

From: Anonymous  
Proposal: FR Y-14A/Q/M & FR Y-16 Capital Assessments & Annual Company-Run Stress Testing (#14-07; pub'd 7/15/14)  
Subject: Information Collection Proposals

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Comments:

Date: Sep 15, 2014

Proposal: Agency Information Collection [ICP-201407]

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Revision: 1

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Your comment: Mr. Robert deV. Frierson, Esq.

Secretary

Board of Governors of the Federal Reserve System

20th Street & Constitution Avenue, N.W.

Washington, D.C. 20551

Re: Proposed Agency Information Collection Activities; Comment Request notice issued on 7/15/2014 for FRY-14A/Q/M.

Mr. Frierson:

We appreciate the opportunity to comment on the proposed revisions for the Board of Governors of the Federal Reserve System (the "Federal Reserve") to the Instructions and Forms of the Capital Assessments and Stress Testing information collection (including Forms FR Y 14-A, 14-Q and 14-M) which would revise several schedules of the Reports and expand the reporting panel. As currently proposed, these revisions would become effective September 30, 2014 and December 31, 2014, as applicable.

While reviewing the proposed changes with the instructions that were published, we have come across a few questions for which we seek more clarification.

A) Counterpart Credit Risk (CCR) Schedule

With the latest revisions, the reporting frequency for the CCR schedule has been changed from annual to quarterly. In the quarterly instructions, the reporting threshold of \$500Bn in consolidated assets is not included. We are seeking clarification on whether the FRB intends to make the CCR schedule a part of compulsory filing or would the \$500Bn threshold mentioned on FR Y-14A apply to the FR Y-14Q as well.

B) Securities Schedule

As per the latest instructions provided by FRB for the proposed changes, the securities schedule starting Q3 2014 appears to require reporting securities on the lot level basis as compared to the

CUSIP level, as the instructions have changed from "Report CUSIP-level" to "Report individual security -level data." Please confirm that lot-level reporting is required. If the reporting is now required at the lot level, the changes from CUSIP level will be a significant challenge for institutions, as management and reporting of the AFS and HTM securities positions is performed at the CUSIP level.

In order to achieve lot-level reporting requirements, it would entail modifications to our respective source systems and reporting processes, which might not be feasible within the given time frame. Currently, we have developed project plans which will satisfy the reporting requirements; however, given the rules are not finalized and the complexity of the requirements, we would request to extend the required deadline in order to develop a complete and comprehensive systemic solution.

#### OTTI Reporting

As per the proposed instructions the OTTI to be reported on the Securities 1 schedule should be cumulative. Does Cumulative mean LTD or YTD? On the Y-9C schedule HI line item 17.c it is reported as YTD. Kindly clarify if this will be reported the same way as in Y-9C.

#### C) Balances Schedule

For purposes of the FRY-14Q Reporting for the Wholesale Corp and CRE schedules, the Utilized/Outstanding Balance of the loans are reported gross of deferred fees and costs. This is different than the FRY-9C Schedule HC-C reporting requirements which are reported net of deferred (unamortized) fees and costs. This difference has been confirmed by the FRB through the FAQs (CORP & WSL0135; CRE - WSC0066).

For the Wholesale loan balances captured on the Supplemental schedule, they are also being reported gross of deferred fees and costs as the instructions for this schedule per the FRY-14Q Wholesale instructions:

"For the purposes of reporting this schedule, the carrying value of an asset is defined as the original cost of the asset less any write-downs associated with depreciation, amortization or impairment costs."

Deferred (unamortized) fees and costs are not included.

For the new Balances schedule, however, the proposed instructions say:

"The balances reported here should be consistent with the balances reported on Schedule HC-C of the FR Y-9C for corresponding line items." It then provides an example where the total of specific lines on the Balances schedule is said to equal the corresponding FRY-9C balances."

Should the deferred (unamortized) fees and costs be included in the loans amounts for the Balances Schedule?

#### D) Legal Reserving History of Settled/Closed Legal Events schedule

On the new schedule E.8 Legal Reserving History of Settled/Closed Legal Events, how far back do we need to go so as to report the settled/closed legal events? Given the complexity of the requirements, we would be comfortable reporting no more than seven years. We would be happy to discuss any questions you have regarding the above.

Kind Regards,