

From: David C. Zolnowski, M&T Bank Corporation
Proposal: FR Y-14A/Q/M - Capital Assessment & Stress Testing (ICP #13-13; pub'd 6/25/13)
Subject: FR Y-14A/Q/M Capital Assessment & Stress Testing

Comments:

Good morning,

The following are questions/observations we have on the proposed new forms (instructions) effective for September 30, 2013:

1. For the 6/30/13 BIII/DF FR Y-14Q schedule, should we be reporting under the NPR or the final rules (even though the final rules are not effective until 1/1/14 for advanced approaches banks and 1/1/15 for non-advanced approaches banks)? If under the final rules, will reporting capital for 6/30/13 as if the one-time opt-out related to AOCI adjustments was elected prohibit us from "changing our mind" on the opt-out election prior to the 1/1/15 effective date of the final rules?"
2. The proposed FR Y-14Q PPNR will require average nonaccrual loans to be reported in PPNR Net Interest Income (NII) Worksheet on line #9, Nonaccrual loans. In the Average Rates Earned/ Interest Income section (lines 18 to 32) of the PPNR NII Worksheet there is not a corresponding average rate earned line for interest earned on nonaccrual loans. As the net interest income on line 49 of NII Worksheet must agree to net interest income reported in the FR Y-9C, interest earned on nonaccrual loans must be included somewhere in the average rate earned activity reported. We will include the average rate impact of nonaccrual interest income earned in the respective loan categories for the income earned [even though it creates a mismatch between respective average loan balances (which excludes average nonaccrual loans) and average rates earned (which includes nonaccrual interest income impact)]. Please advise if there is another approach we should consider.
3. We note that there are two lines numbered 137 in the FR Y-14A Balance Sheet Worksheet. Please correct and renumber.
4. There is an apparent inconsistency between the 1st Lien Closed-end 1-4 Family Residential Loan and Home Equity Loan / Home Equity Line submissions regarding Troubled Debt Restructure (TDR) information. The First Lien requires a TDR "Y/N Flag" on all loans, while Home Equity requires a TDR date, but only on loans that have been modified. Can you please provide clarity on why there is a discrepancy between these two submissions surrounding TDR's?

We are currently reviewing the additional proposed changes and will advise further if additional questions are uncovered.

Can you please confirm that this is the correct place for questions of this type to be submitted, because they were originally posted to info@ccar.frb.org, and we were advised to submit them through "regulations.gov", and this seemed to be the most appropriate link/address to use.

Thanks and please let me know if you require additional clarification on the information provided.

Sincerely,
David

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