

JPMORGAN CHASE & CO., JEREMY BARNUM

Proposal and Comment Information

Title: Enhanced Transparency and Public Accountability of the Supervisory Stress Test Models and Scenarios; Modifications to the Capital Planning and Stress Capital Buffer Requirement Rule, Enhanced Prudential Standards Rule, and Regulation LL, R-1873

Comment ID: FR-2025-0063-01-C23

Submitter Information

Organization Name: JPMorgan Chase & Co.

Organization Type: Company

Name: Jeremy Barnum

Submitted Date: 02/20/2026

Please see attached

February 20, 2026

VIA ELECTRONIC SUBMISSION EMAIL

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

Re: Notice of Proposed Rulemaking regarding Enhanced Transparency and Public Accountability of the Supervisory Stress Test Models and Scenarios; Modifications to the Capital Planning and Stress Capital Buffer Requirement Rule, Enhanced Prudential Standards Rule, and Regulation LL (Docket No. R-1873; RIN 7100-AH05)

Ladies and Gentlemen:

JPMorgan Chase & Co. (“JPMorganChase” or the “Firm”) appreciates the opportunity to submit comments to the Board of Governors of the Federal Reserve System (the “Federal Reserve” or “FRB”) regarding the proposed modifications to the stress testing framework applicable to large banks (the “Proposal”).¹ The Firm’s comments on the Proposal are intended to supplement the views expressed in responses submitted by the industry trade associations² (the “Associations”).

The Firm believes that strong capital requirements are essential to the safety and soundness of the U.S. banking system, and that stress testing — when properly designed and implemented — is a fundamental tool for capital planning and risk management that strengthens individual firms, while supporting financial stability and economic growth. Enhancing the transparency and public accountability of the Federal Reserve’s stress testing framework will enable stakeholders to more accurately assess the resilience of large banks and the financial system as a whole to withstand severe but plausible shocks.

The Firm is seeking durable improvements to the stress testing framework, including refinements to models and scenarios, and greater coherence with the broader U.S. prudential capital requirements. These enhancements will strengthen the credibility of the framework, produce more intuitive outcomes, and enable banks to better support clients and communities through normal economic cycles and in stressed environments.

¹ Federal Reserve, *Notice of Proposed Rulemaking Regarding Enhanced Transparency and Public Accountability of the Supervisory Stress Test Models and Scenarios; Modifications to the Capital Planning and Stress Capital Buffer Requirement Rule, Enhanced Prudential Standards Rule, and Regulation LL*, 90 Fed. Reg. 51,856 (proposed Nov. 18, 2025).

² The Bank Policy Institute (“BPI”), the American Bankers Association (“ABA”), the Financial Services Forum (“FSF”), the Securities Industry and Financial Markets Association (“SIFMA”), the International Swaps and Derivatives Association, Inc. (“ISDA”), and the U.S. Chamber of Commerce (“USCC”).

JPMorganChase

The Firm's comments are organized into the following sections:

- I. Stress Capital Buffer ("SCB") requirement and interplay with the broader capital framework
- II. Enhanced transparency and public accountability
- III. Calibration of the supervisory models
- IV. Streamlining of regulatory reporting

I. SCB requirement and interplay with the broader capital framework

It is critical to comprehensively and appropriately consider the interplay between the stress testing framework and forthcoming changes to the broader risk-based capital framework, including a revised Basel III Endgame ("B3E") and the Global Systemically Important Bank ("GSIB") Surcharge rulemaking. As detailed in the Firm's response to the Federal Reserve's July 2023 B3E and GSIB NPRs,³ firms consider the aggregate amount of capital required with respect to business lines and products, meaning that capital required from risk-weighted assets ("RWA"), the SCB, and the GSIB Surcharge are additive. In this context, applying the SCB requirement to a capital stack that includes a new calculation for market risk RWA, as well as "new" credit valuation adjustment ("CVA") and operational risk RWA requirements, would result in meaningful over-calibration of the aggregate capital required for these risks.

- Global Market Shock ("GMS") / Fundamental Review of the Trading Book ("FRTB")
 - The proposed market risk RWA framework—FRTB—consists of two approaches: an internal models approach, which "replaces Value at Risk ("VaR") and stressed VaR with a single Expected Shortfall ("ES") metric that is calibrated to a period of significant market stress," and the new standardized approach for market risk, which "conceptually is similar to a stress test...where [standardized] risk weights have been calibrated to stressed market conditions."⁴ The GMS is also calibrated to capture market illiquidity, suggesting the two measures are capitalizing the same risks twice.
- CVA losses / CVA RWA
 - CVA RWA—which was historically only captured through the advanced approach to which the SCB does not currently apply—will now be added to the capital stack inclusive of SCB, which already capitalizes CVA losses.
- Operational risk losses / Operational risk RWA

³ Comment Letter from Jeremy Barnum, Chief Financial Officer, JPMorgan Chase & Co., "Docket ID OCC-2023-008; Docket No. R-1813, RIN 7100-AG64; RIN 3064-AF29: Regulatory Capital Rule: Amendments Applicable to Large Banking Organizations and Banking Organizations with Significant Trading Activity, and Docket No. R-1814 and RIN 7100-AG65: Regulatory Capital Rule: Risk-Based Capital Surcharges for Global Systemically Important Bank Holding Companies; Systemic Risk Report (FR Y-15)" (Jan. 16, 2024), [available here](#).

⁴ Basel Committee on Banking Supervision, *Explanatory Note on the Minimum Capital Requirements for Market Risk* (Jan. 2019), [available here](#).

- Similar to CVA RWA, operational risk losses will be capitalized through both RWA and SCB measures in the same capital stack, resulting in an over-calibrated amount of aggregate capital required for these risks.

In the process of implementing the B3E and revisions to the GSIB Surcharge, the Federal Reserve should carefully review the overall calibration of requirements, particularly those related to capital markets activities in the aggregate across RWA, SCB—including the GMS, issuer default risk, CVA risk, and operational risk components—and the GSIB Surcharge, and make appropriate adjustments to calibrate each component of the capital stack to reflect the below observations:

Recommendations on SCB's interplay with the broader capital framework

1. The GSIB Surcharge is particularly punitive for capital markets related activities, with derivatives – as an example – being captured in four of the five Method 2 GSIB Surcharge indicators: Size, Interconnectedness, Complexity, and Cross-Jurisdictional Activity.
 - a. To mitigate a portion of this over-calibration both within the GSIB Surcharge and across requirements, the Method 2 GSIB Surcharge should be revised to (i) index fixed coefficients to Nominal GDP, (ii) reduce cliff effects between buckets, (iii) move to quarterly or monthly average measurements where appropriate and feasible, and (iv) adjust the weight of the Short Term Wholesale Funding category to 20%, consistent with the stated intention of the FRB when finalizing the requirement.
 - b. In addition to the above revisions to the Method 2 GSIB Surcharge, the calibration of other components of the framework, namely FRTB, CVA RWA and CVA losses, and GMS, should be finalized to result in a sensible level of aggregate required capital for these risks to allow banks to continue providing key services, including financing, market making, and hedging.
2. Operational risk is also capitalized through the SCB, the GSIB Surcharge, and RWA requirements under B3E and should be similarly calibrated in an aggregate manner that appropriately adjusts all relevant components of the framework including operational risk RWA, operational risk losses in SCB, and the GSIB Surcharge.
3. Finally, where appropriate (e.g., securitization exposures), allow a banking organization to cap the all-in capital requirement for a single position across SCB and RWA requirements at its maximum loss.

II. Enhanced transparency and public accountability

The Firm supports the views expressed in Section II of the response submitted by the Associations. The Firm's highest priority issues, which are covered in detail in the Associations' letter, are as follows:

1. The Federal Reserve should retain the December 31 jump-off date

The Firm believes that December 31 continues to be an appropriate launch-point for the annual supervisory and company-run stress tests.

December 31 aligns with the Firm's annual capital planning and reporting cycles, year-end risk profile, and other measures in the broader capital framework (*i.e.*, GSIB Surcharge). Moving the launch-point to September 30 would introduce unnecessary operational burdens and administrative costs on firms' capital planning processes. Furthermore, it could introduce more variability and uncertainty in the stress test process, as September 30 is an interim period and there is seasonality in firms' balance sheets and reporting items, including compensation and tax accruals, which are based on estimates.

Retaining the December 31 jump-off date for the annual supervisory and company-run stress test would use the most current, reliable, and finalized data and risk profile, while maintaining consistency with firms' internal processes and other regulatory requirements.

2. The Federal Reserve should revise the proposed timeline for the stress test process

The Firm believes it is important to highlight its preferred approach to the timeline and key dates in the annual capital planning cycle. As noted above, the Firm believes that retaining the December 31 jump off point for the annual stress test is critical, but at the same time recognizes the Federal Reserve's desire to publish the proposed scenarios after the jump off date.

The Firm recommends the following key dates in the annual capital plan cycle to accommodate retaining the December 31 jump off point, which differs from the Federal Reserve's Proposal:

Recommended dates and actions in the annual capital plan cycle	
Date	Action(s)
December 31 of the preceding calendar year	<ul style="list-style-type: none">As-of date for the capital plan cycle
August 1–December 31 of the preceding calendar year	<ul style="list-style-type: none">GMS window period (applicable for GMS and Largest Counterparty Default ("LCPD") add-on components) – see below for additional detailsFRB notifies firms within 14 calendar days of selecting the GMS as-of date for the annual capital plan cycle
By January 5	<ul style="list-style-type: none">FRB publishes for notice-and-comment the proposed scenarios used for the upcoming capital plan cycle (15 calendar days for the comment period)

By February 28	<ul style="list-style-type: none"> FRB publishes the final scenarios used for the upcoming capital plan cycle
By March 31	<ul style="list-style-type: none"> FRB publishes the final models to be used in the annual stress test
April 30	<ul style="list-style-type: none"> Firms submit capital plans to the FRB
April through June	<ul style="list-style-type: none"> FRB conducts its supervisory stress test and calculates each firm's preliminary SCB requirement
By June 30	<ul style="list-style-type: none"> FRB provides firms with preliminary SCB requirement and enhanced private results disclosure and firm-specific model adjustments/overlays FRB publicly discloses summary DFAST results and qualitative updates on any model adjustments/overlays at the industry level
By August 31	<ul style="list-style-type: none"> FRB provides final SCB requirement to individual firms FRB publishes for notice-and-comment the proposed supervisory models used for the upcoming annual stress test (60 calendar days for the comment period)

The recommended alternative dates and actions in the table above are compatible with the current SCB effective date of October 1 and the January 1 effective date in the outstanding SCB averaging proposal.

3. The Federal Reserve should specify a window for the GMS as-of date that appropriately balances the dynamism of the stress test and the operational burden that firms would face

The Firm supports the views related to the GMS and LCPD add-on components detailed in the response submitted by the Associations. To the extent the Federal Reserve retains the GMS and LCPD add-on components in the stress testing framework, after evaluating the interplay and removing any duplicative risk capture with other parts of the broader capital framework, then the Firm recommends the following changes:

a. Retain the five-month window for selecting the as-of date and shift it to August 1–December 31

Retaining the five-month window and shifting it to August 1–December 31 will allow the Federal Reserve to adequately reflect firms' trading book risks while achieving the stress testing policy objectives of transparency and consistency. Under the Proposal, having a 12-month window presents operational challenges. For example, firms would incur significant costs to reconstruct detailed historical trading positions, reference data, and risk factor mappings after systems, valuation models, and infrastructure have evolved throughout the year. Having a 12-month window would also require firms to run a GMS scenario using the current systems and infrastructure, which could lead to model failures and/or data quality issues, with numbers not matching official risk exposures from the as-of date, which in turn could lead to operational issues. Retaining the five-month window reduces operational complexity for firms, provides the Federal Reserve with sufficient flexibility to select a date within a sensible window, and avoids the significant operational and administrative burdens and data quality risks associated with a 12-month look back period.

To the extent the Federal Reserve has any concerns about banks “window-dressing” the risks in the trading book, those can be addressed at the individual firm level through ongoing monitoring and supervision.

b. Apply two market shock scenarios and use the maximum loss of the results for the SCB

The Federal Reserve may want to include multiple GMS scenarios to mitigate the concerns it may have relating to banks “window dressing” risks in the trading book. This could stem from individual firms temporarily altering their risk profile in unnatural ways to drive a lower SCB requirement. The Firm recommends that two GMS scenarios be applied to a single as-of date and that the Federal Reserve uses the maximum loss from the results in the SCB requirement. Importantly, these two GMS scenarios would be subject to notice-and-comment, along with the macroeconomic scenario, and released by January 5 ahead of each annual capital planning cycle. This approach addresses the Federal Reserve’s concerns on “window-dressing” and minimizes operational burdens on firms.

c. Codify in regulatory rules that the notification of the as-of date will be 14 calendar days after the selection of the GMS as-of date

The Federal Reserve should codify the current and historical practice of notifying firms subject to the GMS and LCPD add-ons within 14 calendar days of selecting the as-of date. Establishing a clear notification requirement in the regulatory rules would enhance transparency, reduce uncertainty, and enable firms to efficiently prepare the necessary data and related documentation.

4. The substantive reforms in the proposal should be codified in regulatory text

By codifying key components in a formal rulemaking subject to the public notice-and-comment required under the Administrative Procedure Act (“APA”), the Proposal is a welcome step towards improving the transparency and public accountability of the supervisory stress testing process. However, the reforms proposed by the Federal Reserve would not go far enough towards ensuring that those enhancements to the transparency and accountability of the process remain durable over time. In particular, the Proposal continues to leave important elements of the proposed framework outside of the notice-and-comment regulatory text and uses language that allows the Federal Reserve significant discretion in the stress testing process. The Firm is concerned that failure to address these aspects of the Proposal could allow the Federal Reserve to make impactful changes to the stress testing process without adequate disclosure to and input from the public, undermining the transparency and advance notice requirements of the APA.

Given those concerns, the Firm strongly supports the views raised in the response submitted by the Associations regarding the importance of codifying substantive reforms in the final rule text, including: the timeline proposed above and in Section II; the variable guides, which the Proposal would implement by amending the Scenario Design Policy Statement rather than the rule text; and

the current practice of providing firms with notice of the GMS as-of date within two weeks of that date.⁵

5. The discretionary language in the proposal on the Federal Reserve’s commitment to disclosure and transparency should be replaced with non-discretionary requirements

The Firm also supports the Associations’ recommendations to replace discretionary language in the Proposal, such as language indicating that the Federal Reserve “will endeavor” or “expects to,” with binding requirements.^{6,7} At a minimum, the Federal Reserve should disclose stress test results and model adjustments to establish a more consistent and transparent stress testing process. The Firm believes that the Federal Reserve should privately disclose firm-specific results and model adjustments to individual firms each cycle. Providing additional transparency to firms will enable a greater understanding of how the Federal Reserve’s supervisory models, and any model adjustments, are capturing a firm’s specific risks in the supervisory stress test over the nine-quarter planning horizon.

In order to provide the general public with similar transparency, the Federal Reserve should also disclose the industry aggregate stress test results and a qualitative overview of model adjustments. This follows a similar approach that the Federal Reserve recently took in December 2025 when it disclosed the detailed nine-quarter paths and prior years where a qualitative overview on model adjustments was disclosed.

Recommendations on enhanced transparency and public accountability

1. The Federal Reserve should retain the December 31 jump-off date.
2. The Federal Reserve should revise the proposed timeline for the stress test process.
3. The Federal Reserve should specify a window for the GMS as-of date that appropriately balances the dynamism of the stress test and the operational burden that firms would face.
4. The substantive reforms in the proposal should be codified in regulatory text.
5. The discretionary language in the proposal on the Federal Reserve’s commitment to disclosure and transparency should be replaced with non-discretionary requirements.

III. Calibration of the Supervisory Models

The Firm appreciates the Federal Reserve’s enhanced transparency and disclosures related to the supervisory models. The Firm supports the extensive comments related to improvements that can be made to address shortcomings and limitations in the supervisory models, as detailed in Section IV of the response submitted by the Associations.

⁵ See Comment Letter from BPI, ABA, FSF, SIFMA, ISDA, and USCC, “Notice of Proposed Rulemaking Regarding Enhanced Transparency and Public Accountability of the Supervisory Stress Test Models and Scenarios; Modifications to the Capital Planning and stress Capital Buffer Requirement Rule, Enhanced Prudential Standards Rule, and Regulation LL (Docket No. R-1873; RIN 710-AH05)” (Feb. 20, 2026) at § II.F.

⁶ See *id.* at § II.E.

⁷ See, e.g., Proposal at 51,879, 51,883, 51,887, 51,889, 51,891.

A. Credit Risk Models

The Firm's highest priority issues related to the Credit Risk Models, which are covered in detail in the Associations' letter, are as follows:

Recommendations on the Credit Risk Models

Corporate Loan Model (section IV.A)

1. The Federal Reserve should apply the proposed credit loss model for available-for-sale ("AFS") and held-to-maturity ("HTM") securities to loans that qualify for securitization treatment under the regulatory capital framework.
2. The loss given default ("LGD") model should provide different treatment for loans collateralized by agency qualifying collateral.
3. The probability of default ("PD") model should incorporate guarantor information.

Home Lending Models (section IV.C)

1. The PD model should incorporate vintage effects when projecting defaults.
2. The PD model should consider more granular origination channels of a loan.
3. The PD and LGD models should account for the fact that not all defaulted loans will proceed to liquidation.

Credit Card Model (section IV.D)

1. The Federal Reserve should extend the definition of default for bank card accounts from 120 days or more past due to 180 days.
2. The Federal Reserve should raise the fixed 6% adjustment for interest and fees for projected Bank Card exposure at default ("EAD").
3. The Credit Card Model should account for attrition due to account closures.
4. The Federal Reserve should reconsider its approach to the exclusion of rapid charge-offs.
5. The Federal Reserve should expand the set of customer attributes and behavioral variables considered in the Credit Card PD Model.

In addition to the recommendations for the corporate loan model (*section IV.A*) included in the response submitted by Associations, the Firm also recommends the Federal Reserve consider updating the calibration of the corporate loan LGD model for certain segments.

The Firm believes that the supervisory model is not suitable to accurately segment risk across a subset of secured loans that are not securitizations under the capital framework, specifically asset-based lending ("ABL") and leveraged lending.

The Firm believes that the supervisory model likely overestimates the losses associated with ABL (e.g., lending against inventory, physical assets, proven oil reserves), which have key structural protections (e.g., borrowing base, over-collateralization, periodic collateral revaluations) similar to securitizations. For example, a study from Fitch states that the average recovery for an ABL facility

is 96%, with 92% of defaults having 100% recovery.⁸ The Firm also believes that the supervisory model likely underestimates LGD and the losses associated with leveraged lending based on recent studies of high yield loan recoveries^{9,10} and observations in lending standards since the Global Financial Crisis towards terms more favorable to borrowers, weakening the rights of lenders.

The Firm recommends the Federal Reserve refine the existing segmentation for ABL facilities and align the reporting to be consistent with the data reported in the Shared National Credit database. In addition, the Firm recommends the Federal Reserve consider applying an adjustment to the LGD model for leveraged loans based on recovery data from recent years and available industry data the Federal Reserve already uses to calibrate the corporate loan model. The Federal Reserve may need to amend the leveraged lending flag in the FR Y-14Q, schedule H.1, or add a new field to ensure firms identify the appropriate population aligned with the population of leveraged lending for which it has calculated the LGD adjustment.

B. Market Risk Models

The Firm's highest priority issues related to the Market Risk Models, which are covered in detail in the Associations' letter, are as follows:

Recommendations on the Market Risk Models

Securities Model (section IV.G)

1. To estimate credit losses, the Securities Model should use a more risk-sensitive model.
2. Interest rate hedges should be modeled using a discounted cash flow / full revaluation methodology.

LCPD Model (section IV.K)

1. The Federal Reserve should recalibrate the LCPD Model to appropriately reflect the enhanced financial stability gains following reforms after the 2007-2009 financial crisis.
2. Certain sovereigns, multilateral development banks ("MDBs"), public sector entities, and government-sponsored enterprises ("GSEs") should be excluded from the LCPD.

⁸ See Fitch Ratings, *U.S. Leveraged Finance Restructuring Series: Revolving Credit Facility Performance in Bankruptcy* (Nov. 25, 2024), available [here](#).

⁹ See S&P Global, *Recent Middle-Market Loan Recoveries Converge With Those Of Large Companies* (Sep. 17, 2025), available [here](#).

¹⁰ See S&P Global, *U.S. Leveraged Finance Q4 2025 Update: Recovery Turbulence Triggered By Changing Debt Structures And Restructuring Tactics* (Jan. 26, 2026), available [here](#).

C. Operational Risk Model

The Firm's highest priority issue related to the Operational Risk Model, which is covered in detail in the Associations' letter, is as follows:

Recommendation on the Operational Risk Model

Operational Risk Model (section IV.N):

1. The allocation of operational risk losses should not be uniform across the nine-quarter time horizon.

D. Pre-provision Net Revenue ("PPNR") Models

The Firm supports the extensive views on the PPNR Models, which are covered in detail in the Associations' letter in Sections IV.O, IV.P, IV.Q, IV.R, and IV.S. While the Firm supports the views expressed in the Associations' response on using an interim solution for projecting non-interest revenue ("NIR"), the Firm encourages the Federal Reserve to redevelop and re-propose the NIR models. The Firm has two specific recommendations for the Federal Reserve to consider:

1. The Federal Reserve should consider developing both regression-based and structural models to project non-interest revenue (excluding markets revenue)

The Federal Reserve should consider leveraging the historical data available in the FR Y-14Q to develop both regression-based and structural models tailored to the characteristics of different revenue types and incorporating relevant macroeconomic variables and seasonality factors.

The Firm recommends the Federal Reserve evaluate modeling approaches based on the underlying characteristics of specific NIR line items. Balance sheet-driven revenues, such as credit and charge cards, would benefit from using the relevant balances in the FR Y-14Q and appropriate macroeconomic variables, and should reflect post-COVID industry trends, where applicable. Transaction-driven revenues, such as investment banking and treasury services, could be modeled based on quarter-over-quarter changes in revenue and relevant macroeconomic variables. Fee-based revenues, such as investment management, could benefit from a structural approach that projects Assets Under Management ("AUM") and client assets with appropriate yield assumptions and considers possible fee waivers and other behavioral dynamics during stressful periods.

For other revenue categories with low historical volatility or significant modeling complexity, the Federal Reserve should consider structural approaches with conservative assumptions.

2. The Federal Reserve should consider developing a total net revenue model for the markets business

The Firm supports the views expressed in Section IV.R.2d of the Associations' letter and recommends the Federal Reserve consider developing a model to forecast total net revenue for the markets business.

In addition to the views highlighted by the Associations, the Firm recommends the Federal Reserve evaluate an approach to forecast total net revenue for the markets business that leverages the

historical data collected in the FR Y-14Q. This approach should combine the relevant NII¹¹ and NIR line items along with the relevant funding charges for the net assets of the markets business to project the total markets revenue, using a regression-based framework along with intuitive macroeconomic variables (e.g., market volatility, credit spreads, equity prices). The Federal Reserve can then subtract the projected funding charges, which could be calculated based on short-term interest rates, from the total markets revenue. This approach would allow the Federal Reserve to leverage existing data and could lead to a more robust projection for the markets line of business revenues.

In addition, the Federal Reserve should consider segmenting banks between the U.S. GSIBs and the remaining firms. Within the GSIBs, firm-specific macroeconomic drivers should be considered to incorporate the relevant market share dynamics across the Fixed Income and Equities lines of business.

E. GMS Model

The Firm supports the views expressed by the Associations on the GMS Model in Section IV.V. In addition to the recommendations outlined by the Associations, the Firm recommends the Federal Reserve adopt a spread shock approach for securitized products along with tenor-based interest rate shocks.

The Firm supports adopting a spread shock methodology for securitized products rather than using a Market Value (“MV”) shock approach, as it more appropriately accounts for bond duration and yields a risk-sensitive, market-consistent assessment. The key advantage of the spread-based method is the ability to account for bond duration, whereas the MV shock approach does not differentiate between bonds with short and long maturities. Additionally, given conditional prepayment rate (“CPR”) and conditional default rate (“CDR”) are critical risk drivers that may fluctuate significantly under stress, the Firm recommends explicitly including these factors in the stress shocks.

Further, if the spread-based approach for securitized products is adopted, applying tenor-based interest rate shocks is appropriate, as discounting curves by tenor are standard industry practice in valuation models. Tenor-based shocks are especially important for non-agency residential mortgage-backed securities (“MBS”), where prepayment models are sensitive to interest rate changes at different tenors, but are less critical for other products like asset-backed securities, commercial MBS, and collateralized loan obligations, which use more standardized cash flow assumptions.

Taken together, the recommended approach enhances comparability and coherence across non-agency securitized products.

IV. Streamlining of regulatory reporting

The Firm supports the views expressed in Appendix I on the FR Y-14 reports in the response submitted by the Associations. The Firm appreciates the Federal Reserve’s efforts to streamline the

¹¹ Trading Assets, Trading Liabilities, Fed Funds, Repos & Other Short-Term Borrowings and Other Interest/dividend bearing assets.

FR Y-14 reports by eliminating burdensome data requirements that are not necessary for stress testing and by simplifying or removing immaterial portfolio-level collections. However, based on the model documentation published with the Proposal, it appears that many data field requirements remain, even though only a limited number are currently used for supervisory stress testing.

The Firm encourages the Federal Reserve to further evaluate whether additional data elements can be removed or if further improvements can be made to the reports. The Associations have recommended both the inclusion of certain data to enhance supervisory stress test models and risk capture, as well as significant streamlining, by eliminating unnecessary items from the FR Y-14 data collections. This balanced approach would support the Federal Reserve's stress testing and supervisory monitoring, while also reducing administrative costs and operational burdens on firms. Details on both recommended additions and removals are provided in the Section IV (Model-Specific Comments) and Appendix I to the Associations' letter.

For data elements not used in supervisory stress testing, but still required for ongoing collection, the Firm recommends the Federal Reserve conduct a thorough review and provide transparency into the purpose and use of those data fields. Data collection should be focused on monitoring for material financial risks. When conducting this review, the Federal Reserve should consider alignment across relevant regulatory reports to ensure consistency and eliminate duplication.

Additionally, the Firm recommends the Federal Reserve reconsider the reporting frequency for certain areas, such as the FR Y-14M report, and consider limiting the historical data requirements for firms subject to reporting FR Y-14Q schedules for the first time.

* * * * *

We appreciate the opportunity to provide these comments and would be pleased to provide any further information or respond to any questions the Federal Reserve may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeremy Barnum', with a stylized flourish at the end.

Jeremy Barnum
Chief Financial Officer
JPMorgan Chase & Co.