



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 December 18, 2020, and February 5, 2021, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on proposals to revise and extend the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051), 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), all of which are currently approved collections of information. After considering the comments received on the notices, the agencies are proceeding with the proposed revisions to the reporting forms and instructions related to the FDIC's amendments to the deposit insurance assessment system, effective with the June 30, 2021, report date, and the exclusion of sweep deposits and certain other deposits from reporting as brokered

deposits, effective with the September 30, 2021, report date. 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 Deposit Insurance Assessment-Related and Deposit-Related 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.

Comments should also be sent to:

OCC: You may submit comments, which should refer to “Call Report Deposit Insurance Assessment-Related and Deposit-Related 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” 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.” 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 Deposit Insurance Assessment-Related and Deposit-Related 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 Deposit Insurance Assessment-Related and Deposit-Related 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 Deposit Insurance Assessment-Related and Deposit-Related 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 Deposit Insurance Assessment-Related and Deposit-Related 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.

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 and instructions for the Call Reports 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.

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.

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I. Report Summary

A. Call Report

The agencies propose to extend for three years, with revision, the FFIEC 031, FFIEC 041, and FFIEC 051 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: 1,090 national banks and federal savings associations.

Estimated Average Burden per Response: 42.10 burden hours per quarter to file.

Estimated Total Annual Burden: 183,556 burden hours to file.

Board:

OMB Control No.: 7100-0036.

Estimated Number of Respondents: 728 state member banks.

Estimated Average Burden per Response: 45.62 burden hours per quarter to file.

Estimated Total Annual Burden: 132,845 burden hours to file.

FDIC:

OMB Control No.: 3064-0052.

Estimated Number of Respondents: 3,209 insured state nonmember banks and state savings associations.

Estimated Average Burden per Response: 40.13 burden hours per quarter to file.

Estimated Total Annual Burden: 515,109 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the FFIEC 051 reports for each agency. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 86.49 (FFIEC 031), 55.53 (FFIEC 041), and 35.38 (FFIEC 051). The deposit insurance assessment-related change to the FFIEC 031 and FFIEC 041 Call Report forms and instructions in this notice would not have a material impact on the existing burden estimates. The deposit insurance assessment-related change in this notice does not propose any changes to the FFIEC 051. The deposit-related revisions to the Call Report forms and instructions in this notice result in an increase in estimated average burden hours per quarter by type of report of 0.68 (FFIEC 031), 0.33 (FFIEC 041) and 0.11 (FFIEC 051). 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 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: FFIEC 002 – 20,791 hours; FFIEC 002S – 912 hours.

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

The proposed deposit-related revisions to the FFIEC 002 form and instructions in this notice are applicable to only a limited number of insured U.S. branches and agencies of foreign banking organizations and would not have a material impact on the existing burden estimates.

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 also are used to augment the bank credit, loan, and deposit information needed for monetary policy and other public policy purposes. In addition, FFIEC 002 data are used to calculate the risk-based assessments for FDIC-insured U.S. branches of foreign banks.

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. Background

On December 18, 2020, the agencies proposed revisions to the Call Reports¹ (FFIEC 031 and FFIEC 041 only) to implement the FDIC's proposed amendments to the deposit insurance assessment system applicable to all large and highly complex IDIs published on December 7, 2020.² The amendments to the rule were subsequently finalized without change on February 16, 2021, and published in the Federal Register on February 25, 2021.³ The amendments to the assessment system remove the double counting of the applicable portion of the CECL transitional amounts that is added to retained earnings for regulatory capital purposes and attributable to the allowance for

¹ 85 FR 82580 (Dec. 18, 2020) (December 2020 notice).

² 85 FR 78794 (Dec. 7, 2020). For deposit insurance assessment purposes, a large bank is generally defined as an institution with \$10 billion or more in total assets, a small bank is generally defined as an institution with less than \$10 billion in total assets, and a highly complex bank is generally defined as an institution that has \$50 billion or more in total assets and is controlled by a parent holding company that has \$500 billion or more in total assets, or is a processing bank or trust company. See 12 CFR 327.8(e), (f), and (g).

³ See <https://www.fdic.gov/news/financial-institution-letters/2021/fil21007.html> and 86 FR 11391 (Feb. 25, 2021).

credit losses on loans and leases held for investment in certain financial measures that are calculated using the sum of Tier 1 capital and reserves, and also from the loss severity measure. These measures are used to determine assessment rates for large and highly complex institutions. To implement these amendments, the agencies proposed one new, temporary memorandum item and corresponding changes to the FFIEC 031 and FFIEC 041 versions of the Call Report forms and instructions. The agencies would remove the proposed new Call Report item when all large and highly complex institutions are no longer using a CECL transition. The comment period for the December 2020 notice ended on February 16, 2021.

On February 5, 2021, the agencies proposed revisions to the reporting forms and instructions for the Call Reports and FFIEC 002 that would allow (1) evaluation of the funding stability of sweep deposits over time to determine their appropriate treatment under liquidity regulations,⁴ and (2) assessment of risk factors associated with sweep deposits that may no longer be reported as brokered deposits.⁵ Accordingly, the agencies proposed adding five data items to Schedule RC–E, Deposit Liabilities, on all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051) applicable to all institutions and to Schedule O of the FFIEC 002 applicable to insured agencies and branches of foreign banking organizations. In addition, four data items would be added to Schedule RC–E, Deposit Liabilities, on the FFIEC 031 Call Report only and would be completed quarterly only by institutions with \$100 billion or more in total assets. The agencies also proposed revising the Call Report instructions addressing brokered deposits to align them with the brokered deposits final rule. The changes to the Call Reports were proposed to take effect as of the June 30, 2021, report date.

The comment period for the February 2021 notice ended on April 6, 2021.

⁴ See 12 CFR part 50 (OCC), 12 CFR part 249 (Board) and 12 CFR part 329 (FDIC).

⁵ See 12 CFR 337.6 and 86 FR 8480 (Feb. 5, 2021) (February 2021 notice).

B. Comments Received on the Proposed Call Report Revisions

1. Deposit Insurance Assessment-Related Revision

The agencies received one comment on the December 2020 notice to revise the Call Report to implement the FDIC's proposed amendments to the deposit insurance assessment system. The commenter discussed another potential double-counting in the computation of the leverage ratio.

This comment is not specifically applicable to the deposit insurance assessment regulations or the related revision to the Call Report addressed in the December 2020 notice. The calculation of the leverage ratio in the Call Report is aligned with the calculation pursuant to the agencies' regulatory capital rules, which is outside the scope of the proposed changes.

To improve the clarity of the reporting changes for deposit insurance assessments, the agencies plan to add examples to the instructions for Schedule RC-O, Memorandum item 5, to show what an institution that has elected the three-year or the five-year 2020 CECL transition provision would report in the new Memorandum item. These examples would be added at the end of the instructions for the Schedule RC-O, Other Data for Deposit Insurance Assessments.

After considering the comments on the deposit insurance assessment-related revision, the agencies are proceeding with the changes to the Call Reports as proposed with the added examples to show what an institution would report in the new Memorandum item in Schedule RC-O (FFIEC 031 and FFIEC 041 only).

2. Deposit-Related Revisions

The agencies received one comment letter from three trade associations on the February 2021 proposal to revise the Call Report forms and instructions related to sweep deposits. The commenters recommended that institutions that report sweep deposits on the Board's Complex Institution Liquidity Monitoring Report (FR 2052a) should not be

required to provide comparable data on the Call Report. Additionally, the commenters requested that the proposed Call Report memorandum items receive confidential treatment consistent with the treatment of comparable data items provided on the FR 2052a. The commenters further requested that the proposed Call Report memorandum items be delayed until the March 2022 report date. The commenters requested that the agencies confirm whether institutions are permitted to incorporate the new brokered deposits regime for purposes of reporting beginning with the June 30, 2021 Call Report, even if such institutions are still in the primary purpose exception application process. Finally, the commenters requested clarification with respect to the definition of “not fully insured” as it would apply to the proposed Call Report memorandum items.

The FR 2052a is required to be filed on a consolidated basis by (1) certain top-tier bank holding companies and top-tier covered savings and loan holding companies that in each case have consolidated assets of \$100 billion or more, and (2) certain foreign banking organizations with combined U.S. assets of \$100 billion or more. The largest and most complex FR 2052a filers additionally submit data in respect to a limited number of subsidiaries, including large depository institution subsidiaries, and U.S. branches. The FR 2052a report is collected on a daily or monthly basis, depending on the size of the reporting organization.⁶ In contrast, the proposed Call Report data collection would reflect deposit data from all depository institutions regardless of size. The Call Report data also would be collected on a quarterly or semiannual basis. Due to the differences in scope and frequency of the reporting, the agencies do not believe that there is material duplication between the data requested.

⁶ In general, banking organizations subject to the full liquidity coverage ratio requirements of the agencies’ Liquidity Coverage Ratio (LCR) rule, including all Category I and II banking organizations and certain Category III banking organizations (as such categories are defined in the rule), must submit the FR 2052a data on a daily basis while other banking organizations with total consolidated assets greater than \$100 billion, including certain Category III and all Category IV banking organizations, must submit FR 2052a data on a monthly basis.

Regarding the comment on confidential treatment, the Board notes that the information collected in the FR 2052a is collected as part of the agencies' supervisory framework and is provided confidential treatment for several reasons. The FR 2052a collection is reported on a frequent basis and includes a wide range of financial exposures providing detailed information on the liquidity profile of reporting firms (e.g., financing of securities positions and prime brokerage activities). Additionally, FR 2052a data is used as a supervisory tool to monitor individual organizations' overall liquidity profile, including during periods of stress, and may reflect risks and exposures between a respondent's material legal entities. As a result, public availability of an individual banking organization's detailed and frequent FR 2052a data could result in disclosure of proprietary business information.

By comparison, the proposed Call Report data items would be reported on a less frequent basis (quarterly or semiannually) by all individual depository institutions and do not include the same extensive scope of items reported under the FR 2052a collection. The agencies therefore do not believe public disclosure of the proposed Call Report data items would result in disclosure of proprietary business information which would harm a bank's competitive position. For example, because the proposed Call Report data items would be reported on a quarterly or semiannual basis and constitute limited information about a bank's liquidity risk or structural funding, it would not be possible for the public to determine an individual bank's Liquidity Coverage Ratio (LCR) or NSFR at any point within a quarter.⁷ Therefore, the agencies are not proposing to adopt confidential treatment for the proposed Call Report memorandum items.

With regard to the implementation date of the revisions to the Call Reports and FFIEC 002, the agencies acknowledge that institutions may need additional time to make

⁷ Holding companies subject to the agencies' LCR and NSFR rules must publicly disclose their consolidated LCR and NSFR on a quarterly basis.

system changes to capture the relevant data. Accordingly, in response to comments, the agencies are proposing to delay the implementation date for the new memorandum items in the Call Report and FFIEC 002 forms and instructions until the September 30, 2021, reporting date rather than for June 30, 2021, as originally proposed. As the collection in the FFIEC 051 occurs semiannually, FFIEC 051 filers will report the new data items for the first time for the December 31, 2021, reporting date. This delay should provide institutions with sufficient additional time to put in place systems to begin reporting on the proposed memorandum items.

The agencies will provide clarifications in the Call Report Glossary and Schedule RC-E, Deposit Liabilities instructions in response to comments related to reporting deposits as brokered in instances where a primary purpose application is pending or where an institution wishes to rely upon a previous staff advisory opinion or interpretation through December 31, 2021.

With respect to pending applications for a primary purpose exception, an IDI that receives deposits from a third party that is a “deposit broker” where an application for a primary purpose exception is pending, would report such deposits as brokered deposits if and until the FDIC approves such application. This is because the deposits being placed by or through a third party that is a deposit broker are brokered deposits unless the third party meets an exception to the definition.

In response to the commenters’ request, the agencies are clarifying the definition of “not fully insured” as it would apply to the deposit-related Call Report revisions. As described in the agencies’ February 2021 notice, the proposal aligns with the final NSFR rule and revised Call Report Glossary definition of “Sweep Deposits.” Under the agencies’ LCR and NSFR rules, a sweep deposit is considered “fully insured” if the entire amount of the sweep deposit is covered by deposit insurance provided by the FDIC

under the Federal Deposit Insurance Act.⁸ A sweep deposit is “not fully insured” if less than the entire balance of the sweep deposit is covered by FDIC insurance.

The brokered deposits final rule included clarifications to the definition of “deposit broker” in Section 29(g) of the Federal Deposit Insurance Act and Section 337.6(a)(5) of the FDIC’s regulations. The meaning of the term “brokered deposit” depends on the meaning of the term “deposit broker.” The term “Brokered Deposits” is defined in the Call Report Glossary, and the term “deposit broker” is also addressed in instructions to Schedule RC-E, Deposit Liabilities. Consistent with the agencies’ proposal to revise the Call Report instructions in the February 2021 notice, the agencies plan to update the Glossary and Schedule RC-E instructions to align with the clarifications to the definition of “deposit broker” in the brokered deposits final rule.

After considering the comments, the agencies are clarifying the proposed instructions as described above and proceeding with the clarifications in the Call Report Glossary and Schedule RC-E instructions related to the definition of “deposit broker.”

The agencies are also making several technical corrections to proposed revisions in the February 2021 notice. In that notice, the agencies proposed to revise the Call Report instructions to add the LCR rule’s definition⁹ of “retail customer or counterparty,” but inadvertently excluded references to living or testamentary trusts as part of that definition. The agencies will correct the Call Report instructions to include the complete definition of retail customer or counterparty from the agencies’ LCR rule.

In the February 2021 notice, the agencies stated that the Call Report instructions would add the LCR rule’s definition of “wholesale customer or counterparty.” Because there are no proposed line items that require the definition of wholesale customer or counterparty, the agencies do not plan to make this change in the Call Report instructions.

⁸ 12 U.S.C. 1811 *et seq.*

⁹ 79 FR 61439, 61527 (Oct. 10, 2014).

C. Revised Memorandum Item for Non-Brokered Sweep Deposits

As part of the February 2021 notice, the agencies proposed including the following data item that would be collected quarterly on the FFIEC 031 and FFIEC 041 Call Reports and semiannually on the FFIEC 051 Call Report:

- Memorandum item 1.i for total sweep deposits that are not brokered due to a primary purpose exception, which corresponds to the 25 percent test exception above.

As provided in the February 2021 notice, the agencies intend to collect this data to monitor sweep deposits that are not brokered due to the primary purpose exception to determine the supervisory and deposit insurance assessment implications of these deposits, if any.

However, the agencies note that certain sweep deposits placed by third parties with IDIs may not be classified as brokered when the third party has an exclusive deposit placement arrangement with only one IDI.¹⁰ For example, a broker dealer that is sweeping excess customer balances to only one IDI will not meet the deposit broker definition and therefore would not need to rely upon a primary purpose exception. Only reflecting exclusions related to the primary purpose exception could significantly limit the agencies' ability to monitor non-brokered sweep deposits. Therefore, to ensure a more complete collection of sweep deposits that are excluded from being reported as brokered, the agencies are proposing the following memo item in place of the proposed item above from the February 2021 notice:

- Memorandum item 1.i for total sweep deposits that are not brokered deposits.

¹⁰ 12 CFR 337.6(a)(5).

Updates to the Glossary and instructions will provide clarifications for determining whether certain third parties that place sweep deposits at IDIs are deposit brokers and the exceptions to the definition of deposit broker.

IV. Timing

As stated in the December 2020 notice, beginning with the June 30, 2021, Call Report, Schedule RC–O, Memorandum item 5, “Applicable portion of the CECL transitional amount or modified CECL transitional amount that has been added to retained earnings for regulatory capital purposes as of the report date and is attributable to loans and leases held for investment,” would be completed only by large and highly complex institutions that have adopted ASU 2016–13 and reported having a CECL transition election in effect as of the quarter-end report date.

The new deposit-related items would be effective starting with the September 30, 2021, Call Report (FFIEC 031 and FFIEC 041) and FFIEC 002, and with the December 31, 2021, Call Report (FFIEC 051). These items are Schedule RC–E, Memorandum items 1.h.(1) through 1.h.(4) and 1.i. Thereafter, these data items would be collected quarterly on the FFIEC 031 and FFIEC 041 Call Reports and semiannually on the FFIEC 051 Call Report. Beginning as of the same report date, all institutions filing the FFIEC 031 Call Report with \$100 billion or more in total assets would report deposit data in four additional items in Schedule RC–E, Memorandum items 1.h.(1)(a), 1.h.(2)(a), 1.h.(3)(a), and 1.h.(4)(a).

The agencies note that the brokered deposits final rule became effective April 1, 2021, with a mandatory compliance date of January 1, 2022. Therefore, for the September 30, 2021, Call Report dates, institutions may rely on either existing staff advisory opinions and interpretations or the new provisions in the brokered deposits final rule when assessing whether a sweep deposit is brokered for Call Report purposes. The

agencies will make available on the FFIEC website redline changes to the Glossary instructions for brokered deposits.

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;
- (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.

Theodore J. Dowd,

Deputy Chief Counsel,

Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on May 17, 2021.

James P. Sheesley,

Assistant Executive Secretary.

BILLING CODE 4810-33-P, 6210-01-P, 6714-01-P

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