

**FR Y-14 A and Q Industry Outreach Call
Between Federal Reserve Staff and Representatives of Bank of America
November 4, 2011**

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Tom Jackson, Sylvia Petrova, Michelle Pagani, Colleen Sims, David Rich (Bank of America)

Summary: Federal Reserve staff participated in an outreach call with representatives of Bank of America in order to address technical and/or clarifying questions submitted by the firm related to the FR Y 14 A and Q data schedules proposed by the Federal Reserve Board and to solicit feedback on the proposal. Federal Reserve staff did not respond to substantive comments raised by the participants during the call. A summary of the issues raised by the participants is provided below.

Q: We suggest a coverage approach rather than an outright reporting of all loans. As an example, our commercial loan portfolio has over 300,000 loans if we use \$1M as a threshold. If we increase the threshold to all loans greater than \$10M, we reduce the number of loans to roughly 25,000 and still gain over 90% coverage of the portfolio.

A: Substantive comments cannot be responded to during the comment period.

STUDENT LOAN PORTFOLIO

Q: This is a run-off portfolio of which a significant portion (over \$5B) of the loans are government-backed. Due to the BAC's relative exposure position, is it possible to exclude such portfolios from the reporting requirements?

A: Substantive comments cannot be responded to during the comment period.

SOLD NOT CLOSED PORTFOLIOS

Q: MBNA Canada sale is scheduled to close in December 2011, which occurs prior to the data submission due date. For such portfolios what will not be held by BAC as of December 31, 2011, may we exclude them from our data submission?

A: Substantive comments cannot be responded to during the comment period.

STAGGERD APPROACH FOR DATA SUBMISSIONS

Q: Similar to other banks, we believe that applying staggered due dates for data requirements would be helpful from a timing perspective. Specifically, certain quarterly data from prior periods is accessible, but will be difficult to obtain under

the current schedule prescribed. If the FRB would consider acceptance of historical data over a longer time horizon it would be helpful for us as we ensure the completeness and accuracy of our submission.

A: Substantive comments cannot be responded to during the comment period.

Q&A PROCESS

What updates will be made by the FRB to this process as compared to last year? In our experience from last year, we had significant challenges with timing and deliverables due to wait periods for answers.

A: Substantive comments cannot be responded to during the comment period. Technical questions will be responded to either via email or through the public website using an FAQ document. Substantive comments cannot be responded to during the comment period.

FRY14Q - AFS/ HTM TEMPLATE

Q: Should the Purchase Data reflect the trade date or the settlement date?

A: Under the proposal, the trade date would be used.

Q: Should the Purchase Price represent a percentage of the security notional value (95% or 95.00) or actual amount paid for the security?

A: Under the proposal, this would be reported using % of security notional value.

Q: For collateral assumption, please confirm that this should be reported using a forward- looking data.

A: Under the proposal, this would be reported on a forward- looking basis.

Q: Should positive OCI be included in securities template?

A: Under the proposal, only include losses for those that were temporarily impaired.

FRY14Q - Trading/ PE/ Other FV template

Q: Should we include available for sale securities in the Other FV asset template given that they are captured in a separate template?

A: BHCs should not include available for sale securities in the other FV assets.

Q: Would trading book reporting date “as-of-date” will be provided by the Federal Reserve; for private equity and other fair value exposures should these be reported using the “as-of-date” or the end of third quarter?

A: Substantive comments cannot be responded to during the comment period.

Equity Spot-Vol Grid Tab

Q: This tab allows for the flexibility to express volatility changes as either absolute or relative % shifts in vol points. However, the minimum span for vol

shocks expected is only provided as absolute shifts. Is there a similar minimum span in relative terms should be met?

A: Substantive comments cannot be responded to during the comment period.

Q: Additionally, the minimum span for the vol shocks appears to be extremely large (-20 to +70 vol pts). The 70 vol point shock may cause our models to fail or give results which are not meaningful.

A: Substantive comments cannot be responded to during the comment period.

Rates DV01 Tab

Q: The instructions on this tab allow firms to change the tenor points in the term structure section to match those available. Is it acceptable to show forward bucket exposures versus par bucket exposures in these grids?

A: Under the proposal, this should be reported using par bucket exposure.

Q: We notice that KZT (Kazakhstan) is included in the Emerging Europe region on this tab, while it is included in the Asia Ex-Japan region in the Regional Groupings. Please confirm which region KZT should be reported.

A: Substantive comments cannot be responded to during the comment period.

FRY14Q – Mortgage / Home Equity templates

Q: What is the definition of the first reporting period covered in Table B? Is it October 2011?

A: Substantive comments cannot be responded to during the comment period.

Q: What is the definition of the most recent reporting-month covered in Table C? Is this also October 2011? What will be the definition of the most recent reporting-month? Would this be Jan 2012, and then 3 months later submission will be April 2012? – I.e. the period will always exceed quarter end by one month?

A: Substantive comments cannot be responded to during the comment period.

Q: We propose to standardize the delinquency breakout buckets for the Home Loans portfolios (Mortgage, HELOC and HELOANs). Currently the delinquency status for Mortgage and HELOC and different from HELOAN – for example, the first bucket for Mortgage is defined as current & 1-59 dpd while for HELOAN is defined as current & 1-29 dpd. Similarly, FICO bands are not consistent.

A: Substantive comments cannot be responded to during the comment period.

Q: How is Interest Only defined – a loan that was IO at time of origination or IO loan is currently in its interest only period today?

A: Under the proposal, these should be reported using time of origination.

FRY14Q – AUTO TEMPLATE

Q: Auto - Last year there were summary variables that indicated whether a loan was bank originated or financial institution originated, which is where we differentiated between Core and Bulk. How should these be distinguished this year?

A: Substantive comments cannot be responded to during the comment period.

Q: Financial services portfolio, template allows this to be reported on auto template, where should specialty loans be included?

A: Substantive comments cannot be responded to during the comment period.

FRY14Q – CORPORATE LOAN TEMPLATE

According to the instructions of “Corporate Loan Data Collection” (J-Page 2, or page 244 of the PDF file), the population of loans should be reported at the credit facility level. This implies we need to consolidate “multiple utilization” under a single credit facility.

For clarity, the population of loans should be reported at the credit facility level. For purposes of this collection, a credit facility is defined as any legally binding credit extension to a legal entity under a specific credit agreement. A credit facility may be secured or unsecured, term or revolving, committed or uncommitted. It may also allow for multiple extensions of credit (or draws) with unique borrowing terms such as interest rate or repayment date; however, ultimately the aggregation of such extensions of credit are governed under one common credit agreement. Corporate borrowers may have multiple facilities from the same bank. Each facility should be reported separately, but multiple draws within a facility should be consolidated at the facility level.

Q: We are proposing to report the following attributes for the biggest exposure in the credit facility:

- Attribute 20: Maturity Date/Repayment Date can be different across different utilization.
- Attribute 42: Interest Ceiling can be different across different utilization.
- Attribute 38: Interest rate variability “fixed” or “floating” across different utilization under single credit facility.
- Attribute 39: Interest rate
Please, confirm that this is acceptable.

A: Substantive comments cannot be responded to during the comment period. For items 20 and 39 there is additional detail in the proposed instructions.

Q: The following 2 attributes, please, provide guidance how to consolidate under a single credit facility?

- Attributes 33: # of Days Past Due. Under a single facility, one utilization is delinquent, and the other utilization is not delinquent. Do we report the entire credit facility “delinquent” or “not delinquent”?
- Attribute 34: Non-Accrual Date. Under a single facility, one utilization amount is still accruing, and the other utilization is non-accruing, do we report the entire credit facility with same “Non-Accrual Date”? This implies that we could overstate “Non-performing” volume.

A: Substantive comments cannot be responded to during the comment period.