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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:

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Your comment: To the FRB: Santander Holdings USA, Inc. has several comments on the proposed changes to the FR Y-14A reporting template: 1. Re-instatement of current period column on Balance Sheet worksheet: Removal of the Balance Sheet's current period column obscures and complicates the roll-forward of BHC equity. We recommend that the current period column be re-instated, which would be consistent with all other worksheets. 2. Apply the Basel 3 Capital and Standardized Approach final rules, not the NPR rules, to Y-14A instructions: BHCs are already preparing their capital planning processes according to the final rules, not the NPR. One the many areas of concern is the Standardized Approach NPR's extremely complex and intensive residential mortgage risk-weighting rules, which have been canceled in the final rules. Applying the now-obsolete NPR rules would be time-consuming, counter-productive, and irrelevant to BHC capital planning. We recommend that the final Y-14A instructions logically be according to the final rules. 3. Break out of Other Liabilities on Balance Sheet worksheet: Item 139 ("Other Liabilities") on the Balance Sheet Worksheet in the Summary template combines Fed Funds Purchased and Repurchase Agreements with Non-Interest Bearing Other Liabilities. It is confusing to combine Interest Bearing Liabilities with Non-Interest Bearing Liabilities, and by combining them together, it is unclear how the Fed Funds Purchased and Repurchase Agreements may grow or shrink over the projected horizon. We recommend that Fed Funds Purchased and Repurchase Agreements be broken out as separate items from the Other Liabilities items, which is also consistent with the item structure on the PPNR NII worksheet. 4. Matching of instructions to templates: Instructions do not match template in some key areas, including worksheet names (e.g., the instruction's names for capital and RWA calculation worksheets).