

**Supporting Statement for the  
Country Exposure Report (FFIEC 009; OMB No. 7100-0035) and the  
Country Exposure Information Report (FFIEC 009a; OMB No. 7100-0035)**

**Summary**

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) Country Exposure Report (FFIEC 009; OMB No. 7100-0035) and the Country Exposure Information Report (FFIEC 009a; OMB No. 7100-0035). U.S. commercial banks, savings associations, Edge or agreement corporations, bank holding companies (BHCs), savings and loan holding companies (SLHCs), and U.S. intermediate holding companies of foreign banking organizations (IHCs) (collectively, U.S. banking organizations) that meet certain criteria set forth in the FFIEC 009 instructions must file the quarterly FFIEC 009 with the Board, Federal Deposit Insurance Corporation (FDIC), and Office of the Comptroller of the Currency (OCC) (collectively, the agencies) to report information on international claims. The agencies use this information to monitor the degree of country risk and transfer risk in U.S. banking organizations' portfolios and the potential impact of adverse international developments on the banking organizations. The FFIEC 009a is a supplement to the FFIEC 009 that must be filed by FFIEC 009 filers that have exposure exceeding certain thresholds set forth in the FFIEC 009a instructions. The FFIEC 009a collects quarterly information on material foreign country exposures of U.S. banking organizations.

The agencies collect the FFIEC 009 and FFIEC 009a under the auspices of the FFIEC. The Board is responsible for collecting and compiling the data reported on the FFIEC 009 and FFIEC 009a on behalf of all three agencies. Each of the agencies submits a separate supporting statement to OMB for this collection of information for relevant banking organizations under their supervision. For the Board, these banking organizations are state member banks, Edge or agreement corporations, BHCs, SLHCs, and IHCs.

The agencies propose to revise the FFIEC 009 by changing the reporting of claims from ultimate risk to guarantor basis and adding two new columns to collect information on collateral. The agencies propose to revise the FFIEC 009a by lowering the Part A reporting threshold, eliminating Part B, and adding immediate-counterparty claims columns. The revisions to the FFIEC 009 and the FFIEC 009a are proposed to take effect as of the December 31, 2022, report date.

The current estimated total annual burden for the FFIEC 009 and FFIEC 009a with respect to banking organizations supervised by the Board is 26,564 hours, and would increase to 27,422 hours. The proposed revisions would result in an increase of 858 hours. The form and instructions are available on the FFIEC's website at [https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm).

## **Background and Justification**

In 1977, the agencies, under the auspices of the FFIEC, implemented the mandatory FFIEC 009 in response to substantial growth in U.S. banks' international lending and a lack of information on banks' country risk exposures. In 1984, the FFIEC increased the frequency of FFIEC 009 reporting from semiannual to quarterly to implement provisions of the International Lending Supervision Act of 1983 (the Act) for the purpose of obtaining more timely data on changes in the composition and maturity of banks' loan portfolios subject to transfer risk, which is the possibility that an asset cannot be serviced in the currency of the payment because the obligor's country lacks the necessary foreign exchange or has put restraints on its availability.

The agencies use the information collected by the FFIEC 009 to supervise the overseas lending activities of U.S. banking organizations. The information is used to monitor the degree of country risk and transfer risk in U.S. banking organizations' portfolios and the potential impact of adverse international developments on these banking organizations. The FFIEC 009 is the source of information about the geographic distribution of bank claims that the Board provides to other U.S. government agencies and, in aggregate form, to the Bank for International Settlements (BIS). The information collected in the FFIEC 009 is not available from any other source.

In 1984, the agencies, under the auspices of the FFIEC, implemented the mandatory FFIEC 009a as a supplement to the FFIEC 009 in accordance with provisions of the Act. The FFIEC 009a provides public disclosures of information regarding material country risk exposure.

## **Description of Information Collection**

The FFIEC 009 report collects information, by country,<sup>1</sup> on four schedules (one of these schedules, Schedule C, contains two parts). Schedule C, Part I, collects information on the claims on an "immediate-counterparty" basis (i.e., on the basis of the country of residence of the borrower), except for claims resulting from the fair value of derivative contracts. Part I also collects information on the redistribution of immediate-counterparty claims to adjust for required risk transfers. Schedule C, Part II, collects information on the reporter's claims on an ultimate-risk basis (i.e., on the basis of the country of residence of the guarantor or collateral provided) and includes memorandum items providing additional details related to those claims. Schedule L collects information on foreign-office liabilities. Schedule O collects information on off-balance-sheet exposures from commitments, guarantees, and credit. Schedule D collects information on the fair value of derivative contracts of the reporter by country, including the United States, of counterparty.

For its part, the FFIEC 009a requests detailed information on all exposures to a country in excess of 1 percent of total assets or 20 percent of capital, whichever is less, of the reporting institution (Part A of the FFIEC 009a). The FFIEC 009a also requires that respondents provide a list of the countries in which exposures are between 0.75 percent and 1 percent of total assets or

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<sup>1</sup> The country names and country codes used for reporting FFIEC 009 data are based on the geographical classification published by the Department of the Treasury. The reporting form may be modified, from time to time, to reflect country consolidations or countries that have recently gained independence.

between 15 and 20 percent of capital, whichever is less (Part B of the FFIEC 009a). Data are reported on a guarantor basis (formerly ultimate risk basis), that is, net of adjustments for transfers of exposure (through guarantees, for example).

### **Respondent Panel**

The FFIEC 009 and FFIEC 009a are filed by U.S. commercial banks, savings associations, Edge or agreement corporations, BHCs, SLHCs, and IHCs that meet certain criteria set forth in detail in the FFIEC 009 and FFIEC 009a instructions. Generally, these criteria include having total outstanding claims of at least \$30 million on residents of foreign countries and, for U.S. commercial banks and savings associations, having one of the following: (1) a branch in a foreign country, (2) a subsidiary in a foreign country, (3) an Edge or Agreement subsidiary, (4) an International Banking Facility subsidiary, or (5) a branch in Puerto Rico or any U.S. territory or possession. The respondents differ by reporting schedule for the FFIEC 009, as described in the instructions.

If the Board, FDIC, or OCC determines that the country exposure of a U.S. banking organization that is not otherwise required to file the FFIEC 009 or FFIEC 009a (or a given schedule therein) is material in relation to the institution's capital and assets, the agencies may order the banking organization to file the FFIEC 009 and FFIEC 009a or any schedule therein.

### **Proposed Revisions to the FFIEC 009 and FFIEC 009a**

The agencies propose to revise the FFIEC 009 and FFIEC 009a in the following four ways to take effect as of the December 31, 2022, report date.

#### **Change from Ultimate Risk to Guarantor Basis in the FFIEC 009**

The FFIEC 009 requires respondents to report their international claims based on the country of residence of the counterparty and, additionally, to redistribute these immediate-counterparty claims to provide the country of residence of the guarantors or collateral of the claims. This redistribution is termed "Ultimate Risk Basis;" however, the redistribution specified in the current FFIEC 009 instructions does not always identify the ultimate bearer of risk but does identify the country of a guarantor. The term "Guarantor Basis" more accurately describes what is being collected. Therefore, the agencies propose to rename the "Ultimate Risk Basis" columns on the FFIEC 009 to "Guarantor Basis" and make corresponding changes to the instructions.

#### **Addition of Two New Collateral Columns to the FFIEC 009**

The 2013 revision of the FFIEC 009 report introduced memorandum items on collateral pledged against claims that is not eligible for risk transfer treatment as defined in the report instructions. The items were introduced to help "users to better assess net risks based on their own assumptions about the benefits of the collateral," and were also intended to "produce greater insight into reporting institutions' own internal calculations of foreign country

exposure, which typically take collateral into account.”<sup>2</sup> This information is especially useful for certain claims such as reverse repurchase agreements and other securities financing transactions reported on a direct counterparty basis. However, while the FFIEC 009 and FFIEC 009a collect information regarding the amount of collateral that originates in the same country as the direct counterparty, the reports do not record the source of collateral if it has other origins, be it the U.S. or any other countries. This limits the ability of users to assess the extent to which collateral mitigates risk because the mitigation could be greater (e.g., if collateral originates in the U.S.), or less (if the collateral originates in a lower-rated third country) than the risk mitigation provided by collateral from the same country as the direct counterparty. This could also affect the ability of the FFIEC agencies to monitor U.S. bank exposures to high-risk countries.<sup>3</sup>

As of September 30, 2021, the FFIEC 009 reports included \$1.039 trillion in collateral supporting claims not eligible for risk transfer. Some \$607 billion of this collateral originated outside of the country of the direct counterparty, equivalent to 13.2 percent of all U.S. banking organizations’ direct outstanding claims. Furthermore, \$152 billion of the \$607 billion of collateral involved claims against counterparties domiciled in the Cayman Islands, representing 29 percent of direct outstanding claims to that jurisdiction. Other countries where collateral against claims not eligible for risk transfer and not originating in the same country exceeded \$25 billion, or 15 percent of direct outstanding claims, included, but not limited to, France, Japan, Canada, the United Kingdom, Germany, Singapore, South Korea, Ireland, and Luxembourg.

The agencies propose adding two new columns to the FFIEC 009, Schedule C, Part II, Claims on an Ultimate Risk Basis and Memorandum Items, under “Collateral Held Against Claims with No Risk Transfer.” The title of the first additional column would be: “Of Which U.S.,” which would be inserted after the column titled “Of Which, Same Country.” This new column would show the amount of collateral that consists of U.S. Treasury securities or other securities issued by the U.S. The title of the second new column would be: “Of Which Resale and Reverse Repurchase Agreements and Securities Lending (Collateral).” This column would duplicate the existing column that reports collateral for financing and securities lending based on the country of the counterparty (currently column 16) but would reallocate amounts based on the country in which the collateral was issued. Together, these two new columns, along with column 16, would help provide a more complete view of the origin of collateral and its value as a risk mitigant. This proposed change to the FFIEC 009 would improve information on the origin of the underlying securities acting as collateral for claims with no risk transfer.

### **Adjustment of Reporting Thresholds on the FFIEC 009a**

The current FFIEC 009a form consists of two parts, Part A and Part B. Part A requires detailed information on total exposures to any foreign country in excess of 1 percent of the institution’s total assets or 20 percent of the institution’s total capital, whichever is less. Part B

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<sup>2</sup> 78 FR 6176, 6179 (January 29, 2013).

<sup>3</sup> For example, in 1979, the Board, FDIC, and OCC established the Interagency Country Exposure Review Committee to ensure consistent treatment of the transfer risk associated with banks’ foreign exposures to both public- and private-sector entities. See <https://www.fdic.gov/regulations/safety/guide/icerc.pdf>.

requires only the country name for exposures to any foreign country in excess of 0.75 percent of the institution's total assets or 15 percent of the institution's total capital, whichever is less, and is not listed in Part A.

The current format of Part B of the FFIEC 009a (i.e., a list of country names) and the difference in level of detail between Part A and Part B reporting requirements have caused confusion and errors for reporting institutions. In addition, the more limited detail available in Part B reporting makes this portion of the report much less useful than the more granular reporting in Part A. Therefore, the agencies propose to eliminate Part B of the FFIEC 009a and expand the scope for reporting the more granular information currently in Part A. Under the proposed scope, reporting institutions would have to report more granular exposure information for each foreign country that exceeds the lesser of 0.75 percent of total assets or 15 percent of total capital, which is the current Part B threshold. Revising the scope to provide additional reporting granularity to the public should result in negligible additional burden for reporting institutions because similar granularity is already being reported in the FFIEC 009.

Based on recent reporting, the proposed change is expected to provide more granular disclosure for over \$200 billion in additional foreign claims, mostly by global systemically important banking organizations.<sup>4</sup> Additionally, the agencies expect a limited impact to reporting institutions, as approximately one-third of reporting institutions will have no additional countries to report, about one-third of reporting institutions will provide more detail for one additional country, and the remaining reporting institutions will provide more detail for an average of an additional two countries each.

### **Addition of Immediate-Counterparty Claims Columns to FFIEC 009a**

The FFIEC 009a data provide important market transparency and comparability data regarding banking organizations' foreign claims. The agencies propose to enhance its effectiveness by adding key information on an immediate-counterparty basis. The current format of the FFIEC 009a concentrates primarily on guarantor basis (currently labelled Ultimate Risk Basis) claims. Guarantor basis information can be somewhat opaque to the public and generally reflects an implicit assumption of full substitutability between claims exposure and offsets such as credit derivatives or collateral.

The agencies propose to add six columns of information that report immediate-counterparty claims:

- One new column for Amount of Cross-Border Claims Outstanding (Excluding Derivative Products),
- One new column for Amount of Foreign Office Claims on Local Residents (Excluding Derivative Products), and
- Four new columns for Distribution of Amount of Cross-Border Claims across counterparty sector, that is, Banks, Public, Non-Bank Financial Institutions (NBFIs), and Other.

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<sup>4</sup> As defined in 12 CFR 252.2.

These new columns would parallel the existing Part A, columns (1), (2), and (6)-(9) except they would be reported on an immediate-counterparty basis rather than a guarantor basis. The agencies would retain the existing Guarantor Basis columns.

### **Time Schedule for Information Collection**

Respondents must file the FFIEC 009 and FFIEC 009a quarterly, as of the last calendar day of March, June, September, and December. Each report must be submitted within 45 days of the reporting date for the March, June, and September quarters and within 50 days of the reporting date for the December quarter.

### **Public Availability of Data**

The FFIEC publishes aggregate data from the FFIEC 009 in the quarterly E.16 statistical release, *Country Exposure Lending Survey*. Both FFIEC 009 aggregated data and applicable individual FFIEC 009a data are included in this release. In addition, the Federal Reserve makes aggregate data available to the BIS, which publishes statistical data on consolidated bank claims on foreign borrowers as its “consolidated international banking statistics” on its website (<https://www.bis.org/statistics/consstats.htm>) and in its *Quarterly Review*.

### **Legal Status**

The FFIEC 009 and FFIEC 009a are authorized pursuant to the Board’s reporting authorities, which are located in sections 9(6) and 11(a), 25, and 25A of the Federal Reserve Act for state member banks, agreement corporations, and Edge corporations, respectively (12 U.S.C. §§ 324, 248(a), 602, and 625, respectively); section 5(c) of the Bank Holding Company Act of 1956 (BHC Act) for BHCs (12 U.S.C. § 1844(c)); and section 10(b)(2) of the Home Owners’ Loan Act for SLHCs (12 U.S.C. § 1467a(b)(2)). The Board is also authorized to collect the FFIEC 009 and FFIEC 009a from state member banks, agreement corporations, and Edge corporations pursuant to section 907 of the International Lending Supervision Act of 1983, which states that “each appropriate Federal banking agency shall require, by regulation, each banking institution with foreign country exposure to submit, no fewer than four times each calendar year, information regarding such exposure in a format prescribed by such regulations” (12 U.S.C. § 3906).<sup>5</sup> The Board has authority to require IHCs file the FFIEC 009 and FFIEC 009a reports pursuant to section 5(c) of the BHC Act (12 U.S.C. § 1844(c)) and sections 102(a)(1) and 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. §§ 5311(a)(1) and 5365).<sup>6</sup> The FFIEC 009 and FFIEC 009a are mandatory.

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<sup>5</sup> See 12 U.S.C. § 3902, which defines “banking institution” to include an insured bank, Edge corporation, and a agreement corporation. The Board is the “appropriate Federal banking agency” for these entity types.

<sup>6</sup> Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain foreign banking organizations subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act

The information for individual reporting entities reported in the FFIEC 009 is collected as part of the Board’s supervisory process, and therefore, such information is afforded confidential treatment pursuant to exemption 8 of the Freedom of Information Act (FOIA) which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process (5 U.S.C. § 552(b)(8)). In addition, confidential commercial or financial information, which a submitter both customarily and actually treats as private, may be exempt from disclosure under exemption 4 of the FOIA (5 U.S.C. § 552(b)(4)). Aggregated data from the FFIEC 009 that does not reveal the activities of individual reporting entities may be made public.

Data from the FFIEC 009a is published on the FFIEC web page as part of the E.16 release and aggregated data from the FFIEC 009a may also be made public. Individual respondents may request that information submitted to the Board through the FFIEC 009a be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. Confidential commercial or financial information, which a submitter both customarily and actually treats as private, may be exempt from disclosure under exemption 4 of the FOIA.

### **Consultation Outside the Agency**

The Board developed the FFIEC 009 and FFIEC 009a revisions in consultation with the FDIC and OCC.

### **Public Comments**

On January 20, 2022, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (87 FR 3170) requesting public comment for 60 days on the extension, with revision, of the FFIEC 009 and FFIEC 009a. The comment period for this notice expired on March 21, 2022. The agencies received one comment letter from a banking trade association. The commenter requested clarification of certain aspects of the proposed FFIEC 009 and FFIEC 009a reporting forms and instructions. The specific comments and the agencies’ responses follow.

First, the commenter noted that the proposed change to the naming of headers for Columns 13 through 17 and 18 through 22 of Schedule C, Part I, which the agencies stated would be a nonsubstantive change, could imply that the risk transfers reported on the FFIEC 009 would be limited to only those with guarantors in countries other than that of the immediate counterparty, but would no longer include risk transfers between different sectors within the same country. The commenter recommended renaming the headers to include both other sectors and other jurisdictions to ensure there would be no substantive change in reporting. The agencies agree with the commenter’s recommendation and have revised the headers accordingly. In connection with the proposed changes to the FFIEC 009 and FFIEC 009a, it was the agencies’

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and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides authority to require U.S. IHCs to report the information contained in the FFIEC 009 and FFIEC 009a reports.

intent that risk transfers continue to be reported according to existing reporting practices and in line with the instructions.

Second, the commenter asked for clarification on whether claims where cash collateral is provided should be included in Column 18 of Schedule C, Part II. Furthermore, the commenter stated that the use of “collateral” with respect to Column 18 seemed out of place and not parallel to the instructions for Column 17. In response to the comment, the agencies have combined the instructions for Columns 17 and 18 to emphasize that the same claims are to be reported, but the risk is to be assigned by different criteria. Furthermore, the revised instructions state that cash held as collateral should not be reported in these columns.

Third, with regard to Schedule C, Part II, columns, 13 through 18, the commenter asked for clarification on the reporting of collateral held against claims where risk transfer occurs because the guarantor is located in a different country, or is from a different sector than the immediate counterparty even though collateral held against the claim does not meet the definition of collateral for risk transfer. This would occur in an overnight resale agreement, collateralized by securities, with a foreign branch of a bank that is headquartered in a third country. In response to the comment, the agencies have amended the instructions to clarify that collateral held against claims that are subject to risk transfer does not need to be reported in columns 13 through 18 of Schedule C, Part II.

Fourth, the commenter requested clarification on the reporting basis for Columns 1 and 2 of Schedule L, as the agencies proposed to rename the reporting basis for these columns in Appendix A of the instructions but did not propose to change the substantive instructions. The commenter proposed to amend the instructions for these columns to state that deposits of a foreign branch are assumed to be liabilities of the branch unless they are explicitly guaranteed outside of the country where the branch is located. This represents a change from the current instructions, which refer to deposits that are redeemable elsewhere (rather than guaranteed elsewhere). The agencies consider the modification as originally proposed to be a change in name rather than a substantive alteration. The agencies note that there was no change in the instructions for Columns 1 and 2 of Schedule L from the 2019 version and the proposed amendment is out of scope for the current revision. Accordingly, the agencies have decided not to change the corresponding instructions as recommended by the commenter. However, after further consideration and in the interest of clarity, the agencies are revising the form to leave blank the “Reporting Basis” entry in Appendix A (rightmost column) in the row addressing Columns 1 and 2 of Schedule L (which was originally proposed to be “Guarantor Basis”). This change provides a useful clarification because the location is that of the foreign office, not the counterparty, and thus neither Immediate-Counterparty nor Guarantor Basis is applicable. Furthermore, as established in section II.C of the FFIEC 009 general instructions, the Immediate-Counterparty versus Guarantor Basis distinction is to be reported only for claims and not for liabilities.

Fifth, the commenter noted that the draft reporting instructions for Column 2 of the FFIEC 009a report instruct firms to report the sum of Columns 6 through 10 from Schedule C, Part I, of the FFIEC 009 report, which are “Claims on Local Residents in Non-Local Currency.” However, the proposal does not provide an indication in the heading for Column 2 of the



FFIEC 009a that the data reported in the column should be limited to only claims on local residents in non-local currency, nor is there any reference in the draft instructions for the reporting of claims on local residents in local currency. The commenter recommended the agencies clarify whether the data in Column 2 should include claims on local residents in both local and non-local currencies and subsequently modify the heading for Column 2 to clearly specify what is to be captured.

The commenter also stated if the intention for new Columns 1 and 2 of the FFIEC 009a is to collect data on the total claims by the immediate counterparty and as a result should reflect the claims in both local and non-local currencies, the agencies should clarify the reporting instructions for Column 2 to reference Column 12 from Schedule C, Part I of the FFIEC 009 to incorporate claims on local residents in local currency. The agencies agree both new Columns 1 and 2 of the FFIEC 009a should reflect total claims by immediate counterparty and Column 2 should include claims that are reflected in column 12, Schedule C, Part 1 of the FFIEC 009, in addition to those reflected in columns 6 through 12. Therefore, the agencies agree with the commenter's recommendation to include a reference to Column 12 from Schedule C, Part I of the FFIEC 009 in the FFIEC 009a instructions for Column 2 and will modify the heading for Column 2 on the FFIEC 009a report form to specify what is included.

Sixth, the commenter noted that Schedule D of the FFIEC 009 collects information on the fair value of derivative contracts, and the headers for new Column 1 "Amount of Cross-border Claims Outstanding" and Column 2 "Amount of Foreign Office Claims on Local Residents" of the FFIEC 009a explicitly indicate that firms should exclude derivative products. The commenter pointed out that referencing Schedule D in the instructions for new Columns 8 through 11 of the FFIEC 009a created an inconsistency and recommended removing the references to Schedule D from the instructions of Columns 8 through 11. The agencies note that the amounts in Columns 8 through 11, which are reported on an immediate counterparty basis, correspond to the cross-sectoral aggregated amounts in Columns 1 and 2 which are not intended to include derivatives. Therefore, the agencies agree with the commenter's recommendation to remove the references to Schedule D of the FFIEC 009 and will modify the instructions accordingly.

Seventh, the commenter noted an inconsistency in the proposed FFIEC 009a instructions for Column 3 "Amount of Cross-border Claims Outstanding After Mandated Adjustments for Transfer of Exposure (excluding derivative products)" (existing Column 1), Column 4 "Amount of Foreign Office Claims on Local Residents (excluding derivative products)" (existing Column 2) and Columns 12 through 15 (existing Columns 6 through 9), which redistribute the same amounts reported in Columns 3 and 4. The commenter noted that there is a conflict because, by including references to FFIEC 009 Schedule D, the instructions imply that Columns 12 through 15 include derivative products, while derivatives are explicitly excluded from Columns 3 and 4. The commenter recommended that the agencies revise the reporting instructions for Columns 12 through 15 to remove the references to the FFIEC 009, Schedule D thereby removing derivatives from the reporting of guarantor basis claims in the sector breakdown of Columns 12 through 15. The agencies agree there is an inconsistency, Columns 3 and 4 correctly exclude derivatives, whereas Columns 12 through 15 are intended to include derivatives. Derivatives are listed in Column 5 and included in Column 6, total claims on a guarantor basis, which is the sum of Columns 3, 4, and 5. Therefore, the agencies will revise the column headers and the instructions

for Columns 12 through 17 of the FFIEC 009a to reference the total in Column 6 and note derivative products are to be included. Therefore, Columns 12 through 15 will include derivatives and retain the references to Schedule D of the FFIEC 009.

Eighth, the commenter noted that, given the changes to the FFIEC 009 and the renumbering of columns, the instructions for the new Column 24 (currently Column 18) of the FFIEC 009a “Of Which, Resale Agreements and Securities Lending (Counterparty)” incorrectly references FFIEC 009 Schedule C, Part II, Column 16. Additionally, the commenter noted that the column header for Column 24 does not include “Reverse Repurchase Agreements” which is inconsistent with the column headers of Columns 17 and 18 on the FFIEC 009, Schedule C, Part II, which are “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Counterparty)” and “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Collateral),” respectively. Therefore, the commenter recommended that the agencies revise the reporting instructions for Column 24 of the FFIEC 009a to reference Column 17 of Schedule C, Part II of the FFIEC 009 and revise the header for Column 24 of the FFIEC 009a, to read “Of Which, Resale and Reverse Repurchase Agreements and Securities Lending (Counterparty),” to be consistent with the headers in the corresponding columns of the FFIEC 009. The agencies agree with the commenter and will revise the instructions and headers accordingly.

Lastly, the commenter expressed a concern that there is potentially conflicting guidance regarding CUSIP netting practices in the FFIEC 009. Specifically, the commenter noted that the agencies had provided one method for netting in a Frequently Asked Question issued in September 2015, while a different method was described in informal guidance during a 2016 regulatory reporting seminar conducted by one of the agencies. In 2019, the agencies received a related comment on whether CUSIP netting in the FFIEC 009 should follow U.S. GAAP. In response to that comment, the agencies clarified that CUSIP netting should not follow U.S. GAAP and reiterated that the current FFIEC 009 instructions (incorporating the method described in September 2015) is the correct method for CUSIP netting in the FFIEC 009.<sup>7</sup> The agencies continue to confirm that only the CUSIP netting method described in the FFIEC 009 instructions is appropriate.

On August 11, 2022, the agencies, under the auspices of the FFIEC, published a final notice in the *Federal Register* (87 FR 49647) requesting public comment for 30 days on the extension, with revision, of the FFIEC 009 and FFIEC 009a. The comment period for this notice expires on September 12, 2022.

### **Estimate of Respondent Burden**

As shown in the table below, the estimated total annual burden for the FFIEC 009 and FFIEC 009a with respect to banking organizations supervised by the Board is 26,564 hours, and would increase to 27,422 hours. The estimated number of respondents is based on the reporting panel as of June 2021. The agencies estimate that the proposed revisions would increase the average hours per response for FFIEC 009 by 4 hours. This change in burden is primarily due to adding the two new collateral columns. Since the proposed revisions to the FFIEC 009a reflect

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<sup>7</sup> See 84 FR 47340, 47342 (September 9, 2019).

disclosures of data already collected, but not currently disclosed on the FFIEC 009, the agencies estimate that the average hours per response for FFIEC 009a would increase by 0.5 hours. These reporting requirements represent less than 1 percent of the Board’s total paperwork burden.

<b>FFIEC 009 and FFIEC 009a</b>	<i>Estimated number of respondents<sup>8</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
FFIEC 009	49	4	131	25,676
FFIEC 009a	37	4	6	<u>888</u>
<i>Current Total</i>				26,564
<b>Proposed</b>				
FFIEC 009	49	4	135	26,460
FFIEC 009a	37	4	6.5	<u>962</u>
<i>Proposed Total</i>				27,422
<i>Change</i>				858

The estimated total annual cost to the public for the FFIEC 009 and FFIEC 009a is \$1,605,794, and would increase to \$1,657,660 with the proposed revisions.<sup>9</sup>

### **Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimate of Cost to the Federal Reserve System**

The estimated cost to the Federal Reserve System for collecting and processing the FFIEC 009 and FFIEC 009a is \$117,000.

<sup>8</sup> Of these respondents, 2 for the FFIEC 009 and 2 for the FFIEC 009a are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$750 million in total assets), <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

<sup>9</sup> 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 \$21, 45% Financial Managers at \$74, 15% Lawyers at \$71, and 10% Chief Executives at \$102). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2021*, published March 31, 2022, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.