TRIPLE OPTIC SYSTEMS, INC., CARLOS FELIPE COSME

Proposal and Comment Information

Title: Request for Comment on Model Changes for the Board’s 2027 Supervisory Stress Test, OP-1882

Comment ID: FR-2026-0037-01-C10

Subject

OP-1882 - Public Comment on Model Changes for the Board's 2027 Supervisory Stress Test

Submitter Information

Organization Name: Triple Optic Systems, Inc.

Organization Type: Organization

Name: Carlos Felipe Cosme

Submitted Date: 11/05/2026

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Dear Board of Governors of the Federal Reserve System,

Please accept the attached comment from Triple Optic Systems, Inc. on Docket No. OP-1882, Request for Comment on Model Changes for the Board's 2027 Supervisory Stress Test (FR Doc. 2026-20245).

The Board's online proposals portal returned an error when submitting this comment ("An error occured while processing your request. Please try again.") on multiple attempts on November 5, 2026, so I am submitting the comment by email as the portal fallback.

Filer: Triple Optic Systems, Inc.
Contact: Carlos Felipe Cosme
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Location: FL, USA

The attached PDF, comment-final.pdf, is the comment.

Thank you,
Carlos Felipe Cosme
Triple Optic Systems, Inc.

VIA THE BOARD'S ONLINE COMMENT PORTAL (federalreserve.gov/apps/proposals)

Board of Governors of the Federal Reserve System Benjamin W. McDonough, Secretary 20th Street and Constitution Avenue NW Washington, DC 20551

Re: Comment on Request for Comment on Model Changes for the Board's 2027 Supervisory Stress Test Docket No. OP-1882 · FR Doc. 2026-20245 (Oct. 2, 2026)

Submitted by: **Triple Optic Systems, Inc.** Commenter contact: Carlos Felipe Cosme, President, Triple Optic Systems, Inc., , FL · carlos@tripleopticsystems.com ·

I. Introduction and basis of this comment

Triple Optic Systems, Inc. is a U.S. technology company whose work concerns the integrity of evidence in autonomous and machine-driven systems: how a system proves what it did, to whom, and on what record. We are not a supervised firm, we file no FR Y-14 reports, and we hold no bank-capital model evidence. We do not comment on the level of any capital requirement, the severity of any scenario, or the calibration of any model — including the proposed noninterest income model, whose calibration is outside our competence and our record.

We comment on one thing this notice squarely presents: the *evidence architecture* of a disclosed-model regime. The Board has now built, deliberately, a transparency framework — model documentation published, material model changes exposed for public comment annually, scenario design opened to input. This comment is written in support of that framework. It addresses the three places where a disclosed-model regime generates its own evidence problems: the documentation must remain a fixed record of what was actually used; the classification boundaries a model creates become surfaces firms can optimize against; and the firm-submitted data underneath the models must carry evidentiary weight of its own. Our method, as in our other comments, was a structured stress test: one team modeled how the measured parties can optimize against a published instrument, a second defended the framework and designed what it lacks, and a reviewing seat ruled on each finding against the published record. No finding below asserts that any firm has done anything; they are mechanism findings about what a disclosure regime must engineer for.

II. Summary of recommendations

1. **Version the documentation as a public record:** each year's model documentation identified by version, with every material change linked to the comment record that preceded it and the Board's disposition. (E-1)
2. **Discipline the noninterest income model's classification surface:** category definitions anchored to audited financial-statement captions, and an officer-attested mapping table — internal income accounts to model categories — filed in FR Y-14, so reclassification is a recorded, examinable act. (E-2)

3. **Give FR Y-14 inputs evidentiary standing:** senior-officer attestation of accuracy extended expressly to the schedules the stress test consumes, and a documented data-lineage standard examinable on request. (E-3)
4. **State the retention policy:** publish which model and scenario elements the Board deliberately does not disclose, and why. (E-4)
5. **Publish gaming indicators:** aggregate, anonymized distribution-shift exhibits with the annual results, so optimization pressure on the models is itself part of the public record. (E-5)

III. The documentation should be a record, not a snapshot (material model changes)

The Board's materiality definition is precise: a change that could move any firm's projected post-stress common equity tier 1 ratio by 20 basis points or more, or the cross-firm average of absolute changes by 10 basis points or more. Changes of that size now travel through public comment — this notice is the proof. What the regime does not yet guarantee is *retrievability*: a reader in 2028, examining the 2027 results, should be able to establish exactly which version of which model produced them, what changed from the prior year, what commenters said, and what the Board decided. The Fall 2026 model documentation is a substantial artifact; it deserves the records discipline the Board applies to its rules. We recommend that each year's documentation be published under a version identifier, with a change log in which every material change is linked to its comment docket and disposition. The cost is clerical. The value is that the transparency framework becomes cumulative — a chain of attested versions — rather than a series of unconnected publications that later readers must reconcile from memory.

IV. The noninterest income model's real risk is its boundaries

The proposed revision aims to capture genuine differences in how firms generate fee income, and a model that treats unlike income alike mismeasures both. But the mechanism that creates the improvement creates the exposure: any model that stresses income categories differently makes the *boundaries* between categories economically significant. Income near a boundary can be restructured, rebundled, or relabeled — servicing against advisory, principal against agency, transaction against subscription — so that substantially the same economics are reported in the category the model treats more gently. None of that requires a misreport; it is classification, done with real paperwork. Over successive cycles the model would increasingly measure firms' classification choices rather than their income risk.

Two disciplines close most of this surface without blunting the model's purpose. First, anchor every category definition to captions the firm already reports under audit — its financial-statement line items and FR Y-9C captions — so a category is a fact about the firm's audited presentation, not a fresh judgment made for the stress test. Second, require each firm to file in FR Y-14 a *mapping table* from its internal income accounts to the model's categories, attested by a senior officer. The mapping will still involve judgment; the point is that the judgment becomes a document — comparable across firms, examinable by supervisors, and stable enough that

moving income across a boundary requires amending an attested record rather than editing a spreadsheet. We further recommend the Board track, and publish in aggregate, the year-over-year migration of reported income across the model's categories. If the boundaries are being gamed at population scale, the aggregate drift will show it; if they are not, the published series is evidence the categories are holding — either way, the regime learns something it currently cannot.

V. The models are examined; their inputs should be too

Every model in the suite consumes FR Y-14 schedules that firms compile from their own systems under the Board's instructions. Instructions are interpreted locally; the lineage from a source system to a schedule field — what was extracted, what was transformed, what was estimated — is not, in the ordinary course, an examined artifact. A favorable interpretation or a plain error at that layer propagates into every model downstream and emerges wearing the models' authority. The Board's model risk discipline is mature; its input discipline is comparatively informal, and the proposed FR Y-14 changes — which are expressly intended "to facilitate future model development and improve the risk capture of the stress test" — are the right vehicle to formalize it.

We recommend two additions to the FR Y-14 changes. First, a senior-officer attestation of accuracy, of the kind the reporting system already uses elsewhere, extended expressly to the schedules consumed by the supervisory stress test. Attestation changes the internal status of the data: a named officer's certification concentrates a firm's data-governance attention in a way instructions alone do not. Second, a documented lineage standard: for each material schedule field, the firm maintains a record of the source system of record and the transformations applied, examinable on request rather than filed wholesale. The Board need not collect lineage from every firm every year; it needs the right to ask for it and the knowledge, at each firm, that it can be produced. Inputs that can be traced can be trusted at their measured value; inputs that cannot should be discounted accordingly in how much model refinement they are asked to support.

VI. Say what is deliberately not disclosed, and watch for the optimization

Transparency of method does not require transparency of every parameter, and the Board's own finalized framework already contains the proof: applying the larger of two global market shock losses is an anti-optimization construction — a firm cannot position for a single known draw. We recommend the Board generalize the honesty of that design: state, in the model documentation, which elements it deliberately retains undisclosed — certain scenario-design parameters and sensitivity details — and the reason (that a fully published instrument invites the measured parties to optimize the measurement). A stated retention policy is more defensible, analytically and legally, than complete disclosure that quietly erodes as gaming is policed firm by firm. Paired with it, the aggregate gaming indicators recommended in Part IV — distribution shifts in reported classifications toward model-favored regions, published anonymized with the annual

results — give the public record a way to show whether optimization pressure is material, without accusing any firm of anything.

We note one interaction and make no ask of it, because it sits in a finalized rule outside this notice: two-year averaging of stress capital buffer inputs, beginning in 2028, will make requirements more predictable — a stated goal — and predictability is itself an input to firm planning. The exhibits recommended here (versioned documentation, attested mappings, drift series) are how the Board can keep the benefits of that predictability while retaining the ability to see the measurement being managed toward.

VII. Conclusion

The Board has built the disclosure regime; this comment asks it to finish the evidence layer underneath: documentation kept as an attested chain of versions, category boundaries defended by attested mappings and published drift, input data carrying an officer's signature and a traceable lineage, and a stated policy for the uncertainty the regime deliberately keeps. A stress test's authority rests on the belief that it measures risk rather than the measured parties' reading of the test. That belief is an engineering property, and it can be built.

Respectfully submitted,

Triple Optic Systems, Inc. Carlos Felipe Cosme, President Fort FL 7 carlos@tripleopticsystems.com · November 5, 2026

Appendix A — Exhibit map

Part	Recommendation	Source exhibits	Notice reference
III	Versioned model documentation; material changes linked to comment record + disposition	E-1	Material-change framework (20 bp / 10 bp thresholds)
IV	Category definitions anchored to audited captions; officer-attested mapping table in FR Y-14	E-2	Proposed noninterest income model
IV	Aggregate category-migration (drift) series published	E-2	Proposed noninterest income model
V	Officer attestation of accuracy for stress-test-consumed schedules	E-3	Proposed FR Y-14A/Q/M changes
V	Data-lineage standard, examinable on request	E-3	Proposed FR Y-14A/Q/M changes
VI	Stated retention policy for undisclosed elements	E-4	Model/scenario documentation practice
VI	Aggregate gaming-	E-5	Annual results publication

	indicator exhibits with annual results		