Supporting Statement for the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S; OMB No. 7100-0032)

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) Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) and Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S; OMB No. 7100-0032). The Board submits this request on behalf of itself, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies). No separate submission will be made by the FDIC or OCC.

The FFIEC 002 must be submitted quarterly by U.S. branches and agencies of foreign banks. The report requests detailed schedules of assets and liabilities as a condition report with a variety of supporting schedules. This information is used to fulfill the agencies' supervisory and regulatory requirements pursuant to the International Banking Act of 1978 (IBA). In addition, the Board uses the information collected by the FFIEC 002 to conduct monetary and financial analysis essential for the conduct of monetary policy. The FFIEC 002S is a mandatory supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of a foreign bank.[1] A separate FFIEC 002S supplement is completed by the managing or controlling U.S. branch or agency for each applicable foreign branch. The FFIEC 002S collects data on U.S. deposits, credit, and international indebtedness, and assists U.S. bank supervisors in determining the assets managed or controlled by the U.S. agency or branch of the foreign bank.

The agencies, under the auspices of the FFIEC, propose revisions to the FFIEC 002 related to (1) the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2022-02, "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" (ASU 2022-02) and (2) loans to nondepository financial institutions (NDFIs) and other loans with changes effective for the June 30, 2024 and December 31, 2024, report dates, respectively. There are no proposed revisions to the FFIEC 002S at this time.

[1] "Managed or controlled" means that a majority of the responsibility for business decisions, including, but not limited to, decisions with regard to lending, asset management, funding, liability management, or the responsibility for recordkeeping with respect to assets or liabilities for that foreign branch resides at the U.S. branch or agency.

The current estimated total annual burden for the FFIEC 002 and FFIEC 002S is 18,442 hours and would not change due to the proposed revisions. The form and instructions are available at the FFIEC's public website at https://www.ffiec.gov/ffiec_report_forms.htm.

Background and Justification

Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002)

The IBA specifies that foreign banks' branches and agencies in the United States are subject to the supervisory authority of the U.S. federal banking agencies and that responsibility for federal supervision is to be shared among the agencies. As one step in carrying out the supervisory and regulatory responsibilities imposed by the IBA, the agencies instituted the FFIEC 002 in June 1980. The report collects from the U.S. branches and agencies of foreign banks information that is similar to that collected from U.S. commercial banks and savings associations by the Call Reports, although the FFIEC 002 collects fewer data items.

In addition to its supervisory and regulatory uses, the Board uses the information collected by the FFIEC 002 to conduct monetary and financial analysis essential for the conduct of monetary policy. The data are used to analyze credit developments, identify sources and uses of funds in the banking sector, and assess financial developments within the U.S. banking system. The data help to interpret the bank credit and deposit information that the Board uses when making monetary policy decisions and assists the Board in gauging the response to those decisions. The information collected by the FFIEC 002 is not available from other sources.

Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S)

Foreign banks often conduct business at branches that are domiciled in countries other than the United States, but which are largely run out of the banks' U.S. agency or branch office, with a separate set of books but often with overlapping management responsibilities. Such branches often engage in transactions with U.S. residents.

The information reported on the FFIEC 002S is collected for several reasons: (1) to collect information helpful for the supervision of U.S. offices of foreign banks, which often are managed jointly with these branches, (2) to monitor deposit and credit transactions of U.S. residents, (3) to monitor the impact of policy changes such as changes in reserve requirements, (4) to analyze structural issues concerning foreign bank activities in U.S. markets, and (5) to understand indebtedness and flows of banking funds in developing countries, in connection with data collected by the International Monetary Fund and the Bank for International Settlements which are used in economic analysis.

The FFIEC 002S collects details on transactions with U.S. residents and with residents of the banks' home countries. In most cases, these data cover a large proportion of the subject branches' total activities since most of these branches have heavy exposures to their home countries and deal largely with U.S. customers. This collection allows for more complete data on

U.S. deposits, credit, and international indebtedness and assists U.S. bank supervisors in determining the assets managed or controlled by the U.S. agency or branch of the foreign bank. The information collected by the FFIEC 002S is not available from other sources.

Description of Information Collection

The reporting panel for the FFIEC 002 includes all U.S. branches and agencies (including their International Banking Facilities (IBFs))[2] of foreign banks, whether federally licensed or state chartered, insured or uninsured. The FFIEC 002 consists of a summary schedule of assets and liabilities (Schedule RAL) and several supporting schedules. Each schedule requires information on balances of the entire reporting branch or agency. On the schedules for cash (Schedule A), loans (Schedule C), and deposits (Schedule E), separate details are reported on balances of IBFs. Unlike the Call Reports for domestic banks and savings associations, the FFIEC 002 collects no income data.

A separate FFIEC 002S must be completed by any U.S. branch or agency of a foreign bank that manages or controls a banking branch of its parent bank in a foreign country. The FFIEC 002S covers all of the foreign branch's assets and liabilities, regardless of the currency in which they are payable. The supplement also covers transactions with all entities, both related and nonrelated, regardless of location. All due from/due to relationships with related institutions, both depository and nondepository, are reported on a gross basis, that is, without netting due from and due to data items against each other.

Respondent Panel

The FFIEC 002 panel comprises all U.S. branches and agencies (including their IBFs) of foreign banks, whether federally licensed or state chartered, insured or uninsured. The FFIEC 002S panel comprises any U.S. branch or agency of a foreign (non-U.S.) bank that manages or controls a banking branch of its parent bank that is licensed outside the 50 states of the United States or the District of Columbia.

Frequency and Time Schedule

The FFIEC 002 and FFIEC 002S are collected quarterly as of the last calendar day of March, June, September, and December. U.S. branches and agencies of foreign banks must submit the FFIEC 002 and FFIEC 002S to the Federal Reserve Bank in whose district the reporting branch or agency is located within 30 calendar days following the report date. After processing and editing respondent data, the Board sends the data to the FDIC and OCC for their use in monitoring the U.S. activities of foreign banks under their supervision.

[2] An IBF is a set of asset and liability accounts, which are segregated on the books and records of the establishing entity and which reflect international transactions. An IBF is established in accordance with the terms of the Federal Reserve's Regulation D and after appropriate notification to the Federal Reserve. The establishing entity may be a U.S. depository institution, a U.S. office of an Edge or agreement corporation, or a U.S. branch or agency of a foreign bank pursuant to the Federal Reserve's Regulations D and Q. An IBF is permitted to hold only certain assets and liabilities. In general, IBF accounts are limited to non-U.S. residents of foreign countries, residents of Puerto Rico and U.S. territories and possessions, other IBFs, and U.S. and non-U.S. offices of the establishing entity.

Initially Proposed Revisions

September 2023 notice

ASU 2022-02, "Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures"

On March 31, 2022, the FASB issued ASU 2022-02 which eliminates the troubled debt restructuring (TDR) recognition and measurement guidance for entities that have adopted ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13). Under ASU 2022-02, instead of identifying and accounting for TDRs separately from other loan modifications, (as under the prior standard, Accounting Standards Codification (ASC) Subtopic 310-40, "Receivables – Troubled Debt Restructurings by Creditors"), all loans modified from the beginning of the fiscal year in which the new standard is adopted by an institution are accounted for in accordance with ASC 310-20-35, "Receivables - Nonrefundable Fees and Other Costs - Subsequent Measurement," as amended by ASU 2022-02. In addition, the new standard enhances financial statement disclosure requirements for certain loan modifications to borrowers experiencing financial difficulty. These disclosures include qualitative information regarding how initial modifications and subsequent performance of such modifications impact the allowance for credit losses. ASU 2022-02 was effective for U.S. branches and agencies of foreign banks as of December 31, 2023.

Under ASU 2022-02, U.S. branches and agencies of foreign banks include only loans that were modified to borrowers experiencing financial difficulty from the beginning of the fiscal year of adoption and in subsequent periods in their disclosures for financial statement purposes. TDRs or modifications made prior to the beginning of the fiscal year of adoption are not be included in these enhanced disclosures in the period of adoption or in any subsequent periods. Additionally, per ASU 2022-02, U.S. branches and agencies of foreign banks are not be required to use a discounted cash flow (DCF) approach to measure the allowance for credit loss on the modified loans. However, if a U.S. branch or agency of a foreign bank chooses to use a DCF approach, it is be required to use the post-modification effective interest rate to discount expected cash flows. Per ASC 326-20-35-5, "Investments – Financial Instruments-Credit Losses – Measured at Amortized Cost – Subsequent Measurement," modified loans for which repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty are still considered to be collateral dependent. For regulatory reporting purposes (i.e., in the FFIEC 002), the allowance for credit losses for a collateral dependent loan would continue to be measured using the fair value of collateral (less cost to sell, when appropriate), regardless of whether foreclosure is probable.

In response to ASU 2022-02, the agencies are proposing revisions to the FFIEC 002 form and instructions. In general, these revisions would align the data collected in the FFIEC 002 form and instructions with the definition of loan modifications to borrowers experiencing financial difficulty that is used in U.S. generally accepted accounting principles (GAAP). The banking agencies are proposing to replace, as appropriate, references to "troubled debt restructurings" with "modifications to borrowers experiencing financial difficulty" in the FFIEC 002 form and instructions, and to update the Glossary to reflect the change in accounting for modifications to borrowers experiencing financial difficulty.

The proposed revisions would assist the agencies in gaining a better understanding of U.S. branches and agencies of foreign banks credit exposures. Specifically, the loan modifications to borrowers experiencing financial difficulty reported in FFIEC 002 Schedule N, Past Due, Nonaccrual, and Restructured Loans, Columns C and D, would enable the agencies to better understand the level of loan modification activity at U.S. branches and agencies and the categories of loans involved in this activity.

The information needed for these purposes at times may differ from information required by GAAP as accounting standards are not specifically tailored to the needs of the financial institution regulators. ASU 2022-02 requires financial statement disclosures on loan modifications to borrowers experiencing financial difficulty made "within the previous 12 months preceding the payment default when the debtor was experiencing financial difficulty at the time of the modification." However, as evidenced by the modifications made during the COVID–19 pandemic in 2020, 2021, and 2022, it may take longer than 12 months following the modification to assess whether loans are performing in accordance with their modified terms and if the borrower is no longer experiencing financial difficulty. Reporting modifications on the FFIEC 002 for a period greater than 12 months would increase the reporting period beyond that required by the financial statement disclosure requirements in ASU 2022-02. However, the ability to monitor modifications made by institutions to borrowers experiencing financial difficulty provides useful supervisory information on the borrower's continued performance or lack thereof on the modified loan.

Due to these factors, the agencies are proposing to require reporting of these modifications for a minimum period of 12 months and until an institution performs a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty, unless the loan is paid off, charged-off, sold, or otherwise settled. Performing a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty is consistent with the *Interagency Guidelines Establishing Standards for Safety and Soundness* issued by the Board, FDIC, and OCC, which articulate safety and soundness standards for supervised financial institutions to establish and maintain prudent credit underwriting practices and maintain systems to identify distressed assets and manage deterioration in those assets.

Effective March 31, 2024, to address the elimination of the TDR recognition and measurement guidance in ASU 2022-02, the agencies propose to revise or eliminate, as appropriate, the following Glossary entries to provide additional information for those institutions that have adopted ASU 2022-02 and to remove redundant entries: (1) Loan Fees, (2) Nonaccrual Status, (3) Purchased Credit-Impaired Loans and Debt Securities. Additionally, a new entry for Loan Modifications to Borrowers Experiencing Financial Difficulty would be included in the Glossary. The proposed revisions to the FFIEC 002 would be consistent with the proposed revisions to the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051).[3]

[3] *See* 88 Fed. Reg. 66933 (Sept. 28, 2023).

December 2023 notice

Loans to Nondepository Financial Institutions

Loans to NDFIs have increasingly played an essential role in the financial system. NDFIs include a wide range of counterparties including insurance companies, mortgage companies, private equity funds, hedge funds, broker-dealers, real estate investment trusts (REITs), marketplace lenders, special purpose entities, and other financial vehicles. Currently, the FFIEC 002 form and instructions do not provide granularity on specific NDFI exposure, such as direct and off-balance sheet exposure, data on NDFI exposure in non-domestic offices, or NDFI loan performance data (e.g., nonaccrual and past due status). Therefore, the agencies are proposing to update the FFIEC 002 form and instructions to increase the granularity in reporting exposure to NDFIs and to improve reporting consistency. These proposed revisions would enhance the understanding of NDFI exposure, risks, and performance trends.

The specific proposed revisions are as follows:

Schedule C, “Loans”

The instructions for item 3, “Loans to other financial institutions” would be updated to include additional detail on the types of loans that should be reported in this line item. In addition, the instructions would be revised to include all loans to brokers and dealers in securities and loans to investment firms and mutual funds in the amounts reported in this item. These loans were previously included in item 7, below.

The instructions for item 7, “Loans for purchasing or carrying securities (secured and unsecured)” would be revised to exclude from the amounts reported in this item all loans to brokers and dealers in securities and loans to investment firms and mutual funds. These loans would be reported under the new NDFI definition in item 3, “Loans to other financial institutions.”

The instructions for item 7, “Loans for purchasing or carrying securities (secured and unsecured)” would also be revised to include in the amounts reported in this item all margin loans, including securities-based loans and non-purpose margin loans. In addition, this item description on the report form would be revised to “Loans for purchasing or carrying securities, including margin loans.”

These proposed revisions are intended to align with similar proposed revisions to the Call Report[4] and are proposed to be effective as of the June 30, 2024, report date.

Public Availability of Data

[4] *See* 88 Fed Reg. 89489 (Dec 27, 2023).

Aggregate data for all U.S. branches and agencies that file the FFIEC 002 are available on the Board's public website under the Data tab as *Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks* and are also used in developing flow of funds estimates and the estimates published in the Federal Reserve weekly H.8 statistical release, *Assets and Liabilities of Commercial Banks in the United States*. Aggregate data for the FFIEC 002S are available to the public upon request.

Individual respondent data, excluding confidential information, are available to the public from the National Technical Information Service in Springfield, Virginia, upon request. In addition, individual respondent data are also available on the FFIEC public website at https://www.ffiec.gov/NPW.

Legal Status

Section 11(a)(2) of the Federal Reserve Act (FRA) authorizes the Board to require depository institutions to submit reports of their liabilities and assets as the Board may determine to be necessary or desirable to enable the Board to discharge its responsibility to monitor and control monetary and credit aggregates.[5] Section 7(c)(2) of the IBA provides that branches and agencies of foreign banks, other than federal branches and agencies, are subject to the requirement in section 9(6) of the FRA[6] to file reports of condition with the appropriate Federal Reserve Bank.[7] Section 7(c)(2) of the IBA provides that federal branches and agencies of foreign banks are subject to the reporting requirements contained in section 11(a) of the FRA "to the same extent and in the same manner as if the branch or agency were a state member bank."[8] In addition, section 4(b) of the IBA authorizes the OCC to collect the same information from federal branches and agencies of foreign banks.[9] The Board, FDIC, and OCC also are authorized to collect reports of condition from insured branches of foreign banks pursuant to section 7(a) of the Federal Deposit Insurance Act.[10]

The obligation to respond is mandatory.

The FFIEC 002 reports are made available to the public, except for Schedule M, "Due from/Due to Related Institutions in the U.S. and in Foreign Countries," and Schedule C, "Loans," Part I, Memorandum items 5.a and 5.b for eligible loan modifications under section 4013 of the 2020 Coronavirus Aid, Relief, and Economic Security Act, which are considered to be confidential by the agencies. This confidential information is exempt from public disclosure pursuant to the Freedom of Information Act (FOIA), under exemption 4 of the FOIA.[11] This exemption applies to confidential commercial or financial information that is both customarily and actually treated as private by its owner.[12] In addition, if a respondent believes that any of the

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[5] 12 U.S.C. § 248(a)(2). This provision contemplates that the reports will be made either directly to the Board or to the Board through other federal regulators (e.g., the FDIC or OCC), depending on the reporting institution's charter type.
[6] 12 U.S.C. § 324.
[7] 12 U.S.C. § 3105(c)(2).
[8] 12 U.S.C. § 3105(c)(2).
[9] 12 U.S.C. § 3102(b).
[10] 12 U.S.C. § 1817(a)(1) and (3).
[11] 12 U.S.C. § 552(b)(4).
[12] *See Food Marketing Institute v. Argus Leader Media*, 139 S. Ct. 2356, 2364 (2019).

public portions of its FFIEC 002 report would be exempt from disclosure under exemption 4 of the FOIA, the respondent may request confidential treatment for such information. The FFIEC 002 reports are made available in their entirety, including the confidential portions, to state regulators.

The agencies treat the entire FFIEC 002S report as confidential. The information contained in the report is exempt from public disclosure pursuant to the FOIA under exemption 4, as confidential commercial or financial information that is both customarily and actually treated as private by its owner. However, aggregate data from the FFIEC 002S report for multiple respondents, which does not reveal the identity of any individual respondent, may be released.

Consultation Outside the Agency

The Board coordinated and consulted with the FDIC and OCC in developing this revision as part of the FFIEC approval process.

Public Comments and Current Proposal

September 2023 Notice

On September 28, 2023, the agencies, under the auspices of the FFIEC, published an initial notice (the September 2023 notice) in the *Federal Register* (88 FR 66933) requesting public comment for 60 days on the extension, with revision, of the FFIEC 002 and FFIEC 002S, as well as the Call Reports. The comment period for this notice expired on November 27, 2023. The agencies received six comment letters on the September notice; however, all of the comments received did not pertain to the proposed revision to the FFIEC 002. Therefore, the agencies are proceeding with certain aspects of the proposed revisions related to ASU 2022-02, with certain modifications as discussed below.

No commenters objected to the adoption in the FFIEC 002 of the revised GAAP terminology or to the change in accounting for modifications to borrowers experiencing financial difficulty. These updates to the FFIEC 002 report forms and instructions will be effective as of the June 30, 2024, report date rather than as of the March 31, 2024, report date, as originally proposed. However, four commenters objected to the length of time for which these modifications would be reported on the FFIEC 002. As proposed, branches and agencies would report these modifications for a minimum period of 12 months after modification and until an institution performs a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty, unless the loan is paid off, charged-off, sold, or otherwise settled, which may be for a period longer than disclosures required by ASU 2022-02.

ASU 2022-02 requires financial statement disclosures on loan modifications to borrowers experiencing financial difficulty made “within the previous 12 months preceding the payment default when the debtor was experiencing financial difficulty at the time of the modification.” These commenters indicated that the divergence from GAAP disclosure requirements in accordance with ASU 2022-02 would create additional costs, complexity and operational challenges without any substantial corresponding benefit to either the institutions or the agencies.

The agencies are continuing to evaluate these comments. Institutions should continue to reference the quarterly Supplemental Instructions regarding reporting these modifications on the FFIEC 002. Upon the conclusion of their review, the agencies will adopt a standard through a subsequent Paperwork Reduction Act notice with a public comment period and provide adequate lead time for implementation of that standard.

The agencies also received recommendations from one commenter on the Call Report and other FFIEC reports that were not specifically related to any of the proposed changes from the September 2023 notice. These recommendations were related to FASB's Accounting Standards Codification (ASC) Topic 326, Financial Instruments - Credit Losses (Topic 326) and ASU No. 2016-02, Leases (Topic 842). The proposed changes on ASC Topic 326 and ASC Topic 842 were related to the proposed changes in the notices published in February 2019 and January 2020, respectively.

As such, the commenter requested the agencies update or remove outdated references related to the transition period for these standards from the Call Report and the FFIEC 002 report forms and instructions. The agencies had planned to incorporate and have incorporated these changes to the Call Report and FFIEC 002 as nonsubstantive revisions as of the March 31, 2024, report date, which aligns with the commenter's request.

The recommendations also included similar updates related to ASC Topic 326 to be made to the Foreign Branch Report of Condition (FFIEC 030) and the Abbreviated Foreign Branch Report of Condition (FFIEC 030S), which are not in the scope of this proposal. These changes also are considered nonsubstantive and technical in nature, and the agencies had planned to update the FFIEC 030 and FFIEC 030S report forms and instructions, as of the March 31, 2024, report date. The agencies have made these changes as of the March 31, 2024, report date, which is consistent with the commenter's request.

December 2023 notice

On December 27, 2023, the agencies, under the auspices of the FFIEC, published an initial notice (the December 2023 notice) in the *Federal Register* (88 FR 89489) requesting public comment for 60 days on the extension, with revision, of the FFIEC 002. The comment period for this notice expired on February 26, 2024. The agencies received 31 comment letters on the December notice; however, all of the comments received did not pertain to the proposed revision to the FFIEC 002. Therefore, the agencies are proceeding with the proposed revisions related to NDFIs and other loans, with certain modifications, as discussed below.

The agencies received comments from four trade groups and thirty-two individuals. There were four commenters that requested additional instructions on how to report certain types of NDFIs. Two commenters highlighted the need to ensure consistency in reporting these types of financial assets across other regulatory reports, both in the level of disaggregation and by definition. Thirty-one commenters indicated this proposal is a good starting point, but consideration of further disaggregation could be necessary for users outside the agencies to better understand the NDFI exposure, risks, and performance trends. Finally, two commenters indicated more lead time was necessary for the institutions to properly implement these changes.

After reviewing these comments, the agencies are moving forward with these revisions to the FFIEC 002, as proposed, with the modifications that follow. The agencies received comments about what types of NDFI exposures would fall under the scope of the proposal and under what items certain types of loans that involve NDFIs would be reported. In response, the agencies are revising the instructions to more broadly define NDFIs and acknowledge that they encompass a wide range of financial entities. In addition, the agencies are revising the FFIEC instructions to indicate that NDFIs include securitization vehicles, so that loans to these entities would be included in, Schedule C, Loans, item 3, “Loans to other financial institutions.”

As originally proposed, loans to broker-dealers would be reported as loans to NDFIs in line 3 on Schedule C, Loans. However, one commenter recommended that loans to brokers and dealers in securities that are for the purpose of purchasing or carrying securities or secured by securities be reported in Schedule C, Loans, item 7, “Loans for purchasing or carrying securities, including margin loans,” consistent with loans to other types of NDFIs and other borrowers, for the same purpose. After considering this comment, the agencies are revising the instructions to include in Schedule C, Loans, item 7 all purpose and non-purpose securities-based margin loans, regardless of borrower type, that are predominately secured (greater than 50 percent of the underlying collateral) by securities with readily determinable fair values. This revision would address comments about how certain margin loans fall under the scope of the proposal, better clarify what constitutes margin-lending, and allow for certain loans to broker dealers that meet the definition of securities-based margin loans to be reported in item 7. In addition, the revised instructions would provide a threshold for a loan to be considered secured by securities, which was mentioned by another commenter.

To provide additional time for institutions to implement these changes, the effective date for these revisions will be as of the December 31, 2024, report date, instead of the June 30, 2024, report date, as originally proposed.

Finally, commenters raised issues of consistency with other reports and definitions not included in the proposals. One commenter stated that the proposal raised questions regarding consistency of reporting similar exposures on certain information collections made by the Board including the Board’s Consolidated Financial Statements for Holding Companies (FR Y-9C) and Capital Assessments and Stress Testing (FR Y-14Q/A). If the Board proposes to revise certain information collections related to loans to NDFIs, it will publish such proposal(s) for public comment. One commenter encouraged the banking agencies to consider further alignment between the Call Report and the Country Exposure Report (FFIEC 009). Specifically, the commenter noted that while the banking agencies are proposing an expanded definition of NDFIs for the Call Report, it still would not be aligned with the definition of "Non-Bank Financial Institutions (NBFIs)” for the FFIEC 009. Approval of the FFIEC 009 expires August 31, 2025, and the agencies will consider any possible revisions, including further alignment between reports, when they extend the FFIEC 009. A commenter also encouraged the agencies to develop a uniform set of categories of nonbank lending to ensure that the definitions and categories are inclusive and comparable. The agencies review reporting instructions, and included definitions, on a regular basis and seek to incorporate consistency where applicable.

On May 22, 2024, the agencies, under the auspices of the FFIEC, published a final notice in the *Federal Register* (89 FR 45046) requesting public comment for 30 days on the extension, with revision, of the Call Reports. The comment period for this notice expires on June 21, 2024.

Estimate of Respondent Burden

As shown in the table below, the estimated annual burden for the FFIEC 002 and FFIEC 002S is 18,442 hours and would not change with the proposed revisions. This burden estimate accounts for all filers of the FFIEC 002 and FFIEC 002S, including those supervised by the FDIC or OCC. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

FFIEC 002 and FFIEC 002S	*Estimated number of respondents*[13]	*Estimated annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current				
FFIEC 002	183	4	24.67	18,058
FFIEC 002S	16	4	6	384
Total				18,442

The estimated total annual cost to the public for the FFIEC 002 and FFIEC 002S is $1,288,174, and would remain the same with the proposed revisions.[14]

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

[13] Of these respondents, 58 for the FFIEC 002 and 3 for the FFIEC 002S are considered small entities as defined by the Small Business Administration (i.e., entities with less than $850 million in total assets) Size standards effective March 17, 2023. See https://www.sba.gov/document/support--table-size-standards.

[14] Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at $23, 45% Financial Managers at $84, 15% Lawyers at $85, and 10% Chief Executives at $124). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2023, published April 3, 2024, https://www.bls.gov/news.release/ocwage.t01.htm#. Occupations are defined using the BLS Standard Occupational Classification System, https://www.bls.gov/soc/.

The estimated cost to the Federal Reserve System for collecting and processing the FFIEC 002 and FFIEC 002S is $296,300 per year. The Federal Reserve System collects and processes the data for all three of the agencies.