

## **Regions' Comments / Questions re: FR Y-14A**

1. Basel III & Dodd-Frank Template – On the “Exceptions Bucket Calculation” tab the worksheet seems to require banks to net deferred tax liabilities associated with mortgage servicing rights against that asset. However in Paragraph 67 of Basel III: A global regulatory framework for more resilient banks and banking systems (December 2010; rev. June 2011) the guidance states; “With the exception of mortgage servicing rights, the full amount is to be deducted net of any associated deferred tax liability which would be extinguished if the intangible assets become impaired or derecognized under the relevant accounting standards.” This text seems to suggest that DTLs associated with MSR assets should not be netted against the MSR but rather are available to be netted against DTAs if netting is permitted based on the guidelines. Further, not all banks will have the same impact of netting MSRs with related DTLs. This methodology could increase capital for some banks and decrease capital for others, which does not appear to be equitable. Given the perceived discrepancy between the template and Paragraph 67 as well as the potential for disparate results, we believe banks should be allowed to exercise discretion with regard to where they net the DTL associated with MSR assets.
2. Summary Template – PPNR projections are requested on a business segment as well as a consolidated view. For Regions, the business segment view does not align with how management views firm results. As such, in order to create this view, Regions will have to develop a series of assumptions in order to populate the required fields. Regions is concerned that due to limited time to develop these assumptions, the results may lead to incorrect conclusions; this is particularly true for the adverse scenario forecasts. Given the business segment view does not align with internal views of PPNR forecasts, Regions requests that firms have the option of completing either the business segment view or the consolidated view.
3. Summary Template – Regions reports 1<sup>st</sup> Lien HELOCs with all other HELOCs as required by the FR Y-9C; however the template aggregates 1<sup>st</sup> and 2<sup>nd</sup> lien HELOCs under “Second/Junior Lien Mortgages.” Should banks report 1<sup>st</sup> Lien HELOCs under 1<sup>st</sup> Lien mortgages, or report 1<sup>st</sup> Lien HELOCs as Second/Junior Liens?
4. Summary Template – Large Commercial Credits, Small Business (Graded) and Small Business (Scored/Delinquency Managed) are not sufficiently defined within the template documentation. However, the definition of fields that correspond to the FR Y-9C schedules are well-established. Please provide more complete definitional guidelines for line items that do not correspond to reported categories on FR Y-9C schedules?
5. Summary Template – On the “PPNR Metrics Worksheet” the template requires a calculation for “Average Interest Rate Spread between Loan and Deposit Yields” for Treasury Services. Is the Federal Reserve looking for this measure to only be calculated for the Treasury Services business unit or is this intended to be a calculation for firm-wide loans and deposits? If this is isolated only for the Treasury Services business unit; what specifically is the Federal Reserve looking to measure here?

6. Summary Template – On the Balance Sheet Worksheet, should trading assets be reported in their non-netted form as per the FR Y-9C, or in the netted form as in GAAP financials?
7. Summary Template – Should Federal Reserve Stock be reported in Other Assets as per the FR Y-9C, or in Securities, as per GAAP?
8. Summary Template – On the “Retail Balance Projections” worksheet is the Federal Reserve looking for this worksheet to be a rollforward of balances? For lines of credit, should banks report the amount outstanding or the committed amount? If these schedules are intended to be a rollforward, should charge-offs be reported as paydowns? Is this schedule required even if there are no asset sales or purchases within the portfolios?
9. Summary Template – The distributed materials accompanying the September 19<sup>th</sup> industry call clearly state that only the 6 banks subject to the market shock exercise are required to complete the proposed CCR template. Are all banks required to complete the “Trading Worksheet” on the Summary template or is that limited to the same 6 banks?
10. The HELOC, HELOAN 2<sup>nd</sup> Lien, and First Mortgage schedules refer to a reporting period, first reporting period, and subsequent reporting periods for tables B and C. Could the Federal Reserve please clarify the definition of these periods? Specifically what time period should the variables in table B and table C cover for this submission? Our current interpretation is that table B should cover the period from Jan. 2007 thru Sep. 2011 and table C for only one month (Sep. 2011). Is this a correct interpretation?
11. The SAS variable name for the same variable is not consistent across the HELOC, HELOAN 2<sup>nd</sup> Lien, and First Mortgage schedules. For example, the variable “#Accts Ever Modified” has a SAS\_variable name of “N\_ACCT\_MODIFIED” in the First Mortgage schedule, but is named “N\_ACCTS\_EVER\_MODIFIED” in the HELOAN and HELOC schedules. Also the “\$Net charge off Reconciliation” variable does not have the same SAS variable name across all schedules. We would like to make these variable names consistent because some of these schedules have to be merged.
12. Auto Schedule – Regions participates in production flow purchases of automobile loans; however, these loans are not serviced by Regions. Should these balances be included in the Auto Loan Schedule?
13. Please clarify the definition of “Interim charge offs”. This variable is on table C of the HELOC, HELOAN 2<sup>nd</sup> Lien, and First Mortgage schedules. Instructions define this variable as “The total unpaid principal balance that has been charged off on loans in this segment thru the reporting month. Do not include charge offs associated with loans not reported in this reporting month because they have been fully charged off or otherwise liquidated”. Should this number be the partial write downs for the month? If so, this a subset of Contractual Charge offs since we include partial write downs in the Contractual charge off calculation.

14. HELOC Schedule – Summary variable B5 asks for \$ New Originations while B6 asks for \$ New Commitments. For HELOCS, would the Federal Reserve expect for these numbers to be the same? We typically use commitment amount for the new origination amount on lines of credit.
  
15. Corporate Loan Data Collection – The Technical Field Name is the same for Field #3 and for Field #16. Is the Federal Reserve aware of this and was this by design?