



## FEDERAL RESERVE SYSTEM

### Proposed Agency Information Collection Activities; Comment Request

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), to approve of and assign OMB numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB number.

**DATES:** Comments must be submitted on or before **[INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** You may submit comments, identified by *FR Y-16*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18<sup>th</sup> and 19<sup>th</sup> Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235 725 17<sup>th</sup> Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at: <http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

## **SUPPLEMENTARY INFORMATION:**

### **Request for comment on information collection proposal**

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

### **Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following report:**

*Report title:* Annual Company-Run Stress Test Report for \$10-50 Billion Companies.

*Agency form number:* FR Y-16.

*OMB control number:* 7100-0356.

*Frequency:* Annual.

*Reporters:* Bank holding companies (BHCs) and savings and loan holding companies (SLHCs) with average total consolidated assets of greater than \$10 billion but less than \$50 billion, and any affiliated or unaffiliated state member bank (SMB) with average total consolidated assets of

more than \$10 billion but less than \$50 billion excluding SMB subsidiaries of covered companies.

*Estimated annual reporting hours:* BHCs: 24,388 hours; SLHCs: 3,283 hours; SMBs: 4,690 hours; One-time implementation: 7,200 hours.

*Estimated average hours per response:* BHCs: 469 hours; SLHCs: 469 hours; SMBs: 469 hours; One-time implementation: 3,600 hours.

*Number of respondents:* BHCs: 52; SLHCs: 7; SMBs: 10; One-time implementation: 2.

*General description of report:* This information collection is authorized pursuant section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which specifically authorizes the Board to issue regulations implementing the annual stress testing requirements for its supervised institutions (12 U.S.C. 5365(i)(2)(C)). More generally, with respect to BHCs, section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)), authorizes the Board to require a BHC and any subsidiary “to keep the Board informed as to – (i) its financial condition, [and] systems for monitoring and controlling financial and operating risks ... .” Section 9(6) of the Federal Reserve Act (12 U.S.C. 324), requires SMBs to make reports of condition to their supervising Reserve Bank in such form and containing such information as the Board may require. Finally, with respect to SLHCs, under section 312 of the Dodd-Frank Act (12 U.S.C. 5412), the Board succeeded to all powers and authorities of the Office of Thrift Supervision, U.S. Department of the Treasury, and its Director, including the authority to require SLHCs to “file ... such reports as may be required ... in such form and for such periods as the [agency] may prescribe” (12 U.S.C. 1467a(b)(2)).

The obligation to respond is mandatory. Section 165(i)(2)(A) provides that “financial companies that have total consolidated assets [meeting the asset thresholds] ... and are regulated by a primary Federal financial regulatory agency shall conduct annual stress tests.” Section 165(i)(2)(B) provides that a company required to conduct annual stress tests “shall submit a report to the Board and to its primary financial regulatory agency at such time, in such form, and containing such information as the primary financial regulatory agency shall require” (12 U.S.C. 5365(i)(2)(B)).

As noted under section 165(i)(2)(C)(iv), companies conducting annual stress tests under these provisions are “require[d] ... to publish a summary of the results of the required stress tests.” (12 U.S.C. 5365(i)(2)(C)(iv)). Regarding the information collected by the Board, however, as such information will be collected as part of the Board’s supervisory process, it may be accorded confidential treatment under Exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(8)). This information also is the type of confidential commercial and financial information that may be withheld under Exemption 4 of FOIA (5 U.S.C. 552(b)(4)).

*Abstract:* The annual FR Y-16 report collects quantitative projections of revenues, losses, assets, liabilities, and capital across three scenarios provided by the Board (baseline, adverse, and severely adverse) and qualitative supporting information on the methodologies and processes used to develop these internal projections. The FR Y-16 collects data through two primary schedules: (1) the Results Schedule (which includes the quantitative results of the stress tests

under the baseline, adverse, and severely adverse scenarios for each quarter of the planning horizon) and (2) the Scenario Variables Schedule. In addition, respondents are required to submit a summary of the qualitative information supporting its quantitative projections. The qualitative supporting information must include:

- a description of the types of risks included in the stress test;
- a summary description of the methodologies used in the stress test;
- an explanation of the most significant causes for the changes in regulatory capital ratios, and
- the use of the stress test results.

*Current Actions:* Board staff proposes the following revisions and clarifications to the FR Y-16 report, effective for the 2016 stress test cycle: (1) change the report as-of date from September 30 to December 31, (2) change the reporting submission or due date from March to July, and (3) modify the reporting instructions to clarify a number of items.

Board of Governors of the Federal Reserve System, July 1, 2015.

Robert deV. Frierson,  
Secretary of the Board.  
Billing Code 6210-01-P

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