DEPART

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Agency Information Collection Activities; Submission for OMB Review; Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. On July 22, 2020, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to revise and extend the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051) and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101), which are currently approved collections of information.

In the July 2020 notice, the Board, under the auspices of the FFIEC, also requested public comment for 60 days on a proposal to revise and extend the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002) and the Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S), which also are

currently approved collections of information. The Board published this proposal on behalf of the agencies.

Finally, on October 4, 2019, the agencies, under the auspices of the FFIEC, requested public comment for 60 days on proposed Call Report and FFIEC 101 revisions to implement the agencies' proposed total loss absorbing capacity (TLAC) investments rule for advanced approaches banking organizations.

The comment period for the July 2020 notice ended on September 21, 2020. The comment period for the October 2019 notice ended on December 3, 2019, and the agencies subsequently adopted a TLAC investments final rule. As described in the **Supplementary Information** section, after considering the comments received on the two notices, the agencies are proceeding with the proposed revisions to the reporting forms and instructions for the Call Reports, FFIEC 101, and FFIEC 002 with certain modifications. The **Supplementary Information** section also discusses certain Call Report instructional clarifications.

The agencies hereby give notice of their plan to submit to OMB a request to approve the revision and extension of these information collections, and again invite comment on the renewal.

DATES: Comments must be submitted on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the "Call Report, FFIEC 101, and FFIEC 002 Revisions," will be shared among the agencies.

Written comments and recommendations for the proposed information collections should be sent within 30 days of publication of this notice to *www.reginfo.gov/public/do/PRAMain*. You may find these particular information collections by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function.

OCC: You may submit comments, which should refer to "Call Report, FFIEC 101, and FFIEC 002 Revisions," by any of the following methods:

- Email: *prainfo@occ.treas.gov*.
- Mail: Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557-0081 and 1557-0239, 400 7th Street, SW, suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW, suite 3E-218, Washington, DC 20219.

Instructions: You must include "OCC" as the agency name and "1557-0081 and 1557-0239" in your comment. In general, the OCC will publish comments on *www.reginfo.gov* without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by the following method:

- Viewing Comments Electronically: Go to *www.reginfo.gov*. Click on the "Information Collection Review" tab. Underneath the "Currently under Review" section heading, from the drop-down menu select "Department of Treasury" and then click "submit." This information collection can be located by searching by OMB control number "1557-0081" or "1557-0239." Upon finding the appropriate information collection, click on the related "ICR Reference Number." On the next screen, select "View Supporting Statement and Other Documents" and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating *www.reginfo.gov*, please contact the Regulatory Information Service Center at (202) 482-7340.

Board: You may submit comments, which should refer to "Call Report, FFIEC 101, and FFIEC 002 Revisions," by any of the following methods:

- Agency website: *http://www.federalreserve.gov*. Follow the instructions for submitting comments at: *http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm*.
- Email: *regs.comments@federalreserve.gov*. Include "Call Report, FFIEC 101, and FFIEC 002 Revisions" 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 on the Board's website at *https://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.

FDIC: You may submit comments, which should refer to "Call Report, FFIEC 101, and FFIEC 002 Revisions," by any of the following methods:

- Agency Website: *https://www.fdic.gov/regulations/laws/federal/*. Follow the instructions for submitting comments on the FDIC's website.
- Federal eRulemaking Portal: *https://www.regulations.gov*. Follow the instructions for submitting comments.

- Email: *comments@FDIC.gov*. Include "Call Report, FFIEC 101, and FFIEC 002 Revisions" in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3128, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.
- Public Inspection: All comments received will be posted without change to *https://www.fdic.gov/regulations/laws/federal/* including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officers for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503; by fax to (202) 395-6974; or by email to *oira_submission@omb.eop.gov*.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed revisions to the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the report forms for the Call Reports, FFIEC 101, FFIEC 002, and FFIEC 002S can be obtained at the FFIEC's website (*https://www.ffiec.gov/ffiec_report_forms.htm*).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490, or for persons who are deaf or hearing impaired, TTY, (202) 649-5597.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263-4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW, Washington, DC 20429.

SUPPLEMENTARY INFORMATION:

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I. Affected Reports

The proposed changes discussed below affect the Call Reports, FFIEC 101, and FFIEC 002.

A. Call Reports

The agencies propose to extend for three years, with revision, the Call Reports.

Report Title: Consolidated Reports of Condition and Income.

Form Number: FFIEC 031 (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices), FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only), and FFIEC 051 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than $5 Billion).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Type of Review: Revision and extension of currently approved collections.

OCC:

OMB Control No.: 1557-0081.

Estimated Number of Respondents: 1,111 national banks and federal savings associations.

Estimated Average Burden per Response: 41.92 burden hours per quarter to file.

Estimated Total Annual Burden: 186,292 burden hours to file.

Board:

OMB Control No.: 7100-0036.

Estimated Number of Respondents: 739 state member banks.

Estimated Average Burden per Response: 45.40 burden hours per quarter to file.

Estimated Total Annual Burden: 134,202 burden hours to file.

FDIC:

OMB Control No.: 3064-0052.

Estimated Number of Respondents: 3,263 insured state nonmember banks and state savings associations.

Estimated Average Burden per Response: 39.96 burden hours per quarter to file.

Estimated Total Annual Burden: 521,558 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 051, the FFIEC 041, and the FFIEC 031 reports for each agency. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 35.27 (FFIEC 051), 55.20 (FFIEC 041), and 85.81 (FFIEC 031), using data from the June 30, 2020, Call Reports. The estimated burden hours for the currently approved reports, which are based on data as of December 31, 2019, are 37.62 (FFIEC 051), 51.02 (FFIEC 041), and 96.30 (FFIEC 031). These burden estimates reflect the effects of the Call Report revisions related to COVID-19 included in the agencies' emergency clearance requests that were approved by OMB in the second quarter of 2020 and subsequently included in the July 2020 notice. Thus, the effects of the other revisions included in this notice related to U.S. GAAP, international remittance transfers, and TLAC investments, together with the use of June 30, 2020, data for estimating burden, results in an increase (decrease) in estimated average burden hours per quarter by type of report of (2.35) (FFIEC 051), 4.18 (FFIEC 041), and (10.49) (FFIEC 031) since OMB's most recent approval of Call Report revisions.

The changes in estimated burden primarily are due to three factors. First, the burden estimates in this notice incorporate a decrease of approximately 100 in the number of institutions that file Call Reports used in the agencies' last estimates that were submitted to OMB. Second, the agencies reduced their prior estimates of the number of institutions that were expected to file the FFIEC 051 Call Report after expanding the eligibility for this version of the Call Report to institutions with between $1 billion and

$5 billion in total assets. The agencies originally expected about four fifths of newly eligible institutions to choose to file the FFIEC 051, while the actual adoption rate as of June 30, 2020, was significantly lower at less than one third of newly eligible institutions. Newly eligible institutions that chose not to file the streamlined FFIEC 051 continued to file the more detailed FFIEC 041, so the lower than expected percentage of new FFIEC 051 filers resulted in an increase in estimated burden for the FFIEC 041 and a decrease in estimated burden for the FFIEC 051. Third, the agencies reduced the estimated number of qualifying institutions that were expected to opt into the community bank leverage ratio (CBLR) framework for reporting regulatory capital in the Call Reports. The agencies previously expected up to three fifths of institutions with total assets of less than $10 billion would opt into this simplified capital framework, while only two fifths of institutions of this size actually reported under the CBLR framework as of June 30, 2020. The lower than expected percentage of institutions opting into the CBLR framework, and the larger than expected percentage continuing to report under the agencies' risk-based capital framework, contributed to an increase in estimated burden for both the FFIEC 041 and FFIEC 051 versions of the Call Report.

The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (e.g., size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices).

Type of Review: Extension and revision of currently approved collections.

Legal Basis and Need for Collections

The Call Report information collections are mandatory: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1817 (insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (federal and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering federal deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate institutions' deposit insurance assessments and national banks' and federal savings associations' semiannual assessment fees.

B. FFIEC 101

The agencies propose to extend for three years, with revision, the FFIEC 101 report.

Report Title: Risk-Based Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework.

Form Number: FFIEC 101.

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

OCC:

OMB Control No.: 1557-0239.

Estimated Number of Respondents: 5 national banks and federal savings associations.

Estimated Time per Response: 674 burden hours per quarter to file for banks and federal savings associations.

Estimated Total Annual Burden: 13,480 burden hours to file.

Board:

OMB Control No.: 7100-0319.

Estimated Number of Respondents: 4 state member banks; 5 bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1 and 2 only; 9 other bank holding companies and savings and loan holding companies; and 6 intermediate holding companies.

Estimated Time per Response: 674 burden hours per quarter to file for state member banks; 3 burden hours per quarter to file for bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1and 2 only; 677 burden hours per quarter to file for other bank holding companies and savings and loan holding companies; and 3 burden hours per quarter to file for intermediate holding companies.

Estimated Total Annual Burden: 10,784 burden hours for state member banks to file; 60 burden hours for bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1 and 2 only to file; 24,372 burden hours for other bank holding companies and savings and loan holding companies to file; and 72 burden hours for intermediate holding companies to file.

FDIC:

OMB Control No.: 3064-0159.

Estimated Number of Respondents: 1 insured state nonmember bank and state savings association.

Estimated Time per Response: 674 burden hours per quarter to file.

Estimated Total Annual Burden: 2,696 burden hours to file.

Type of Review: Extension and revision of currently approved collections.

Legal Basis and Need for Collections

Each advanced approaches institution[1] is required to report quarterly regulatory capital data on the FFIEC 101. Each top-tier advanced approaches institution and top-tier Category III institution[2] is required to report supplementary leverage ratio information on the FFIEC 101. The FFIEC 101 information collections are mandatory for advanced approaches and top-tier Category III institutions: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1844(c) (bank holding companies), 12 U.S.C. 1467a(b) (savings and loan holding companies), 12 U.S.C. 1817 (insured state nonmember commercial and savings banks), 12 U.S.C. 1464 (federal and state savings associations), and 12 U.S.C. 1844(c), 3106, and 3108 (intermediate holding companies). Certain data items in this information collection are given confidential treatment under 5 U.S.C. 552(b)(4) and (8).

The agencies use data reported in the FFIEC 101 to assess and monitor the levels and components of each reporting entity's applicable capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework[3] and the supplementary leverage ratio,[4] as applicable; to evaluate the impact of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable, on

[1] 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); 12 CFR 324.100(b) (FDIC).
[2] 12 CFR 3.2 (OCC); 12 CFR 217.2 (Board); 12 CFR 324.2 (FDIC).
[3] 12 CFR part 3, subpart E (OCC); 12 CFR part 217, subpart E (Board); 12 CFR part 324, subpart E (FDIC).
[4] 12 CFR 3.10(c)(4) (OCC); 12 CFR 217.10(c)(4) (Board); 12 CFR 324.10(c)(4) (FDIC).

individual reporting entities and on an industry-wide basis and its competitive implications; and to supplement on-site examination processes. The reporting schedules also assist advanced approaches institutions and top-tier Category III institutions in understanding expectations relating to the system development necessary for implementation and validation of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable. Submitted data that are released publicly will also provide other interested parties with additional information about advanced approaches institutions' and top-tier Category III institutions' regulatory capital.

C. FFIEC 002 and 002S

The Board proposes to extend for three years, with revision, the FFIEC 002 and FFIEC 002S reports.

Report Titles: Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks; Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank

Form Numbers: FFIEC 002; FFIEC 002S

OMB control number: 7100-0032

Frequency of Response: Quarterly

Affected Public: Business or other for-profit

Respondents: All state-chartered or federally-licensed U.S. branches and agencies of foreign banking organizations, and all non-U.S. branches managed or controlled by a U.S. branch or agency of a foreign banking organization

Estimated Number of Respondents: FFIEC 002 – 209; FFIEC 002S – 38

Estimated Average Burden per Response: FFIEC 002 – 24.87 hours; FFIEC 002S – 6.0 hours

Estimated Total Annual Burden: FFEIC 002 – 20,791 hours; FFIEC 002S – 912 hours

Type of Review: Revision of currently approved collections.

Legal Basis and Need for Collection

On a quarterly basis, all U.S. branches and agencies of foreign banks are required to file the FFIEC 002, which is a detailed report of condition with a variety of supporting schedules. This information is used to fulfill the supervisory and regulatory requirements of the International Banking Act of 1978. The data are also used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. The FFIEC 002S is a supplement to the FFIEC 002 that collects information on assets and liabilities of any non-U.S. branch that is managed or controlled by a U.S. branch or agency of the foreign bank. A non-U.S. branch is managed or controlled by a U.S. branch or agency if a majority of the responsibility for business decisions, including but not limited to decisions with regard to lending or asset management or funding or liability management, or the responsibility for recordkeeping in respect of assets or liabilities for that foreign branch resides at the U.S. branch or agency. A separate FFIEC 002S must be completed for each managed or controlled non-U.S. branch. The FFIEC 002S must be filed quarterly along with the U.S. branch or agency's FFIEC 002.

These information collections are mandatory (12 U.S.C. 3105(c)(2), 1817(a)(1) and (3), and 3102(b)). Except for select sensitive items, the FFIEC 002 is not given confidential treatment; the FFIEC 002S is given confidential treatment (5 U.S.C. 552(b)(4) and (8)). The data from both reports are used for (1) monitoring deposit and credit transactions of U.S. residents; (2) monitoring the impact of policy changes; (3) analyzing structural issues concerning foreign bank activity in U.S. markets; (4) understanding flows of banking funds and indebtedness of developing countries in connection with data collected by the International Monetary Fund and the Bank for International Settlements that are used in economic analysis; and (5) assisting in the supervision of U.S. offices of foreign banks. The Federal Reserve System collects and processes these reports on behalf of all three agencies.

II. Current Actions

A. Introduction

On July 22, 2020, the agencies proposed revisions to the Call Reports, FFIEC 101, and FFIEC 002 related to interim final rules and a final rule issued in response to disruptions related to COVID-19 that revise the agencies' capital rule, the Board's regulations on reserve requirements and insider loans, and the FDIC's deposit insurance assessment regulations. The proposed revisions also resulted from certain sections of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The agencies received emergency approvals from OMB to implement these revisions as of the March 31, June 30, or September 30, 2020, report dates. In addition, the agencies proposed changes to the Call Reports and the FFIEC 002 related to U.S. GAAP in the July 2020 notice. Further, the agencies proposed revisions to the Call Reports in that notice to reflect the expiration of the temporary exception for estimated disclosures on international remittance transfers and certain amendments to the Remittance Rule (12 CFR 1005.30 *et seq.*) recently finalized by the Consumer Financial Protection Bureau (Bureau),[5] which is a member of the FFIEC.

The comment period for the July 2020 notice ended on September 21, 2020. The agencies received comments on the proposed reporting changes covered in the notice from two entities: a banking trade association and a U.S. government agency. In Section II.B, the agencies provide more detail on the comments received and the changes the agencies are making in response to those comments.

While most of the interim final rules were finalized as proposed, there were limited revisions to the *Regulatory Capital Rule: Revised Transition for the Current Expected Credit Losses Methodology for Allowances,* published in the Federal Register

[5] 85 FR 34870 (June 5, 2020).

on March 27, 2020 (CECL interim final rule).[6] In the agencies' final rule on this subject, published in the Federal Register on September 30, 2020,[7] banking organizations that "early adopted" the current expected credit losses (CECL) methodology during 2020 were permitted to also use the 5-year 2020 CECL transition. Therefore, to be consistent with the final rule, the agencies will clarify the instructions to address these banking organizations' eligibility for the 5-year 2020 CECL transition and are proceeding with the other CECL-related regulatory capital reporting revisions as proposed.

For institutions that have adopted Accounting Standards Codification (ASC) Topic 326, Financial Instruments–Credit Losses, the agencies proposed in the July 2020 notice to add new Memorandum item 8 to Schedule RI-B, Part II, Changes in Allowances for Credit Losses, to all three versions of the Call Report. This Memorandum item would capture the "Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, 'Balance end of current period,' above)." In proposing this reporting change, the agencies noted that, under ASC Topic 326, institutions could, in some circumstances, reduce the amount of the allowance for credit losses that would otherwise be calculated for a pool of assets with similar risk characteristics that includes charged-off assets by the estimated amount of expected recoveries of amounts written off on these assets. Upon further consideration, the agencies have decided to limit the collection of this proposed Memorandum item to the FFIEC 031 and FFIEC 041, and not to add this Memorandum item to the streamlined FFIEC 051, which has reduced reporting requirements in relation to the other two versions of the Call Report.

On October 4, 2019, the agencies published a 60-day PRA Federal Register notice[8] for public comment on proposed revisions to the Call Reports and the FFIEC 101

[6] 85 FR 17723 (March 31, 2020).
[7] 85 FR 61577 (September 30, 2020).
[8] 84 FR 53227 (October 4, 2019).

that would implement various changes to the agencies' regulatory capital rule that, as of that date, the agencies had finalized or were considering finalizing. The notice included proposed reporting revisions resulting from the proposed TLAC investments rule. The agencies did not proceed with the implementation of the TLAC-related reporting changes in January 2020 when they finalized the other capital-related reporting changes included in the October 2019 notice,[9] as the agencies had not yet adopted a TLAC investments final rule.

On October 20, 2020, the TLAC investments rule was finalized.[10] The associated capital-related reporting changes proposed in October 2019 along with the agencies' responses to the comments received on the proposed reporting revisions are discussed in section II.C below. After carefully considering the comments received on the TLAC investments portion of the October 2019 notice, the agencies are adopting the reporting changes proposed in that notice with the modifications discussed in Section II.C of this notice.

B. Comments Received on July 2020 Proposed Call Report, FFIEC 101, and FFIEC 002 Revisions

1. Board Regulation D Amendments

The agencies received one comment letter from a banking trade association that raised concerns with the proposed Call Report changes related to the Board's interim final rule amending Regulation D (Reserve Requirements of Depository Institutions, 12 CFR part 204)[11] that deletes the numeric limits on transfers and withdrawals that may be made each month from the definition of "savings deposits." The agencies also proposed to make the same changes related to the Regulation D amendments to the FFIEC 002.

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[9] 85 FR 4780 (January 27, 2020).
[10] See the TLAC investments final rule attached to OCC News Release 2020–137, Board Press Release, and FDIC Press Release 115–2020, all of which are dated October 20, 2020.
[11] 85 FR 23445 (April 28, 2020).

The commenter suggested aligning the changes to the Call Report with the Board's proposed changes to the FR 2900, Report of Transaction Accounts, Other Deposits and Vault Cash.[12] The commenter noted that the proposed changes to the FR 2900 would consolidate the reporting of ATS accounts, NOW accounts/share drafts, and telephone and preauthorized transfer accounts together with total savings deposits (including MMDAs) in a new data item, "Other liquid deposits." In addition, for data items collected annually on the FR 2900 for the June 30 report date, the report has been streamlined to collect only the data items needed for the reserve requirement exemption amount and low reserve tranche that combines demand deposits, NOW accounts, ATS accounts, telephone and preauthorized transfer accounts together with savings deposits in a new data item, "New Transaction Accounts." In contrast, the Call Report will continue to require institutions to report transaction and nontransaction accounts separately in Schedule RC-E. .

The agencies note that the FR 2900 and Call Report serve two separate purposes. The primary purpose of the FR 2900 report is to collect data for the construction of the monetary aggregates. Although the Call Report can aid in the construction of the monetary aggregates by utilizing deposit data collected on a quarterly basis, its primary purpose is to serve as the principal source of financial of data used for the supervision and regulation of individual banks and savings associations and for monitoring the condition and performance of the banking industry. As such, the Call Report requires data to be reported on a more granular level than the FR 2900 report requires. Furthermore, section 7(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(5)) requires time and savings deposits to be reported separately from demand deposits in Call Reports. Therefore, the agencies believe that even though Call Report Schedule RC-E will maintain the requirement to report transaction and nontransaction accounts

[12] 85 FR 54577 (September 2, 2020).

separately along with the demand deposit component of total transaction accounts and the components of total nontransaction accounts, institutions are familiar with the existing structure of Schedule RC-E and have systems and procedures in place for completing the schedule. Accordingly, the agencies do not anticipate that there would be a change in Call Report burden resulting from the retention of these deposit items in Schedule RC-E.

Secondly, the commenter recommended that a depositor's eligibility to hold a NOW account should not be included in the criteria assessment to determine the reporting treatment for savings deposits for which the numeric limits on transfers and withdrawals have been removed. The commenter noted that "if a firm does not offer NOW accounts, they would be required to report savings deposits as NOW accounts, ATS accounts, or telephone and preauthorized transfer accounts (and as transaction accounts) based on a depositor's eligibility to hold such account" and "for firms that do not offer NOW accounts, the data necessary to determine a depositor's eligibility for NOW accounts would not be readily available." In addition, the commenter also noted that this reporting treatment would be inconsistent with the Regulation D definition of savings deposits, as NOW account eligibility is not a component of the definition. The commenter believes gathering the data necessary to distinguish these depositors from other savings account holders solely for regulatory reporting purposes would create business and systems challenges. The agencies agree with the commenter that the depositor's eligibility to hold a NOW account should not be included in the assessment criteria for classification as a "savings deposit" as such reporting would not be consistent with the Regulation D definition of savings deposits. Therefore, the agencies will remove the depositor's eligibility to hold a NOW account from the assessment criteria.

Thirdly, the commenter requested clarification on how institutions should report the components of retail sweep arrangements in the Call Report. Specifically, the commenter asked whether institutions should continue to report the nontransaction components of, or savings deposits in, retail sweep arrangements as nontransaction accounts. If not, the commenter asked whether institutions should strictly follow the proposed assessment criteria for the treatment of accounts where the transfer limit has been removed. The agencies have modified the description of retail sweep arrangements to remove references to transaction and nontransaction components. Further, institutions should not follow the proposed assessment criteria for the treatment of accounts for which the transfer limit has been removed. Instead, institutions that offer valid retail sweep programs should report each component of the retail sweep arrangement based on the customer account agreement established by the depository institution. Two key criteria must be met for a valid retail sweep program. These criteria are: (1) a depository institution must establish by agreement with its customer two distinct, legally separate accounts; and (2) the swept funds must actually be moved between the customer's accounts on the depository institution's official books and records as of the close of business on the day(s) on which the depository institution intends to report the funds as being in separate accounts.

Lastly, the commenter requested that the Board confirm that savings deposits or accounts described in 12 CFR 204.2(d)(2) would not be subject to Regulation CC (Availability of Funds and Collection of Checks, 12 CFR part 229) as a result of the recent amendments to Regulation D. Because Regulation CC continues to exclude accounts described in 12 CFR 204.2(d)(2) from the Regulation CC "account" definition, the recent amendments to Regulation D did not result in savings deposits or accounts described in 12 CFR 204.2(d)(2) now being covered by Regulation CC.

2. Provisions for Credit Losses on Off-Balance-Sheet Credit Exposures

The banking trade association requested that the agencies permit institutions that have not adopted Accounting Standards Update No. 2016-13, Topic 326, *Financial Instruments – Credit Losses* (ASU 2016-13), to report their provisions for credit losses on off-balance sheet credit exposures as part of their provision expense in Schedule RI, item 4, rather than as part of other noninterest expense in Schedule RI, item 7.d. The agencies proposed to require the reporting of provisions for credit losses on off-balance sheet credit exposures in Schedule RI, item 4, only for institutions that have adopted ASU 2016-13.

The agencies do not want to create diversity in reporting by allowing some institutions that have not adopted ASU 2016-13 to choose to report their provisions for credit losses on off-balance sheet credit exposures as part of their provision expense in Schedule RI, item 4, while other institutions continue to report their provisions related to off-balance sheet credit exposures in Schedule RI, item 7.d. Therefore, the agencies are not adopting the commenter's suggestion. The agencies plan to consider whether to require the reporting of provisions for credit losses on off-balance sheet credit exposures by all institutions that have not adopted ASU 2016-13 as part of provisions for credit losses in Schedule RI, item 4. If the agencies decide to propose this revision to the Call Report in the future, they would do so through the standard PRA notice and comment process.

The agencies are proceeding with the proposed revision to require institutions that have adopted ASU 2016-13 to include provisions for credit losses on off-balance sheet credit exposures in Schedule RI, item 4, and to separately report these provisions in Schedule RI-B, Part II, Memorandum item 7.

3. Other Comments Received

The agencies also received comments on the Call Report that were not specifically related to any of the proposed changes.

The U.S. government agency requested that the agencies expand the level of detail on interest and fee income collected in the Call Report on Schedule RI to align with each loan category reported on Schedule RC-C, Part I, Loans and Leases. The agencies are declining to make any changes to the level of detail on loan income at this time. The agencies believe the current level of detail strikes the appropriate balance between the information necessary for monitoring the condition and performance of individual institutions and the industry, as a whole, with the effort required by those organizations to separately collect and report interest and fee income information by loan category.

The banking trade association supported the agencies' actions during the COVID-19-related disruptions to permit institutions to electronically sign Call Reports and encouraged the agencies to permanently adopt an electronic signature option for Call Report filings. The agencies initially permitted electronic signatures on Call Reports as an accommodation to provide institutions flexibility during the COVID-19 disruptions. The agencies are exploring options for the possible adoption of standard protocols for permitting the use of electronic signatures on Call Reports on a permanent basis.

C. Comments Received on Revisions Related to the Total Loss Absorbing Capacity Investments Rule

1. General Comments

The agencies received comment letters from two banking trade associations in response to the proposed changes to the Call Reports and the FFIEC 101 in the October 2019 notice that would implement the rule changes proposed in the TLAC investments notice of proposed rulemaking (NPR).[13]

Commenters requested that any changes to regulatory reporting related to the TLAC investments NPR – including changes to the Call Reports and FFIEC 101 – be implemented after the effective date of the final rule. The agencies concur, and are not

[13] 84 FR 13814 (April 8, 2019).

implementing associated changes to regulatory reports until the June 30, 2021, report date. The TLAC investments final rule's effective date is April 1, 2021.

Commenters further requested that the agencies delay implementation of the proposed changes to the Call Reports and FFIEC 101 until 18 months after the TLAC investments final rule becomes effective to provide more time to modify reporting systems and identify exposures to "covered debt instruments." In addition, commenters requested that the agencies not require application of the final rule's deduction treatment to an exposure to a global systemically important banking organization until the reporting banking organization has the information necessary to determine whether such exposure qualifies as a "covered debt instrument."

As discussed in the preamble of the TLAC investments final rule, the agencies maintain the supervisory expectation that large and internationally active banking organizations should be deeply knowledgeable of the securities exposures reported on their own balance sheets, if only for the purposes of prudent risk management. The final rule will become effective on April 1, 2021, and associated changes to the Call Reports and FFIEC 101 would be implemented as of the June 30, 2021, report date. The agencies believe the effective date for the reporting changes provides sufficient time for advanced approaches banking organizations to evaluate investments in covered debt instruments and apply the final rule's deduction treatment. Further, the agencies believe that the effective date for the reporting changes provides sufficient time for these banking organizations to change reporting systems and accurately identify exposures to covered debt instruments for purposes of regulatory reporting.

2. Comments on FFIEC 101, Schedule A

A commenter remarked that the agencies proposed to add new data item 56.a to Schedule A of the FFIEC 101 to implement the deduction of covered debt instruments;

however, no analogous data item would be added to Schedule RC-R, Part I, of the Call Reports and Schedule HC-R, Part I, of the Consolidated Financial Statements for Holding Companies (FR Y-9C).[14] This commenter recommended adding a similar data item to the Call Reports and FR Y-9C.

While Schedule A of the FFIEC 101 collects similar information – capital amounts, capital deductions, and ratios, among other items – as Schedule RC-R, Part I, of the Call Reports and Schedule HC-R, Part I, of the FR Y-9C, the information collected is not exactly the same. Given that only large and internationally active banking organizations complete the FFIEC 101, this form collects more granular information on capital deductions in comparison to the Call Reports and the FR Y-9C. The addition of item 56.a only on the FFIEC 101 is consistent with prior practice. Therefore, in an effort to minimize regulatory burden on reporting forms completed by smaller and less complex banking organizations, the agencies will not add an analogous data item to either the Call Reports or FR Y-9C. For Call Report purposes, as proposed in the October 2019 notice, the agencies would revise the instructions for items 11, 17, 24, and 45 of Schedule RC-R, Part I, in the FFIEC 031-FFIEC 041 instruction book to effectuate the deductions from regulatory capital for advanced approaches banking organizations related to investments in covered debt instruments and excluded covered debt instruments.

One commenter remarked that the FR Y-9C included new reporting items for long-term and TLAC amounts, ratios, and the TLAC buffer. However, these items were not included in the agencies' proposed revisions to the FFIEC 101. This commenter requested that such data items not be added to the FFIEC 101, as this would constitute a duplicative reporting requirement and unnecessarily increase burden on banking organizations that complete the FFIEC 101. The agencies concur with this commenter,

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[14] OMB Number 7100–0128.

as the Board's TLAC rule applies to only holding companies. Therefore, such data items are only to be reported on the FR Y-9C and are not being added to the FFIEC 101.

D. Additional Instructional Matters

1. Uncollectible Accrued Interest Receivable under ASC Topic 326

In April 2019, the Financial Accounting Standards Board (FASB) issued ASU No. 2019-04, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments," which amended ASC Topic 326 to allow an institution to make certain accounting policy elections for accrued interest receivable balances, including a separate policy election, at the class of financing receivable or major security-type level, to charge off any uncollectible accrued interest receivable by reversing interest income, recognizing credit loss expense (i.e., provision expense), or a combination of both. The Glossary entry for "Accrued Interest Receivable" in the Call Report instructions currently references the following accounting policy elections in ASU 2019-04:

- Institutions may elect to separately present accrued interest receivable from the associated financial asset, and the accrued interest receivable is presented net of an allowance for credit losses (ACL), if any; and
- Institutions that charge off uncollectible accrued interest receivable in a timely manner, i.e., in accordance with the Glossary entry for "Nonaccrual Status," may elect, at the class of financing receivable or the major security-type level, not to measure an ACL for accrued interest receivable.

Although this Glossary entry does not currently provide for the ASU's separate accounting policy election for the charge-off of uncollectible accrued interest receivable at the class of financing receivable or major security-type level, this election is specifically addressed in the Interagency Policy Statement on Allowances for Credit

Losses issued in May 2020.[15] Accordingly, in the Call Report Supplemental Instructions issued by the FFIEC for the September 30, 2020, report date,[16] the FFIEC advised that, for Call Report purposes, an institution that has adopted ASC Topic 326 may make the charge-off election for accrued interest receivable balances in ASU 2019-04 separately from the other elections for these balances in the ASU. The FFIEC also stated that an institution may charge off uncollectible accrued interest receivable against an ACL for Call Report purposes.

The agencies plan to update the Call Report Glossary entry for "Accrued Interest Receivable" to align the instructions in this entry with the elections permitted under U.S. GAAP for institutions that have adopted ASC 326, which also would achieve consistency with the discussion of accrued interest receivable in the Interagency Policy Statement on Allowances for Credit Losses.

2. Shared Fees and Commissions from Securities-Related and Insurance Activities

Institutions report income from certain securities-related and insurance activities in Call Report Schedule RI, Income Statement, items 5.d.(1) through (5) on the FFIEC 031 and the FFIEC 041; items 5.d.(1) and (2) on the FFIEC 051. When an institution partners with, or otherwise joins with, a third party to conduct these securities-related or insurance activities, and any fees and commissions generated by these activities are shared with the third party, the Schedule RI instructions do not currently address the reporting treatment for these sharing arrangements. Consequently, institutions may report the gross fees and commissions from these activities in the appropriate subitem of Schedule RI, item 5, "Other noninterest income," and the third party's share of the fees

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[15] 85 FR 32991 (June 1, 2020).
[16] *https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_FFIEC051_suppinst_202009.pdf.*

and commissions separately as expenses in Schedule RI, item 7.d, “Other noninterest expense.” Alternatively, institutions may report only their net share of the fees or commissions in the appropriate subitem of Schedule RI, item 5.

The agencies believe that reporting shared fees and commissions on a net basis is preferable to gross reporting and is analogous to how income from certain other income-generating activities is reported in the Call Report income statement, including securitization income and servicing fee income, which are currently reported net of specified expenses and costs.

This net approach better represents an institution’s income from a securities-related or insurance activity engaged in jointly with a third party than when the third party’s share of the fees and commissions is separately reported as a noninterest expense in another income statement data item. As a result, the agencies plan to clarify the existing Schedule RI instructions to ensure consistent reporting on a net basis of fees and commissions from securities-related and insurance activities that are shared with third parties. Furthermore, to avoid including repetitive language in the instructions for the multiple noninterest income items for income from securities-related and insurance activities in Schedule RI, a new non-reportable item 5.d captioned “Income from securities-related and insurance activities” would be added before the existing 5.d subitems on the Call Report forms and in the FFIEC 031-FFIEC 041 and FFIEC 051 instruction books. The reporting treatment for arrangements involving the sharing of fees and commissions with third parties arising from an institution’s securities brokerage, investment banking, investment advisory, securities underwriting, insurance and annuity sales, insurance underwriting, or any other securities-related and insurance activities would be explained once in the new item 5.d instructions.

3. Pledged Equity Securities

In January 2016, the FASB issued ASU 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." As one of its main provisions, the ASU requires investments in equity securities, except those accounted for under the equity method and those that result in consolidation, to be measured at fair value with changes in fair value recognized in net income. Thus, the ASU eliminates the existing concept of available-for-sale (AFS) equity securities, which are measured at fair value with changes in fair value generally recognized in other comprehensive income. As of December 31, 2020, all institutions will have been required to adopt ASU 2016-01 and, as a consequence, must report equity securities with readily determinable fair values not held for trading in Schedule RC, Balance Sheet, item 2.c, "Equity securities with readily determinable fair values not held for trading," instead of Schedule RC-B, Securities, item 7, "Investments in mutual funds and other equity securities with readily determinable fair values." Accordingly, Schedule RC-B, item 7, is scheduled to be removed effective December 31, 2020.

Institutions have long reported the amount of held-to-maturity and AFS securitiesreported in Schedule RC-B, items 1 through 7, that are pledged to secure deposits and for other purposes in Schedule RC-B, Memorandum item 1, "Pledged securities." Considering that all institutions that previously reported their AFS equity securities in Schedule RC-B, item 7, now report these securities in Schedule RC, item 2.c, the agencies are updating the instructions for Schedule RC-B, Memorandum item 1, and Schedule RC, item 2.c, to indicate that institutions should include in Memorandum item 1 the fair value of pledged equity securities with readily determinable fair values not held for trading that are now reported in Schedule RC, item 2.c. The wording of existing footnote 1 to Memorandum item 1 of Schedule RC-B on the Call Report forms will be similarly updated. These instructional clarifications would ensure that pledged equity securities formerly reportable as AFS equity securities would continue to be reported in

Memorandum item 1 notwithstanding the change in accounting for equity securities under U.S. GAAP. Information on pledged securities is an important element of the agencies' analysis of an institution's liquidity risk.

III. Timing

As stated in the July 2020 notice, the reporting revisions associated with the interim final rules, the final deposit insurance assessments rule, and the CARES Act provisions have been approved by OMB through the emergency clearance process, and these revisions have taken effect for the March 31, 2020, Call Report and FFIEC 101; the June 30, 2020, Call Report, FFIEC 101, and FFIEC 002; or the September 30, 2020, FFIEC 002. Subject to OMB approval, the reporting revisions for which emergency approvals were received will remain in effect,[17] but with instructional clarifications for the modification to the eligibility in the final rule for the 5-year 2020 CECL transition provision. Also subject to OMB approval, the additional revisions to the Call Report and FFIEC 002 instructions proposed in the July 2020 notice that are related to the amendment of the Board's Regulation D,[18] but with the removal of NOW account eligibility from the assessment criteria for "savings deposit" classification, would be effective for reporting beginning in the first quarter of 2021.

For the accounting-related changes discussed in Section II.C of the July 2020 notice,[19] the revisions would take effect March 31, 2021, except for the revisions for last-of-layer hedging, which would be implemented following the FASB's adoption of a final last-of-layer hedge accounting standard. A final standard is not expected to be issued before the second half of 2021.

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[17] As stated in the July 2020 notice, the collection of the new Call Report and FFIEC 002 data items for which emergency approvals were received is expected to be time-limited.
[18] 85 FR 44369 (July 22, 2020).
[19] 85 FR 44371-44374 (July 22, 2020).

The reporting revisions to Schedule RC-M for the international remittance transfer items discussed in Section II.D of the July 2020 notice[20] would take effect March 31, 2021.[21]

The reporting changes to the Call Reports and the FFIEC 101 for the TLAC investments final rule would take effect June 30, 2021.

The specific wording of the captions for the new or revised Call Report, FFIEC 101, and FFIEC 002 data items discussed in the October 2019 and July 2020 notices and this notice and the numbering of these data items should be regarded as preliminary.

The Call Report instructional clarifications to the Glossary entry for "Accrued Interest Receivable" and Schedule RC-B for pledged equity securities would take effect December 31, 2020, while the instructional clarifications to Schedule RI for shared fees and commissions from securities-related and insurance activities would take effect March 31, 2021.

IV. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

(a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

[20] 85 FR 44374-44375 (July 22, 2020).

[21] Institutions will report current Schedule RC-M, item 16, in December 2020; will not report current Schedule RC-M, item 16, at all in June 2021; and will report the proposed revised Schedule RC-M, item 16, in December 2021 (covering all of calendar year 2021).

(d) Ways to minimize the burden of information collections 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.

Comments submitted in response to this joint notice will be shared among the agencies.

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Board of Governors of the Federal Reserve System.

Ann E. Misback, Secretary of the Board.

Federal Deposit Insurance Corporation.
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