

**Supporting Statement for the Consolidated Reports of Condition and Income
(Call Report) (FFIEC 031, FFIEC 041, FFIEC 051)
OMB Control No. 1557-0081**

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 for a proposal to extend for three years, with revisions, to the Consolidated Reports of Condition and Income (Call Report), Control No. 1557-0081. These reports are currently approved collections of information.

Summary of Actions and Related Revisions

On November 30, 2020, the agencies proposed revisions to the Call Reports to implement their assets-size threshold interim final rule (IFR).¹ The IFR adjusted the total asset measurement dates for eligibility to use the FFIEC 051 Call Report and the community bank leverage ratio (CBLR) framework to measure regulatory capital.² In addition to reflecting these regulatory changes, the agencies proposed Call Report revisions to permit an institution to use the lesser of the total consolidated assets reported in its Call Report as of December 31, 2019, or June 30, 2020, when determining whether the institution has crossed a total asset threshold to report certain additional data items in its Call Reports for report dates in calendar year 2021.

During 2020, relief measures enacted by Congress through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)³ in response to the strains on the U.S. economy and disruptions to the financial markets as a result of coronavirus disease 2019 (COVID-19) have led to unprecedented growth at many institutions, including loans made through the Paycheck Protection Program (PPP). This rapid growth has caused the assets of some institutions to rise above certain asset-based thresholds and may cause other community institutions to do so in the near future. Much of this growth, especially growth related to PPP lending, is likely to be temporary, and the increase in assets currently held by an institution may not reflect a change in the institution's longer-term risk profile.

The Call Report contains various total asset thresholds that are measured annually as of the June 30 report date and trigger additional reporting requirements once crossed, generally starting with the Call Reports for the first calendar quarter of the next calendar year. These thresholds include the \$100 million, \$300 million, \$1 billion, \$5 billion, and \$10 billion in total asset threshold within the Call Reports. The agencies focused on these total asset thresholds set at \$10 billion or less, as these thresholds could impact a significant number of smaller community institutions. These institutions may have fewer resources to implement systems changes and incur transition

¹ 85 FR 77345 (Dec. 2, 2020).

² See 12 CFR 3.12 (OCC); 12 CFR 217.12 (Board); 12 CFR 324.12 (FDIC).

³ Public Law 116-136.

costs to comply with the additional reporting requirements associated with crossing one of those thresholds.

The following thresholds would be impacted by the change:

- For the FFIEC 041 and FFIEC 051 only, the \$100 million threshold to report “Other borrowed money” in Schedule RC-K, item 13.
- For the FFIEC 041 and FFIEC 051 only, the \$300 million threshold to report additional agricultural lending information in Schedule RI, Memorandum item 6; Schedule RI-B, Part I, Memorandum item 3; Schedule RC-C, Memorandum item 1.f.(5); Schedule RC-K, Memorandum item 1; and Schedule RC-N, Memorandum items 1.f.(5) and 4.
- For the FFIEC 031 and FFIEC 041 only, the \$300 million threshold to report certain information on credit card lines in Schedule RC L, items 1.b.(1) and (2).
- For the FFIEC 041 only, the \$300 million threshold to report cash and balances due from depository institutions in Schedule RC-A; certain derivatives information in Schedule RI, Memorandum item 10, and Schedule RC-N, Memorandum item 6; and certain additional loan information in Schedule RI-B, Part I, Memorandum items 2.a, 2.c, and 2.d; Schedule RC-C, Part I, items 2.a, 2.b, 2.c, 4.a, 4.b, 9.b.(1), 9.b.(2), 10.a, and 10.b, column A; Schedule RC-C, Part I, Memorandum items 1.e.(1), 1.e.(2), and 5; and Schedule RC-N, Memorandum items 1.e.(1), 1.e.(2), and 3.a through 3.d.
- The \$1 billion threshold to report components of deposit fee income in Schedule RI, Memorandum items 15.a through 15.d; disaggregated credit loss allowance data in Schedule RI-C; components of transaction and nontransaction savings consumer deposit account products in Schedule RC-E, Memorandum items 6.a, 6.b, 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2); and estimated uninsured deposits in Schedule RC-O, Memorandum item 2.
- For the FFIEC 031 and FFIEC 041 only, the \$1 billion threshold to report information on certain income from mutual funds and annuities in Schedule RI, Memorandum item 2; and financial and performance standby letters of credit conveyed to others in Schedule RC-L, items 2.a and 3.a.
- For the FFIEC 031 and FFIEC 041 only, the \$10 billion threshold to report additional information on derivatives in Schedule RI, Memorandum items 9.a and 9.b, and Schedule RC-L, items 16.a and 16.b.(1) through 16.b.(8); holdings of asset-backed securities and structured financial products in Schedule RC-B, Memorandum items 5.a through 5.f and 6.a through 6.g; and securitizations in Schedule RC-S, items 6 and 10, and Memorandum items 3.a.(1), 3.a.(2), 3.b.(1), and 3.b.(2).
- For the FFIEC 031 only, the \$10 billion threshold to report additional information on deposits in foreign offices in Schedule RC-E, Part II.

A. JUSTIFICATION

1. *Circumstances and Need:*

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

Institutions submit Consolidated Reports of Condition and Income (Call Report) data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data provide the most current statistical data available for evaluating institutions' corporate applications, identifying areas of focus for on-site and off-site examinations, and monetary and other public policy purposes. The agencies use Call Report data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. Call Report data are also used to calculate institutions' deposit insurance and Financing Corporation assessments and national banks' and federal savings associations' semiannual assessment fees.

Within the Call Report information collection system as a whole, there are three reporting forms that apply to different categories of banks: (1) all banks that have domestic and foreign offices (FFIEC 031), total assets of \$100 billion or more, or are Category I or II institutions (2) banks with domestic offices only (FFIEC 041), and (3) banks with domestic offices only with total assets of \$5 billion or less (FFIEC 051).

2. *Use of Information Collected:*

Institutions submit Consolidated Reports of Condition and Income (Call Report) data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data provide the most current statistical data available for evaluating institutions' corporate applications, identifying areas of focus for on-site and off-site examinations, and monetary and other public policy purposes. The agencies use Call Report data in evaluating interstate merger and acquisition applications to determine, as required by law, whether the resulting institution would control more than ten percent of the total amount of deposits of insured depository institutions in the United States. Call Report data are also used to calculate institutions' deposit insurance and Financing Corporation assessments and national banks' and federal savings associations' semiannual assessment fees.

3. *Use of Technology to Reduce Burden:*

All banks and savings associations are subject to an electronic filing requirement for Call Reports. Institutions may use information technology to the extent feasible to maintain required records and prepare their Call Reports.

4. *Efforts to Identify Duplication:*

There is no other series of reporting forms that collect this information from all commercial and savings banks. Although there are other information collections that are similar to certain items on the Call Reports, the information they collect would be of limited value as a replacement for the Call Reports.

5. *Minimizing the Burden on Small Entities:*

The agencies attempt to limit the information collected to the minimum information needed to evaluate the condition of an institution, regardless of size.

6. *Consequences of Less Frequent Collection:*

The Federal financial regulatory agencies must have condition and income data at least quarterly to properly monitor individual bank and industry trends and to comply with a statutory requirement to obtain four reports of condition per year. 12 U.S.C. § 1817(a)(3). Less frequent collection of this information would impair the agencies' ability to monitor financial institutions and could delay regulatory response.

7. *Special circumstances necessitating collection inconsistent with 5 CFR part 1320:*

Not applicable.

8. *Consultation with Persons Outside the OCC:*

60-Day FRN

On November 30, 2020 the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to revise and extend the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051) to implement the changes associated with the asset thresholds IFR and similarly adjust the measurement date for various asset thresholds in line item instructions for certain Call Report data items.

The comment period for the November 2020 notice ended on January 29, 2021. The agencies received comments on the proposed reporting changes covered in this notice from one trade association. After considering the comments received on the notice, which are discussed below, the agencies are proceeding with the proposed revisions to the reporting forms and instructions for the Call Reports.

The agencies received one comment letter from a trade association that supported the temporary change in measurement date for certain Call Report thresholds. The commenter asked the agencies to raise the eligibility threshold to file the FFIEC 051 from \$5 billion to \$10 billion in total assets. The agencies have adopted rules establishing criteria for eligibility to use the FFIEC 051 Call Report.⁴ The current FFIEC 051 Call Report instructions permit an institution to file the FFIEC 051 Call Report if it meets certain criteria consistent with those rules. One criterion, consistent with Section 205 of the *Economic Growth, Regulatory Relief, and Consumer Protection Act*, is that an institution must have total consolidated assets of less than \$5 billion in its Call Report as of June 30, 2020, when evaluating eligibility to use the FFIEC 051 Call Report

⁴ See definition of covered depository institutions. 12 CFR 52.2 (OCC); 12 CFR 208.121 (Board); 12 CFR 304.12 (FDIC).

for report dates in calendar year 2021. Due to rapid, short-term growth in assets by some institutions in 2020, which was in part driven by their participation in various COVID-19 related relief programs, the agencies issued an IFR to temporarily adjust the total asset measurement dates for FFIEC 051 Call Report eligibility,⁵ and the agencies proposed conforming changes to the Call Report instructions. However, the IFR did not modify the total consolidated assets FFIEC 051 eligibility criteria of less than \$5 billion contained in the rule’s definition of covered depository institution. The agencies intend for the Call Report instructions to be consistent with the rule’s definition of covered depository institutions.

Other Comments Received – In addition to the comments received on the proposed Call Report revisions, the agencies received comments on their IFR. In order to implement reporting changes related to the IFR so that they are effective for the March 31, 2021, Call Report, the agencies must publish this notice in advance of concluding their review of comments on the IFR. Therefore, if any potential changes to the IFR would affect the Call Report, the agencies would publish for comment any associated revisions to the Call Report through the standard PRA process, as appropriate.

The agencies also received a question from a Call Report software provider seeking clarification of the total asset amounts reported and used in calculations related to certain qualifying eligibility criteria for the CBLR. Generally, the Call Report instructions direct an institution to report total assets as reported in Schedule RC, item 12, in Schedule RC-R, Part I, item 32, “Total assets,” and use that total asset amount for other calculations in Schedule RC-R, Part I. An institution that is eligible for and elects to use the CBLR framework pursuant to the agencies’ IFR would report the lesser of its total assets reported in Schedule RC, item 12, as of December 31, 2019, or as of the current quarter-end report date in Schedule RC-R, Part I, item 32. However, the agencies are clarifying that an institution should continue to use its total assets as reported in Schedule RC, item 12, as of the current quarter-end report date when reporting other qualifying criteria for the CBLR framework, i.e., the sum of trading assets and trading liabilities as a percentage of total assets in Schedule RC-R, item 33, column B, and total off-balance sheet exposures as a percentage of total assets in Schedule RC-R, Part I, item 34.d, column B.

9. *Payment or Gift to Respondents:*

No payments or gifts will be given to respondents.

10. *Confidentiality:*

Except for selected data items, the Call Report is not given confidential treatment.

11. *Information of a Sensitive Nature:*

No information of a sensitive nature is requested.

12. *Estimate of Annual Burden:*

⁵ An institution must still meet the other criteria for eligibility for the FFIEC 051 in the Call Report instructions.

Estimated Number of Respondents: 1,111 national banks and federal savings associations.

Estimated Time per Response: 41.92 burden hours per quarter to file.

Estimated Total Annual Burden: 186,292 burden hours to file.

The burden estimate is unchanged from the prior submission.

The OCC estimates the cost of the hour burden to respondents as follows:

186,292 hours @ \$115.19/hour = \$21,458,975.48.

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. *Capital, Start-up, and Operating Costs:*

Not applicable.

14. *Estimates of Annualized Cost to the Federal Government:*

Not applicable.

15. *Change in Burden:*

The agencies believe the change to the measurement date for the total asset thresholds used to determine additional reporting requirements for report dates in 2021 only described in this notice will not result in a change in the burden estimates, as these estimates do not include increases in burden for report dates in 2021 that would have resulted from institutions growing above asset thresholds within the Call Report because these institutions would now be afforded threshold relief.

16. *Information regarding information collections whose results are planned to be published for statistical use:*

Not applicable.

17. *Exceptions to Expiration Date Display:*

None.

18. *Exceptions to Certification:*

None.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.