, or savings deposits in, retail sweep arrangements as nontransaction accounts? If not, should institutions strictly follow the proposed assessment criteria for the treatment of accounts where the transfer

limit has been removed? Institutions that offer retail sweep programs should continue to report the nontransaction components of, or savings deposits in, retail sweep arrangements as nontransaction accounts. The agencies note that when a depository institution establishes a retail sweep program with respect to transaction account customers, the depository institution must ensure that its customer account agreements provide for the existence of two distinct accounts (a transaction account and a savings deposit account) and that funds are actually transferred between these two accounts as described in the customer contract. There are two key criteria that must be met for valid retail sweep programs: (1) a depository institution must establish by agreement with its transaction account customer two legally separate accounts: a transaction account (a NOW or demand deposit account) and a nontransaction account (usually a savings deposit account, also sometimes called a “money market deposit”); and (2) the swept funds must actually be moved from the customer’s transaction account to the customer’s savings deposit account on the depository institution’s general ledger as of the close of business on the day(s) on which the depository institution intends to report the funds in question as savings deposits and not transaction accounts, and vice versa.

Lastly, the commenter requested that the Board confirm that savings deposits or accounts described in 12 CFR 204.2(d)(2) would not be subject to Regulation CC (Availability of Funds and Collection of Checks, 12 CFR part 229) as a result of the recent amendments to Regulation D. The Board confirms that those accounts that are defined as savings deposits or accounts described in 12 CFR 204.2(d)(2) would not be subject to Regulation CC regardless of their reporting treatment in the Call Report.

9. Payment or gift to respondents:

None.

10. Any assurance of confidentiality:

The FFIEC 101 information collections are generally given confidential treatment (5 U.S.C. 552(b)(4)). However, the agencies make public the information collected on the FFIEC 101 Schedule A, except for a few advanced approaches-specific line items identified below, for all advanced approaches institutions regardless of their parallel run status starting with the report for the March 31, 2014, report date. For report dates after the reporting institution conducts a satisfactory parallel run Schedules A and B, as well as line items 1 and 2 of Schedule S, of the institution’s FFIEC 101 are no longer given confidential treatment.

11. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature.

12. Burden estimate:

Estimated Number of Respondents: 5 national banks and savings associations.

Estimated Time per Response: 674 burden hours per quarter to file.

Estimated Total Annual Burden: 13,480 hours.

Cost of Hour Burden to Respondents:

13,480 hours x \$115.19 = \$1,552,761.20.

To estimate wages the OCC reviewed May 2019 data for wages (by industry and occupation) from the U.S. Bureau of Labor Statistics (BLS) for credit intermediation and related activities excluding nondepository credit intermediaries (NAICS 5220A1). To estimate compensation costs associated with the rule, the OCC uses \$115.19 per hour, which is based on the average of the 90th percentile for six occupations adjusted for inflation (3.1 percent as of Q1 2020 according to the BLS), plus an additional 33.4 percent for benefits (based on the percent of total compensation allocated to benefits as of Q4 2019 for NAICS 522: credit intermediation and related activities).

13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):

Not applicable.

14. Estimate of annualized costs to the Federal government:

Not applicable.

15. Change in burden:

There is no change in burden.

16. Publication of information for statistical purposes:

The OCC is not publishing the information for statistical purposes.

17. Reasons for not displaying OMB approval expiration date:

Not applicable.

18. Exceptions to the certification statement in Item 19 of OMB Form 83-I:

None.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS.

Not applicable.