

**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), has temporarily revised the Capital Assessments and Stress Testing Reports (FR Y-14A/Q/M; OMB No. 7100-0341) pursuant to its authority to temporarily approve a collection of information without providing opportunity for public comment.<sup>1</sup> The Board is also proposing to extend the FR Y-14A/Q/M reports, with revision. 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)<sup>2</sup> (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.<sup>3</sup> 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 has temporarily revised the FR Y-14A/Q/M reports to implement changes necessary to conduct stressed analyses in connection with the resubmission of firms’ capital plans, including consideration of the global market shock (GMS) component, using data as of June 30, 2020. In addition, the Board is proposing to require firms to submit additional FR Y-14A and FR Y-14Q data in connection any future resubmissions of their capital plans.

The estimated total annual burden for the FR Y-14 reports is 835,444 hours and would increase by 16,299 hours (to 851,743 hours) as a result of the temporary revisions. The estimated total annual burden would increase by 5,286 hours (to 840,730) as a result to the proposed revisions. 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)<sup>4</sup> requires the Board to conduct an annual stress test of certain companies to

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<sup>1</sup> See 5 CFR part 1320, App.A(1)(a)(3)(A).

<sup>2</sup> Covered SLHCs are those that are not substantially engaged in insurance or commercial activities. See 12 CFR 217.2.

<sup>3</sup> See 84 FR 59032 (November 1, 2019).

<sup>4</sup> Pub. L. No. 111-203, 124 Stat. 1376 (2010).

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).<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup> 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.<sup>8</sup>

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.<sup>9</sup> 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.

The FR Y-14A/Q/M 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-14A/Q/M 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.

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<sup>5</sup> See 12 U.S.C. § 5365(i)(1).

<sup>6</sup> See 12 U.S.C. § 5365(i)(2).

<sup>7</sup> 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.

<sup>8</sup> See 12 CFR 252, subparts B, E, F, and O.

<sup>9</sup> See 12 CFR 225.8.

## 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.<sup>10</sup>
- 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-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.

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<sup>10</sup> 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.

## 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,<sup>11</sup> 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.

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

On June 25, 2020, the Board notified certain large firms that they would be required to resubmit and update their capital plans later this year and announced<sup>12</sup> that it will conduct additional analysis in connection with that resubmission as economic conditions evolve. The Board has decided to conduct this additional analysis using data as of June 30, 2020. This additional analysis will enable the Board to ensure that firms subject to the stress test are adequately capitalized and able to withstand the economic effects of COVID-19. This additional analysis will include GMS and largest counterparty default (LCPD) components.

### *Additional FR Y-14A Submission*

The Board uses data collected on the FR Y-14A/Q/M reports to conduct its CCAR and DFAST exercises. The FR Y-14Q and FR Y-14M are currently submitted for the June 30, 2020, as-of date. However, the FR Y-14A is currently only submitted for the fourth quarter of a given year. In order for the Board to conduct additional analysis using data as of June 30, 2020, the Board has required firms to submit FR Y-14A data as of June 30, 2020. Specifically, firms subject to Category I-III standards<sup>13</sup> are required to submit the entire FR Y-14A report, while

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<sup>11</sup> 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.

<sup>12</sup> See <https://www.federalreserve.gov/publications/files/2020-sensitivity-analysis-20200625.pdf>.

<sup>13</sup> Category I standards apply to firms that qualify as U.S. GSIBs. Category II standards apply to firms with \$700 billion or more in assets, or firms with \$75 billion or more in cross-jurisdictional activity and \$100 billion or more in assets, that do not qualify as U.S. GSIBs. Category III standards apply to firms with \$250 billion or more in assets,

firms subject to Category IV standards<sup>14</sup> are required to submit FR Y-14A, Schedule C (Regulatory Capital Instruments).<sup>15</sup>

### *Global Market Shock (GMS)*

The GMS is a set of hypothetical shocks to a large set of risk factors reflecting general market distress and heightened uncertainty. Firms with significant trading activity must consider the global market shock as part of their supervisory severely adverse scenario, and recognize associated losses in the first quarter of the planning period.<sup>16</sup> In addition, certain large and highly interconnected firms must apply the same GMS to project losses under the counterparty default scenario component. The global market shock is applied to asset positions held by the firms on a given as-of date. These shocks do not represent a forecast of the Federal Reserve.

The design and specification of the global market shock differ from that of the macroeconomic scenarios for several reasons. First, profits and losses from trading and counterparty credit are measured in mark-to-market terms, while revenues and losses from traditional banking are generally measured using the accrual method. Another key difference is the timing of loss recognition. The GMS affects the mark-to-market value of trading positions and counterparty credit losses in the first quarter of the projection horizon. This timing is based on an observation that market dislocations can happen rapidly and unpredictably any time under stress conditions.

Typically, the GMS is applicable only to FR Y-14 data associated with the fourth quarter submission of a given year. However, the Board has required firms subject to the GMS component to submit the stressed data portion of FR Y-14Q, Schedule L (Counterparty), as well as to incorporate the GMS component into their FR Y-14A submissions, for data as of June 30, 2020, so that the Board can conduct additional analysis (i.e., June 30, 2020, is the GMS as-of date). All firms that were subject to the GMS component for the 2020 DFAST and CCAR exercises are also subject to the GMS component for the additional analysis in connection with the resubmission of firms' capital plans.

### *Largest Counterparty Default (LCPD)*

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or firms with \$100 billion or more in assets and at least \$75 billion in (1) nonbank assets, (2) weighted short-term wholesale funding, or (3) off-balance sheet exposure, that are not subject to Category I or II standards.

<sup>14</sup> Category IV standards apply to firms with \$100 billion or more in total consolidated assets that do not meet the criteria for Categories I, II or III.

<sup>15</sup> The FR Y-14A submission as of June 30, 2020, would include certain revisions to the FR Y-14A, Schedules A.1.c.1 (Standardized RWA) and A.1.d (Capital) that allow eligible firms to incorporate the effects of the tailoring rule, the capital simplifications rule, and the standardized approach for counterparty credit risk (SA-CCR). See 84 FR 59230 (November 1, 2019) (tailoring rule); 84 FR 35234 (July 22, 2019) (capital simplifications rule); 85 FR 4362 (January 24, 2020) (SA-CCR). These revisions also include the removal of FR Y-14A, Schedules A.1.c.2 (Advanced RWA) and A.7.c (PPNR Metrics), and were recently adopted by the Board.

<sup>16</sup> Bank of America Corporation, Barclays US LLC, Citigroup Inc., Credit Suisse Holding (USA), DB USA Corporation, The Goldman Sachs Group, Inc., HSBC North America Holdings Inc., JPMorgan Chase & Co., Morgan Stanley, UBS Americas Holdings LLC, and Wells Fargo & Company.

The Board has required certain firms<sup>17</sup> to incorporate a LCPD component in the severely adverse scenario used for the additional analysis that are conducted using data as of June 30, 2020. The LCPD component is intended to assess the potential losses and capital impact associated with the default of each applicable firm's largest counterparty. The Board will include a substantially similar largest counterparty default scenario component in its additional analysis for each firm in the severely adverse scenario.

The counterparty default scenario component will allow the Board and each firm to evaluate whether the firm has sufficient capital to withstand the default of its largest counterparty. The counterparty default scenario component will account for the possibility that a firm experiences counterparty losses from certain activities that are not captured in supervisory macroeconomic scenarios. Generally, firms are subject to the counterparty default scenario component in addition to the GMS.

The counterparty default scenario component must be treated as an add-on to the macroeconomic environment specified in the severely adverse scenario. Any potential losses from the counterparty default scenario component must be assumed to occur instantaneously and must be included in projected losses for the first quarter of the planning horizon. The largest total net stressed loss amount associated with a single counterparty default must be reported as the loss associated with the counterparty default scenario component.

The counterparty default scenario component for the additional analysis using data as of June 30, 2020, is generally similar to the component provided for the stress test cycle that began on January 1, 2020. It requires each firm to assume an instantaneous and unexpected default of its largest counterparty, where the largest counterparty is identified based on net stressed losses. In selecting its largest counterparty, each firm is required to not consider certain sovereign entities (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States) or qualifying central counterparties (QCCP).<sup>18</sup> For an IHC, affiliates, as defined by 12 CFR 252.71(b), are also excluded from the selection of a firm's largest counterparty. Furthermore, each firm is required to aggregate net stressed losses across securities lending and repurchase agreement (collectively, "Securities Financing Transactions," or "SFT"<sup>19</sup>) activities and derivatives for each counterparty.<sup>20</sup>

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<sup>17</sup> Bank of America Corporation, The Bank of New York Mellon, Barclays US LLC, Citigroup Inc., Credit Suisse Holding (USA), DB USA Corporation, The Goldman Sachs Group, Inc., HSBC North America Holdings Inc., JPMorgan Chase & Co., Morgan Stanley, State Street Corporation, UBS Americas Holdings LLC, and Wells Fargo & Company.

<sup>18</sup> Any state-owned enterprise backed by the full faith and credit of an excluded sovereign entity should also be excluded. See definition of QCCP at 12 CFR 217.2.

<sup>19</sup> SFT activities subject to the counterparty default scenario component include repurchase agreements, reverse repurchase agreements, securities lending, and securities borrowing.

<sup>20</sup> All exposures within a consolidated organization, including to any subsidiaries and related companies, will be treated as exposures to a single counterparty. However, losses should first be computed at the subsidiary or related company level, accounting for legal netting agreements at that level, and then aggregated to the

In selecting the largest counterparty, each firm is required to aggregate net stressed losses across SFT activities and derivatives for each counterparty, taking into account close-out netting agreements in place for the derivatives and SFT activities with each legal entity of that counterparty. For SFT and derivatives transactions where a netting agreement is legally enforceable in the jurisdiction where the counterparty legal entity is located, a firm is authorized to assume close-out netting such that estimated losses reflects the difference between the stressed value of securities or cash transferred to the counterparty legal entity and the stressed value of securities or cash received from the same counterparty legal entity, within each master netting agreement. For SFT activities, each firm is required to include potential losses associated with acting as a principal as well as potential losses that could result from transactions where each firm is acting as an agent but provides borrower-default indemnification in the event of a counterparty default.

In estimating net stressed losses of a counterparty, each firm is required to revalue its exposures and collateral (securities or cash) using the hypothetical GMS scenario. Certain large and highly interconnected firms not subject to the GMS component must also apply the same global market shock to project losses under the counterparty default scenario component. Each firm must apply the global market shock to stress the current exposure, collateral, and value of derivatives-related transactions. Each firm must assume a recovery rate that the firm views as appropriate, based on its own internal analysis, for purposes of the counterparty default scenario component in the severely adverse scenario used in its additional analysis. A firm should not assume any additional recovery in subsequent quarters of the planning horizon. Reinvestment of collateral should be included to the extent that the reinvested collateral is part of another SFT agreement.

The total net stressed losses should be calculated as follows: First, firms should compute the total stressed net current exposure ("Total Stressed Net CE"), as defined in the instructions for FR Y-14Q, Schedule L (Counterparty). "Total Stressed Net CE" represents the stressed current exposures to a counterparty after applying the GMS to any derivatives and SFT assets (securities/collateral) exchanged under repo-style transactions, as defined in section 2 of 12 CFR part 217, associated with the counterparty after taking all applicable netting agreements into account. Next, firms should subtract the notional amount of any single-name Credit Default Swap ("CDS") hedges.<sup>21</sup> Exclude from the trading book stress results the mark-to-market gain related to these single-name CDS hedges. Then, firms should multiply the result by one minus the recovery rate. Finally, firms should subtract the stressed Credit Value Adjustment ("CVA") attributed to the counterparty.<sup>22</sup>

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consolidated organization.

<sup>21</sup> When reporting gains associated with CVA hedges on Trading Schedule A.4 of the FR Y-14A for all counterparties, firms are instructed to exclude gains from name-specific credit default swaps associated with the counterparty default scenario component.

<sup>22</sup> This is to reflect the fact that stressed CVA loss and baseline CVA are already incorporated in the FR Y-14A Summary Schedule and the firm's balance sheet, respectively.

The LCPD component is generally only applicable to FR Y-14 data associated with the fourth quarter submission of a given year. However, in order to be able to conduct additional analysis, the Board has required firms subject to the LCPD component to incorporate the LCPD component into their FR Y-14A submissions for data as of June 30, 2020 (i.e., June 30, 2020, is the LCPD as-of date). To maintain continuity, all firms that were subject to the LCPD component for the 2020 DFAST and CCAR exercises are also subject to the LCPD component for the additional analysis in connection with the resubmission of firms' capital plans.

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

In the event the Board needs to conduct additional analysis in connection with the resubmission of a firm's capital plan in the future, the Board would need certain data. Therefore, the Board proposes to revise the FR Y-14A instructions to indicate that the Board may require submission of the full or partial FR Y-14A report, including stressed data associated with LCPD, in connection with the resubmission of a firm's capital plan. The Board also proposes to revise the FR Y-14Q instructions to indicate the Board may require submission of stressed FR Y-14Q, Schedule L (Counterparty) data in connection with the resubmission of a firm's capital plan.

### **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
<b>FR Y-14A (Annual Filings)</b>		
<b>Summary, Macro Scenario, Operational Risk, and Business Plan Changes</b>	December 31 <sup>st</sup> of a given year, and June 30, 2020.	April 5th of the following year for data as of December 31 <sup>st</sup> of a given year, 45 calendar days following the publication of the scenarios for data as of June 30, 2020, or, if required, upon resubmission of a firm's capital plan.
<b><u>CCAR Market Shock exercise</u></b> <b>Summary schedule</b> <ul style="list-style-type: none"> <li>• <b>Trading Risk</b></li> <li>• <b>Counterparty</b></li> </ul>	A specified date in the first quarter of a given year that would be communicated by the Board, <sup>23</sup> and June 30, 2020.	April 5th of the following year for data as of December 31 <sup>st</sup> of a given year, 45 calendar days following the publication of the scenarios for data as of June 30, 2020, or, if required, upon resubmission of a firm's capital plan.
<b>Regulatory Capital Instruments</b>	December 31 <sup>st</sup> of a given year, and June 30, 2020.	For data as of December 31 <sup>st</sup> of a given year: <ul style="list-style-type: none"> <li>• Original submission: Data are due April 5th of the following year.</li> <li>• 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.</li> <li>• Incremental submission: Within 15 days after making any capital distribution in excess of those included in a firm's capital plan (see 12 CFR 225.8(k)).</li> </ul> For data as of June 30, 2020:

<sup>23</sup> 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).

		<ul style="list-style-type: none"><li>• 45 calendar days following the publication of the scenarios</li></ul> <p>Upon resubmission of a firm's capital plan:</p> <ul style="list-style-type: none"><li>• As required</li></ul>
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Schedules	Firm Category	Frequency	Data as-of date	Submission Date to Board
<b>FR Y-14Q Filings</b>				
<b>Wholesale Risk</b>	Category I-III	Monthly	Last day of each calendar month	For non-quarter end month-ends (e.g., July): By the 30th calendar day after the last day of the preceding calendar month  For quarter-end month-ends (e.g., September): Seven days after the FR Y-9C reporting schedule: Reported data (47 days after the calendar quarter-end for March, June, and September and 52 days after the calendar quarter-end for December).
	Category IV	Quarterly	Quarter-end	Seven days after the FR Y-9C reporting schedule: Reported data (47 calendar days after the calendar quarter-end for March, June, and September and 52 calendar days after the calendar quarter-end for December)
<b>Securities PPNR Retail Operational Supplemental Retail FVO/HFS Regulatory Capital Regulatory Capital Instruments Balances</b>	All firms	Quarterly	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).

<p><b>Trading Counterparty</b></p>	<p>All firms</p>	<p>Quarterly</p>	<p>Fourth Quarter: GMS as-of date for all exposures except Trading FVO Loan Hedges, which should be reported as of calendar quarter-end.</p> <p>All Other: Quarter-end</p>	<p>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. <b><u>Unless the Board requires the data to be provided over a different weekly period,</u></b> BHCs, SLHCs, and IHCs 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.</p> <p>Fourth quarter -- Counterparty stressed GMS submission: April 5<sup>th</sup></p> <p>June 30, 2020 – Counterparty stressed GMS submission: 45 calendar days following the publication of the scenarios</p> <p>All other: 47 calendar days after the calendar quarter-end (Seven days after the FR Y-9C reporting schedule).</p> <p>Upon resubmission of a firm’s capital plan – Counterparty stressed GMS submission: as required</p>
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Schedules	Data as-of date	Submission Date to Board
<b>FR Y-14M (Monthly Filings)</b>		
All schedules	The last business day of each calendar month.	By the 30th calendar day of the following month.

### Public Availability of Data

No data received through this this information collection is made available to the public.

### Legal Status

The obligation to file the three FR Y-14A/Q/M reports is mandatory. The Board has the authority to require BHCs file the FR Y-14A/Q/M 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).<sup>24</sup> The Board has authority to require SLHCs file the FR Y-14A/Q/M 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-14A/Q/M 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.<sup>25</sup> 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 organizations with total consolidated assets equal to or greater than \$100

<sup>24</sup> Pub. L. No. 115-174, Title IV § 401(a) and (e), 132 Stat. 1296, 1356-59 (2018).

<sup>25</sup> 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-14A/Q/M reports.

million.”<sup>26</sup> The information reported in the FR Y-14A/Q/M 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).<sup>27</sup>

### **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**

On September 17, 2020, the Board published an initial notice in the *Federal Register* (85 FR 58048) announcing temporary revisions to the FR Y-14A/Q/M as well requesting public comment for 60 days on the extension, with revision, of the collection. The comment period for this notice will expire on November 16, 2020.

### **Estimate of Respondent Burden**

As shown in the table below, the total annual burden for the FR Y-14 is 835,444 hours and would increase by 16,299 hours to 851,743 hours as a result of these temporary revisions. The burden would increase by 5,286 hours to 840,730 hours as a result of the proposed revisions. These reporting requirements represent approximately 7.5 percent of total Federal Reserve System paperwork burden.

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<sup>26</sup> 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-14A/Q/M reports. See 79 Fed. Reg. 17240, 17304 (March 27, 2014).

<sup>27</sup> 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).

	<i>Estimated number of respondents</i> <sup>28</sup>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b><u>Previous FR Y-14AQM</u></b>				
FR Y-14A	36	1	1,085	39,060
FR Y-14Q <sup>29</sup>	36	4	2,142	308,448
FR Y-14M	34	12	1,072	<u>437,376</u>
<i>Previous FR Y-14AQM Total</i>				784,884
 <b><u>Previous Implementation and On-going Automation</u></b>				
Implementation	0	1	7,200	0
On-going revisions	36	1	480	<u>17,280</u>
<i>Previous Implementation and On- going Automation total</i>				17,280
 <b><u>Attestation</u></b>				
Implementation	0	1	4,800	0
On-going	13	1	2,560	<u>33,280</u>
<i>Previous Attestation total</i>				33,280
 <b>Previous Collection total</b>				<u>835,444</u>
 <b><u>Temporary Revisions FR Y- 14AQM</u></b>				
FR Y-14A	36	1	926	33,336

<sup>28</sup> 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](http://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

<sup>29</sup> Note that FR Y-14Q, Schedule H (Wholesale), is submitted 12 times a year by firms subject to Category I-III standards. However, the rest of the FR Y-14Q schedules are only submitted 4 times a year.

	<i>Estimated number of respondents</i> 28	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR Y-14Q <sup>30</sup>	36	4	2,152	309,888
FR Y-14M	34	12	1,072	437,376
June 30, 2020, Submission <sup>31</sup>	36	1	572	<u>20,583</u>
<i>Temporary Revisions FR Y-14AQM Total</i>				801,183
<b><u>Temporary Revisions Implementation and On-going Automation</u></b>				
Implementation	0	1	7,200	0
On-going revisions	36	1	480	<u>17,280</u>
<i>Temporary Revisions Implementation and On-going Automation total</i>				17,280
<b><u>Attestation</u></b>				
Implementation	0	1	4,800	0
On-going	13	1	2,560	<u>33,280</u>
<i>Temporary Revisions Attestation total</i>				33,280
<b>Temporary Revisions Collection total</b>				<u>851,753</u>
<b>Net Change</b>				<u>+16,299</u>
<b><u>Proposed Revisions FR Y-14AQM</u></b>				
FR Y-14A	36	1	926	33,336
FR Y-14Q <sup>32</sup>	36	4	2,152	309,888

<sup>30</sup> Note that for firms subject to Category I-III standards, FR Y-14Q, Schedule H (Wholesale), is submitted 12 times a year and the stressed counterparty data on FR Y-14Q, Schedule L (Counterparty) is submitted twice a year. However, the rest of the FR Y-14Q schedules are only submitted 4 times a year.

<sup>31</sup> This burden estimate assumes firms subject to Category I-III standards would submit the entire FR Y-14A report, firms subject to Category IV standards would submit FR Y-14A, Schedule C (Regulatory Capital Instruments), and firms subject to GMS would submit stressed data on FR Y-14Q, Schedule L (Counterparty).

<sup>32</sup> Note that for firms subject to Category I-III standards, FR Y-14Q, Schedule H (Wholesale), is submitted 12 times a year and the stressed counterparty data on FR Y-14Q, Schedule L (Counterparty) is submitted twice a year.

	<i>Estimated number of respondents</i> 28	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR Y-14M	34	12	1,072	437,376
Capital Plan Resubmission <sup>33</sup>	10	1	957	<u>9,570</u>
<i>Proposed Revisions FR Y- 14AQM Total</i>				790,170
<b><u>Proposed Revisions Implementation and On-going Automation</u></b>				
Implementation	0	1	7,200	0
On-going revisions	36	1	480	<u>17,280</u>
<i>Proposed Revisions Implementation and On-going Automation total</i>				17,280
<b><u>Attestation</u></b>				
Implementation	0	1	4,800	0
On-going	13	1	2,560	<u>33,280</u>
<i>Proposed Revisions Attestation total</i>				33,280
<b>Proposed Revisions Collection total</b>				<u>840,730</u>
<b>Net Change</b>				<u>+5,286</u>

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.<sup>34</sup>

### Sensitive Questions

However, the rest of the FR Y-14Q schedules are only submitted 4 times a year.

<sup>33</sup> This burden estimate assumes a firm would be required to submit the entire FR Y-14A report and stressed data on FR Y-14Q, Schedule L (Counterparty) in connection with the resubmission of its capital plan.

<sup>34</sup> 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](http://www.bls.gov/news.release/ocwage.t01.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).

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.