Supporting Statement for the
Capital Assessments and Stress Testing Reports
(FR Y-14A/Q/M; OMB No. 7100-0341)

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Capital Assessments and Stress Testing Reports (FR Y-14A/Q/M; OMB No. 7100-0341). The Board has also temporarily revised the FR Y-14A/Q/M reports pursuant to its authority to temporarily approve a collection of information without providing opportunity for public comment.[1] These collections of information are currently applicable to top-tier U.S. bank holding companies (BHCs) and U.S. intermediate holding companies of foreign banking organizations (IHCs) with $100 billion or more in total consolidated assets. Covered savings and loan holding companies (SLHCs)[2] (collectively with BHCs, IHCs, and SLHCs, "holding companies") with $100 billion or more in total consolidated assets will also become respondents to the FR Y-14Q and FR Y-14M effective June 30, 2020, and will become respondents to the FR Y-14A effective December 31, 2021.[3] The FR Y-14A, FR Y-14Q, and FR Y-14M reports are used to support the Board's Comprehensive Capital Analysis and Review (CCAR) and Dodd-Frank Act Stress Test (DFAST) exercises and supervisory stress test models, and also are used in connection with the supervision and regulation of these financial institutions.

The Board proposes to revise the FR Y-14 reports to implement various changes to the reports, such as revisions to the counterparty and trading schedules that will enhance the Board's ability to identify risk as a part of CCAR and DFAST, as well as make other clarifications. The clarifications were, in part, prompted by questions the Board has received from reporting institutions. The Board also proposes to revise the FR Y-14 reports to implement various changes to its capital rule that the Board has recently proposed or adopted.[4] These changes to the capital rule are related to capital simplifications, total loss-absorbing capacity (TLAC), and the standardized approach for counterparty credit risk (SA-CCR). For the FR Y-14Q and FR Y-14M, the proposed revisions would be effective for the September 30, 2020, as-of date, and for the FR Y-14A, the December 31, 2020, as-of date.

In addition, the Board has temporarily revised the FR Y-14A report to allow eligible firms to incorporate in reports reflecting the December 31, 2019, as of date the effects of recently adopted changes to the Board's capital rule meant to simplify the capital rule (simplifications

[1] See 5 CFR part 1320, App.A(1)(a)(3)(A).

[2] Covered SLHCs are those that are not substantially engaged in insurance or commercial activities. See 12 CFR 217.2.

[3] See 84 FR 59032 (November 1, 2019).

[4] The Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) (collectively, with the Board, the "agencies") have proposed or adopted corresponding changes to their respective capital rules.

rule)[5] and tailor the Board's regulations to more closely match this risk profile of domestic and foreign banks (tailoring rules).[6]

The estimated total annual burden for the FR Y-14 reports is 803,476 hours. The proposed revisions would result in a net increase in burden of 2,772 hours, for a total of 806,248 hours. The draft reporting forms and instructions are available on the Board's public website at https://www.federalreserve.gov/apps/reportforms/review.aspx.

Background and Justification

Section 165(i)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act)[7] requires the Board to conduct an annual stress test of certain companies to evaluate whether the company has sufficient capital, on a total consolidated basis, to absorb losses as a result of adverse economic conditions (supervisory stress test).[8] Further, section 165(i)(2) of the Dodd-Frank Act requires the Board to issue regulations requiring such companies to conduct company-run stress tests.[9] On May 24, 2018, the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) amended sections 165(i)(1) and (2) of the Dodd-Frank Act, among other changes.[10] The Board's rules implementing sections 165(i)(1) and (i)(2) of the Dodd-Frank Act establish stress testing requirements for certain BHCs, state member banks, savings and loan holding companies, foreign banking organizations, and nonbank financial companies supervised by the Board.[11]

Additionally, the Board's capital plan rule requires certain firms to submit capital plans to the Board annually and requires such firms to request prior approval from the Board under certain circumstances before making a capital distribution.[12] In connection with submissions of capital plans to the Board, firms are required, pursuant to 12 CFR 225.8(e)(3), to provide information including, but not limited to, the firm's financial condition, structure, assets, risk exposure, policies and procedures, liquidity, and risk management.

---

[5] See 84 FR 35234 (July 22, 2019).

[6] See 84 FR 59230 and 84 FR 59032 (November 1, 2019).

[7] Pub. L. No. 111-203, 124 Stat. 1376 (2010).

[8] See 12 U.S.C. § 5365(i)(1).

[9] See 12 U.S.C. § 5365(i)(2).

[10] EGRRCPA requires "periodic" supervisory stress tests for bank holding companies with $100 billion or more, but less than $250 billion, in total consolidated assets and amended section 165(i)(1) to require annual supervisory stress tests for bank holding companies with $250 billion or more in total consolidated assets. EGRRCPA amended section 165(i)(2) to require bank holding companies with $250 billion or more in total consolidated assets, and financial companies with more than $250 billion in total consolidated assets, to conduct "periodic" stress tests. Finally, EGRRCPA amended both sections 165(i)(1) and (2) to no longer require the Board to include an "adverse" scenario in company-run or supervisory stress tests, reducing the number of required stress test scenarios from three to two.

[11] See 12 CFR 252, subparts B, E, F, and O.

[12] See 12 CFR 225.8.

The FR Y-14 reports complement other Board supervisory efforts aimed at enhancing the continued viability of large firms, including continuous monitoring of firms' planning and management of liquidity and funding resources, as well as regular assessments of credit, market, and operational risks, and associated risk management practices.

The FR Y-14 series of reports collects stress test and capital plan data from the largest holding companies, which are those with $100 billion or more in total consolidated assets. The data collected through the FR Y-14A/Q/M reports provide the Board with the information needed to help ensure that large holding companies have strong, firm-wide risk measurement and management processes supporting their internal assessments of capital adequacy and that their capital resources are sufficient given their business focus, activities, and resulting risk exposures. Information gathered in this data collection is also used in the supervision and regulation of these financial institutions.

Description of Information Collection

These collections of information are applicable to top-tier holding companies with total consolidated assets of $100 billion or more. This family of information collections is composed of the following three mandatory reports:

- The annual FR Y-14A, which collects quantitative projections of balance sheet, income, losses, and capital across a range of macroeconomic scenarios, and qualitative information on methodologies used to develop internal projections of capital across scenarios.[13]

- The quarterly FR Y-14Q, which collects granular data on various asset classes, including loans, securities, trading assets, and pre-provision net revenue (PPNR) for the reporting period.

- The monthly FR Y-14M, which is comprised of three retail portfolio- and loan-level schedules, and one detailed address matching schedule to supplement two of the portfolio- and loan-level schedules.

FR Y-14A (annual collection)

The annual collection of quantitative projected regulatory capital ratios across various macroeconomic scenarios is comprised of five primary schedules (Summary, Scenario, Regulatory Capital Instruments, Operational Risk, and Business Plan Changes), each with multiple supporting tables.

The FR Y-14A schedules collect current financial information and projections under the Board's supervisory scenarios. The information includes balances for balance sheet and off-

[13] In certain circumstances, a BHC or IHC may be required to re-submit its capital plan. See 12 CFR 225.8(e)(4). Firms that must re-submit their capital plan generally also must provide a revised FR Y-14A in connection with their resubmission.

balance-sheet positions, income statement and pre-provision net revenue (PPNR), and estimates of losses across various portfolios.

Firms are also required to submit qualitative information supporting their projections, including descriptions of the methodologies used to develop the internal projections of capital across scenarios and other analyses that support their comprehensive capital plans.

FR Y-14Q (quarterly collection)

The FR Y-14Q schedules (Retail, Securities, Regulatory Capital Instruments, Regulatory Capital, Operational Risk, Trading, PPNR, Wholesale Risk, Fair Value Option/Held for Sale, Supplemental, Counterparty, and Balances) collect firm-specific data on positions and exposures that are used as inputs to supervisory stress test models to monitor actual versus forecast information on a quarterly basis and to conduct ongoing supervision.

FR Y-14M (monthly collection)

The FR Y-14M report includes two portfolio- and loan-level schedules for First Lien data and Home Equity data, and an account- and portfolio-level schedule for Domestic Credit Card data. To match senior and junior lien residential mortgages on the same collateral, the Address Matching schedule gathers additional information on the residential mortgage loans reported in the First Lien and Home Equity schedules.

Respondent Panel

The respondent panel consists of the holding companies with $100 billion or more in total consolidated assets,[14] as based on: (i) the average of the firm's total consolidated assets in the four most recent quarters as reported quarterly on the firm's Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128); or (ii) the average of the firm's total consolidated assets in the most recent consecutive quarters as reported quarterly on the firm's FR Y-9Cs, if the firm has not filed an FR Y-9C for each of the most recent four quarters. Reporting is required as of the first day of the quarter immediately following the quarter in which the respondent meets this asset threshold, unless otherwise directed by the Board.

Proposed Revisions to the FR Y-14A/Q/M

The proposed revisions consist of revisions necessary to better identify risk as part of the stress test, such as revisions to the Trading and Counterparty schedules or sub-schedules, as well as capital revisions related to capital simplification, TLAC, and SA-CCR. The Board also proposes to make several clarifications to the instructions that were, in part, prompted by questions the Board has received from reporting institutions. All proposed revisions would be effective for the September 30, 2020, report date for the FR Y-14Q and FR Y-14M, and for the December 31, 2020, report date for the FR Y-14A.

[14] Covered SLHCs with $100 billion or more in consolidated assets are not required to file the FR Y-14Q and FR Y-14M until the reports with the June 30, 2020, as-of date, and are not required to file the FR Y-14A until the report with the December 31, 2021, as-of date.

Capital Simplifications

On July 22, 2019, the Board, the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) ("the agencies") published a final rule amending their regulatory capital rules[15] to make a number of burden-reducing changes.[16] In the simplifications rule, the agencies adopted a simpler methodology for firms not subject to the advanced approaches rule (non-advanced approaches banking organizations)[17] to calculate minority interest limitations and simplified the regulatory capital treatment of mortgage service assets (MSAs), temporary difference deferred tax assets (DTAs), and investments in the capital of unconsolidated financial institutions for non-advanced approaches banking organizations. The revisions implemented by the simplifications rule become effective April 1, 2020.[18]

In order to implement the effects of the simplifications rule into the FR Y-14 reports, the Board proposes to make a number of changes to the calculation of Common Equity Tier 1 (CET1) capital, Additional Tier 1 (AT1) capital, and Tier 2 (T2) capital for non-advanced approaches institutions only. Under the simplifications rule, the agencies raised the threshold for non-advanced approaches institutions for determining the amount of MSAs, temporary difference DTAs that could not be realized through net operating loss carrybacks (temporary difference DTAs),[19] and investments in the capital of unconsolidated financial institutions that must be deducted from regulatory capital. In addition, the simplifications rule streamlined the capital calculation for minority interest includable in regulatory capital for non-advanced approaches institutions and made other technical changes to the regulatory capital rule.

The current regulatory capital calculations in FR Y-14A, Schedule A.1.d (Capital), and FR Y-14Q, Schedule D (Regulatory Capital), require that an institution's capital cannot include MSAs, certain temporary difference DTAs, and significant investments in the common stock of unconsolidated financial institutions in an amount greater than 10 percent of CET1 capital, on an individual basis, and that those three data items combined cannot comprise more than 15 percent of CET1 capital. When the reporting of regulatory capital calculations by non-advanced approaches institutions in accordance with the simplifications rule takes effect, this calculation would be revised to require that MSAs or temporary difference DTAs in an amount greater than 25 percent of CET1 capital, must be deducted from a non-advanced approaches institution's

[15] See 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR part 324 (FDIC). While the agencies have codified the capital rule in different parts of title 12 of the Code of Federal Regulations, the internal structure of the sections within each agency's rule is substantially similar. All references to sections in the capital rule or the proposal are intended to refer to the corresponding sections in the capital rule of each agency.

[16] See 84 FR 35234 (July 22, 2019).

[17] Non-advanced approaches banking organizations are institutions that do not meet the criteria in 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); or 12 CFR 324.100(b) (FDIC).

[18] Eligible firms can choose to adopt the simplifications rule effective January 1, 2020.

[19] The Board notes that An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, P.L. 115-97 (originally introduced as the Tax Cuts and Jobs Act), enacted December 22, 2017, eliminated the concept of net operating loss carrybacks for U.S. federal income tax purposes, although the concept may still exist in particular jurisdictions for state or foreign income tax purposes.

capital. The 15 percent aggregate deduction threshold would be removed. In addition, the simplifications rule would streamline the current three categories of investments in financial institutions (non-significant investments in the capital of unconsolidated financial institutions, significant investments in the capital of unconsolidated financial institutions that are in the form of common stock, and significant investments in the capital of unconsolidated financial institutions that are not in the form of common stock) into a single category, investments in the capital of unconsolidated financial institutions, and requires that non-advanced approaches institutions deduct amounts of these investments that exceed 25 percent of CET1 capital. Any investments in excess of the 25 percent thresholdwould be deducted from capital using the corresponding deduction approach.

Per the final tailoring rules, Category I and II firms are subject to the advanced approaches rule, while Category III and IV firms are not subject to the advanced approaches rule.[20] Therefore, the Board proposes to specify reporting of capital simplifications to clearly delineate between the requirements for the different firm categories. In order to implement these regulatory capital changes from a regulatory reporting perspective, the Board proposes the following revisions to FR Y-14A, Schedule A.1.d and FR Y-14Q, Schedule D:

FR Y-14A, Schedule A.1.d (Capital)

The Board proposes to add new items and revise several existing items that relate to CET1 capital deductions to align with the revisions proposed to the FR Y-9C, Schedule HC-R (Regulatory Capital), Part I (Regulatory Capital Components and Ratios). These items would allow Category III and IV firms to reflect the 25 percent of CET1 capital limit for MSAs and certain temporary difference DTAs. The new items would only be required for Category III and IV firms. These new items would be:

- "Investments in the capital of unconsolidated financial institutions, net of associated [deferred tax liabilities] DTLs, that exceed 25 percent common equity tier 1 capital deduction threshold";
- "Aggregate amount of investments in the capital of unconsolidated financial institutions, net of associated DTLs";
- "25 percent common equity tier 1 deduction threshold"; and
- "Amount to be deducted from common equity tier 1 due to 25 percent deduction threshold."

The existing items that the Board proposes to revise are:

- "Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed 10 percent common equity tier 1 capital deduction threshold" (item 37);
- "MSAs, net of associated DTLs, that exceed the common equity tier 1 capital deduction threshold" (item 38);
- "DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the common equity tier 1 capital deduction threshold" (item 39);

[20] See 84 FR 59230 (November 1, 2019).

- "Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold" (item 40);
- "Common equity tier 1 deduction threshold" (item 75);
- "Amount to be deducted from common equity tier 1 due to the deduction threshold" (item 76);
- "Common equity tier 1 deduction threshold" (item 78); and
- "Amount to be deducted from common equity tier 1 due to the deduction threshold" (item 79).

Also, the Board proposes to revise the instructions for the following groups of items and to indicate that they would only be reported by Category I and II firms:

- "Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of DTLs" (items 64 through 66);
- "Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of DTLs" (items 67 through 71); and
- "Aggregate of items subject to the 15% limit (significant investments, mortgage servicing assets and deferred tax assets arising from temporary differences)" (items 80 through 83).

On the FR Y-9C, Schedule HC-R, Part I, several items were renumbered to reflect the simplifications rule. As a result, the Board also proposes to revise the corresponding FR Y-14A, Schedule A.1.d, items to reference the renumbered FR Y-9C items.

Additionally, the Board proposes to make a number of revisions to the instructions for certain FR Y-14A, Schedule A.1.d, items that would remove language regarding the inclusion of any applicable transition provisions. These revisions would be applicable to Categories I, II, III, and IV firms. Specifically, the Board proposes to revise the instructions for the following items:

- Item 18 ("AOCI opt-out election");
- Item 35 ("Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments");
- Item 37 ("Significant investments in the capital of unconsolidated financial institutions in the form of common stock, net of associated DTLs, that exceed 10 percent common equity tier 1 capital deduction threshold");
- Item 38 ("MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold");
- Item 39 ("DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold");
- Item 40 ("Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold");

- Item 48 ("Additional tier 1 capital deductions");
- Item 84 ("Amount to be deducted from common equity tier 1 due to 15 percent deduction threshold, prior to transition provision"); and
- Item 110 ("Deferred tax assets that arise from net operating loss and tax credit carryforwards, net of DTLs, but gross of related valuation allowances").

FR Y-14Q, Schedule D (Regulatory Capital)

In order to incorporate the effects of the simplifications rule on FR Y-14Q, Schedule D, the Board proposes to add four items related to non-significant investments in the capital of unconsolidated financial institutions in the form of common stock:

- "Aggregate amount of non-significant investments in the capital of unconsolidated financial institutions";
- "Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock";
- "10 percent threshold for non-significant investments"; and
- "Amount to be deducted from common equity tier 1 due to 10 percent deduction threshold."

The Board further proposes that these four new items, as well as the items formerly numbered 1 through 5 ("Significant investments in the capital of unconsolidated financial institutions in the form of common stock") and 21 through 25 ("Aggregate of items subject to the 15% limit (significant investments, mortgage servicing assets, and deferred tax assets arising from temporary differences)"), be reported only by Category I and II firms.

The Board also proposes to add three items related to investments in the capital of unconsolidated financial institutions that would only be reported by Category III and IV firms:

- "Aggregate amount of investments in the capital of unconsolidated financial institutions";
- "25 percent threshold for investments in the capital of unconsolidated financial institutions"; and
- "Amount to be deducted from common equity tier 1 due to 25 percent deduction threshold."

Finally, the Board proposes to rename two items and revise the instructions for four items to account for the different deduction threshold for Category I, II, III, and IV firms:

- The instructions would be revised for "10 percent common equity tier 1 deduction threshold" (existing items 13 and 19). These items would also be renamed to "Common equity tier 1 deduction threshold: 10 percent for Category I and II firms, 25 percent for Category III and IV firms"; and
- The instructions would be revised for "Amount to be deducted from common equity tier 1 due to 10 percent deduction threshold" (existing items 14 and 20).

<u>Total Loss-Absorbing Capacity (TLAC)</u>

On April 8, 2019, the agencies published a notice of proposed rulemaking that would address an advanced approaches banking organization's regulatory capital treatment of an

investment in unsecured debt instruments issued by foreign or U.S. global systemically important banks (GSIBs) for the purposes of meeting minimum TLAC and, where applicable, long-term debt (LTD) requirements, or liabilities issued by GSIBs that are pari passu or subordinated to such debt instruments (TLAC Holdings NPR).[21] Under the proposal, investments by an advanced approaches banking organization in such unsecured debt instruments generally would be subject to deduction from the advanced approaches banking organization's own regulatory capital. The Board also proposed to require that banking organizations subject to minimum TLAC and LTD requirements under Board regulations publicly disclose their TLAC and LTD issuances in a manner described in this proposal.

Under the TLAC Holdings NPR, the capital calculations of advanced approaches banking organizations would take into account the total amount of deductions related to investments in own CET1, AT1, and T2 capital instruments; investments in own covered debt instruments, if applicable; reciprocal cross holdings; non-significant investments in the capital and covered debt instruments of unconsolidated financial institutions that exceed certain thresholds; certain investments in excluded covered debt instruments, as applicable; and significant investments in the capital and covered debt instruments of unconsolidated financial institutions. Any deductions related to covered debt instruments and excluded covered debt instruments (together, TLAC debt holdings) would be applied at the level of T2 capital under the agencies' existing regulatory capital rule. Any required deduction would be made using the "corresponding deduction approach," by which the advanced approaches banking organization would deduct TLAC debt holdings first from T2 capital and, if it had insufficient T2 capital to make the full requisite deduction, deduct the remaining amount from AT1 capital and then, if necessary, from CET1 capital.

In order to incorporate these proposed regulatory changes, the Board proposes the following revisions to FR Y-14A, Schedule A.1.d, and FR Y-14Q, Schedule D. These revisions to the FR Y-14A and FR Y-14Q would remain pending until such time as the Board may adopt the TLAC Holdings proposal in final form, at which point, these revisions would be incorporated into the FR Y-14 reports.

FR Y-14A, Schedule A.1.d (Capital)

As a part of the TLAC Holdings NPR, the Board proposed revisions to the FR Y-9C, Schedule HC-R, Part I, that would collect information from U.S. GSIBs and from IHCs of foreign GSIBs. Specifically, the proposed items would collect information on these holding companies' LTD and TLAC amounts, LTD and TLAC ratios, and TLAC buffer. In order to align Schedule A.1.d with the FR Y-9C, the Board is proposing to add the following items to Schedule A.1.d:

- "Outstanding eligible long-term debt";
- "Total loss-absorbing capacity";
- "LTD and TLAC total risk-weighted assets ratios";
- "LTD and TLAC leverage ratios";
- "LTD and TLAC supplementary leverage ratios";

[21] See 84 FR 13814 (April 8, 2019).

- "Institution-specific TLAC buffer necessary to avoid limitations on distributions discretionary bonus payments";
- "TLAC risk-weighted buffer"; and
- "TLAC leverage buffer."

FR Y-14Q, Schedule D (Regulatory Capital)

The Board proposes that the instructions for proposed item 1 ("Aggregate amount of non-significant investments in the capital of unconsolidated financial institutions") would require Category I and II firms to include covered debt instruments.

Standardized Approach for Counterparty Credit Risk on Derivative Contracts (SA-CCR)

On January 24, 2020, the agencies published a final rule to implement the SA-CCR approach for calculating the exposure amount of derivative contracts under the capital rule.[22] The SA-CCR final rule becomes effective on April 1, 2020, with a mandatory compliance date of January 1, 2022.

The final rule replaces the current exposure methodology (CEM) with SA-CCR in the capital rule for advanced approaches banking organizations. Under the final rule, an advanced approaches banking organization will have to choose either SA-CCR or the internal models methodology to calculate the exposure amount of its noncleared and cleared derivative contracts and use SA-CCR to determine the risk-weighted asset amount of its default fund contributions. In addition, an advanced approaches banking organization will be required to use SA-CCR (instead of CEM) to calculate the exposure amount of its noncleared and cleared derivative contracts and to determine the risk-weighted asset amount of its default fund contributions under the standardized approach, as well as to determine the exposure amount of its derivative contracts for purposes of the supplementary leverage ratio. When using SA-CCR, a banking organization should use the value of the replacement cost amount for its current credit exposure.

Under the final rule, a non-advanced approaches banking organization will be able to use either CEM or SA-CCR to calculate the exposure amount of its noncleared and cleared derivative contracts and to determine the risk-weighted asset amount of its default fund contributions under the standardized approach. A Category III banking organization will also use SA-CCR for calculating its supplementary leverage ratio if it chooses to use SA-CCR to calculate its derivative and default fund exposures.

The Board proposes to revise FR Y-14A, Schedule A.1.c.1 (Risk-weighted Assets) as follows to incorporate SA-CCR:

FR Y-14A, Schedule A.1.c.1 (Risk-weighted Assets)

Generally, the reporting of derivatives elements in Schedule A.1.c.1 is driven by the treatment of cleared derivatives' variation margin (settled-to-market versus collateralized-to-

[22] See 85 FR 4362 (January 24, 2020).

market), netting provisions impacting the calculations of notional and exposure amounts, and attributions of derivatives to cleared versus non-cleared derivatives. In order to incorporate the SA-CCR final rule and to ensure alignment with the FR Y-9C, Schedule HC-R, Part II (Risk-Weighted Assets), the Board proposes to revise the instructions for Schedule A.1.c.1, Item 45 ("Current credit exposure across all derivative contracts covered by the regulatory capital rules") to refer to the corresponding FR Y-9C item (Schedule HC-R, Part II, Memoranda Item 1, ("Current credit exposure across all derivative contracts covered by the regulatory rules").

General

For clarification purposes, the Board proposes to clarify the FR Y-14A and FR Y-14Q instructions to affirm that the threshold for filing the Trading and Counterparty schedules (in the FR Y-14Q) and sub-schedules (in the FR Y-14A) are based on a four-quarter average of trading assets and liabilities (either in aggregate of $50 billion or more or in aggregate greater than or equal to 10 percent of total consolidated assets, as indicated in the instructions), calculated as of two quarters preceding the reporting quarter.

FR Y-14A, Schedule A (Summary)

Schedule A.1.d (Capital)

Firms are currently required to report the "Capital – DFAST" sub-schedule of FR Y-14A, Schedule A.1.d, using applicable capital action assumptions.[23] The tailoring rules adjusted the frequency of the requirement to conduct the company-run stress tests under the mandated scenarios provided by the Federal Reserve for firms subject to Category III standards.[24] As a result, the Board proposes to revise the instructions to require firms subject to Category III standards to only report the "Capital – DFAST" Sub-schedule of FR Y-14A, Schedule A.1.d, every other year. Annual submission of this sub-schedule would no longer be required.

The Board proposes to make minor clarifications to several ratio items on Schedule A.1.d in response to previous industry comments. The current instructions for item 104 ("Supplementary Leverage Ratio") indicate that this item is derived. However, this item is actually reported by firms. The Board proposes to make this item derived, and to indicate that this item should correspond to the definition used in FR Y-9C, Schedule HC-R, Part I, item 45 ("Advanced approaches holding companies only: Supplementary leverage ratio"). Further, several ratio fields are not derived in a consistent format on the FR Y-9C and FR Y-14. For some items, the FR Y-9C requires the ratio in 'x.xxx' format while the FR Y-14 requires the same ratio in '.0xxxx' format. To align the required format of these items, the Board proposes to revise the instructions for the following Schedule A.1.d ratio items so that they will be derived in the same format as on the FR Y-9C:

- Item 97 ("Common Equity Tier 1 Ratio");

[23] See 12 CFR 225.8 and the CCAR instructions for more information regarding the capital action assumptions used to complete the Capital – CCAR sub-schedule. See 12 CFR 252.56(b) for information regarding the capital assumptions used to complete the Capital – DFAST sub-schedule.

[24] See 84 FR 59230 and 84 FR 59032 (both November 1, 2019).

- Item 99 ("Tier 1 Capital Ratio");
- Item 101 ("Total risk-based capital ratio");
- Item 103 ("Tier 1 Leverage Ratio"); and
- Item 104 ("Supplementary Leverage Ratio").

Other Schedules

The Board proposes to eliminate FR Y-14A, Schedules A.1.c.2 (Advanced RWA) and A.7.c (PPNR Metrics), in order to reduce burden while continuing to collect all information necessary to conduct supervisory stress testing and qualitative reviews of firms' capital plans. The Board also proposes to remove any references to these schedules across the FR Y-14A/Q/M instructions. Per section 225.8 of the Board's Regulation Y, firms should not use the advanced approaches to calculate their regulatory capital ratios for purposes of stress testing and capital planning. As a result, firms are not required to report Schedule A.1.c.2, and so the Board proposes to eliminate this schedule. For Schedule A.7.c, it has been determined that point-in-time values (as opposed to projected values, which are reported in Schedule A.7.c), are more useful for stress testing purposes. Point-in-time PPNR metric values are currently reported in FR Y-14Q, Schedule G.3 (PPNR Metrics).

FR Y-14Q, Schedule F (Trading)

Formalizing supplemental collections

The Board proposes to formalize two supplemental collections by incorporating them into Schedule F. First, the Board proposes to require firms to report corporate single name exposures at the obligor level in Schedule F.22 ([Incremental Default Risk] IDR – Corporate Credit) along with corporate index exposures at the series level. Collecting this information would allow the Board to enhance its stress testing of issuer default risk. Second, the Board proposes to require firms to report a version of Schedule F that captures fair value option (FVO) loan hedges. Requiring firms to report a version of Schedule F that captures FVO loan hedges would enable to the Board to more adequately assess the risk associated with firm positions as they relate to FVO loan hedges.

Hedge reporting

Currently, some firms are reporting X-valuation adjustment (XVA) hedges (e.g. funding valuation adjustment hedges) and accrual loan hedges within the credit valuation adjustment (CVA) hedge version of Schedule F. This causes an inadvertent comingling of CVA, XVA, and accrual loan hedges, and subsequent calculation of profit and loss on these hedges. In order to isolate the impact of specific hedges, the Board proposes two changes related to hedge reporting on Schedule F. First, to remove ambiguity, the Board proposes to revise the instructions to clarify that XVA hedges should not be reported on Schedule F. Second, the Board proposes to require firms to report a version of Schedule F that captures the impact of accrual loan hedges. Separately collecting hedges for accrual loans would ensure consistent hedge treatment between firms, which would allow the Board to better assess the risks associated with accrual loans.

Municipal exposures

Currently, Schedule F.16 (Munis) has a "<B" rated category, but not does further distinguish into "<B Defaulted," "<B Not Defaulted," and "<B Default Status Unknown" categories, as the Corporate Credit Schedules (e.g., F.18 – Corporate Credit – Advanced) do. Therefore, it is not possible to evaluate <B municipal exposures that have defaulted separately from those that have not or are of unknown status. Municipal exposures that have defaulted carry different risk characteristics than those that have not defaulted. In order to be able to assess municipal exposures that have defaulted separately from those that have not defaulted, the Board proposes to replace the existing "<B" category on Schedule F.16 with the three <B categories that exist on the Corporate Credit Schedules.

FR Y-14Q, Schedule H (Wholesale Risk)

Legal entity identifier (LEI)

In order to enhance entity identification, the Board proposes to add fields to Schedules H.1 (Corporate Loan Data) and H.2 (Commercial Real Estate) that capture the LEIs assigned to reported obligors and, if applicable, entities that are identified as the primary source of repayment, when the primary source of repayment differs from the reported obligor. LEI is a publicly available, standardized, global identification system for entities that engage in financial transactions. LEI allows for precise identification of entities across markets and jurisdictions, including global entities, and provides information about an entity's ownership structure. Adding an LEI field would enhance data quality of the stress test by allowing the Board to precisely identify parties to financial transactions, including linking parent/subsidiary relationships and cross-referencing obligors across reporting firms.

Fully undrawn loans

The current Schedule H instructions require firms to report fully undrawn loans in Schedules H.1 (Corporate Loan Data) and H.2 (Commercial Real Estate). However, for certain fields, such as those related to interest rates, firms are not required to provide data for fully undrawn loans. Interest rates provide a measure of risk that is quantitative and uniformly defined across reporting entities. Collecting interest rate information for undrawn exposures would allow the Board to more accurately estimate wholesale risk and potential credit availability in a stressed environment. Given this, the Board proposes to revise the instructions to require firms to report interest rate data for fully undrawn loans as if the facility were fully drawn on the reporting date.

Fee-only facilities

Currently, interest rate related fields are reported inconsistently for fee-only facilities. There is not an interest component on certain facilities where the lender is compensated solely through fees, which differs from fully undrawn facilities where interest will be collected when the facility is drawn. Clarification would allow the Board to more accurately collect interest rate items for fee-only facilities, as well as to differentiate between fee-only and fully undrawn

facilities.

Accordingly, the Board proposes to revise the following interest rate items on Schedules H.1 and H.2 to instruct firms on how to report fully undrawn commitments and fee-only facilities:

- "Interest Rate Variability" (Schedule H.1, item 37; Schedule H.2, item 26),
- "Interest Rate" (38;27),
- "Interest Rate Index" (39;28),
- "Interest Rate Spread" (40;29),
- "Interest Rate Ceiling" (41;30),
- "Interest Rate Floor" (42;31), and
- "Frequency of Rate Reset" (N/A; 32).

Ambiguous or inconsistent instructions

For consistency with the language used in Schedule H.1, item 25 ("Utilized Exposure Global"), the Board proposes to add language to Schedule H.2, item 3 ("Outstanding Balance") to require firms to report zero for fully undrawn commitments.

Additionally, the "Property Type" (Schedule H.2, item 9) description requires reporters to use predominance to determine type when possible. However, the "Property Size" (Schedule H.2, item 39) instructions do not make clear that predominance is allowed to determine a specific property type (rather than having to report as "Other" if the loan consists of mixed property types). To eliminate this ambiguity, the Board proposes to revise the instructions for item 39 to clarify that predominance can be used to determine the units even if the loan consists of mixed property types.

Finally, the current Schedule H instructions do not require firms to report information regarding exposures to capital call subscriptions. Subscription finance typically provides general-purpose term and revolving credit facilities to private equity funds, is provided by one or more lenders, is secured by a pledge of the right to call, enforces capital calls, and receives capital contributions from a fund's limited partners. In order to monitor the risks associated with capital call subscriptions, the Board proposes to add response options to Schedule H.1, items 20 ("Credit Facility") and 22 ("Credit Facility Purpose") that would allow firms to indicate which facilities are capital call subscriptions.

FR Y-14Q, Schedule L (Counterparty)

Credit default swap (CDS) hedging

The Board has received several questions from firms regarding the definition of "CDS Hedge Notional" in Schedule L.5.1 (Derivative and securities financing transaction (SFT) information by counterparty legal entity and netting set/agreement), as the current definition is ambiguous. Accordingly, the Board is proposing to revise the instructions for this item in several ways. First, the Board proposes to clarify that the net notional amount of specific CDS hedges should be reported in this item. Second, the Board proposes to clarify that when firms are

calculating the net notional amount, purchased CDS hedge notional amounts must be reflected as negative amounts, and sold amounts must be reflected as positive amounts. Third, the Board proposes to remove the reference to "plain vanilla CDS" from the instructions, and clarify that single-name and non-tranched index credit derivatives for which one of the constituents matches directly to counterparty legal entity level should be included. The Board would further clarify that positions reported in this item must be "eligible credit derivatives," as defined in section 252.71 of the Board's Regulation YY.

Variation margins

There is currently an inconsistency between the FR Y-14Q, Schedule L instructions and SR Letter 17-7 (Regulatory Capital Treatment of Certain Centrally-cleared Derivative Contracts under the Board's Capital Rule)[25] regarding how variation margins can be treated. Per SR Letter 17-7, variation margins can be treated as part of mark-to-market (MtM) value when computing firms' gross current exposure (CE) for centrally cleared derivatives subject to the settle-to-market approach. However, this treatment is not reflected in the Schedule L instructions. To align the instructions with SR Letter 17-7, the Board proposes to revise the instructions to allow for this treatment.

Client-cleared derivatives exposures

The Board proposes to require that all client-cleared derivatives exposures be reported on the large counterparty default (LCPD) section. The Board believes these exposures present credit risk that would increase under stress, and could potentially be material for some firms. These derivatives create an exposure for a firm to its client to the extent that the firm is guaranteeing the client performance to the central counterparty (CCP) or the exchange. If a client defaults when its exposure moves significantly out of the money to the CCP (and therefore the CCP is in the money), then the clearing firm will suffer a loss as a result of the performance guarantee it has provided to the CCP. This proposed reporting change would allow the Board to evaluate the materiality of the potential LCPD loss impact associated with the client cleared derivatives exposures. The Board already collects information on client cleared SFT exposures and is proposing a similar treatment for client cleared derivatives exposures. Please note that the Board would not include these exposures as part of the stress test at this time. Rather, this information would be collected only for monitoring purposes.

Additional clarifications

The Board also proposes the following additional revisions that would address inconsistent interpretations:

- Provide illustrative examples to clarify netting agreement reporting requirements on Schedule L.5 (Derivatives and Securities Financing Transitions (SFT) Profile);
- Clarify the definition of "Excess Variation Margin (for CCPs)" to be more consistent with the CCP margining practice;

[25] https://www.federalreserve.gov/supervisionreg/srletters/sr1707a1.pdf.

- Clarify how centrally cleared exposures should be computed. This clarification would ensure consistent reporting across firms;
- Clarify that IHC affiliate counterparties should be considered counterparties and included for reporting across Schedule L;
- Provide specific clarifications on reporting requirements associated with CSA details when multiple CSAs apply to a single netting agreement;
- Clarify the definition of "New Notional During Quarter" on Schedules L.1.a-d;
- Clarify the definition of "CDS Reference Entity Type"; provide guidelines for the definitions of vanilla, structured, and exotic contracts; reporting of data fields to specify agreement population (SFT and/or derivatives); and reporting of to be announced (TBA) positions;
- Clarify that the U.S. dollar equivalent of the respective currency bucket should be used in the "Unstressed MtM Cash Collateral (Derivatives)" and "Total Unstressed MtM Collateral (Derivatives)" items; and
- Clarify rank methodology to include affiliate as an allowable entry. This change would help reinforce reporting requirements of counterparty types reported.

The Board also proposes the revise the instructions for the "External Rating" field in Schedule L.5.3 (Aggregate SFTs by Internal Rating), to require firms to report an external rating equivalent to a counterparty's internal rating, as reported in the "Internal Rating" field of Schedule L.5.3. These instructions were inadvertently revised in December of 2019.[26]

FR Y-14Q, Schedule M (Balances)

Effective June 30, 2018, "Purchased credit card relationships and nonmortgage servicing assets" was removed from FR Y-9C, Schedule M (Memoranda), and the values previously reported in this item were added to FR Y-9C, Schedule M, item 12.c, "All other identifiable intangible assets".[27] This point-in-time item is critical for stress testing modeling. Therefore, the Board proposes to add this item to Schedule M of the FR Y-14Q.

FR Y-14M

The Board proposes several revisions to the FR Y-14M that would clarify reporting. The following clarifications to Schedules A.1 (First Lien, Loan Level), B.1 (Home Equity, Loan Level), and D.2 (Credit Card, Portfolio Level) are proposed:

- Schedule A – item 23, Schedule B – item 19 ("Property Type"): Clarify how to report planned unit developments, as there is currently ambiguity. This clarification would make it clear that if the property type is known, then firms should report the underlying property type. If it is unknown, then firms should report it as a planned unit development.
- Schedule A – item 63, Schedule B – item 53 ("Foreclosure Status"): Expand the definition of these items to have an option to capture loans that have foreclosure suspended for reasons other than loss mitigation or bankruptcy proceedings. This

[26] See 84 FR 70529 (December 23, 2019).

[27] See 83 FR 36935 (July 31, 2018).

expanded definition would allow firms to report all applicable loans as foreclosure suspended, regardless of the reason.

- Schedule A – item 65, Schedule B – item 87 ("Foreclosure Suspended"): Clarify how to report this field in the month the loan liquidates. This clarification would make it clear that the foreclosure status should be post-sale foreclosure in these instances.
- Schedule B – item 61 ("Workout Type Completed"): Define the "Settlement" and "Other" values. "Settlement" and "Other" are not currently defined, and firms are not sure when they should be used. These definitions would remove that ambiguity.
- Schedule D – items 11 ("Projected Managed Losses") and 12 ("Projected Booked Losses"): Clarify how to report these fields upon the adoption of the Accounting Standards Update 2016-13 ("Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments").

Temporary Revisions to the FR Y-14A/Q/M

As a result of the simplified threshold deduction framework and new AOCI opt-out election discussed below, the simplifications and tailoring rules could have a material impact on projected capital levels for certain non-advanced approaches institutions. In order to allow non-advanced approaches institutions to be able to incorporate the effects of the simplifications and tailoring rules effective for FR Y-14A reports reflecting the December 31, 2019, as-of date, which must be submitted to the Board by April 6, 2020, the Board is unable to satisfy the normal Paperwork Reduction Act clearance process. The Board has determined that it must revise the FR Y-14A quickly and public participation in the approval process would defeat the purpose of the collection of information, as delaying the revisions would result in the collection of inaccurate information, and would interfere with the Board's ability to perform its statutory duties pursuant to section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).[28]

Capital Simplifications

In order to allow eligible firms to report projected capital levels consistent with the capital rule then in effect, the Board has temporarily revised the FR Y-14A instructions for the December 31, 2019, as-of date, to allow non-advanced approaches institutions to report certain capital items in a manner that aligns with the simplifications rule. Specifically, the Board has temporarily revised the instructions for several items on FR Y-14A, Schedule A.1.d, and Schedule A.1.c.1 (Standardized risk-weighted assets), to allow eligible firms to report data beginning with the second projected quarter that incorporates the effects of capital simplifications. The instructions for the following FR Y-14A, Schedule A.1.d, items have been temporarily revised to provide as follows:

- Item 35 ("Non-significant investments in the capital of unconsolidated financial institutions in the form of common stock that exceed the 10 percent threshold for non-significant investments");
- Item 37 ("Significant investments in the capital of unconsolidated financial institutions in

[28] 12 U.S.C. § 5365.

the form of common stock, net of associated DTLs, that exceed 10 percent common equity tier 1 capital deduction threshold");
- Item 38 ("MSAs, net of associated DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold");
- Item 39, ("DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed the 10 percent common equity tier 1 capital deduction threshold");
- Item 40, ("Amount of significant investments in the capital of unconsolidated financial institutions in the form of common stock; MSAs, net of associated DTLs; and DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs; that exceeds the 15 percent common equity tier 1 capital deduction threshold");
- Item 66 ("Amount of non-significant investments that exceed the 10 percent deduction threshold for non-significant investments");
- Item 67, ("Gross significant investments in the capital of unconsolidated financial institutions in the form of common stock");
- Item 70, ("10 percent common equity tier 1 deduction threshold");
- Item 75, ("10 percent common equity tier 1 deduction threshold");
- Item 78, ("10 percent common equity tier 1 deduction threshold"); and
- Item 84, ("Amount to be deducted from common equity tier 1 due to 15 percent deduction threshold, prior to transition provision (greater of item 83 minus item 81 or zero)").

The Board also has temporarily revised the instructions for FR Y-14A, Schedule A.1.c.1, to require non-advanced approaches institutions to incorporate the effects of capital simplifications on applicable risk-weighted asset items (items 1-41), beginning in the second projected quarter.

Tailoring

Prior to the tailoring rules, non-advanced approaches firms could elect to recognize elements of accumulated other comprehensive income (AOCI) in regulatory capital. The result of this election is reported in item 18 ("AOCI opt-out election"). Per the guidance provided in SR Letter 20-2 (Frequently Asked Questions on the Tailoring Rules), Category III and IV firms are required to make a new election to determine whether to recognize elements of AOCI in regulatory capital, beginning January 1, 2020. This election must be made during the first reporting period after the banking organization meets the definition of a Category III or IV firm. The Board proposes to revise the instructions for item 18 to adhere to the guidance provided in SR Letter 20-2.

Previously, the instructions to FR Y-14A Schedule A.1.d, item 18 did not contemplate a situation in which a holding company would make an AOCI opt-out election on a FR Y-9C report with an as-of date other than (1) March 31, 2015, or (2) for a holding company that comes into existence after that date, the first FR Y-9C report filed by the holding company. As such, eligible firms will not have the ability to reflect this new election in projected quarters for the December 31, 2019, FR Y-14A submission.

Because the ability to make an AOCI opt-out election could have a material impact on projected capital levels for certain firms, the Board has temporarily revised FR Y-14A Schedule A.1.d, item 18 to reflect that Category III and IV firms that were previously advanced approaches institutions must make a new AOCI opt-out election during the first reporting period after the firm meets the definition of a Category III Board-regulated institution or Category IV Board-regulated institution. This temporary revision will permit firms to reflect this new election in projected quarters for the December 31, 2019, FR Y-14A submission.

Time Schedule for Information Collection

The following tables outline, by schedule and reporting frequency (annually, quarterly, or monthly), the as-of dates for the data and their associated due date for the current submissions to the Board.

Schedules and Sub-schedules	Data as-of date	Submission Date to Board
FR Y-14A (Annual Filings)		
Summary, Macro Scenario, Operational Risk, and Business Plan Changes	December 31st.	April 5th of the following year.
CCAR Market Shock exercise **Summary schedule** • **Trading Risk** • **Counterparty**	A specified date in the first quarter that would be communicated by the Board.[29]	April 5th.
Regulatory Capital Instruments	December 31st.	• Original submission: Data are due April 5th of the following year. • Adjusted submission: The Board will notify companies at least 14 calendar days in advance of the date on which it expects companies to submit any adjusted capital actions. • Incremental submission: At the time the firm seeks approval for additional capital distributions (see 12 CFR 225.8(g)) or notifies the Board of its intention to make additional capital distributions under the de minimis exception (see 12 CFR 225.8(g)(2)).

[29] See 12 CFR 252.14(b)(2). In February 2017, the Board finalized modifications to the capital plan rule extending the range of dates from which the Board may select the as-of date for the global market shock to October 1 of the calendar year preceding the year of the stress test cycle to March 1 of the calendar year of the stress test cycle. 82 FR 9308 (February 3, 2017).

Schedules	Data as-of date	Submission Date to Board
FR Y-14Q (Quarterly Filings)		
Securities **PPNR** **Retail** **Wholesale Risk** **Operational** **Supplemental** **Retail FVO/HFS** **Regulatory Capital** **Regulatory Capital Instruments** **Balances**	Each calendar quarter-end.	• Data are due seven calendar days after the FR Y-9C reporting schedule (52 calendar days after the calendar quarter-end for December and 47 calendar days after the calendar quarter-end for March, June, and September).
Trading Schedule **Counterparty Schedule**	Due to the CCAR Market Shock exercise, the as-of date for the fourth quarter would be communicated in the subsequent quarter. For all other quarters, the as-of date would be the last day of the quarter, except for firms that are required to re-submit their capital plan. For these firms, the as-of date for the quarter preceding the quarter in which they are required to re-submit a capital plan would be communicated to the firms during the subsequent quarter.	• Data are due seven calendar days after the FR Y-9C reporting schedule for data as of the quarter end for March, June, and September. • **Fourth quarter – Trading and Counterparty (Regular/unstressed submission):** 52 calendar days after the notification date (notifying respondents of the as-of date) or March 15, whichever comes earlier. **Unless the Board requires the data to be provided over a different weekly period**, firms may provide these data as-of the most recent date that corresponds to their weekly internal risk reporting cycle, as long as it falls before the as-of date. • **Fourth quarter – Counterparty (CCAR/stressed submission):** April 5. In addition, for firms that are required to re-submit a capital plan, the due date for the quarter preceding the quarter in which the firms are required to re-submit a capital plan would be the later of (1) the normal due date or (2) the date that the re-submitted capital plan is due, including any extensions.

Schedules	Data as-of date	Submission Date to Board
FR Y-14M (Monthly Filings)		
All schedules	The last business day of each calendar month.	By the 30th calendar day of the following month.

Public Availability of Data

There is no data related to this information collection available to the public.

Legal Status

The obligation to file the three FR Y-14 reports is mandatory. The Board has the authority to require BHCs file the FR Y-14 reports pursuant to section 5(c) of the Bank Holding Company Act (BHC Act), 12 U.S.C. § 1844(c), and pursuant to section 165(i) of the Dodd-Frank Act, 12 U.S.C. § 5365(i), as amended by section 401(a) and (e) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA).[30] The Board has authority to require SLHCs file the FR Y-14 reports pursuant to section 10(b) of the Home Owners' Loan Act, 12 U.S.C. § 1467a(b), as amended by section 369(8) and 604(h)(2) of the Dodd-Frank Act. Lastly, the Board has authority to require IHCs file the FR Y-14 reports pursuant to section 5 of the BHC Act, 12 U.S.C § 1844, as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Act, 12 U.S.C. §§ 5311(a)(1) and 5365.[31] In addition, section 401(g) of EGRRCPA, 12 U.S.C. § 5365 note, provides that the Board has the authority to establish enhanced prudential standards for foreign banking organizations with total consolidated assets of $100 billion or more, and clarifies that nothing in section 401 "shall be construed to affect the legal effect of the final rule of the Board... entitled 'Enhanced Prudential Standard for [BHCs] and Foreign Banking Organizations' (79 Fed. Reg. 17240 (March 27, 2014)), as applied to foreign banking

[30] Pub. L. No. 115-174, Title IV § 401(a) and (e), 132 Stat. 1296, 1356-59 (2018).

[31] Section 165(b)(2) of the Dodd-Frank Act, 12 U.S.C. § 5365(b)(2), refers to "foreign-based bank holding company." Section 102(a)(1) of the Dodd-Frank Act, 12 U.S.C. § 5311(a)(1), defines "bank holding company" for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act of 1978, 12 U.S.C. § 3106(a). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act, 12 U.S.C. § 5365(b)(1)(B)(iv), certain foreign banking organizations subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because Section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FR Y-14 reports.

organizations with total consolidated assets equal to or greater than $100 million." [32] The information reported in the FR Y-14 reports is collected as part of the Board's supervisory process, and therefore, such information is afforded confidential treatment pursuant to exemption 8 of the Freedom of Information Act (FOIA), 5 U.S.C. § 552(b)(8). In addition, confidential commercial or financial information, which a submitter actually and customarily treats as private, and which has been provided pursuant to an express assurance of confidentiality by the Board, is considered exempt from disclosure under exemption 4 of the FOIA, 5 U.S.C. § 552(b)(4).[33]

Consultation outside the Agency

There has been no consultation outside the Federal Reserve System with regard to the proposed FR Y-14A/Q/M revisions.

Public Comments

[*This section to be completed with initial* Federal Register *notice info, when published*.]

Estimate of Respondent Burden

As shown in the table below, the total annual burden for the FR Y-14 is 803,476 hours and would increase to 806,248 hours with the proposed revisions. These reporting requirements represent approximately 7.5 percent of total Federal Reserve System paperwork burden.

[32] The Board's Final Rule referenced in section 401(g) of EGRRCPA specifically stated that the Board would require IHCs to file the FR Y-14 reports. See 79 Fed. Reg. 17240, 17304 (March 27, 2014).

[33] Please note that the Board publishes a summary of the results of the Board's CCAR testing pursuant to 12 CFR 225.8(f)(2)(v), and publishes a summary of the results of the Board's DFAST stress testing pursuant to 12 CFR 252.46(b) and 12 CFR 238.134, which includes aggregate data. In addition, under the Board's regulations, covered companies must also publicly disclose a summary of the results of the Board's DFAST stress testing. See 12 CFR 252.58; 12 CFR 238.146. The public disclosure requirement contained in 12 CFR 252.58 for covered BHCs and covered IHCs is separately accounted for by the Board in the Paperwork Reduction Act clearance for FR YY (OMB No. 7100-0350) and the public disclosure requirement for covered SLHCs is separately accounted for in by the Board in the Paperwork Reduction Act clearance for FR LL (OMB No. 7100-NEW).

	Estimated number of respondents[34]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current FR Y-14AQM				
FR Y-14A	36	1	1,085	39,060
FR Y-14Q	36	4	1,920	276,480
FR Y-14M	34	12	1,072	437,376
Current FR Y-14AQM Total				752,916
Current Implementation and On-going Automation				
Implementation	0	1	7,200	0
On-going revisions	36	1	480	17,280
Current Implementation and On-going Automation total				17,280
Attestation				
Implementation	0	1	4,800	0
On-going	13	1	2,560	33,280
Current Attestation total				33,280
Current Collection total				803,476
Proposed FR Y-14AQM				
FR Y-14A	36	1	926	33,336
FR Y-14Q	36	4	1,979	284,976
FR Y-14M	34	12	1,072	437,376
Proposed FR Y-14AQM Total				754,968
Proposed Implementation and On-going Automation				
Implementation	0	1	7,200	0
On-going revisions	36	1	480	17,280

[34] Of these respondents required to comply with this information collection, no respondents are considered small entities as defined by the Small Business Administration (i.e., entities with less than $600 million in total assets) www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/table-small-business-size-standards. The estimated number of respondents for the FR Y-14M is lower than for the FR Y-14Q and FR Y-14A because, in recent years, certain respondents to the FR Y-14A and FR Y-14Q have not met the materiality thresholds to report the FR Y-14M due to their lack of mortgage and credit activities. The Board expects this situation to continue for the foreseeable future

	Estimated number of respondents [34]	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Proposed Implementation and On-going Automation total				17,280
Attestation				
Implementation	0	1	4,800	0
On-going	13	1	2,560	33,280
Proposed Attestation total				33,280
Proposed Collection total				806,248
Net change				2,772

The estimated total annual cost to the public for this collection of information is currently $46,280,218 and would increase to $46,439,885 with the proposed revisions.[35]

Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System is $79,200 for one-time costs and $2,677,222 for ongoing costs.

[35] Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at $19, 45% Financial Managers at $71, 15% Lawyers at $69, and 10% Chief Executives at $96). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages May 2018, published March 29, 2019, www.bls.gov/news.release/ocwage.t01.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.