



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Temporary approval of information collection, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) has temporarily revised the Financial Statements for Holding Companies (FR Y-9; OMB No. 7100-0128) pursuant to the authority delegated to the Board by the Office of Management and Budget (OMB), (OMB Regulations on Controlling Paperwork Burdens on the Public). The revisions are applicable only to reports reflecting the March 31, 2020, as of date. Additionally, the Board invites comment on a proposal to extend for three years, with revision, the FR Y-9.

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-9, by any of the following methods:

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

All public comments are available from the Board's website at

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for

technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

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

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, if approved. These documents will also be made available on the Board's public website at <https://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.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the

Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies. Pursuant to its delegated authority, the Board may temporarily approve a revision to a collection of information, without providing opportunity for public comment, if the Board determines that a change in an existing collection must be instituted quickly and that public participation in the approval process would defeat the purpose of the collection or substantially interfere with the Board's ability to perform its statutory obligation.

As discussed below, the Board has made certain temporary revisions to the FR Y-9 information collection. The Board's delegated authority requires that the Board, after temporarily approving a collection, publish a notice soliciting public comment. Therefore, the Board also inviting comment on a proposal to extend the FR Y-9 information collection for three years, with these revisions.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board'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 startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Approval under OMB Delegated Authority of the Temporary Revision of the Following Information Collection:

Report title: Financial Statements for Holding Companies

Agency form number: FR Y-9C; FR Y-9LP; FR Y-9SP; FR Y-9ES; FR Y-9CS

OMB control number: 7100-0128.

Frequency: Quarterly, semiannually, and annually.

Respondents: Bank holding companies (BHCs), savings and loan holding companies (SLHCs), securities holding companies (SHCs), and U.S. intermediate holding companies (IHCs) (collectively, holding companies (HCs)).¹

Estimated number of respondents:

FR Y-9C (non-advanced approaches (AA) HCs community bank leverage ratio (CBLR)) with less than \$5 billion in total assets – 71,

FR Y-9C (non AA HCs CBLR) with \$5 billion or more in total assets – 35,

FR Y-9C (non AA HCs non-CBLR) with less than \$5 billion in total assets – 84,

FR Y-9C (non AA HCs non-CBLR) with \$5 billion or more in total assets – 154,

FR Y-9C (AA HCs) – 19,

¹ An SLHC must file one or more of the FR Y-9 family of reports unless it is: (1) a grandfathered unitary SLHC with primarily commercial assets and thrifts that make up less than five percent of its consolidated assets; or (2) a SLHC that primarily holds insurance-related assets and does not otherwise submit financial reports with the SEC pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.

FR Y-9LP – 434,

FR Y-9SP – 3,960,

FR Y-9ES – 83,

FR Y-9CS – 236.

Estimated average hours per response:

Reporting

FR Y-9C (non AA HCs CBLR) with less than \$5 billion in total assets – 29.14,

FR Y-9C (non AA HCs CBLR) with \$5 billion or more in total assets – 35.11,

FR Y-9C (non AA HCs non-CBLR) with less than \$5 billion in total assets – 40.98,

FR Y-9C (non AA HCs non-CBLR) with \$5 billion or more in total assets – 46.95,

FR Y-9C (AA HCs) – 48.59,

FR Y-9LP – 5.27,

FR Y-9SP – 5.40,

FR Y-9ES – 0.50,

FR Y-9CS – 0.50.

Recordkeeping

FR Y-9C – 1,

FR Y-9LP – 1,

FR Y-9SP – 0.50,

FR Y-9ES – 0.50,

FR Y-9CS – 0.50.

Estimated annual burden hours:

Reporting

FR Y-9C (non AA HCs CBLR) with less than \$5 billion in total assets – 8,276,
FR Y-9C (non AA HCs CBLR) with \$5 billion or more in total assets – 4,915,
FR Y-9C (non AA HCs non-CBLR) with less than \$5 billion in total assets – 13,769,
FR Y-9C (non AA HCs non-CBLR) with \$5 billion or more in total assets – 28,921,
FR Y-9C (AA HCs) – 3,693,
FR Y-9LP – 9,149,
FR Y-9SP – 42,768,
FR Y-9ES – 42,
FR Y-9CS – 472.

Recordkeeping

FR Y-9C – 1,452,
FR Y-9LP – 1,736,
FR Y-9SP – 3,960,
FR Y-9ES – 42,
FR Y-9CS – 472.

General description of report: The FR Y-9 family of reporting forms continues to be the primary source of financial data on holding companies that examiners rely on in the intervals between on-site inspections. Financial data from these reporting forms are used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate holding company mergers and acquisitions, and to analyze a holding company's overall financial condition to ensure the safety and soundness of its operations. The FR Y-9C, FR Y-9LP, and FR Y-9SP serve as standardized financial statements for the consolidated holding company. The Board requires HCs to provide standardized financial

statements to fulfill the Board’s statutory obligation to supervise these organizations. The FR Y-9ES is a financial statement for HCs that are Employee Stock Ownership Plans. The Board uses the FR Y-9CS (a free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. HCs file the FR Y-9C on a quarterly basis, the FR Y-9LP quarterly, the FR Y-9SP semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

Current Action: The Board has temporarily revised the instructions to the FR-9C to allow HCs to incorporate the effects of the Money Market Mutual Fund Liquidity Facility (MMLF) interim final rule published on March 23, 2020, for the FR Y-9C submission reflecting the March 31, 2020, as-of date.² The revised instructions reflect the exclusion of non-recourse exposures acquired from the MMLF from an HC’s total leverage exposure, average total consolidated assets, advanced approaches total risk weighted assets, and standardized total risk weighted assets, as applicable. Specifically, the revised instructions permit eligible HCs to assign a zero percent risk weight to exposures to the MMLF for purposes of determining the risk weighted assets and leverage ratio. HCs would report these securities purchased from the MMLF in either Schedule HC-R, Part II, item 2.a., “Held-to-maturity securities,” or Schedule HC-R, Part II, item 2.b., “Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading,” as appropriate, in both Column A (Totals) and Column C (0 percent risk weight category).³ The average of such assets purchased would be reported in Schedule HC-R, part I, item 29, “LESS: Other deductions from (additions to) assets for leverage ratio purposes,” and thus excluded from Schedule HC-R, item 30, “Total assets for the leverage ratio.”

² See 85 FR 16232 (March 23, 2020). These revisions apply only to respondents HCs that are BHCs (including IHCs that are BHCs); other HCs are not eligible to participate in the MMLF.

³ Reporting in Schedule HC-R, Part II, only applies to non CBLR holding companies. See 84 FR 61776 (November 13, 2019).

The Board has determined that these temporary revisions to the FR Y-9C must be instituted quickly and that 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, would interfere with the Board's ability to perform its statutory duties, and would cause public harm by preventing HCs from utilizing the MMLF without neutralizing the effects of exposures arising from the program on the organizations' reported risk-based and leverage capital ratios.

Additionally, the Board proposes to extend the FR Y-9 for three years, with the revisions discussed above, in order to permit continued accurate reporting of capital data.

Legal authorization and confidentiality: The Board has the authority to impose the reporting and recordkeeping requirements associated with the FR Y-9 family of reports on BHCs pursuant to section 5 of the Bank Holding Company Act of 1956 (BHC Act) (12 U.S.C. 1844); on SLHCs pursuant to section 10(b)(2) and (3) of the Home Owners' Loan Act (12 U.S.C. 1467a(b)(2) and (3)), as amended by sections 369(8) and 604(h)(2) of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank Act); on U.S. IHCs 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. 511(a)(1) and 5365); and on securities holding companies pursuant to section 618 of the Dodd-Frank Act (12 U.S.C. 1850a(c)(1)(A)). The obligation to submit the FR Y-9 series of reports, and the recordkeeping requirements set forth in the respective instructions to each report, are mandatory.

With respect to the FR Y-9C report, Schedule HI's memoranda data item 7(g) "FDIC deposit insurance assessments," Schedule HC-P's data item 7(a) "Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and

government sponsored agencies,” and Schedule HC-P’s data item 7(b) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties” are considered confidential commercial and financial information. Such treatment is appropriate under exemption 4 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4)) because these data items reflect commercial and financial information that is both customarily and actually treated as private by the submitter, and which the Board has previously assured submitters will be treated as confidential. It also appears that disclosing these data items may reveal confidential examination and supervisory information, and in such instances, this information would also be withheld pursuant to exemption 8 of the FOIA (5 U.S.C. 552(b)(8)), which protects information related to the supervision or examination of a regulated financial institution.

In addition, for both the FR Y-9C report and the FR Y-9SP report, Schedule HC’s memorandum item 2.b., the name and email address of the external auditing firm’s engagement partner, is considered confidential commercial information and protected by exemption 4 of the FOIA (5 U.S.C. 552(b)(4)) if the identity of the engagement partner is treated as private information by HCs. The Board has assured respondents that this information will be treated as confidential since the collection of this data item was proposed in 2004.

Aside from the data items described above, the remaining data items on the FR Y-9C report and the FR Y-9SP report are generally not accorded confidential treatment. The data items collected on FR Y-9LP, FR Y-9ES, and FR Y-9CS reports, are also generally not accorded confidential treatment. As provided in the Board’s Rules Regarding Availability of Information (12 CFR part 261), however, a respondent may request confidential treatment for any data items the respondent believes should be withheld pursuant to a FOIA exemption. The Board will

review any such request to determine if confidential treatment is appropriate, and will inform the respondent if the request for confidential treatment has been denied.

To the extent the instructions to the FR Y-9C, FR Y-9LP, FR Y-9SP, and FR Y-9ES reports each respectively direct the financial institution to retain the workpapers and related materials used in preparation of each report, such material would only be obtained by the Board as part of the examination or supervision of the financial institution. Accordingly, such information is considered confidential pursuant to exemption 8 of the FOIA (5 U.S.C. 552(b)(8)). In addition, the workpapers and related materials may also be protected by exemption 4 of the FOIA, to the extent such financial information is treated as confidential by the respondent (5 U.S.C. 552(b)(4)).

Consultation outside the agency: The Federal Reserve consulted with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation in the development of this proposal.

Board of Governors of the Federal Reserve System, April 3, 2020.

Michele Taylor Fennell,

Assistant Secretary of the Board.

Billing Code 6210-01-P

[FR Doc. 2020-07455 Filed: 4/8/2020 8:45 am; Publication Date: 4/9/2020]