



## Office of the Comptroller of the Currency

### FEDERAL RESERVE SYSTEM

### FEDERAL DEPOSIT INSURANCE CORPORATION

#### Proposed Agency Information Collection Activities; 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. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the agencies' publication for public comment of a proposal to revise and extend for three years the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051), which are currently approved collections of information. The FFIEC has also approved the Board's publication for public comment, on behalf of the agencies, of a proposal to revise and extend for three years 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 are also currently approved collections of information. The agencies are requesting comment on proposed revisions related to the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2022-02, "Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" (ASU 2022-02); reporting of past due loans; and reporting of Internet website addresses of depository institution trade names. The revisions are proposed to take effect with the March 31, 2024, report date.

**DATES:** Comments must be submitted on or before [INSERT DATE 60 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 will be shared among the agencies.

OCC: You may submit comments, by any of the following methods:

- Email: [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov).
- Mail: Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557-0081, 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](http://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](http://www.reginfo.gov). Hover over the "Information Collection Review" drop down menu and select "Information Collection Review."

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](http://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 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](mailto:regs.comments@federalreserve.gov). Include “Call Report and FFIEC 002 Revisions” in the subject line of the message.
- Fax: (202) 395-6974.
- 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 and FFIEC 002 Revisions,” by any of the following methods:

- Agency Website: <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Follow the instructions for submitting comments on the FDIC’s website.
- Email: [comments@FDIC.gov](mailto:comments@FDIC.gov). Include “Call Report 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 NW building (located on F Street NW) on business days between 7 a.m. and 5 p.m.
- *Public Inspection:* All comments received, including any personal information provided, will be posted without change to <https://www.fdic.gov/resources/regulations/federal-register-publications/>. Commenters should submit only information that the commenter wishes to make available publicly. The FDIC may review, redact, or refrain from posting all or any portion of any comment that it may deem to be inappropriate for publication, such as irrelevant or obscene material. The FDIC may post only a single representative example of identical or substantially identical comments, and in such cases will generally identify the number of identical or substantially identical comments represented by the posted example. All comments that have been redacted, as well as those that have not been posted, that contain comments on the merits of this document will be retained in the public comment file and will be considered as required under all applicable laws. All comments may be accessible under the Freedom of Information Act.

Additionally, commenters may send a copy of their comments to the OMB desk officer 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 [oir\\_submission@omb.eop.gov](mailto:oir_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 can be obtained at the FFIEC's website ([https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm)).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490. If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

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:**

### **I. Affected Reports**

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

#### **A. Call Report**

The agencies propose to extend for three years, with revision, their information collections associated with the FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports.

Report Title: Consolidated Reports of Condition and Income (Call Report).

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: 1,015 national banks and federal savings associations.

Estimated Average Burden per Response: 40.76 burden hours per quarter to file.

Estimated Total Annual Burden: 165,486 burden hours to file.

**Board:**

OMB Control No.: 7100-0036.

Estimated Number of Respondents: 699 state member banks.

Estimated Average Burden per Response: 44.21 burden hours per quarter to file.

Estimated Total Annual Burden: 123,611 burden hours to file.

**FDIC:**

OMB Control No.: 3064-0052.

Estimated Number of Respondents: 2,990 insured state nonmember banks and state savings associations.

Estimated Average Burden per Response: 38.95 burden hours per quarter to file.

Estimated Total Annual Burden: 465,842 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 84.53 (FFIEC 031), 54.60 (FFIEC 041), and 34.52 (FFIEC 051). The changes to the Call Report forms and instructions proposed in this notice would result in an estimated increase in burden hours per quarter for the FFIEC 051 of 0.12 hours. This increase in burden results from the proposed change in frequency for Schedule RC-M, Memoranda, items 8.a. through 8.c, as discussed in Section II. C, below. The proposed revisions and clarifications in this notice are not anticipated to change the estimated burden for the FFIEC 031 and the FFIEC 041. 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. In addition to the proposed revisions discussed below, Call Reports are periodically updated to clarify instructional guidance and correct grammatical and typographical errors on the forms and instructions, which are published on the FFIEC website.<sup>1</sup> These non-substantive updates may also be commented upon.

### **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 federal 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 the risk-based assessments for insured depository institutions.

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<sup>1</sup> [www.ffiec.gov/forms031.htm](http://www.ffiec.gov/forms031.htm); [www.ffiec.gov/forms041.htm](http://www.ffiec.gov/forms041.htm); [www.ffiec.gov/forms051.htm](http://www.ffiec.gov/forms051.htm).

## **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—183; FFIEC 002S—18.

Estimated Average Burden per Response: FFIEC 002—24.67 hours; FFIEC 002S—6.0 hours.

Estimated Total Annual Burden: FFIEC 002—18,058 hours; FFIEC 002S—432 hours.

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

The proposed revisions to the FFIEC 002 instructions in this notice 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. 1817(a)(1) and (3), 3102(b), and 3105(c)(2)). 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. ASU 2022-02, “Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures”**

#### **1. Background**

On March 31, 2022, the FASB issued ASU 2022-02 which eliminates the troubled debt restructuring (TDR) recognition and measurement guidance for entities that have adopted ASU 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on

Financial Instruments” (ASU 2016-13). Instead of identifying and accounting for TDRs separately from other loan modifications, all loans modified from the beginning of the fiscal year in which the new standard is adopted by an institution would be accounted for in accordance with ASC Section 310-20-35, *Receivables–Nonrefundable Fees and Other Costs – Subsequent Measurement*, as amended by ASU 2022-02. In addition, the new standard enhances financial statement disclosure requirements for certain loan modifications to borrowers experiencing financial difficulty. These disclosures include quantitative information about the modifications and their performance and qualitative information regarding how initial modifications and subsequent performance of such modifications impact the allowance for credit losses.

Upon adoption of ASU 2022-02, an institution would have the option to use a modified retrospective transition method to account for those TDRs that existed as of the last day of the fiscal year preceding the fiscal year in which the standard was implemented. For these TDRs, an institution would recognize a cumulative-effect adjustment to the beginning balance of retained earnings as of the first day of the fiscal year resulting from the adoption of ASU 2022-02. Institutions that opt to apply ASU 2022-02 prospectively would continue applying the TDR guidance to the existing TDR loans for allowance for credit losses purposes until the loans are paid in full or otherwise settled, sold, charged-off, or subsequently modified.

Regardless of the transition method applied to existing TDRs, institutions would apply ASU 2022-02 to all modifications made from the beginning of the fiscal year of adoption and in subsequent reporting periods. Institutions would only include loans that were modified to borrowers experiencing financial difficulty from the beginning of the fiscal year of adoption and in subsequent periods in their disclosures for financial statement purposes. TDRs or modifications made prior to the beginning of the fiscal year of adoption would not be included in these enhanced disclosures in the period of adoption or in any subsequent periods.

Additionally, per ASU 2022-02, an institution would not be required to use a discounted cash flow (DCF) approach to measure the allowance for credit loss on the modified loans.

However, if an institution chooses to use a DCF approach, it would be required to use the post-modification effective interest rate to discount expected cash flows. Modified loans for which repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty would still be considered to be collateral dependent. For regulatory reporting purposes, the allowance for credit losses for a collateral dependent loan would continue to be measured using the fair value of collateral (less cost to sell, when appropriate), regardless of whether foreclosure is probable.

ASU 2022-02 is effective for all institutions that have adopted ASU 2016-13 for fiscal years beginning after December 15, 2022, including interim reporting periods within those fiscal years. For all other institutions, the effective date for ASU 2022-02 would be the same as the effective date for ASU 2016-13.

## **2. Proposed Changes**

In response to ASU 2022-02, the agencies are proposing revisions to the Call Report forms and instructions. In general, these revisions would align the data collected in the Call Report forms and instructions with the definition of loan modifications to borrowers experiencing financial difficulty that is used in U.S. generally accepted accounting principles (GAAP). The banking agencies are proposing to replace, as appropriate, references to “troubled debt restructurings” with “modifications to borrowers experiencing financial difficulty” in the Call Report forms and instructions, and to update the Glossary to reflect the change in accounting for modifications to borrowers experiencing financial difficulty.

These changes are intended to provide data needed to monitor banks’ safety and soundness and for FDIC deposit insurance assessment purposes. The proposed revisions would assist the agencies in gaining a better understanding of banks’ credit exposures. Specifically, the loan modifications to borrowers experiencing financial difficulty reported in Call Report Schedule RC-C, Part I, Loans and Leases, Memorandum item 1, and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, Memorandum item 1 would enable the

agencies to better understand the level of loan modification activity at institutions and the categories of loans involved in this activity. The agencies would benefit from continued reliable data outside of on-site examinations to assess modification activity, particularly given current increased risks related to commercial real estate loans and commercial and industrial loans. In addition, the proposed changes are needed to calculate deposit insurance assessments for large or highly complex institutions as defined in FDIC regulations.<sup>2</sup>

Institutions that have fiscal years beginning in the fourth quarter of 2023, and choose not to early adopt the standard, will not apply the standard in the Call Report and/or the FFIEC 002 until the December 31, 2023, report date. The proposed revisions to specific data items resulting from the elimination of the TDR recognition and measurement guidance would be reflected in the forms as of the March 31, 2024, report date, as outlined in the following descriptions of the proposed changes to the affected Call Report and FFIEC 002 schedules.

Through December 31, 2023, the quarterly Supplemental Instructions for the Call Report will include guidance for institutions that have adopted ASU 2022-02 on reporting the data items related to loan modifications to borrowers experiencing financial difficulty.

### **3. Specific Revisions to the Call Reports**

#### **Schedule RC-C and Schedule RC-N**

Upon adoption of ASU 2022-02, institutions would continue to report detail on loan modifications to borrowers experiencing financial difficulty in Call Report Schedule RC-C, Part I, Loans and Leases, Memorandum item 1, and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, Memorandum item 1. However, the modifications reported in these Memoranda items would need to meet the definition of “loan modifications to borrowers experiencing financial difficulty” as described in ASU 2022-02, rather than the GAAP definition

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<sup>2</sup> On October 18, 2022, the FDIC Board adopted a final rule to incorporate ASU 2022-02, *available at*: <https://www.fdic.gov/news/board-matters/2022/2022-10-18-notice-sum-b-fr.pdf>, in the risk-based deposit insurance assessment system applicable to all large and highly complex insured depository institutions as defined in the FDIC’s assessment regulations. *See* 12 CFR 327.8(f), (g) and 12 CFR 327.16(b).

related to “troubled debt restructurings.” Loan modifications to borrowers experiencing financial difficulty include financing receivables that had been modified in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension (or a combination thereof). The Call Report forms and instructions would be updated to include in the item descriptions and instructions references to “loan modifications to borrowers experiencing financial difficulty” and remove references to the TDR framework.

The Call Report provides the agencies with data to be used in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. This data serves a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of supervised financial institutions and the stability of the financial system utilizing statistical data for identifying areas of focus for both on-site and off-site supervision. The information needed for these purposes at times may differ from information required by GAAP as accounting standards are not specifically tailored to the needs of the financial institution regulators.

ASU 2022-02 requires financial statement disclosures on loan modifications to borrowers experiencing financial difficulty made “within the previous 12 months preceding the payment default when the debtor was experiencing financial difficulty at the time of the modification.”<sup>3</sup> However, as evidenced by the modifications made during the COVID-19 pandemic in 2020, 2021, and 2022, it may take longer than 12 months following the modification to assess whether loans are performing in accordance with their modified terms and if the borrower is no longer experiencing financial difficulty. Reporting modifications on the Call Report for a period greater than 12 months would increase the reporting period beyond that required by the financial statement disclosure requirements in ASU 2022-02. However, the ability to monitor modifications made by institutions to borrowers experiencing financial difficulty provides useful supervisory information on the borrower’s continued performance or lack thereof on the

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<sup>3</sup> See ASC 310-10-50-44.

modified loan. Due to these factors, the agencies are proposing to require reporting of these modifications for a minimum period of 12 months and until an institution performs a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty, unless the loan is paid off, charged-off, sold, or otherwise settled.

Performing a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty is consistent with the *Interagency Guidelines Establishing Standards for Safety and Soundness* issued by the Board, FDIC, and OCC,<sup>4</sup> which articulate safety and soundness standards for supervised financial institutions to establish and maintain prudent credit underwriting practices and maintain systems to identify distressed assets and manage deterioration in those assets.

The agencies invite comment on this proposal and are particularly interested in understanding any operational challenges and the nature of any loan systems changes necessary to accommodate the Call Report collection of data on loan modifications to borrowers experiencing financial difficulty for a minimum period of 12 months and until an institution performs a current, well documented credit evaluation to support that the borrower is no longer experiencing financial difficulty, unless the loan is paid off, charged-off, sold, or otherwise settled.

*Question 1:* What additional factors, if any, should the agencies consider when determining the length of time that a loan modification to a borrower experiencing financial difficulty must be reported in Schedule RC-C and RC-N memoranda items?

*Question 2:* What are the advantages or disadvantages of reporting loan modifications for a period longer than 12 months as required for financial statement disclosures for applicable institutions under ASU 2022-02?

## **Schedule RC-M**

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<sup>4</sup> 12 CFR part 30, appendix A (OCC); 12 CFR part 208 Appendix D-1 (Board); and 12 CFR part 364 appendix A (FDIC).

Upon adoption of ASU 2022-02, institutions would continue to report detail on other real estate owned in Schedule RC-M, Memoranda, item 3. However, instructional references to ASC Subtopic 310-40, Receivables-Troubled Debt Restructurings by Creditors (ASC Subtopic 310-40) would be updated to ASC Subtopic 310-20, Receivables-Nonrefundable Fees and Other Costs (ASC Subtopic 310-20). The Call Report instructions would be updated to include the updated codification references.

### **Schedule RC-O**

Upon adoption of ASU 2022-02, institutions that meet the FDIC's definition of large institutions or highly complex institutions for deposit insurance assessment purposes would continue to report loans that have been modified to borrowers experiencing financial difficulty in Call Report Schedule RC-O, Other Data for Deposit Insurance Assessments, renamed Memorandum item 16, "Portion of loan modifications to borrowers experiencing financial difficulty that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, Part I, Memorandum item 1)." However, the modifications reported in this Memorandum item would be those that are guaranteed or insured by the U.S. government (including the FDIC) and meet the definition of "loan modifications to borrowers experiencing financial difficulty," rather than the definition related to "loans restructured in troubled debt restructurings." Both the FFIEC 031 and FFIEC 041 Call Report forms and instructions would be updated to include in the item descriptions and instructions references to "loan modification to borrowers experiencing financial difficulty" as described in ASU 2022-02 and remove references to the TDR framework.

### **Glossary**

Effective March 31, 2024, to address the elimination of the TDR recognition and measurement guidance in ASU 2022-02, the agencies propose to revise or eliminate, as appropriate, the following Glossary entries to provide additional information for those institutions that have adopted ASU 2022-02 and to remove redundant entries: (1) "Allowance

for Credit Losses,” (2) “Foreclosed Assets,” (3) “Loan Fees,” (4) “Nonaccrual Status,” (5) “Renegotiated Troubled Debt,” (6) “Troubled Debt Restructurings,” (7) “Loan Impairment,” and (8) “Purchased Credit-Impaired Loans and Debt Securities.” Additionally, a new entry for “Loan Modifications to Borrowers Experiencing Financial Difficulty” would be included in the Glossary.

#### **4. Revisions to the FFIEC 002**

The Board’s proposed revisions to the FFIEC 002 are intended to align with similar changes proposed to the Call Report and discussed in the prior section.

#### **Schedule N**

Upon adoption of ASU 2022-02, institutions would continue to report detail on loan modifications to borrowers experiencing financial difficulty in FFIEC 002 Schedule N, Past Due, Nonaccrual, and Restructured Loans, Columns C and D. The modifications reported in these columns would meet the definition of “modifications to borrowers experiencing financial difficulty” as described in ASU 2022-02, rather than the definition related to “troubled debt restructurings.” The FFIEC 002 instructions would be updated to include references to “modifications to borrowers experiencing financial difficulty” and remove references to the TDR framework.

The agencies are proposing to align the time period for reporting applicable items on Schedule N with the Call Report Memorandum items described above.

#### **B. Past Due Definition**

The definition used to report loans as “past due” is provided in the General Instructions to Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets. The agencies have become aware of questions regarding the classification of loans as past due, particularly when a past-due loan is in the process of being extended or refinanced.<sup>5</sup> To address these questions and improve the consistency of past due reporting across institutions, the agencies are proposing

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<sup>5</sup> See, e.g., *United States v. Harra*, 985 F.3d 196 (3d Cir. 2021).

three changes to the Schedule RC-N general instructions that define “past due”. First, the proposed revisions clarify that reporting institutions must report as past due any loans that the reporting institution is in the process of restructuring if the restructuring process has not concluded (*i.e.*, the restructuring has not been executed or become effective). Second, the proposed revisions would clarify that a loan or other asset should be reported as past due when either an interest payment or principal payment is due and unpaid for 30 days or longer. Third, the proposed revisions would restructure the definition to clarify the general rules for reporting past due loans, the exceptions to those general rules, and nonexclusive examples of reporting past due loans or other assets consistent with those instructions.

*Question 3:* What, if any, other clarifications to the definition of “past due” should the agencies consider that would improve usability by institutions and comparability across the institutions?

*Question 4:* While the agencies do not intend that these proposed changes would materially alter the way institutions currently assess and report past due loans, do institutions view any burden associated with implementing these proposed changes?

### **C. Depository Institution Trade Names and Deposit Accepting URLs**

Schedule RC-M, Memoranda, items 8.a. through 8.c. request information on institutions’ websites and trade names, particularly those used to solicit deposits. The agencies added these items to enable the FDIC to effectively serve as an information resource for depositors and the public seeking to identify the insured status of a physical branch office or Internet website that uses a trade name rather than the legal name of the insured institution. However, the FDIC has observed some institutions reporting Internet websites or trade names of non-bank entities, including third parties that accept or solicit deposits from the public on behalf of the FDIC-insured depository institution. As a result, the FDIC cannot effectively use this information to assist bank customers and the public in determining the insured status of an institution which is using a website or trade name to solicit deposits.

In order to improve the effectiveness and usability of reporting these items, the agencies are proposing to clarify the instructions for items 8.a through 8.c. For item 8.a, “Uniform Resource Locator (URL) of the reporting institution’s primary Internet website (home page), if any” the agencies would clarify that institutions would not report URLs of affiliates that are not insured depository institutions. For item 8.b, “URLs of all other public-facing Internet websites that the reporting institution uses to accept or solicit deposits from the public, if any” the agencies would revise the instructions to clarify that an FDIC-insured depository institution would only reports URLs of public-facing Internet websites operated by the reporting FDIC-insured depository institution. The agencies would also clarify the instructions to indicate that an FDIC-insured depository institution would not report Internet websites of any non-bank entity, including any third parties that accept or solicit deposits from the public on behalf of the reporting FDIC-insured depository institution. These third parties, which would not be reported in this item, would include any person or entity other than the insured institution that is acting as fiduciary in the placement of deposit funds into an FDIC-insured depository institution as described under 12 CFR 330.5 and 330.7 that is commonly referred to as “pass-through” deposit insurance coverage. For item 8.c, “Trade names other than the reporting institution’s legal title used to identify one or more of the institution’s physical offices at which deposits are accepted or solicited from the public, if any” the agencies would clarify the instructions to exclude reporting of any non-bank affiliates or subsidiaries regardless of whether these entities solicit deposits.

In addition, the agencies are proposing to increase the frequency of reporting of these items on the FFIEC 051 from semi-annually to quarterly. Currently, items 8.a through 8.c are completed on a quarterly basis by institutions filing the FFIEC 031 and FFIEC 041 Call Report form and semi-annually by those institutions filing the FFIEC 051 Call Report form. Quarterly reporting by the FFIEC 051 filers would provide more current information to assist the FDIC with identifying the insured status of institutions using the websites or trade names to solicit deposits.

*Question 5:* The current instructions for item 8 request information regarding websites “operated by” an FDIC-insured depository institution. Does the phrase “operated by” capture the appropriate population of URLs used by FDIC-insured depository institutions or would an alternate phrase such as “owned by” be more appropriate?

*Question 6:* Would these proposed instruction revisions clearly distinguish reporting deposit accepting activities of the institution under its own websites and trade names while excluding URLs used by third parties that facilitate pass-through insurance?

*Question 7:* What additional burden, if any, would result from FFIEC 051 filers reporting items 8.a through 8.c on a quarterly basis?

### **III. Timing**

The proposed revisions to the Call Reports and the FFIEC 002 would take effect beginning with the March 31, 2024, report date. The agencies invite comment on any difficulties that institutions would expect to encounter in implementing the systems changes necessary to accommodate the proposed revisions to the Call Reports and FFIEC 002 consistent with this effective date.

### **IV. Request for Comment**

Public comment is requested on all aspects of this joint notice including the questions that were provided in the earlier sections. In addition to the questions included above, 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.

Dated at Washington, DC, on August 29, 2023.

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**Billing Codes**

OCC: 4810-33-P 1/3  
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