

**Supporting Statement for the  
Regulatory Capital Reporting for Institutions Subject to the  
Advanced Capital Adequacy Framework  
(FFIEC 101; OMB No. 7100-0319)**

**1. Explain the circumstances that make the collection of information necessary.**

The Board of Governors of the Federal Reserve System (Board) requests approval from the Office of Management and Budget (OMB) to extend for three years, with revision, the Federal Financial Institutions Examination Council (FFIEC) Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101; OMB No. 7100 0319). The FFIEC 101 collects data regarding the levels and components of risk-based capital from firms subject to the Board's advanced approaches capital framework (advanced approaches framework), as well as data regarding the supplementary leverage ratio (SLR) from firms subject to that requirement. The FFIEC 101 must be filed quarterly by certain large or internationally active state member banks (SMBs), bank holding companies (BHCs), savings and loan holding companies (SLHCs) that are subject to the advanced approaches framework and other Board-regulated institutions that adopt the framework on a voluntary basis (collectively, advanced approaches banking organizations); additionally, certain BHCs, SLHCs, SMBs, and U.S. intermediate holding companies (IHCs) that are not advanced approaches banking organizations must report only certain information regarding the SLR. The revisions to the FFIEC 101 that are the subject of this request have been approved by the FFIEC. The Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC) (together with the Board, the agencies) have also submitted similar requests for OMB review to request this information from banks under their supervision.

The agencies propose to revise the FFIEC 101 related to interim final rules and a final rule issued in response to disruptions related to the Coronavirus Disease 2019 (COVID-19) that revise the agencies' capital rule, as well as a certain section of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) for which the agencies received emergency approvals from OMB. The agencies also propose revisions to the FFIEC 101 that would implement various changes to the agencies' capital rule that the agencies have finalized or are considering finalizing. The proposed reporting revisions resulted from the final total loss absorbing capacity (TLAC) investments rule.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

The FFIEC 101 report collects information from all Board-supervised advanced approaches banking organizations, as well as information regarding the SLR from Category III institutions. Advanced approaches banking organizations are required to submit detailed data on the components of their capital and risk-weighted assets in nineteen schedules (A through S). Category III institutions must complete only Schedule A, SLR Tables 1 and 2.

Advanced Approaches Regulatory Capital and Summary Risk-Weighted Asset Information. Schedule A collects information about the components of Tier 1 capital, Tier 2 capital, and adjustments to regulatory capital as defined within the rule. Schedule B contains summary information about risk-weighted assets by risk type, and, in the case of credit risk exposures, outstanding balances and aggregated information about the drivers and estimates that underlie the calculation of risk-weighted assets. Tables 1 and 2 of Schedule A collect information about each advanced approaches banking organization and top-tier Category III BHCs, SHCs, and SMBs, and all Category III IHCs SLR, the ratio of tier 1 capital to total leverage exposure. Table 1 reconciles balance sheet assets reported in published financial statements and total leverage exposure. Table 2 collects components of on-balance sheet and off-balance sheet exposures, for the calculation of total leverage exposure, tier 1 capital, and the calculation of the SLR.

Schedule B collects general exposure information from advanced approaches banking organizations. Respondents must report:

- Wholesale exposures, including separate reporting for the following types of exposures: Corporate; Bank; Sovereign; Income producing real estate; High volatility commercial real estate; Eligible margin loans, repo-style transactions, and OTC derivatives with cross product netting; and Eligible margin loans, repo-style transactions, and OTC derivatives without cross product netting,
- Retail Exposures, including separate reporting for the following types of exposures: Residential mortgage closed-end first liens, Residential mortgage closed-end junior liens, Residential mortgage revolving exposures, Qualifying revolving exposures, and Other retail exposures,
- Securitization exposures,
- Cleared transactions, including separate reporting for the following types of exposures: Derivative contracts and netting sets to derivatives, Repo-style transactions, and Default fund contributions,
- Equity exposures, and
- Other assets; including separate reporting for the following types of exposures: Unsettled transactions, Assets not included in a defined exposure category, Non-material portfolios of exposures, Credit valuation adjustments, Assets subject to the general risk-based capital requirements, Excess eligible credit reserves not included in Tier 2 capital, Advanced market risk equivalent assets; and Operational risk.

Some of the aggregate data items submitted in Schedule B are derived from information contained in the more detailed confidential supporting schedules described below. The data contained in Schedule B describe the main summary-level components of respondents' risk-weighted assets.

Wholesale Exposures. Schedules C through J request data on respondents' wholesale exposures. Each schedule represents a sub-portfolio of the wholesale exposure category as listed on Schedule B. For each reported sub-portfolio, the schedule groups exposures into sub-portfolio segments using supervisor-defined probability of default (PD) ranges. The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment.

Retail Exposures. Schedules K through O request data on respondents' retail exposure category. Each schedule represents a sub-portfolio of the retail exposure category as listed on Schedule B. PD ranges are used to sub-divide each sub-portfolio into segments.<sup>1</sup> The reported cells within these schedules then describe the main risk parameters and characteristics of each sub-portfolio segment. The retail schedules also incorporate risk characteristics that are believed to be commonly used drivers within respondents' risk management and measurement processes, including the distribution of each sub-portfolio segment by loan-to-value ranges (applies only to real estate exposures), weighted average credit bureau score, and weighted average account age.<sup>2</sup>

Securitization Exposures. Schedule P requests data on respondents' securitization and resecuritization exposures that are subject to either the supervisory formula approach, the simplified supervisory formula approach, a 1250 percent risk weight, or deduction. A respondent completes Schedule P by providing information on exposure amount, risk-weighted asset amount, and deduction amount for each securitization and resecuritization based on the treatment the exposure is subject to under the rule.

Cleared Transactions. Schedule Q requests data on respondents' cleared transaction exposures. The schedule divides cleared transactions into subcategories relating to the Clearing member client bank and to the Clearing member bank. For the Clearing member client bank category, a respondent completes Schedule Q by providing exposure amount and risk weighted asset amount information on derivative contracts or netting sets of derivative contracts and repo-style transactions. Schedule Q requests that respondents' provide exposure amount from default fund contributions and risk-weighted asset amounts for exposures within the Clearing member bank category, which include derivative contracts or netting sets of derivative contracts, repo-style transactions, and default fund contributions to non-qualified and qualified central counterparties.

Equities. Schedule R requests information about respondents' equity exposures by type of exposure and by approach to measuring required capital. Schedule R also requests information on equity exposures subject to specific risk weights and equity exposures to investment funds. A respondent completes the appropriate section of the schedule based on whether it uses a simple risk-weight approach, a full internal models approach, or a partially modeled approach to measuring required capital for equity exposures.

Operational Risk. Schedule S requests data on respondents' operational risk exposure. Data items submitted in this schedule include various details about historical operational losses, on a stand-alone and group-wide basis, for the current reporting period and those historical operational losses used to model operational risk capital. The schedule also requests data related to scenarios, distribution assumptions, and loss caps used to model operational risk capital.

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<sup>1</sup> Unlike the wholesale credit exposure reporting schedules, the PD ranges for retail exposures differ from sub-portfolio to sub-portfolio.

<sup>2</sup> For qualifying revolving exposures and other (non-mortgage) retail exposures, the exposure at default of accounts under two years old is reported instead of weighted average age for each sub-portfolio exposure segment.

- 3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

All affected institutions must submit their completed reports electronically using the Federal Reserve's Reporting Central application.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

The data collected through the FFIEC 101 are unique and cannot be replaced by data already collected by the federal government.

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

Of respondents to the FFIEC 101, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), [www.sba.gov/document/support--table-size-standards](http://www.sba.gov/document/support--table-size-standards).

- 6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Less frequent reporting would reduce the ability of the Board to identify and respond in a timely manner to noncompliance with minimum regulatory capital ratios, adverse risk trends that become apparent in the forward-looking risk estimates reported by respondents, and evidence of risk estimates that call into question the accuracy of a bank's capital calculation or place other institutions with similar types of exposures at a competitive disadvantage. To be most useful as an off-site analytical tool, these reports are intended to correspond to the frequency and timing of other regulatory submissions including the Consolidated Reports of Condition and Income (Call Report) and the Board's FR Y-9C report.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2).**

This information collection is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

- 8. Describe comments in response to the *Federal Register* notice and efforts to consult outside the agency.**

On July 22, 2020, the agencies, under the auspices of the FFIEC, published an initial notice in the Federal Register (85 FR 44361) requesting public comment for 60 days on the extension, with revision, of the FFIEC 101. The comment period for this notice expired on September 21, 2020. On October 4, 2019, the agencies, under the auspices of the FFIEC,

published an initial notice in the Federal Register (84 FR 53227) requesting public comment for 60 days on the extension, with revision, of the FFIEC 101 resulting from the proposed TLAC investments rule. The comment period for this notice expired on December 3, 2019. The agencies received 2 public comments on the proposed reporting changes related to the TLAC investments rule from banking trade associations.

## **Comments Received on Revisions Related to the Total Loss Absorbing Capacity Investments Rule**

### *General Comments*

Commenters requested that any changes to regulatory reporting related to the TLAC investments NPR – including changes to the FFIEC 101 – be implemented after the effective date of the final rule. The agencies concur, and are not implementing associated changes to regulatory reports until the June 30, 2021, report date. The TLAC investments final rule’s effective date is April 1, 2021.

Commenters further requested that the agencies delay implementation of the proposed changes to the FFIEC 101 until 18 months after the TLAC investments final rule becomes effective to provide more time to modify reporting systems and identify exposures to “covered debt instruments.” In addition, commenters requested that the agencies not require application of the final rule’s deduction treatment to an exposure to a global systemically important banking organization until the reporting banking organization has the information necessary to determine whether such exposure qualifies as a “covered debt instrument.”

As discussed in the preamble of the TLAC investments final rule, the agencies maintain the supervisory expectation that large and internationally active banking organizations should be deeply knowledgeable of the securities exposures reported on their own balance sheets, if only for the purposes of prudent risk management. The final rule will become effective on April 1, 2021, and associated changes to the FFIEC 101 would be implemented as of the June 30, 2021, report date. The agencies believe the effective date for the reporting changes provides sufficient time for advanced approaches banking organizations to evaluate investments in covered debt instruments and apply the final rule’s deduction treatment. Further, the agencies believe that the effective date for the reporting changes provides sufficient time for these banking organizations to change reporting systems and accurately identify exposures to covered debt instruments for purposes of regulatory reporting.

### *Comments on FFIEC 101, Schedule A*

One commenter remarked that the FR Y 9C included new reporting items for long-term and TLAC amounts, ratios, and the TLAC buffer. However, these items were not included in the agencies’ proposed revisions to the FFIEC 101. This commenter requested that such data items not be added to the FFIEC 101, as this would constitute a duplicative reporting requirement and unnecessarily increase burden on banking organizations that complete the FFIEC 101. The agencies concur with this commenter, as the Board’s TLAC rule applies to only holding

companies. Therefore, such data items are only to be reported on the FR Y 9C and are not being added to the FFIEC 101.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

There are no payments or gifts provided to respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If the collection requires a systems of records notice (SORN) or privacy impact assessment (PIA), those should be cited and described here.**

For report dates before a reporting institution has completed its parallel run period, Schedule A, except for items 78, 79, and 86-90, is released to the public. Items 78, 79, and 86-90 on Schedule A and all of the information reported in Schedules B through S are withheld as confidential. For report dates after an institution has completed its parallel run period, all of the data items in Schedules A and B, except for Schedule B, items 31.a and 31.b, column D, and data items 1 and 2 of Schedule S are released to the public. Data items 31.a and 31.b, column D of Schedule B, and all of the data items in Schedules C through S, except for Schedule S, data items 1 and 2, continue to be withheld as confidential after the institution's parallel run period is completed.

Data items 78, 79, and 86-90 of Schedule A collect information on total eligible credit reserves, risk weighted assets, tier one capital ratios and other data calculated using advanced approaches. Schedule B contains summary information about risk-weighted assets and aggregated information that underlie the calculation of risk-weight assets using advanced approaches. Data items 1 and 2 of Schedule S reflect high-level information on an institution's total risk-based capital requirement for operational risk. During the parallel run period, supervisors may request a banking organization amend its internal models, risk measurement, and management infrastructure to implement calculations using advanced approaches. Public disclosure of the above referenced data items before the parallel run period is completed could lead investors, competitors, and the public to misjudge the financial health of the institutions, when in fact there has been no change to their underlying fundamentals and, therefore, could result in substantial competitive harm. Thus, data items 78, 79, and 86-90 of Schedule A, all of Schedule B (except for data items 31.a and 31.b, column D), and data items 1 and 2 of Schedule S only will be released to the public by the FFIEC for the reporting periods after the institution's parallel run period is completed. Before completion of the parallel run period, such information may be withheld as confidential pursuant to exemption 4 of the Freedom of Information Act (FOIA), which exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (5 U.S.C. § 552(b)(4)).

Data items 31.a and 31.b, column D of Schedule B, data items 3-24 of Schedule S, and all of the data items in Schedules C through R. The data items found in these schedules contain more detailed information than are included in the public schedules, including sensitive information breaking down individual banking organization exposures to borrowers by

probability of default, exposures at default, and detailed information on the data used to model operational risk capital. Disclosure of this information could result in substantial competitive harm to the reporting institution, particularly because other financial institutions, which are not required to publicly report such data, would competitively benefit from the public disclosure of such detailed information by each reporting institution. Accordingly, these items are withheld as confidential pursuant to exemption 4 of the FOIA after the parallel run period.

If a reporting institution believes that disclosing the data items designated for public disclosure on the FFIEC 101 report is reasonably likely to result in substantial harm to its competitive position, then consistent with exemption 4 of the FOIA, the respondent may request confidential treatment for such information, which will be evaluated on a case-by-case basis.

Finally, the Board uses data from the FFIEC 101 to supplement on-site examination processes. Therefore, this information can be kept confidential under exemption 8 of FOIA (5 U.S.C. § 552(b)(8)), which 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.”

**11. Provide additional justification for any questions of a sensitive nature.**

There are no questions of a sensitive nature.

**12. Provide estimates of the annual hourly burden of the collection of information.**

As shown in the table below, the estimated total annual burden for the FFIEC 101 is 35,288 hours, and would remain unchanged with the proposed revisions. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

<b>FFIEC 101</b>	<i>Estimated number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
SMBs	4	4	674	10,784
BHCs and SLHCs	9	4	677	24,372
BHCs and SLHCs (SLR Tables 1 and 2 only)	5	4	3	60
IHCs	6	4	3	<u>72</u>
<i>Total</i>				35,288

The current estimated total annual cost to the public for the FFIEC 101 is \$2,037,882.

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 \$20, 45% Financial Managers at \$71, 15% Lawyers at \$70, and 10% Chief Executives at \$93). 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 2019,

published March 31, 2020, <http://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Occupational Classification System, <http://www.bls.gov/soc/>.

**13. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information.**

There are no annualized costs to the respondents.

**14. Provide estimates of annualized costs to the Federal government.**

The estimated cost to the Federal Reserve System for collecting and processing the FFIEC 101 is \$157,700.

**15. Explain the reasons for any program changes or adjustments reported on the burden worksheet.**

**Regulation-Related Revisions**

From March through June 2020, in response to the impact on the financial markets and the strains on the U.S. economy as a result of COVID-19, the agencies published in the Federal Register numerous interim final rules to make certain changes to their regulatory capital and liquidity rules to support prudent lending by banking organizations and facilitate banking organizations' use of the Board's emergency facilities. These revisions primarily affect the instructions for the calculation of certain amounts reported on Schedule A, Advanced Approaches Regulatory Capital on the FFIEC 101.

The agencies requested and received emergency approvals on April 3, 2020, from OMB to implement revisions to the FFIEC 101 that took effect beginning with the March 31, 2020, report date. Subsequently, the agencies requested and received emergency approvals on May 27, 2020, from OMB to implement revisions to the FFIEC 101 that take effect beginning with the June 30, 2020, report date. The agencies have requested comment in connection with each of the interim final rules described below. If modifications are made to the associated final rules, the agencies would modify the information collection revisions in this proposal to incorporate such changes.

*Money Market Mutual Fund Liquidity Facility*

To enhance the liquidity and functioning of money markets, the Federal Reserve Bank of Boston (FRBB) launched the Money Market Mutual Fund Liquidity Facility (MMLF) on March 18, 2020. On March 23, 2020, the agencies published an interim final rule, which permits banking organizations to exclude from regulatory capital requirements exposures related to the MMLF (MMLF interim final rule).

The MMLF interim final rule modifies the agencies' capital rule to allow banking organizations to neutralize the effects of purchasing assets from money market mutual funds under the MMLF on their risk-based and leverage capital ratios. This treatment extends to the



community bank leverage ratio. 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 acquired from an eligible money market mutual fund pursuant to a non-recourse loan under the MMLF and pledged to the FRBB. The MMLF interim final rule applies only to activities under the MMLF. The facility is scheduled to terminate on December 31, 2020, unless the facility is extended by the Board.

Consistent with U.S. GAAP, the agencies would expect banking organizations to report assets purchased from money market mutual funds under the MMLF on their balance sheets. To be eligible collateral for pledging to the FRBB, assets must be purchased from an eligible money market mutual fund at either the seller's amortized cost or fair value. Thereafter, banking organizations would subsequently measure the assets at amortized cost or fair value depending on the asset category in which the assets are reported on their balance sheets. The non-recourse nature of the transaction through the MMLF would impact the valuation of the liability to the FRBB. After reflecting any appropriate discounts on the assets purchased and the associated liabilities, organizations are not expected to report any material net gains or losses (if any) at the time of purchase. Any discounts generally would be accreted over time into income and expense.

Starting with the March 31, 2020, report date, advanced approaches banking organizations should not include assets purchased from money market funds under the MMLF in the "Total risk-weighted assets" reported in the FFIEC 101, Schedule A, item 60 or for advanced approaches banking organizations that file Call Reports, in Schedule RC-R, Part I, item 48.b. For banking organizations subject to the supplementary leverage ratio requirement that file the FFIEC 101, assets purchased from money market funds under the MMLF would receive similar treatment as under the "leverage ratio" and should be reported in the FFIEC 101, Schedule A, SLR Tables. The outstanding balance of these assets would continue to be reported in SLR Table 1, item 1.1, "Total consolidated assets as reported in published financial statements," and Table 2, item 2.1, "The balance sheet carrying value of all on-balance sheet assets." The average amount of these assets calculated as of each day of the reporting quarter also would be reported in 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 a banking organization is not a custodial banking organization.

#### *5-Year 2020 CECL Transition Provision*

The instructions for certain items in the FFIEC 101 have been revised effective as of the March 31, 2020, report date to incorporate revisions reflected in the interim final rule, Regulatory Capital Rule: Revised Transition for the Current Expected Credit Losses Methodology for Allowances, published in the Federal Register on March 27, 2020 (CECL interim final rule). This interim final rule provides institutions that were required to adopt the current expected credit losses methodology (CECL) for accounting purposes during the 2020 calendar year with the option to delay for two years the estimated impact of CECL on regulatory capital, followed by a three-year transition period to phase out the aggregate amount of the capital benefit provided during the initial two-year delay (i.e., a five-year transition, in total). The

CECL interim final rule does not replace the current CECL transition option in the agencies' capital rule, which was adopted in 2019 and allows banking organizations to phase in over a three-year period the day-one effects on regulatory capital that may result from the adoption of CECL (2019 CECL rule). This transition option remains available to institutions that adopt CECL. Thus, institutions required to adopt CECL in 2020, including those that began reporting in accordance with CECL in their first quarter 2020 regulatory reports, have the option to elect the three-year transition option contained in the 2019 CECL rule or the five-year CECL transition option contained in the CECL interim final rule, beginning with, if applicable, the FFIEC 101 for the March 31, 2020, report date or such later report date in 2020 as of which institutions first report in accordance with CECL.

The agencies have revised the FFIEC 101 instructions for the following items in Schedule A to enable advanced approaches institutions and top-tier Category III institutions that elect the five-year CECL transition option to report their regulatory capital data in accordance with the CECL interim final rule:

- Schedule A, Item 2, "Retained earnings,"
- Schedule A, Item 21, "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,"
- Schedule A, Item 50, "Eligible credit reserves includable in Tier 2 capital," and
- SLR Table 1, Item 1.8, and Table 2, Item 2.21, "Total leverage exposure."

#### *Paycheck Protection Program (PPP) Loans and Liquidity Facility (PPPLF)*

Section 1102 of the CARES Act allows banking organizations to make loans under the PPP of the U.S. Small Business Administration (SBA) in connection with COVID-19 disruptions to small businesses. Although the PPP loans are funded by lenders, the loans receive a guarantee from the SBA. The statute specified that these PPP loans should receive a zero percent risk weight for regulatory capital purposes. The Board subsequently established a liquidity facility, the PPPLF, to extend non-recourse loans to eligible financial institutions to fund PPP loans pledged to the PPPLF and thereby provide additional liquidity to these institutions.

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. This interim final rule modifies the agencies' capital rule to allow banking organizations to neutralize the effects on their risk-based capital and leverage ratios of making PPP loans that are pledged under the Board's liquidity facility. 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 Board's liquidity facility. The interim final rule also codified the statutory zero percent risk weight for PPP loans.

Starting with the June 30, 2020, report date, advanced approaches banking organizations would not include PPP loans in "total risk-weight 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 advanced approaches total risk-weighted assets under the current capital rule.

For banking organizations subject to the supplementary leverage ratio requirement that file the FFIEC 101, PPP loans pledged to the Board's liquidity facility would be deducted as part of the calculation of total leverage exposure for the supplementary leverage ratio. The outstanding balance of PPP loans would continue to be reported in SLR Table 1, item 1.1, "Total consolidated assets as reported in published financial statements," and Table 2, item 2.1, "The balance sheet carrying value of all on-balance sheet assets." A banking organization calculating its supplementary leverage ratio also would include the average amount of PPP loans pledged to the PPPLF as of each day of the reporting quarter in 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 a banking organization is not a custodial banking organization.

#### *Temporary Exclusions From the Supplementary Leverage Ratio*

On April 14, 2020, the Board published in the Federal Register an interim final rule 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 June 1, 2020, the agencies published in the Federal Register an interim final rule (Depository Institution SLR IFR) 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.

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 depository institutions that elect to opt into these temporary exclusions), Treasuries and deposits at Federal Reserve Banks would continue to be reported in the FFIEC 101, Schedule A, SLR Table 1, item 1.1, "Total consolidated assets as reported in published financial statements," and Table 2, item 2.1, "The balance sheet carrying value of all on-balance sheet assets." Starting as of the June 30, 2020, report date, the average amount of Treasuries and deposits at Federal Reserve Banks calculated as of each day of the reporting quarter also would be reported in 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 a holding company or an electing depository institution is not a custodial banking organization. For purposes of reporting the supplementary leverage ratio as of June 30, 2020, holding companies and electing depository institutions would be permitted 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.

Custodial banking organizations would also be able to deduct from total leverage exposure deposits with qualifying foreign central banks, subject to the limits in the Section 402 rule, in addition to the deductions of Treasuries and deposits at Federal Reserve Banks under these interim final rules.

### **Total Loss Absorbing Capacity Investments Rule**

On April 8, 2019, the agencies published a notice of proposed rulemaking that would address an advanced approaches banking organization's regulatory capital treatment of an investment in unsecured debt instruments issued by foreign or U.S. global systemically important banks (GSIBs) for the purposes of meeting minimum TLAC and, where applicable, long-term debt (LTD) requirements, or liabilities issued by GSIBs that are pari passu or subordinated to such debt instruments (TLAC Investments NPR). Under the TLAC Investments NPR, investments by an advanced approaches banking organization in certain unsecured debt instruments generally would be subject to deduction from the advanced approaches banking organization's regulatory capital if such investments exceed certain thresholds. The Board also proposed to require that banking organizations subject to minimum TLAC and LTD requirements under Board regulations publicly disclose their TLAC and LTD issuances in a manner described in the TLAC Investments NPR.

The agencies are proposing changes to FFIEC 101 Schedule A, Advanced Approaches Regulatory Capital to implement the changes proposed to the agencies' capital rule. If modifications are made to the proposed TLAC investments rule when it is adopted in final form, the agencies would modify the FFIEC 101 proposals to incorporate such changes.

#### *Deductions From Regulatory Capital*

The agencies propose to make a number of revisions to the instructions for FFIEC 101 Schedule A and add a new data item to this schedule. Specifically, the agencies propose to revise the instructions for existing items 52 through 54 and add a new data item to effectuate any deductions from regulatory capital for advanced approaches banking organizations for investments in excluded covered debt instruments. Existing item 56, "Other deductions from tier 2 capital," would be renumbered and recaptioned as item 56.b, "All other deductions from tier 2 capital." The new item would be inserted as item 56.a, "Investments in excluded covered debt instruments," which would be applicable only to GSIBs and subsidiaries of GSIBs.

#### *LTD and TLAC Amounts, Ratios, and Buffer*

In conjunction with the issuance of the TLAC Investments NPR, the Board also proposed revisions to the Consolidated Financial Statements for Holding Companies (FR Y 9C; OMB No. 7100 0128), Schedule HC-R, Part I, that would collect information from U.S. GSIBs and the intermediate holding companies of foreign GSIBs. Specifically, the proposed items would collect

information on these holding companies' LTD and TLAC amounts, LTD and TLAC ratios, and TLAC buffer.

Since the minimum LTD and TLAC requirements and TLAC buffer are only applied at the holding company-level, the agencies are not proposing to amend the FFIEC 101 to include this information. Collecting this information in the FFIEC 101 would be a duplicative reporting requirement and would only be applicable to a subset of FFIEC 101 filers. However, the agencies are interested in public feedback on this issue, especially if commenters believe including these items would enhance or simplify public disclosure.

**16. Provide information regarding plans for publication of data.**

For report dates before a reporting institution has completed its parallel run period, Schedule A will be available to the public, except for items 78 (total eligible credit reserves calculated under the advanced approaches rules), 79 (amount of eligible credit reserves includable in tier 2 capital), 86 (expected credit loss that exceeds eligible credit reserves); 87 (advanced approaches risk-weighted assets), 88 (common equity tier 1 capital ratio calculated using the advanced approaches), 89 (additional tier 1 capital ratio calculated using the advanced approaches), and 90 (total capital ratio using the advanced approaches). Information reported in all other schedules of the FFIEC 101 are confidential. For report dates after a reporting institution has completed its parallel run period, all items reported in Schedules A and B (except for Schedule B, items 31.a and 31.b, column D) and items 1 and 2 of Schedule S are available to the public. All other items reported in the FFIEC 101 are confidential. Note that for both before and after an institution has completed its parallel run period, all items reported on Schedule A, SLR Tables 1 and 2, are available to the public.

Individual respondent data, excluding confidential information, are available on the National Information Center public website.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

No such approval is sought.

**18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."**

There are no exceptions.