

BANK POLICY INSTITUTE, BRETT WAXMAN

Proposal and Comment Information

Title: Agency Information Collection (FFIEC 009/ FFIEC 009a), ICP-202517

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Submitter Information

Organization Name: Bank Policy Institute

Organization Type: Organization

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Submitted Date: 07/08/2025

NONCONFIDENTIAL // EXTERNAL

To whom it may concern,

Attached please find our comment letter on the FFIEC 009 and FFIEC 009a (OMB No. 1557-0100) Notice and Request for Comment.

Best regards,
Brett

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July 8, 2025

Via Electronic Mail

Chief Counsel's Office
Office of the Comptroller of the Currency
Attention: 1557-0100
400 7th Street, SW, Suite 3E-218
Washington, D.C. 20219

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

Manuel E. Cabeza, Counsel,
Attn: Comments, Room MB-3128
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington D.C. 20429

Re: FFIEC 009 and FFIEC 009a (OMB No. 1557-0100) Notice and Request for Comment

To Whom It May Concern:

The Bank Policy Institute¹ appreciates the opportunity to comment on the notice and request for comment by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation to extend the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a).² While the current Notice does not contain any proposed revisions, the questions posed invite responses on “[w]ays to minimize the burden of information collections on respondents, including through the use of automated collection

¹ The Bank Policy Institute is a nonpartisan public policy, research and advocacy group that represents universal banks, regional banks, and the major foreign banks doing business in the United States. The Institute produces academic research and analysis on regulatory and monetary policy topics, analyzes and comments on proposed regulations, and represents the financial services industry with respect to cybersecurity, fraud, and other information security issues.

² 90 Fed. Reg. 19789 (May 9, 2025).

techniques or other forms of information technology.” Our comments in Section I reinforce points made in our prior comment letters, and our comments in Sections II and III aim to answer this question and provide methods to reduce the burden on respondents in providing the reporting sought by the information collection.

I. The FFIEC 009 should expressly permit risk transfer for the reporting of securities financing transactions (SFTs) and should align the reporting of non-depository financial institutions with the Call Report.

BPI previously submitted an unsolicited comment letter to the agencies requesting revisions to the reporting of SFT claims on the FFIEC 009,³ which the notice states “is under review by the agencies.”⁴ For the reasons stated in that letter and summarized herein, we continue to believe that recognizing risk-transfer is appropriate for the reporting of SFTs and the FFIEC 009 should align the reporting treatment of SFT claims with that of other collateralized claims in the FFIEC 009. Reporting these transactions based on the collateral, rather than the counterparty, for the purpose of guarantor basis reporting in Schedule C Part II Column 1-11 would standardize reporting for all collateralized claims within the report, more closely align the reporting of SFTs with their actual risk, reduce the need for dual processes and be consistent with the reporting of SFTs in other regulatory reports, as well as their treatment under the regulatory capital rules.

In practice, if the counterparty to an SFT claim were to default, the reporting firm would liquidate the collateral held, making the underlying collateral the most relevant basis for reporting. If SFT claims were aligned with other collateralized claims and reported by underlying collateral, the Agencies would have the benefit of a more holistic view of a claim’s collateral as a risk mitigate, without the need for the added FFIEC 009 Schedule C, Part II columns 17 and 18. This approach to the reporting of SFT claims would also be consistent with the comparative treatment of SFTs under the Agencies’ capital rules which calculate exposure by using the collateral haircut method, offsetting the collateral against the exposure to the counterparty.

Requiring banking organizations to report the same SFT claims in multiple ways within the FFIEC 009 creates unnecessary burden as it requires firms to have multiple processes and systems in place. These additional processes further necessitate supplemental controls, testing and operational overhead that contribute to the burden on reporters. If the Agencies were to streamline the reporting standards by aligning all reporting on the approach to report based on the underlying collateral, they could both reduce burden on firms by eliminating the need for these dual processes, and also eliminate items from the FFIEC 009, further reducing overall burden.

Additionally, over the last few years, the agencies have proposed incorporating additional information regarding bank exposures to NDFIs across a variety of regulatory reports including the Call Report, the FR Y-9C and the FR Y-14 report series. BPI is supportive of the intent of the revisions to provide more insight into bank exposures to NDFIs and more consistent reporting across institutions. As

³ Bank Policy Institute, *BPI Comment Letter: Requesting revisions to the reporting of SFT claims on the FFIEC 009 (OMB Control No. 3064-0017)* (Apr. 11, 2024), available at <https://fdic.gov/system/files/2024-06/2022-country-exposure-report-3064-0017-c-001.pdf>.

⁴ Notice at 19791.

we've previously written,⁵ to minimize burden and enhance reporting comparability it's critical that reporting is aligned across the suite of reporting forms capturing similar information. While the Call Report NDFI revisions are final, the proposed changes to the other forms remain outstanding, and inconsistent (as proposed) with the Call Report changes. We continue to urge the agencies to finalize the outstanding NDFI reporting proposals in a timely and consistent manner and to implement them across other relevant reporting forms, such as the FFIEC 009.

II. The FR 2510 should be consolidated into the FFIEC 009, to avoid duplicative reporting and reduce reporting burden.

Both the FFIEC 009 and the FR 2510 require banking organizations to report cross-border data using the same dataset. Generally, the FFIEC 009 provides reporting institutions' exposures in particular countries, broken down by country and sector. It also contains local vs. non-local currency breakdowns as well as the information related to remaining maturity up to and including 1 year. The FR 2510 provides data covering detailed positions for the top 35 countries of exposure on an immediate counterparty basis, broken down by country, instrument, currency, maturity, and sector. The FFIEC 009 has a wide range of respondents providing country exposure data, while the FR 2510 essentially requires additional granular reporting from U.S. GSIBs and was intended to build on and complement the FFIEC 009 data.

Consolidating the information collected in the FR 2510 into the FFIEC 009 would provide a meaningful opportunity to minimize the burden on banking organizations that are subject to both reports. Such an approach would maintain the existing information the agencies receive from these reports (subject to the recommendations contained in Section III below) while allowing banks to cease maintaining two different processes and control frameworks for the reported data. The removal of the reporting and control process for the FR 2510 would be a significant burden reduction for banking organizations subject to FR 2510 reporting. The additional information currently provided by the FR 2510 could be added into the existing FFIEC 009 as an additional memo section that would be filled out only by the U.S. GSIBs and would not be required to be reported by other respondents, thereby not increasing the burden on these banks. This approach would continue to allow the agencies to use the more granular reporting (currently provided in the FR 2510) for supervisory monitoring and analysis of common or correlated exposures and funding dependencies across G-SIBs.

We would welcome the opportunity to engage in discussions with the Federal Reserve and other agencies to provide further thoughts on how best to combine the reporting forms in a way that achieves the goals of the agencies and respondent banks in obtaining the requested information with minimal added burden.

⁵ Bank Policy Institute & Institute of International Bankers, Comment Letter on FR Y-9C NDFI Revisions (Nov. 27, 2024), available at <https://bpi.com/wp-content/uploads/2024/11/BPI-IIB-FR-Y-9-OMB-No.-7100-0128-Comment-Letter-11.27.24.pdf>; Bank Policy Institute Comment Letter on Reporting Requirement Changes for Holding Companies and Edge and Agreement Corporations (Aug. 6, 2024), available at <https://bpi.com/wp-content/uploads/2024/08/BPI-Comments-on-Reporting-Requirement-Changes-for-Holding-Companies-and-Edge-and-Agreement-Corporations.pdf>; Bank Policy Institute, Comment Letter on Proposed Revisions to Call Report and FFIEC 002 Regarding NDFI Reporting (Feb. 26, 2024), available at <https://bpi.com/wp-content/uploads/2024/02/BPI-Comment-Letter-Call-Report-and-FFIEC-002-Revisions.pdf>.

III. The number of reportable countries in the FFIEC 009 should be limited to a respondent's top 35 foreign exposures and include a \$2B materiality threshold, similar to the existing FR 2510.

The FFIEC 009 is generally required to be filed by U.S. banking organizations (including intermediate holding companies) with at least \$30M in outstanding claims on residents of foreign countries that meet certain additional criteria outlined in the form and instructions. Schedule C Part I and Part II of the FFIEC 009, require detailed reporting of claims on an immediate counterparty basis and a guarantor basis broken out by region and country. These required breakouts include approximately: 1) 63 subdivisions in Europe, 2) 22 subdivisions in Latin America, 3) 27 subdivisions in the Caribbean, 4) 41 subdivisions in Asia, 5) 60 subdivisions in Africa, and 6) 23 "Other countries".

We are supportive of the agencies' intent to "monitor country exposure of banks to determine the degree of country risk and transfer risk in their portfolios and the possible impact on U.S. banks of adverse developments in particular countries";⁶ however, we believe this goal could be achieved in a way that also minimizes respondent burden in providing relevant, and material, country exposure information. Instead of requiring banking organizations to report their exposures to the approximately 236 entities listed in Schedule C of the FFIEC 009, the required disclosures should be limited to an organization's top 35 country exposures and should further include a \$2B materiality threshold, with exposures that do not meet these qualifications being reported in one or more "Other" categories. We further recommend that these exposure rankings and thresholds be applied on a "spot" basis, on the relevant FFIEC 009 reporting as of date. Using spot reporting, as opposed to a 4-quarter average such as contained in the FR 2510 reporting, would provide a more accurate and current view of the most material exposures for each reporting bank.⁷

Limiting the number of reportable countries would be a significant reporting burden reduction for respondents, as they would no longer have to populate the information for countries for which they have immaterial exposure. The exposures that would not require disaggregation under this approach would continue to be tracked and managed by firms, in accordance with their internal policies and procedures. However, the resources required to report this information, including governance and control processes, would be streamlined as the information is no longer required to be contained in a formal regulatory report. At the same time, the agencies would continue to receive the granular breakouts for those countries with the most exposure from each reporting firm.

The inclusion of an individual materiality threshold for an exposure to be reported in the FFIEC 009 Schedule C would also reduce the burden for reporting institutions without diminishing the quality of the information provided to the agencies. A materiality threshold would ensure that banking organizations' reported exposures will not include de minimis exposures to a country that may fall within its top 35 list, despite only having immaterial exposure to such country. As exposures above the

⁶ Board of Governors of the Federal Reserve System, Supporting Statement for the Country Exposure Report (FFIEC 009; OMB No. 7100-0035) and Country Exposure Information Report (FFIEC 009a; OMB No. 7100-0035) (Feb. 13, 2013), https://www.federalreserve.gov/reportforms/formsreview/FFIEC009_FFIEC009a_20130213_omb.pdf.

⁷ We would welcome the opportunity to engage with the Federal Reserve and other agencies to discuss these and other reporting form nuances that may result from applying the suggested thresholds to FFIEC 009 reporting.

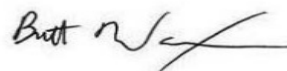
\$2B materiality threshold would continue to be reported for a banking organization's top 35 country exposures, the agencies would still receive the type of information being sought with the FFIEC 009's current form and instructions, though limited to the most material exposures.

We are recommending these thresholds of 35 country exposures and a \$2B minimum, as these are the same standards that domestic and international regulators believe are the most appropriate for purposes of the more detailed FR 2510 reporting required for GSIBs. Applying similar thresholds for purposes of FFIEC 009 reporting would result in a significant burden relief for reporting institutions while still providing the requested information on the most material exposures to bank supervisors. We further recommend that any thresholds adopted for purposes of FFIEC 009 reporting should be carried over to the FFIEC 019 country exposure report for U.S. branches and agencies of foreign banks.

As we understand that regional breakouts of country exposures also provide useful information to the agencies, banking organizations could continue to report a breakout of "Other" exposures by region. This approach would limit the burden on banks while continuing to provide regional breakouts to the agencies. To the extent the agencies are concerned about industry exposure, or an individual institution's exposure, to any additional country that is not included in an banking organization's top 35 list or under the \$2B materiality threshold, they would continue to be able to obtain additional information through the supervisory process.

BPI appreciates the opportunity to comment on the Notice. If you have any questions, please contact me by phone at 347.237.7368 or by email at Brett.Waxman@bpi.com.

Respectfully submitted,



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Bank Policy Institute