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FINANCIAL SERVICES ROUNDTABLE

June 28, 2018

Ms. Ann Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: Proposed Changes to Financial Statements for Holding Companies (FR Y-9 family of reports; OMB No. 7100-0128)

Ladies and Gentlemen:

The Clearing House Association, L.L.C.[1] and the Financial Services Roundtable[2] (collectively, the "Associations") appreciate the continuing efforts of the Federal Reserve Board to eliminate and/or combine a number of data items, which it has decided it no longer needs to collect. We also agree that the proposed changes to the FR Y-9C should be consistent with proposed changes to the Federal Financial Institutions Examination Council's Consolidated Reports of Condition and Income (the "Call Reports") effective beginning with the reports reflecting the June 30, 2018 report date.[3] The Associations respectfully submit the additional recommendations contained in Annex A to improve further the efficacy of the proposed data collection.

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1 The Clearing House is a banking association and payments company that is owned by the largest commercial banks and dates back to 1853. The Clearing House Association L.L.C is a nonpartisan organization that engages in research, analysis, advocacy and litigation focused on financial regulation that supports a safe, sound and competitive banking system. Its affiliate, The Clearing House Payments Company L.L.C., owns and operates core payments system infrastructure in the United States and is currently working to modernize that infrastructure by launching a new, ubiquitous, real-time payment system. The Payments Company is the only private-sector ACH and wire operator in the United States, clearing and settling nearly $2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume.

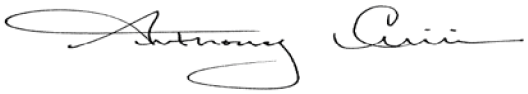
2 The Financial Services Roundtable represents the largest banking and payment companies financing the American economy. Member companies participate through the Chief Executive Officer (CEO) and other senior executives nominated by the CEO.

3 See OMB 7100-0036.

We appreciate this opportunity to share with you our additional concerns regarding the proposed FR Y-9C reporting changes and we look forward to our continued dialogue in connection with this matter. Please do not hesitate to contact us if we can be of further assistance in this matter.

Respectfully submitted,

David Wagner
Executive Managing Director, Head of Finance,
Risk and Audit Affairs and Senior Associate
General Counsel
The Clearing House Association L.L.C.



Anthony Cimino
Senior Vice President
Head of Government Affairs
The Financial Services Roundtable

cc: Cindy Ayouch
Michael Gibson
Mark Van Der Weide
(Board of Governors of the Federal Reserve System)

Morris Morgan
Karen Solomon
(Office of the Comptroller of the Currency)

Doreen Eberley
Charles Yi
(Federal Deposit Insurance Corporation)

Anthony Cirillo
(Federal Reserve Bank of New York)

Annex A

- Schedule HC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis, Memoranda Item 4.b, Commercial and Industrial loans, and Memoranda Item 4.d, Other Loans
    - The FR Y-9C draft form contain revisions to strike the MDRMs for these line items in Column A (column B is being removed all together) which is not consistent with the Call Report draft form which does not strike the MDRMs in Column A for these line items.
    - It is unclear if the FR Y-9C is proposing new MDRMs for these line items or if the revision to strike the MDRMs was made in error.
    - ***Recommendation:*** Request clarification whether Schedule HC-Q, line items M.4.b and M.4.d are intended to report new MDRMs, or if the revisions to strike the MDRMs in total were made in error. We recommend that current MDRMs in Column A remain, which would align with the Call Report revisions.

- Schedule HC-S - Servicing, Securitization, and Asset Sale Activities, Column Instructions, Column G, All Other Loans, All Leases, and All Other Assets
    - The FR Y-9C instruction revisions contain a revision to the reference to Schedule HC-C items that are to be reported in Column G on Schedule HC-S. The FR Y-9C revision strikes the reference to include Schedule HC-C items 7 and 8.
    - It appears that the revision was meant to remove the reference to item 8 as this item is not applicable for the FR Y-9C Schedule HC-C. However, we believe it is not appropriate that item 7, Loans to foreign governments and official institutions (including foreign central banks), from Schedule HC-C should no longer be included in HC-S Column G. If it is intended to be removed from Column G then it is unclear where these loans should be included on Schedule HC-S or if it is intended that they be excluded now.
    - ***Recommendation:*** Request clarification whether it is intended that the loans from Schedule HC-C item 7 should no longer be included in Schedule HC-S, Column G. If so, should they now be excluded from Schedule HC-S, or alternatively, in which column should they now be reported? We recommend that the FR Y-9C revised instructions align with the Call Report instructions to include item 7 in Column G.

- Schedule HC-F – Other Assets, Item 4, Equity investments without readily determinable fair values
    - The FR Y-9C draft form contains the revision for this line item caption from "Equity securities that do not have readily determinable fair values," to "Equity investments without readily determinable fair values". However, this revision is missing from the FR Y-9C draft instructions. Therefore, there is an inconsistency between the FR Y-9C draft form and draft instructions.
    - ***Recommendation:*** We believe that the Schedule HC-F, item 4, draft instructions should be consistent with the draft form revisions. We request that this change is also made to the FR Y-9C draft instructions, which would be consistent with the Call Report form and instructions.