

**Supporting Statement for the
Consolidated Reports of Condition and Income
(FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036)**

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) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036). With respect to the Board, these reports are required of state member banks and are filed on a quarterly basis. The revisions to the Call Reports 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 depository institutions under their supervision.

The Board uses the information collected on the Call Reports to fulfill its statutory obligation to supervise state member banks. State member banks 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.

On September 28, 2023, the agencies, under the auspices of the FFIEC, requested public comment for 60 days on a proposal to revise the Call Reports.¹ The proposed revisions included changes to the Call Report forms and instructions that were in response to 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). After considering the comments received on the proposal, the FFIEC and the agencies on May 22, 2024, finalized certain proposed revisions resulting from ASU 2022-02, but deferred action related to the length of time that loan modifications to borrowers experiencing financial difficulty would be reported in the Call Report forms.² The agencies have now completed their review and are revising the instructions to align the regulatory reporting of loan modifications to borrowers experiencing financial difficulty with U.S. generally accepted accounting principles (GAAP). These revisions would be effective as of the December 31, 2025, report date. However, the agencies do not object if an institution chooses to implement this revised reporting in advance of the effective date for the September 30, 2025, report date.

The current estimated total annual burden for the Call Reports is 128,272 hours, and would increase to 128,499 hours. The proposed revisions would result in an increase of 227 hours. The forms and instructions are available on the FFIEC's public website at <https://www.ffiec.gov/resources/reporting-forms>.

¹ 88 FR 66933 (September 28, 2023).

² 89 FR 45046 (May 22, 2024).

Background and Justification

State banks that are members of the Federal Reserve System are required by section 9(6) of the Federal Reserve Act (FRA) (12 U.S.C. § 324) to file reports of condition with the Board. The Board, acting in concert with the other federal banking supervisory agencies through the FFIEC since 1979, requires state member banks to submit on the quarterly Call Reports such financial data as is needed by the Federal Reserve System to supervise and regulate banks through monitoring of their financial condition, ensuring the continued safety of the public's monies and the overall soundness of the nation's financial structure, and discharging of the Federal Reserve's monetary policy responsibilities. The data, which generally is made publicly available by the agencies, is used not only by the federal government, but also by state and local governments, the banking industry, securities analysts, and the academic community.

Description of Information Collection

The Call Reports, which consist of the Reports of Condition and Income, collect basic financial data from commercial banks in the form of a balance sheet, income statement, and supporting schedules. The Report of Condition contains supporting schedules that provide detail on assets, liabilities, and capital accounts. The Report of Income contains supporting schedules that provide detail on income and expenses.

The Call Reports consist of three reporting forms that apply to different categories of state member banks. Currently, banks that have foreign offices, that have total consolidated assets of \$100 billion or more, or that are otherwise an advanced approaches institution for regulatory capital purposes must file the FFIEC 031; banks with domestic offices only and total consolidated assets of less than \$100 billion but at least \$5 billion file the FFIEC 041; and banks with domestic offices only and total assets less than \$5 billion generally file the FFIEC 051.³

The information collected by the Call Reports is not available from other sources. Although there are other reports that collect information similar to certain items on the Call Reports, the information they collect would be of limited value as a replacement for Call Report data. For example, the Board collects various data in connection with its measurement of monetary aggregates, bank credit, and flow of funds.⁴ These reports provide the Board with detailed information relating to balance sheet accounts such as balances due from depository institutions, loans, and deposit liabilities. These collections of information, however, are collected on a weekly basis usually prepared as of dates other than the last business day of each quarter. Moreover, information on bank credit is obtained on a sample basis rather than from all banks. Additionally, institutions below a certain size are exempt entirely from some of these reporting requirements.

³ Except such banks that (1) are advanced approaches institutions or are subject to Category III capital standards for regulatory capital purposes, (2) are large or highly complex institutions for deposit insurance assessment purposes, or (3) have elected, or have been required by their primary federal regulator, to file the FFIEC 041.

⁴ Report of Deposits and Vault Cash (FR 2900; OMB No. 7100-0087) and Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644; OMB No. 7100-0075).

The Board also collects financial data from holding companies on a regular basis.⁵ Such data is generally required to be reported for the holding company on a consolidated basis, including its banking and nonbanking subsidiaries, and on a parent-company-only basis. Data collected from bank holding companies on a consolidated basis reflect aggregate amounts for all entities within the organization, including banking and nonbanking subsidiaries, so that the actual dollar amounts applicable to any banking subsidiary would not be determinable from the holding company reporting information. Therefore, reports collected from bank holding companies lack the data necessary to assess the financial condition of individual banks to determine whether there has been any deterioration in their condition.

Banks are required to transmit their Call Report data electronically. Each bank must maintain in its files for three years a signed and attested record of its completed report each quarter.

Respondent Panel

For purposes of the Board, the respondent panel for the Call Reports consists of all state member banks. State member banks that have foreign offices or that have total consolidated assets of \$100 billion or more must file the FFIEC 031, banks with domestic offices only and total consolidated assets of less than \$100 billion but at least \$5 billion generally file the FFIEC 041, and banks with domestic offices only and total assets less than \$5 billion generally file the FFIEC 051.

Frequency and Time Schedule

The Call Reports are collected quarterly as of the last calendar day of March, June, September, and December, although certain information is collected on a semiannual or annual basis, as described in the Call Report instructions. Less frequent collection of Call Reports would reduce the Federal Reserve's ability to identify on a timely basis those banks that are experiencing adverse changes in their condition so that appropriate corrective measures can be implemented to restore their safety and soundness. State member banks generally must submit the Call Reports to the appropriate Federal Reserve Bank within 30 calendar days following the as of date, except that banks with more than one foreign office must submit the Call Reports within 35 calendar days following the as of date.

Proposed Revisions

In the September 2023 notice, the agencies proposed revisions to all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051) related to FASB's ASU 2022-02. As proposed, institutions would have reported loan modifications to borrowers experiencing financial difficulty 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. This may have been for a period longer than financial statement disclosures required by

⁵ The Board collects standardized financial statements through one or more of the Financial Statements for Holding Companies (FR Y-9; OMB No. 7100-0128) series.

ASU 2022-02. ASU 2022-02 requires that for each period for which a statement of income is presented, an entity shall disclose by class of financing receivable, qualitative and quantitative information about receivable performance in the 12 months after a modification of a receivable made to a debtor experiencing financial difficulty.⁶

The comment period for the September 2023 notice ended on November 27, 2023. The agencies received six comment letters on the September 2023 notice, four of which included objections to the proposed length of time for which these modifications would be reported on the Call Report.⁷ These commenters indicated that the divergence from GAAP financial statement 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 deferred action on the length of time for which these modifications would be reported pending additional review of the proposal and the commenters' concerns. Current Call Report forms collect data on loan modifications to borrowers experiencing financial difficulty and the instructions define the types of loan modifications to be reported but do not prescribe a specific duration for reporting such modifications.

The agencies have completed their evaluation of the comments received. The agencies determined that consistency with the GAAP financial statement disclosure requirements under ASU 2022-02 would provide sufficient supervisory data on loan modifications due to the debtor's financial difficulty. Therefore, the agencies will revise the Call Report instructions to indicate that institutions should only report those loans that have been modified in the previous 12 months consistent with FASB ASC paragraph 310-10-50-42.

The agencies will revise Schedule RC-C, Loans and Lease Financing Receivables, Part I, Loans and Leases, Memoranda item 1, "Loan modifications to borrowers experiencing financial difficulty that are in compliance with their modified terms (included in Schedule RC-C, Part I, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1)," and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, Memoranda item 1, "Loan modifications to borrowers experiencing financial difficulty included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part I, Memorandum item 1)" to align reporting of loan modifications to borrowers experiencing financial difficulty, as described in ASU 2022-02. Specifically, modified loans reported in these items should meet the definition of loan modifications to borrowers experiencing financial difficulty, as described in ASU 2022-02, and include only such modifications which occurred in the previous 12 months.

Public Availability of Data

Aggregate data are published in the *Federal Reserve Bulletin* and the *Annual Statistical Digest*. Additionally, data are used in the *Uniform Bank Performance Report (UBPR)* and the *Annual Report of the FFIEC*. Individual respondent data, excluding confidential information, are available to the public from the National Technical Information Service in Springfield, Virginia,

⁶ See FASB ASC paragraph 310-10-50-42.

⁷ Comments other than those related to the proposed length of time for which modifications would be reported have been addressed by FFIEC and the agencies in a prior notice (89 FR 45046, May 22, 2024).

upon request approximately twelve weeks after the report date. Data are also available from the FFIEC Central Data Repository Public Data Distribution (CDR PDD) website (<https://cdr.ffiec.gov/public/>). Data for the current quarter are made available, shortly after a bank's submission, beginning the first calendar day after the report date. Updated or revised data may replace data already posted at any time thereafter.

Legal Status

The Board is authorized to collect information on the Call Reports from state member banks pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 324), which requires state member banks to file reports of condition and of the payment of dividends with the Federal Reserve, and section 11(a)(2) of the Federal Reserve Act (12 U.S.C. § 248(a)(2)), which authorizes the Board to require depository institutions to submit reports of their assets and liabilities 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. The obligation for state member banks to respond is mandatory.

Most of the information provided on the Call Reports is made public. However, the following items are confidential: any amount reported on Schedule RI-E, item 2.g, "FDIC deposit insurance assessments," for report dates beginning June 30, 2009; Schedule RC-O, Memorandum items 6 through 9, 14, and 15, for certain assessment-related data for report dates beginning June 30, 2011; Schedule RC-O, Memorandum item 18, for two-year probability of default data for 1-4 family residential mortgage loans and consumer loans and leases for report dates beginning June 30, 2013; Schedule RC-P, items 7.a and 7.b, for representation and warranty reserves for 1-4 family residential mortgages sold made to specified parties for report dates beginning June 30, 2012; and Schedule RC-C, Part I, Memorandum items 17.a and 17.b, for eligible loan modifications under Section 4013 of the 2020 Coronavirus Aid, Relief, and Economic Security Act for report dates beginning June 30, 2020. Board staff has determined that it is possible to reverse engineer an institution's Capital, Asset Quality, Management, Earnings, Liquidity, and Sensitivity (CAMELS) rating based on the data reported under the FDIC deposit insurance assessment data item and the prepaid deposit insurance assessments data item. If this information were publicly available, it would be possible to determine the state member bank's CAMELS rating. Therefore, this information can be kept confidential under exemption 8 of the Freedom of Information Act (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."

Additionally, to the extent any information contained in the call report is confidential commercial or financial information, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the FOIA (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

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

Public Comments

On September 28, 2023, the agencies, under the auspices of the FFIEC, published an initial notice in the *Federal Register* (88 FR 66933) requesting public comment for 60 days on the extension, with revision, of the Call Reports. The comment period for this notice expired on November 27, 2023. The agencies received six comment letters on the September 2023 notice, four of which included objections to the proposed length of time for which these modifications would be reported on the Call Report. These commenters indicated that the divergence from GAAP financial statement 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 deferred action on the length of time for which these modifications would be reported pending additional review of the proposal and the commenters' concerns. Current Call Report forms collect data on loan modifications to borrowers experiencing financial difficulty and the instructions define the types of loan modifications to be reported but do not prescribe a specific duration for reporting such modifications.

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Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the Call Reports is 128,272 hours, and would increase to 128,499 hours with the proposed revisions. The increase in burden reflect a shift in respondents moving between the FFIEC 031, FFIEC 041, and FFIEC 051. The estimated average hours per response for the quarterly filings of the Call Reports is a weighted average of the three versions of the Call Reports (FFIEC 031, FFIEC 041, and FFIEC 051). Both the weighted average Call Report burden estimate and the three separate versions of the Call Reports vary by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices). The agencies estimate that the recordkeeping burden is usual and customary, and would not incur any burden. These reporting requirements represent 1.7 percent of the Board's total paperwork burden.

FFIEC 031, FFIEC 041, and FFIEC 051	<i>Estimated number of respondents⁸</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current	709	4	45.23	128,272
Proposed	709	4	45.31	<u>128,499</u>
<i>Change</i>				227

The estimated total annual cost to the public for the Call Reports is \$9,254,825, and would increase to \$9,271,203 with the proposed revisions.⁹

Sensitive Questions

This information collection 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 031, FFIEC 041, and FFIEC 051 is \$2,163,300 per year.

⁸ Of these respondents, 460 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>.

⁹ 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 \$24, 45% Financial Managers at \$87, 15% Lawyers at \$88, and 10% Chief Executives at \$126). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages*, May 2024, published April 2, 2025, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.