

*Estimated Total Annual Burden Hours:* 81,530.

*Requests for Comments:* Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record and may be published on the Fund Web site at <http://www.cdfifund.gov>. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services required to provide information.

**Authority:** 26 U.S.C. 45D; 26 CFR 1. 45D-1.

**Mary Ann Donovan,**

*Director, Community Development Financial Institutions Fund.*

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## DEPARTMENT OF THE TREASURY

### Office of the Comptroller of the Currency

### FEDERAL RESERVE SYSTEM

### FEDERAL DEPOSIT INSURANCE CORPORATION

#### Agency Information Collection Activities: Submission for OMB Review; Joint 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 (PRA) of 1995, 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 August 15,

2016, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal for a new Consolidated Reports of Condition and Income for Eligible Small Institutions (FFIEC 051). The proposed FFIEC 051 is a streamlined version of the existing Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only (FFIEC 041), which was created by (1) removing certain existing schedules and data items and replacing them with a limited number of data items in a new supplemental schedule, (2) eliminating certain other existing data items, and (3) reducing the reporting frequency of certain data items. The FFIEC 051 generally would be available to institutions with domestic offices only and assets of less than \$1 billion, which currently file the FFIEC 041. Of the nearly 6,000 insured depository institutions, approximately 5,200 would be eligible to file the proposed FFIEC 051. When compared to the existing FFIEC 041, the proposed FFIEC 051 shows a reduction in the number of pages from 85 to 61. This decrease is the result of the removal of approximately 950 or about 40 percent of the nearly 2,400 data items in the FFIEC 041. Of the data items remaining from the FFIEC 041, the agencies have reduced the reporting frequency for approximately 100 data items in the proposed FFIEC 051. In addition, the FFIEC and the agencies requested public comment on proposed revisions to the FFIEC 041 and the Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (FFIEC 031), which are currently approved collections of information. The Consolidated Reports of Condition and Income are commonly referred to as the Call Report.

The comment period for the August 2016 notice ended on October 14, 2016. As described in the **SUPPLEMENTARY INFORMATION** section, after considering the comments received on the proposals, the FFIEC and the agencies will proceed with the implementation of the proposed FFIEC 051, along with the proposed reporting revisions to the FFIEC 041 and FFIEC 031, with some modifications to the proposals for all three versions of the Call Report. With OMB approval, the proposed FFIEC 051 and the proposed reporting changes to the existing FFIEC 031 and FFIEC 041 would become effective as of March 31, 2017.

The agencies also are giving notice that they have sent the collection to OMB for review.

**DATES:** Comments must be submitted on or before February 8, 2017.

**ADDRESSES:** Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

**OCC:** Because paper mail in the Washington, DC, area and at the OCC is subject to delay, commenters are encouraged to submit comments by email, if possible, to [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov). Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: "1557-0081, FFIEC 031, 041, and 051," 400 7th Street SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326. You may personally inspect and photocopy comments at the OCC, 400 7th Street SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All 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.

**Board:** You may submit comments, which should refer to "FFIEC 031, FFIEC 041, and FFIEC 051," by any of the following methods:

- **Agency Web site:** <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.

- **Federal eRulemaking Portal:** <http://www.regulations.gov>. Follow the instructions for submitting comments.

- **Email:** [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include the reporting form numbers in the subject line of the message.

- **Fax:** (202) 452-3819 or (202) 452-3102.

- **Mail:** Robert DeV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW., Washington, DC 20551.

All public comments are available from the Board's Web site at

[www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm](http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm) as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room MP-500 of the Board's Martin Building (20th and C Streets NW.) between 9:00 a.m. and 5:00 p.m. on weekdays.

**FDIC:** You may submit comments, which should refer to "FFIEC 031, FFIEC 041, and FFIEC 051," by any of the following methods:

- **Agency Web site:** <https://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC's Web site.

- **Federal eRulemaking Portal:** <https://www.regulations.gov>. Follow the instructions for submitting comments.

- **Email:** [comments@FDIC.gov](mailto:comments@FDIC.gov). Include "FFIEC 031, FFIEC 041, and FFIEC 051" in the subject line of the message.

- **Mail:** Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3007, 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 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 [oira\\_submission@omb.eop.gov](mailto:oira_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** For further information about the proposed revisions to the Call Report described in this notice, please contact any of the agency staff whose names follow. In addition, copies of the FFIEC 031 and FFIEC 041 Call Report forms and the proposed FFIEC 051 report form can be obtained at the FFIEC's Web site ([https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm)).

**OCC:** Kevin Korzeniewski, Counsel, (202) 649-5490 or, for persons who are

deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7th Street SW., Washington, DC 20219.

**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., Room MB-3007, Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** The agencies are proposing to create a new Call Report for eligible small institutions, the foundation for which is a currently approved collection of information for each agency. In addition, the agencies are proposing revisions to data items reported on the FFIEC 041 and FFIEC 031 Call Reports.

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

**Form Numbers:** FFIEC 051 (proposed for eligible small institutions), FFIEC 041 (for banks and savings associations with domestic offices only), and FFIEC 031 (for banks and savings associations with domestic and foreign offices).

**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:** 1,383 national banks and federal savings associations.

**Estimated Average Burden per Response:** 50.03 burden hours per quarter to file.

**Estimated Total Annual Burden:** 276,766 burden hours to file.

#### Board

**OMB Control No.:** 7100-0036.

**Estimated Number of Respondents:** 825 state member banks.

**Estimated Average Burden per Response:** 54.00 burden hours per quarter to file.

**Estimated Total Annual Burden:** 178,200 burden hours to file.

#### FDIC

**OMB Control No.:** 3064-0052.

**Estimated Number of Respondents:** 3,824 insured state nonmember banks and state savings associations.

**Estimated Average Burden per Response:** 48.08 burden hours per quarter to file.

**Estimated Total Annual Burden:** 735,432 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 031, the FFIEC 041, and the proposed FFIEC 051 reports. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 128.05 (FFIEC 031), 74.88 (FFIEC 041) and 44.94 (FFIEC 051). Furthermore, 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).

The agencies received ten comments on the burden estimates. One commenter recommended including time to review instructions for the applicable form, even if data items in that form are not applicable to the institution. The agencies also received comments from institutions with estimates of the time it takes their institutions to prepare the current FFIEC 041 Call Report. The majority of these estimates ranged from 40-80 hours per quarter, with one response of 268 hours per quarter. Three commenters stated that preparing the Call Report costs approximately \$1,000 annually for software. In response to the comments on methodology, the agencies have revised their calculation for their burden estimates. In addition to the estimated time for gathering and maintaining data in the required form and completing those Call Report data items for which an institution has a reportable (nonzero) amount, which have been included in the agencies' burden estimates, the revised methodology incorporates time for reviewing instructions for all items, even if the institution determines it does not have a reportable amount. The agencies have also added estimated burden hours for verifying the accuracy of amounts reported in the Call Report. As stated earlier, the agencies are also separating the estimated burden by type of report, to highlight the estimated burden reduction between the FFIEC 041 and FFIEC 051 reports. While the agencies' burden estimates are on the lower end of the ranges provided by commenters, these estimates are based on average times to complete each data item factoring in the varying levels of automation versus manual interventions

that exist across institutions for every data item.

One commenter estimated that the incremental burden associated with the one-time conversion from the FFIEC 041 to the FFIEC 051 would be approximately 160 hours, primarily for training, and approximately \$350 for software. Due to the various factors that could affect the time and cost of switching to the FFIEC 051, including training needs, the type of existing systems and automation at an institution, and any cost from software vendors to enable an institution to file the new form, the agencies have not provided an estimate of this conversion burden. The agencies reiterate that adopting the FFIEC 051 form is optional, and each institution should weigh the estimated time savings from using that form with the one-time burden to switch to the FFIEC 051 from the FFIEC 041.

### General Description of Reports

Institutions 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 missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights. The data also serve public policy purposes associated with agency-specific missions affecting national and state-chartered institutions, *e.g.*, monetary policy, financial stability, and 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. The agencies use Call Report data in evaluating institutions' corporate applications, including, in particular, interstate merger and acquisition applications for which, as required by law, the agencies must 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 and Financing Corporation assessments and national banks' and federal savings associations' semiannual assessment fees.

These information collections are mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (for federal

and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

### Current Actions

#### I. Introduction

On August 15, 2016, the agencies requested comment for 60 days on a proposal for a new Consolidated Reports of Condition and Income for Eligible Small Institutions (FFIEC 051) along with various proposed revisions to the existing Call Report requirements (FFIEC 031 and FFIEC 041).<sup>1</sup> The FFIEC 051 was created by removing items or reducing the frequency of items reported in the FFIEC 041, as detailed in Appendix B. The FFIEC 051 and the revisions to the FFIEC 031 and FFIEC 041 are the result of a formal initiative launched by the FFIEC in December 2014 to identify potential opportunities to reduce burden associated with Call Report requirements for community institutions. The most significant actions under this initiative are community institution outreach efforts, internal surveys of users of Call Report data at FFIEC member entities, and the proposal for a streamlined Call Report for small institutions. Additional information about the initiative can be found in the August 2016 notice, along with two other notices related to actions taken under that initiative.<sup>2</sup>

The comment period for the August 2016 notice ended on October 14, 2016. General comments on the notice are summarized in Section II. In Section III, the agencies provide more details on the comments received on the FFIEC 051 and any changes the agencies are making in response to those comments. In Section IV, the agencies address comments on the proposed changes to the FFIEC 031 and FFIEC 041 Call Reports. In Section V, the agencies provide information about additional specific suggestions received from commenters to improve all versions of the Call Report and any changes the agencies are making in response to those comments. With OMB approval, the effective date for the initial implementation of the FFIEC 051 and the revisions to the existing FFIEC 041 and FFIEC 031 would be March 31, 2017.

#### II. General Comments on the Proposal

The agencies collectively received comments on the proposal from approximately 1,100 entities, including individuals, banking organizations,

bankers' associations, and a government entity.<sup>3</sup> General comments on the proposed FFIEC 051 and existing FFIEC 031 and FFIEC 041 Call Reports are included in this section. The agencies provide information regarding comments on specific aspects of the proposed FFIEC 051 and the proposed revisions to the existing Call Reports in more detail in Sections III and IV, respectively. Additional specific suggestions provided by commenters on the existing Call Reports and the proposed FFIEC 051 are included in Section V.

##### A. General Comments on the Proposed FFIEC 051

Commenters expressed mixed opinions on the proposed FFIEC 051. Approximately 25 commenters representing banking organizations, bankers' associations, and a government entity supported the effort put forth by the agencies. One bankers' association stated that the initial proposal was "a positive step in an ongoing, iterative process" that shows a "modest but material burden relief to institutions eligible to file the [FFIEC 051] report." One institution stated that the proposed FFIEC 051 would assist small banks by reducing preparation time and minimizing confusion by removing schedules related to activities in which the bank does not engage. Another commenter stated that this proposal was a good start by removing items that have no relationship with the reporting institution. Another commenter agreed with the proposal to shorten the length of the Call Report and the instructions, which would reduce the time spent reviewing updates to determine items that may or may not be applicable to the bank. One commenter stated the reduction and the removal of non-relevant data items for noncomplex institutions saves both time and money. The government entity stated it uses certain data items in the Call Report in preparing national economic reports, and encouraged the agencies to continue collecting those items.

On the other hand, the majority of commenters from banking organizations and bankers' associations responded that there was no perceived impact by adopting the FFIEC 051. Many of the banking organizations stated that the data items proposed to be removed were not reported currently by their institutions; therefore, the changes would not impact their burden in preparing the Call Report. Three of the bankers' associations stated that the

<sup>1</sup> See 81 FR 54190 (August 15, 2016).

<sup>2</sup> See 80 FR 56539 (September 18, 2015) and 81 FR 45357 (July 13, 2016).

<sup>3</sup> The agencies received approximately 100 unique letters and 1,000 form letters.

agencies removed items largely not reported, and related to activities not engaged in, by community banks. Another institution responded that by making the change to the FFIEC 051, it would add burden at the conversion date with little time savings in future filings. One commenter stated that the inclusion of the supplemental schedule (Schedule SU) could actually increase burden, as banks must use the same processes or new processes to verify the data (or inapplicability) of the new supplemental items.

The agencies recognize that not all community institutions eligible to file the FFIEC 051 will see an immediate and large reduction in burden by switching to that form. Some of the items that were removed from the FFIEC 041 to create the FFIEC 051 only needed to be reported by institutions with assets of \$1 billion or more. Other items not included in the FFIEC 051 applied to institutions of all sizes, but may not have applied to every community institution, due to the nature of each institution's activities. Approximately 100 data items would be collected at a reduced frequency in the FFIEC 051. For example, in creating the FFIEC 051, the agencies have removed from the FFIEC 041 the data items on Schedule RC-L, Derivatives and Off-Balance Sheet Items, in which the more than 700 eligible institutions that have derivative contracts have been required to report the gross positive and negative fair values of these contracts. The agencies also have reduced from quarterly to semiannually the reporting frequency in the FFIEC 051 of Schedule RC-C, Part II, Loans to Small Businesses and Small Farms, which is applicable to the approximately 5,200 institutions eligible to file the FFIEC 051,<sup>4</sup> and Schedule RC-A, Cash and Balances Due from Depository Institutions, which applies to the more than 1,400 eligible institutions that have \$300 million or more in total assets. Additionally, as noted earlier, the agencies are shortening the instructions associated with the FFIEC 051, so that community bankers will not need to review as many nonapplicable instructions, or the associated changes to those instructions that may occur in the future. Taken together, the agencies believe these changes are a positive step toward providing meaningful Call Report burden relief to community institutions.

A majority of the commenters that did not favor the proposed FFIEC 051 suggested the agencies adopt a "short-form" Call Report to be filed in the first

and third quarters. The short-form Call Report recommended by commenters would consist only of an institution's balance sheet, income statement, and statement of changes in equity capital. The institution would file a full Call Report including all supporting schedules in the second and fourth quarters.

The agencies recognize that the information requested in the Call Report is often more granular than information presented in standard financial statements, including the notes to the financial statements, and can require refining or subdividing the information contained in accounts reported in an institution's general ledger system or core processing systems. This process may be burdensome, particularly when account balances have not materially changed from the prior quarter. However, one element that sets banking apart from other industries is the regulatory framework, particularly the provision of Federal deposit insurance and the important role of financial intermediation, which requires safety and soundness supervision and examination. A key component of bank supervision is reviewing granular financial data about an institution's activities to identify changes in those activities and in the institution's condition, performance, and risk profile from quarter to quarter that suggest areas for further investigation by the institution's supervisory agency. For example, granular data on loan categories, past due and nonaccrual loans, and loan charge-offs and recoveries<sup>5</sup> feed into an analysis of credit risk, while data on loan, security, time deposit, and other borrowed money maturities and repricing dates<sup>6</sup> feed into analyses of interest rate risk and liquidity risk. Much of this analysis occurs off-site, so an institution may not be aware of the extent of this process unless it identifies anomalies or other "red flags" at the institution. Even then, some anomalies and other "red flags" may be discussed immediately with the institution, while other concerns are flagged for investigation at the next on-site examination. The earlier that anomalies, upon immediate follow-up, are found to evidence deficiencies in risk management or deterioration in an institution's condition, the less difficult it will be for the institution to implement appropriate corrective action. In this context, with full-scope on-site examinations occurring no less

than once during each 18-month period for institutions that have total assets of less than \$1 billion and meet certain other criteria, quarterly data are necessary for many of the data items in the Call Report in order for an institution's supervisory agency to have a sufficient number of data points to both identify and distinguish between one-time anomalies and developing trends at the institution. Moreover, the agencies note that extending the examination cycle to 18 months for certain qualifying institutions is discretionary, and the analysis of trends in a particular institution's Call Report data is a significant factor in deciding whether to exercise that discretion with respect to that institution.

In addition to supporting the identification of higher-risk situations, enabling timely corrective action for such cases, and justifying the extended examination cycle, the quarterly reporting of the more granular Call Report items also aids in the identification of low-risk areas prior to on-site examinations, allowing the agencies to improve the allocation of their supervisory resources and increase the efficiency of supervisory assessments, which reduces the scope of examinations in these areas, thereby reducing regulatory burden. While the quarterly monitoring process enabled by the more granular Call Report items historically has focused on raising "red flags," similar emphasis has also been placed on the identification of low-risk situations. A six-month reporting cycle for the more granular Call Report items would hamper the agencies' ability to form timely risk assessments and so could stymie efforts to improve the focus of on-site examinations for low-risk institutions. In this manner, an effort to reduce regulatory burden by lengthening the reporting cycle for the more granular Call Report items could limit the agencies' opportunities to reduce burden for on-site examinations.

In addition to safety and soundness data, other data items are required quarterly due to various statutes or regulations. Leverage ratios based on average quarterly assets and risk-based capital ratios are necessary under the prompt corrective action framework established under 12 U.S.C. 1831o.<sup>7</sup> Data on off-balance sheet assets and liabilities are required every quarter for which an institution submits a balance sheet to the agencies pursuant to 12 U.S.C. 1831n.<sup>8</sup> Granular data on deposit liabilities and data affecting risk assessments for deposit insurance are

<sup>5</sup> Reported on Schedules RI-B; RC-C, Part I; and RC-N.

<sup>6</sup> Reported on Schedules RC-B; RC-C, Part I; RC-E; and RC-M.

<sup>7</sup> Reported on Schedules RC-K and RC-R.

<sup>8</sup> Reported on Schedule RC-L.

<sup>4</sup> See Section III for further discussion of this change in reporting frequency.

required four times per year under 12 U.S.C. 1817.<sup>9</sup>

Further, the public availability of most quarterly Call Report information from institutions that are not publicly held is desired by their depositors (particularly those whose deposits are not fully insured), other creditors, investors, and other institutions. An institution's depositors and other creditors may use quarterly Call Report information to perform their own assessments of the condition of the institution. Existing and potential investors may evaluate Call Report data to assess an institution's condition and future prospects; the absence of quarterly information could impair the institution's ability to raise capital or could limit the liquidity of the institution's shares for existing stockholders. Other institutions that engage in transactions with the reporting institution may utilize Call Report information to assess the condition of their counterparties to these transactions. In addition, some institutions use peer analysis to benchmark against local competitors using data obtained from their Call Reports directly, or by using third-party vendors who often leverage information from the agencies' repository of Call Report data. For example, as part of their financial control structures, some institutions analyze their allowance for loan and lease losses (ALLL) by comparing their delinquency ratios and their ratios of ALLL to loans and leases to peer group ranges and averages.

While the agencies understand the commenters' desire for a "short-form" Call Report, for the reasons stated above, the agencies did not adopt this suggestion. In addition to the basic financial statements, the most streamlined quarterly report possible must also include quarterly data required by statute or regulation, along with quarterly data necessary for adequate supervision by the agencies. However, as part of the continuing burden reduction efforts, the agencies will continue to review the quarterly data collected in the proposed FFIEC 051 and existing FFIEC 031 and FFIEC 041 reports that go beyond the statutory or regulatory requirements or essential supervisory needs. For example, as described in Section III, the agencies are revising Schedule RC-C, Part II, in the FFIEC 051 to reduce its reporting frequency from quarterly to semiannual for all institutions that file the FFIEC 051.

### *B. General Comments on the Call Report Initiatives*

The agencies are still engaged in the statutorily mandated review of the existing Call Report data items (Full Review).<sup>10</sup> The agencies are conducting the Full Review as a series of nine surveys of internal users of Call Report data within the FFIEC member entities. Proposed changes resulting from the first three surveys were included in the August 2016 proposal, and a summary of the member entities' uses of the data items retained in the Call Report schedules covered in these three surveys is included as Appendix A. The agencies are analyzing the results of four additional surveys, and still need to collect and review data from the final two surveys to determine any future proposed revisions to the FFIEC 031, FFIEC 041, and FFIEC 051. Burden-reducing reporting changes to these three versions of the Call Report from the remaining six surveys will be proposed in future **Federal Register** notices with an anticipated implementation date of March 31, 2018. The agencies described this staged approach to proposing changes to the FFIEC 031, FFIEC 041, and FFIEC 051 resulting from the Full Review in their August 2016 proposal, but asked whether it would be less burdensome to delay all the changes to the Call Report until the completion of the Full Review.

The agencies received comments about the burden reduction initiative and the Full Review. On the timing of future revisions, one commenter stated that it would not matter, while another commenter wanted the changes implemented as soon as possible. Three commenters recommended adopting all of the changes at once. These commenters stated it is more burdensome to deal with more frequent changes to the Call Report, even if those changes would reduce burden. Six commenters sought a better understanding for the agencies' use of the Call Report data items submitted by institutions. Two bankers' associations requested a published report of how the data are used either by individual line item or by schedule.

The agencies are cognizant of the burden caused by frequent changes to the Call Report, but also must consider the ongoing burden imposed until the completion of the review by collecting data items the agencies have agreed are no longer necessary. In an attempt to balance those concerns, the agencies

plan to propose changes related to the user surveys in two future notices. The agencies already included the results from the first three user surveys in the August 2016 notice. The next notice would include changes from a second set of user surveys and is expected to be issued in early 2017. The last notice would include any changes from a third and final set of user surveys and is expected to be issued in late 2017. The proposed effective date for changes in both future notices would be March 31, 2018.

As described earlier in this section and in response to specific comments in Sections III and V, a significant amount of the data collected in the Call Report is used for safety and soundness purposes, especially for quarterly off-site monitoring and reviews between on-site examinations. Additional data items are required by statute or regulation. A lesser number of data items are used for consumer financial protection purposes or for specific agency missions, such as deposit insurance and monetary policy. To provide additional detail on the uses of Call Report schedules and data elements, the agencies are including, in Appendix A, a summary of the FFIEC member entities' uses of specific schedules and data items from the first three user surveys conducted in the Full Review. The agencies plan to publish similar summaries when proposing additional changes based on the results of the second two sets of Full Review surveys in future notices.

Finally, while it may not directly reduce burden at this time, as described in the August 2016 notice, the agencies will apply a set of guiding principles in evaluating potential future additions and revisions to the Call Report. Those principles are: (1) The data items serve a long-term regulatory or public policy purpose by assisting the FFIEC member entities in fulfilling their missions of ensuring the safety and soundness of financial institutions and the financial system and the protection of consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions; (2) the data items to be collected maximize practical utility and minimize, to the extent practicable and appropriate, burden on financial institutions; and (3) equivalent data items are not readily available through other means. The agencies intend to apply these principles with rigor for items proposed to be added to the Call Reports, with the goal of minimizing future burden increases.

<sup>10</sup> Section 604 of the Financial Services Regulatory Relief Act of 2006 (12 U.S.C. 1817(a)(11)) mandates that this review occur every five years.

<sup>9</sup> Reported on Schedules RC-E and RC-O.

### III. Specific Comments on the Proposed FFIEC 051

#### A. Eligibility

The agencies proposed to make the FFIEC 051 available as an option to eligible small institutions. For purposes of the FFIEC 051 Call Report, the agencies proposed to define “eligible small institutions” as institutions with total assets less than \$1 billion and domestic offices only. Total assets for eligibility would be measured as of June 30 each year to determine the institution’s eligibility to file the FFIEC 051 beginning in March of the following year. In addition, for an institution otherwise eligible to file the FFIEC 051, the institution’s primary federal regulatory agency, jointly with the state chartering authority, if applicable, may require the institution to file the FFIEC 041 instead based on supervisory needs. In making this determination, the appropriate agency will consider criteria including, but not limited to, whether the eligible institution is significantly engaged in complex, specialized, or other higher risk activities.<sup>11</sup> The agencies anticipate making such determinations only in a limited number of cases.

The agencies received numerous comments on eligibility for the FFIEC 051. Eight commenters supported expanding the threshold. One commenter suggested using the FDIC’s definition of a “community bank” (from the FDIC’s Community Banking Study), which is based on deposit and lending activity and certain other criteria rather than solely asset size, while another commenter suggested expanding the FFIEC 051 to all institutions that do not engage in complex activities. Another commenter suggested tying the asset threshold to the definition of “small bank” under the Community Reinvestment Act (currently, \$1.216 billion and indexed for inflation). Two commenters recommended using a \$10 billion asset threshold, with one of those commenters suggesting that the asset threshold be automatically adjusted for inflation in the future.

At this time, the agencies are retaining their proposed \$1 billion asset-size threshold to be eligible for the FFIEC 051. This threshold is consistent with one of the eligibility criteria established by Congress for community institutions

<sup>11</sup> This proposed reservation of authority is consistent with the reservation of authority applicable to a holding company with consolidated total assets of less than \$1 billion that would otherwise file the Board’s FR Y-9SP, Parent Company Only Financial Statements for Small Holding Companies (OMB No. 7100-0128). See page GEN-1 of the instructions for the FR Y-9SP.

to be eligible for an 18-month examination cycle rather than the standard 12-month cycle.<sup>12</sup> The agencies are considering other size thresholds and other eligibility criteria, such as whether relevant criteria could be developed for determining that an institution should be considered a “community” institution for Call Report purposes; however, an asset-size threshold tied to an existing statutory basis was chosen to keep the initial eligibility criteria simple and transparent, and avoid delaying the proposed March 31, 2017, initial implementation date for those eligible institutions interested in beginning to file the FFIEC 051 as of that date while the agencies evaluate additional potential eligibility criteria. The agencies plan to review additional data in determining whether to propose any changes to the initial eligibility threshold in the future. The agencies are also making one revision to the eligibility criteria to disallow advanced approaches institutions<sup>13</sup> from being eligible to use the FFIEC 051.<sup>14</sup> Even though such an institution may be under the \$1 billion asset-size threshold, it is part of a consolidated banking organization with assets greater than \$250 billion and as such the agencies do not believe such an institution shares the same risks as eligible small institutions.

The agencies also asked whether filing the FFIEC 051 by eligible institutions should be mandatory or optional. Six commenters supported allowing the FFIEC 051 to be optional. The agencies agree with the commenters and will continue to offer it as an option to eligible small institutions that would otherwise need to file the FFIEC 041. If an institution is eligible for and chooses to adopt the FFIEC 051, the agencies expect the institution will continue filing that version of the report going forward as long as it remains eligible.<sup>15</sup>

<sup>12</sup> See 12 U.S.C. 1820(d), as amended by Section 83001 of the Fixing America’s Surface Transportation Act, Public Law 114-94, 129 Stat. 1312 (2015). The \$1 billion asset-size threshold for the proposed FFIEC 051 also is consistent with the incremental approach taken by Congress when increasing the threshold for the Board’s Small Bank Holding Company and Savings and Loan Holding Company Policy Statement; see Public Law 113-250 (December 18, 2014).

<sup>13</sup> See 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); 12 CFR 324.100(b) (FDIC).

<sup>14</sup> As a consequence, the data items in Schedule RC-R that are applicable only to advanced-approaches institutions would be removed from the FFIEC 051.

<sup>15</sup> An institution whose assets remain below \$1 billion as of June 30 of any year may choose to file the FFIEC 041 instead of the FFIEC 051 beginning with the first quarter of the following calendar year. An institution’s primary federal supervisory agency

If an institution’s assets increase to \$1 billion or more as of June 30 of any calendar year, the institution must return to filing the FFIEC 041 beginning with the first quarter of the following calendar year.

The agencies received three comments on the proposed reservation of authority for filing the FFIEC 051. Two commenters opposed this reservation of authority, stating that the language was too broad and would allow too much discretion to examiners to arbitrarily make institutions change their version of the Call Report. One of these commenters suggested a process where any determination by an examiner that an institution must revert to the FFIEC 041 should be automatically appealable to the agency’s Ombudsman. The other commenter recommended more clearly defining and limiting the scenarios in which the agencies would consider making an institution revert to filing the FFIEC 041. The agencies acknowledge the criteria to use the reservation of authority listed in the notice could be interpreted more broadly than the agencies intended. The agencies would consider using the reservation of authority if an institution has a large amount of activity in one or more complex activities that would be reported on one of the schedules or items proposed to be eliminated in the FFIEC 051. These schedules include Schedules RC-D (trading activity), RC-L (off-balance sheet derivatives), RC-P (mortgage banking), RC-Q (fair value measurements), RC-S (servicing, securitization, and asset sale activities), and RC-V (variable interest entities). The agencies do not intend to use this reservation of authority widely, or to apply it to institutions that engage only in activities that are fully reported on the FFIEC 051. Furthermore, the exercise of the reservation of authority would require a decision by a member of the appropriate agency’s senior management and would not be at the discretion of examination staff.

#### B. Implementation Date

The agencies proposed implementing the FFIEC 051 beginning March 31, 2017, for all eligible small institutions. Nine commenters indicated the lead time was sufficient because most of the changes between the FFIEC 041 and FFIEC 051 did not affect their institutions. Three commenters suggested delaying the implementation date. One commenter suggested setting

\_\_\_\_\_ may approve an institution’s request to change to the FFIEC 041 in a later quarter of a calendar year on a case-by-case basis.

the date at least six months from the start of the quarter in which the final changes are published. Another commenter stated a minimum of one quarter is needed after the final FFIEC 051 is approved. One institution suggested a June 30, 2017, implementation date.

The agencies believe that it is important to offer this new report form as an option as early as feasibly possible, to reduce burden for those eligible institutions that are able to switch to the FFIEC 051 beginning with the March 31, 2017, report date. The conversion to the FFIEC 051 is optional, and initial eligibility would be determined by an institution's asset size as of June 30, 2016. For an institution that qualifies to use the FFIEC 051 and desires to use that form, but is unable to do so for the March 31, 2017, report date, the institution may begin reporting on the FFIEC 051 as of the June 30, 2017, report date or in a subsequent quarter of 2017. Alternatively, the institution could wait until March 31, 2018, to begin reporting on the FFIEC 051, assuming it continues to meet the eligibility criteria.

#### *C. Comments on Schedule RC-R, Regulatory Capital*

The agencies received approximately 30 comment letters that highlighted the burden required to prepare Schedule RC-R, Regulatory Capital. The agencies received similar comments during their banker outreach efforts, as well as in comment letters submitted under a review of agency regulations required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA).<sup>16</sup>

An institution must calculate its capital ratios quarterly pursuant to the prompt corrective action provisions of statute and the agencies' regulations. The agencies revised Schedule RC-R in March 2015 to include the data items that would be necessary for an institution to calculate its regulatory capital ratios under the agencies' revised capital rules. The greater detail of those rules requires a degree of categorization, recordkeeping, and reporting that is greater than under the previously applicable capital rules. While many of the data fields on Schedule RC-R may not be applicable to community institutions not engaged in complex activities, some community institutions do engage in activities that would need to be reported in those fields to perform the correct calculation under the capital rules. The agencies are developing responses to the concerns

about the burden of the regulatory capital rules raised during the EGRPRA comment process and the associated reporting requirements on Schedule RC-R. If the agencies propose modifications to the regulatory capital rules, the agencies would also propose modifications to the associated reporting requirements on Schedule RC-R.

#### *D. Comments on Schedule RC-C, Loans and Lease Financing Receivables*

Twelve commenters emphasized Schedule RC-C as a significant contributor to the reporting burden for smaller institutions. Five banking organizations specifically highlighted Schedule RC-C, Part II, Loans to Small Businesses and Small Farms, as particularly burdensome and suggested eliminating the schedule or reducing the frequency of the data collected. During the agencies' banker outreach efforts, community institutions similarly highlighted the burden of Schedule RC-C, and particularly Part II of the schedule.

In developing the proposed FFIEC 051, the agencies removed 38 items from Schedule RC-C, Part I, that are currently reported in the FFIEC 041 and were identified as having lesser utility for institutions eligible to file the new report.

The remaining loan and lease data in Schedule RC-C, Part I, are critical inputs to assessing the safety and soundness of individual institutions through analysis of the institutions' credit risk, interest rate risk, and liquidity risk, including the identification and analysis of lending concentrations. The granularity of the loan categories is also essential for peer group analysis and industry analysis. Loan and lease information is also an important component of agency statistical models that assess the risk profile of an institution. In addition, many community institutions use the Call Report loan categories when they measure the estimated credit losses that have been incurred on groups of loans with similar risk characteristics in their calculations of the ALLL each quarter under U.S. generally accepted accounting principles (GAAP).

Finally, loan and lease information assists the agencies in fulfilling their specific missions. The Board, as part of its monetary policy mission, relies on the loan data in Schedule RC-C, Part I, to provide information on credit availability and lending conditions not available elsewhere. Loan and lease detail at all sizes of institutions is necessary for monitoring the overall health of the economy. Reducing loan

detail or data frequency for smaller institutions would limit the ability to monitor credit availability and lending conditions widely, including in response to any changes in monetary policy. At times, loan availability and lending conditions may be different at smaller institutions than at larger institutions. Furthermore, Schedule RC-C, Part I, data are used to benchmark weekly loan data collected by the Board from a sample of both small and large institutions; the weekly data are used to estimate weekly loan aggregates for the banking sector as a whole to provide more timely input for the purposes of monitoring the macroeconomy.

The FDIC's deposit insurance assessment system for "established small banks" relies on information reported by individual institutions for the Schedule RC-C, Part I, standardized loan categories in the determination of the loan mix index in the financial ratios method, which is used to determine assessment rates for such institutions.<sup>17</sup>

The data collected in Schedule RC-C, Part II, is based on a statutory requirement to collect data on small business and small farm loans on an annual basis and began in 1993.<sup>18</sup> In 2010, the FFIEC changed the reporting frequency for Schedule RC-C, Part II, from annual to quarterly. At that time, the agencies approved the more frequent collection of these data to improve the Board's ability to monitor credit conditions facing small businesses and small farms and contribute to its ability to develop policies intended to address any problems that arise in credit markets. The U.S. Department of the Treasury also identified a particular need for these data as they worked to develop policies to ensure that more small businesses and small farms would have access to credit. The Board also found the more frequent data valuable for monitoring the macroeconomy and credit availability in particular for the purposes of monetary policymaking. However, after extensive analysis by the Board, the agencies agreed in the August 2016 proposal to reduce the frequency of Schedule RC-C, Part II, to semiannually in June and December for institutions with assets of less than \$50 million.

The agencies received five comments stating that Schedule RC-C, Part II, was particularly burdensome for their institutions due to the level of manual

<sup>17</sup> See 81 FR 32186–32188 and 32208 (May 20, 2016).

<sup>18</sup> See Section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991, Public Law 102–242.

<sup>16</sup> Public Law 104–208 (1996), codified at 12 U.S.C. 3311.

intervention required to report the data. This schedule requests the number and amount currently outstanding of existing loans in each of these categories, but categorized by the loans' original amounts. One banker noted that their bank had to manually stratify loan data into the three loan size categories for each type of loan according to the loans' original amounts, and then manually adjust for lines of credit and participations purchased and sold to accurately report the amount currently outstanding. One bank questioned how valuable the small business and small farm loan data are for setting monetary policy, particularly since the Board had been setting monetary policy for many years before the FFIEC began requiring quarterly data in 2010 and also because the Call Report data collected in Schedule RC-C, Part II, does not capture significant nonbank funding sources for small businesses such as credit cards and vendor financing. The agencies received similar comments about burden from banker outreach efforts conducted by the FFIEC member entities and through the EGRPRA process. After additional review, the Board has determined that semiannual reporting by all institutions filing the FFIEC 051 would be of sufficient frequency to meet their data needs. Therefore, the agencies will collect this loan information from all institutions filing the FFIEC 051 in the June and December quarterly reports only.

#### *E. Coordination With Other Reports*

Two commenters from multibank holding companies stated that the FFIEC 051 does not provide any relief for their institutions, because many of the items removed from the FFIEC 041 must still be reported on the holding company's FR Y-9C<sup>19</sup> report and therefore must still be collected at the bank level. One of these commenters noted that unless all banks in a multibank holding company can use the FFIEC 051, likely none of them will, as it may be more difficult to consolidate the information from different Call Report forms when completing the FR Y-9C. The Board notes that for most holding companies with total assets less than \$1 billion, the holding company can file the FR Y-9SP, which does not require data being removed from the FFIEC 051. For holding companies with total assets of \$1 billion or more, the FR Y-9C does require a significant amount of information that is being removed from the FFIEC 051. The Board believes this information is necessary on the FR Y-

9C, even if the activity is spread among multiple subsidiary institutions, some of which may have assets less than \$1 billion, for the effective supervision of the consolidated holding company. In those cases, the holding company and its subsidiary institutions can best determine whether there is any burden saved at the institution level by filing the FFIEC 051 rather than the FFIEC 041.

Four commenters stated that the agencies should reduce duplication between the Call Report and other regulatory reports collected by the agencies. Commenters noted perceived duplication of one or more data items with the following reports: FR 2900,<sup>20</sup> FR 2644,<sup>21</sup> the FDIC's annual Summary of Deposits survey,<sup>22</sup> and loan data provided to the institution's Federal Home Loan Bank for access to advances. The agencies do not believe data collected in these collections are duplicative of Call Report data. The FR 2900 collects select data on cash and deposit liabilities for reserve requirement purposes, from most institutions on a weekly basis, which may not coincide with the reporting date for the Call Report. The FR 2644 collects data on loans, securities, and borrowings from a small sample of banks on a weekly basis, which may not coincide with the reporting date for the Call Report. The FDIC's Summary of Deposits survey collects data on deposits stratified by branch location from institutions with branch offices annually as of each June 30. Deposit data categorized by branch location is not available elsewhere. The Federal Home Loan Banks are not government agencies, and any data they may collect in connection with various lending programs are not readily available for use by FFIEC member entities.

#### **IV. Proposed Call Report Revisions to the FFIEC 041 and the FFIEC 031**

The agencies proposed revisions to some of the schedules in the FFIEC 041 and FFIEC 031 Call Reports in response to the findings of the first three user surveys at FFIEC member entities conducted under the Full Review. Specifically, the following schedules in the FFIEC 041 and FFIEC 031 versions of the Call Report would have data items removed or subject to new or higher reporting thresholds as a result of these surveys (see Appendices C and D

for a complete listing of the affected data items based on the September 30, 2016, FFIEC 031 and FFIEC 041 Call Reports, respectively):

- Schedule RI—Income Statement
- Schedule RI-B—Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses
- Schedule RC-C—Loans and Lease Financing Receivables
- Schedule RC-E—Deposit Liabilities
- Schedule RC-M—Memoranda
- Schedule RC-N—Past Due and Nonaccrual Loans, Leases, and Other Assets

The agencies did not receive any comments on the specific changes to the FFIEC 041 and FFIEC 031 in the proposal, and plan to implement those changes as proposed.

#### **V. Additional Suggested Revisions**

Twelve commenters recommended additional specific changes for the agencies to consider on various schedules of the Call Report. Many of these commenters did not direct their comments at a specific version of the Call Report, so the agencies considered these comments to improve both the existing FFIEC 031 and FFIEC 041 Call Reports and proposed FFIEC 051.

One commenter suggested the agencies revise Schedule RI-C (Disaggregated Data on the Allowance for Loan and Lease Losses) to align with the loan categories reported on Schedule RC-C, Part I. The agencies did not adopt this suggestion. Aligning the categories would require collecting additional granular data on Schedule RI-C, adding approximately 20 categories and 60 total items. The agencies proposed collecting disaggregated ALLL data for key Schedule RC-C, Part I, loan categories when they proposed to add Schedule RI-C to the Call Report in 2011. However, commenters on that proposal questioned the reporting of ALLL data for these key Call Report loan categories. They recommended reducing the number of loan categories and using broader portfolio segments that would better align with their loan loss allowance methodologies, which the agencies did in the final implementation of Schedule RI-C in 2013. The agencies do not believe that changing the schedule to require additional granularity of data is necessary for the supervision of the institutions to which this schedule is currently applicable. In this regard, the agencies do not collect Schedule RI-C from institutions with assets less than \$1 billion and it would not be included in the FFIEC 051.

<sup>19</sup> Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128).

<sup>20</sup> Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900; OMB No. 7100-0087).

<sup>21</sup> Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644; OMB No. 7100-0075).

<sup>22</sup> Summary of Deposits, OMB No. 3064-0061.



Three commenters suggested revisions to Schedule RI-E (Explanations). One commenter suggested adjusting the criteria to separately disclose individual components of other noninterest income and other noninterest expense. The agencies' current criteria require separate disclosure if a component within one of those income statement categories is greater than \$100,000 and 3 percent of the total balance of that category.<sup>23</sup> The commenter suggested adjusting the criteria to the greater of \$100,000 and 5 to 7 percent of the total balance. Another commenter suggested reporting Schedule RI-E detail on other noninterest income and other noninterest expense annually on the December 31 Call Report, as the commenter stated the data are primarily useful on an annual rather than quarterly basis. Another commenter suggested providing definitions for each of the components of other noninterest income and other noninterest expense for which preprinted captions are provided in Schedule RI-E. The agencies plan to review the threshold for separately disclosing individual components and the frequency of the data collection as part of the ongoing Full Review. The agencies do not plan to provide specific definitions for the components of other noninterest income and other noninterest expense represented by preprinted captions. The agencies added preprinted captions for these components to assist all institutions, including community institutions, as they were the most frequently disclosed components. Not having preprinted captions for such components would necessitate each institution manually entering its own captions for those components of other noninterest income and other noninterest expense exceeding the reporting threshold. However, the agencies do not want to impose a regulatory definition for these individual components, which could require institutions to adjust their internal definitions to line up with the agencies' definitions. The agencies use this information primarily for the supervision of individual institutions rather than for peer group comparison, so imposing uniform definitions across

<sup>23</sup> Prior to 2001, the agencies required separate disclosure of components greater than 10 percent of all other noninterest income or other noninterest expense. In 2001, the agencies revised the threshold to 1 percent of total interest income plus total noninterest income. In 2008, the agencies changed the threshold to 3 percent of other noninterest income or other noninterest expense with a \$25,000 floor. The floor was raised to \$100,000 effective September 30, 2016, while retaining the percentage threshold.

institutions is not necessary for supervisory review. Detailed lists of components of other noninterest income and other noninterest expense can be found in the instructions for Schedule RI, items 5.1 and 7.d, respectively. The agencies plan to clarify the instructions for these two Schedule RI data items to better indicate the linkage between the components of other noninterest income and other noninterest expense listed in these instructions and the preprinted captions provided in Schedule RI-E.

One commenter suggested the agencies review the intangible asset breakout on Schedule RC, item 10, and Schedule RC-M, item 2, and suggested combining goodwill and other intangible assets on Schedule RC. The agencies need additional time to consider this request, and will consider it within the next set of proposed Call Report revisions.

Six commenters stated that Schedule RC-E (Deposit Liabilities) and RC-O (Other Data for Deposit Insurance and FICO Assessments) were particularly burdensome and suggested simplifying or consolidating the deposit data on these schedules. Some commenters specifically noted the breakout of deposit information by source, use, and balance as time-consuming, especially for Memorandum items 1 through 4 on Schedule RC-E. Two commenters noted that the FDIC's deposit insurance assessments currently are calculated based on average total assets and average tangible equity, so the deposit data is not necessary for the vast majority of banks.<sup>24</sup> Three commenters also questioned why the agencies maintain a stratification of certain deposits in Schedule RC-E into those with balances less than \$100,000, \$100,000 through \$250,000, and more than \$250,000 even though the deposit insurance limit is currently \$250,000, and stated this stratification was particularly burdensome as it required a significant amount of manual intervention. Two commenters stated that separating out Individual Retirement Accounts (IRA) data from general deposits on Schedule RC-O was particularly burdensome, with one commenter noting their bank had to further identify and separate out Coverdell Education Savings Accounts (formerly called Education IRAs) from the bank's other IRA account balances to add back to the non-retirement accounts.

Schedule RC-E categorizes deposits based on source (brokered or non-

brokered) and type of account (time deposit, demand deposit, savings deposit), and by deposit size within certain of those categories. The reporting of deposit data for some of these categories is required by statute.<sup>25</sup> Reporting of time deposits with balances less than \$100,000 in Schedule RC-E, including certain Memorandum items to adjust that amount, is tied to the Board's measurement of the money supply.<sup>26</sup> Schedule RC-O, Memorandum item 1, categorizes deposits based on purpose (for retirement or not for retirement) and subdivided by deposit size, as the deposit insurance limit applies separately to retirement and non-retirement accounts. These deposit data also are necessary for the FDIC to calculate the reserve ratio each quarter, which is the ratio of the net worth of the Deposit Insurance Fund (DIF) to the aggregate estimated insured deposits.<sup>27</sup> The agencies previously approved revisions to Schedule RC-E (and Schedules RI and RC-K) to replace most segmentations of deposits less than \$250,000 that are not needed to calculate the money supply with segmentations based on deposits of more than \$250,000 for consistency with the deposit insurance limits currently in effect. These revisions will be implemented beginning March 31, 2017.<sup>28</sup> The agencies are not making any revisions to the classification of Coverdell accounts, as the reporting of deposits by purpose is tied to the FDIC's provision of deposit insurance.

One commenter stated that the data on Schedules RC-F (Other Assets) and RC-G (Other Liabilities) did not change significantly for community banks from quarter to quarter and should be reported annually instead. The agencies did propose reducing the frequency by which institutions must report the significant components of all other assets and all other liabilities on these two schedules to semiannual in the FFIEC 051 in the August 2016 notice. The agencies will be considering both the data items and frequency of reporting for these two schedules for all versions of the Call Report in the Full Review, and will consider the commenter's suggestions in that process.

One commenter stated that Schedule RC-K (Quarterly Averages) was particularly burdensome, as the bank's general ledger provides point-in-time

<sup>25</sup> For example, 12 U.S.C. 1817(a)(5) and (9).

<sup>26</sup> See definition of M2, [https://www.federalreserve.gov/faqs/money\\_12845.htm](https://www.federalreserve.gov/faqs/money_12845.htm).

<sup>27</sup> See 12 U.S.C. 1813(y)(3).

<sup>28</sup> See 81 FR 45357 (July 13, 2016).

<sup>24</sup> Deposit data affects the assessments at certain institutions, such as bankers' banks and custodial banks.

amounts and manual intervention is needed to calculate quarterly averages. The agencies note that average total assets is necessary for various purposes, including prompt corrective action and deposit insurance assessments.<sup>29</sup> The agencies will be considering both the data items and frequency of reporting for this schedule in the Full Review, and will consider the commenter's suggestions in that process.

Three commenters stated that Schedule RC-L (Derivatives and Off-Balance Sheet Items) was particularly difficult to complete, as some items defined in that schedule do not align with definitions for similar items in Schedule RC-R, particularly for over-the-counter (OTC) derivatives. The commenters also noted certain items included in Schedule RC-L, such as "commitments to make a commitment," are difficult to define and track. One commenter suggested lining up the loan commitment categories on Schedule RC-L with the loan categories on Schedule RC-C, Part I. The agencies are investigating alternatives to the current definitions in Schedule RC-L, and whether they can be more closely aligned with definitions used in the agencies' regulatory capital rules, which is the basis for Schedule RC-R, for inclusion in a future notice. The agencies do not plan to align the loan categories between Schedules RC-L and RC-C, Part I. The loan categories on Schedule RC-C, Part I, are much more granular than in Schedule RC-L. Reducing the granularity of categories on Schedule RC-C, Part I, would impair the agencies' ability to use that data for safety and soundness monitoring, while increasing the granularity on Schedule RC-L would impose additional burden to collect items the agencies do not believe are necessary.

One commenter recommended reducing the frequency of certain data items in Schedule RC-M (Memoranda) to annual. Specifically, items 7 through 9, 11, and 12 do not change from quarter to quarter at the commenter's bank. Item 7 collects data on assets under management in proprietary mutual funds and annuities. Item 8 collects information on an institution's internet Web site addresses and trade names. Item 9 asks about internet Web site transactional capability. Items 11 and 12 collect information on certain bank powers. The agencies proposed in the August 2016 notice to reduce the frequency for items 7, 9, 11, and 12 from quarterly to annual. The agencies will continue collecting item 8 on a quarterly basis to provide more accurate, timely,

and complete information to the FDIC, depositors, and the general public on the insured status of entities identifying themselves as FDIC-insured depository institutions than would occur through annual reporting.

One commenter requested that the agencies add control totals to Schedule RC-N for past due and nonaccrual loans, leases, and other assets to allow easier validation of the accuracy of the reported data to the institution's own records. The agencies also noted during their on-site banker outreach efforts that some institutions appended their own control totals on this form. The agencies agree with the suggestion, and plan to revise Schedule RC-N on the FFIEC 031, 041, and 051. For the same reason, the agencies will also revise Schedule RC-C, Part I, and Schedule RC-N to add control totals for troubled debt restructurings in Memorandum item 1 of each schedule. While these changes would add additional data items to these two schedules, the data items would be simple mathematical totals of existing data items and would not require the institution to obtain any additional data.

Five commenters requested that the agencies improve the clarity and usefulness of the Call Report instructions and highlight any changes made to the instructions each quarter. One commenter also recommended improving internal consistency within the Call Report. The agencies agree that the current Call Report instructions could be made more useful, and will start by incorporating hyperlinks to cited documents in the instructions for the FFIEC 051.<sup>30</sup> In addition, the agencies will post "redlined" documents on the FFIEC Web site<sup>31</sup> that clearly indicate any changes to the instructions made since the previous quarter in both versions of the Call Report instructions. The agencies note that the description in the Call Report forms and instructions for "loans and leases, net of unearned income" and "loans and leases held for investment" are intended to have the same reported amounts. Accordingly, the agencies will replace the former description with the latter description in affected data item captions and related instructions for clarity and internal consistency. The agencies will continue to consider additional changes to improve the clarity and usefulness of the Call Report

instructions and the internal consistency of the report.

#### VI. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is 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. All comments will become a matter of public record.

#### Appendix A

##### Summary of the FFIEC Member Entities' Uses of the Data Items in the Call Report Schedules in Full Review Surveys 1 Through 3

###### *Schedule RC (Balance Sheet)*

Schedule RC collects high-level information on various balance sheet categories, including assets, liabilities, and equity accounts every quarter. These categories are aligned with the categories typically reported on a basic balance sheet prepared under U.S. generally accepted accounting principles (GAAP).

###### *Schedule RI (Income Statement)*

Schedule RI collects information on various income and expense categories every quarter. In general, these categories are aligned with the categories typically reported on a basic income statement and in the notes to the financial statements prepared under U.S. GAAP.

The Memorandum items collect an assortment of information on items related to the income statement. Some items provide additional detail for certain categories of income or expense, while other items are not directly tied to earnings measures. Memorandum items on tax-exempt income and nondeductible interest expense are used to convert components of reported earnings to a tax-equivalent basis to improve the comparability of income statement information across institutions for purposes

<sup>30</sup> The agencies have already begun to add such hyperlinks to the existing set of instructions for the FFIEC 031 and FFIEC 041.

<sup>31</sup> [https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm).

<sup>29</sup> See 12 U.S.C. 1831o and 12 CFR 327.5.

of analyzing institutions' earnings. An institution's Subchapter S status for federal income tax purposes assists examiners and other users in understanding the amounts, if any, reported for applicable income taxes. It also serves as a flag for adjusting after-tax earnings when measuring return on assets to improve the comparability of this ratio across institutions with differing tax statuses. The count of full-time equivalent employees is used to calculate efficiency ratios and average personnel expenses per employee to identify institutions with higher expense levels for further review. The existence of other-than-temporary impairment losses on debt securities recognized in earnings provides an indication of heightened credit risk in an institution's investment securities, which may warrant supervisory follow-up, and assists in the scoping of the review of the securities portfolio during on-site examinations. Data on the composition of trading revenue is used in evaluating the variability and volatility of this revenue source for institutions with significant trading activity in off-site reviews and for pre-examination planning and as part of industry analysis of trading activity.

*Schedule RC-C, Part I (Loans and Lease Financing Receivables)*

Schedule RC-C, Part I, requests information on loan and lease financing activities, segmented into detailed loan categories. The memoranda items request additional information, including scheduled maturities and repricing dates for certain loan types and fair value estimates.

Schedule RC-C details loan volumes, segmentations, and structures, all of which facilitate the assessment of an institution's inherent risk, performance risk, and structure risk in its primary earning assets and its primary source of credit risk. Schedule RC-C is often reviewed in conjunction with Schedules RI, RI-B, and RC-N. This granular data enables examiners to analyze and assess the institution's loan portfolio diversification, credit quality, concentration exposure, and overall risk profile. These schedules are critical to the credit quality analysis performed by examiners to identify early warning signs of deterioration in the financial condition of institutions. Asset quality ratios from the Uniform Bank Performance Report (UBPR) that are calculated using data from Schedule RC-C and related loan schedules are also helpful to examiners in determining how an institution is performing relative to its peers and relative to its own risk profile based on its loan portfolio composition. In addition, these ratios are useful to examiners in assessing the institution's credit risk management practices relative to its peers. Elevated charge-offs or increases in nonaccrual loans in relation to loan balances provide information to users of the data on potential weak underwriting in prior periods, deterioration of asset quality, or the indication that the institution is recovering from a period of stress. If there are concerns about the allowance for loan and lease losses (ALLL) methodology or the appropriateness of the ALLL level, then there is a focus on the provision expense relative to the charge-offs as well as to the growth and

quality of certain portfolios, depending on the institution's risk characteristics. All of these inputs are essential in the review of the balance sheet, the liquidity of the institution, and the asset-liability management of the institution.

The data on Schedule RC-C are needed for on-site and off-site examination purposes and also are used in the systemic analysis of the banking system. Because the loan portfolio is the primary source of credit risk in institutions, the breakdown of the portfolio by loan type is essential in the review of asset quality. An understanding of an institution's lending activity is needed to ensure the safety and soundness of the financial institution by indicating whether the institution is increasing concentrations or incorporating a change to its lending strategy. The loan segmentation information is essential for planning and staffing examinations by considering each institution's lending activities. The information also allows the examination teams to determine if the lending volume constitutes a concentration of credit, which could require additional monitoring, measuring, and risk mitigation strategies by bank management. In addition, the loan detail is important for loan scoping and trend analysis of the entire portfolio, which are essential in determining an institution's risk profile. On a broader perspective, the loan segmentation allows regulatory staff to identify concentration risks across institutions.

Along with related data in Schedule RC-N, information about troubled debt restructurings in compliance with their modified terms can assist the assessment of management's ability to work out different categories of problem loans.

Maturity and repricing information on loans and leases, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, are needed to evaluate the liquidity and interest rate risk of the institution and to aid in evaluating the strategies institutions take to mitigate these risks. Liquidity and interest rate risk indicators that are calculated by agency models from an institution's Call Report data and exceed specified parameters or change significantly between examinations are red flags that call for timely examiner off-site review. The institution's risk profile in these areas is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations.

In addition, Schedule RC-C and related loan schedules assisted the Consumer Financial Protection Bureau's (CFPB) efforts to develop required estimates for various Title XIV mortgage reform rulemakings under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (Dodd-Frank Act). Going forward, data items in these schedules are critical for continuous monitoring of the mortgage market. The CFPB uses these items to understand the intricacies of the mortgage market that are essential to assessing institutional participation in regulated consumer financial services markets and to assess regulatory impact associated with recent and proposed

policies, as required by that agency's statutory mandate.

Finally, loan and lease information assists the agencies in fulfilling their specific missions. The Board, as part of its monetary policy mission, relies on institution-specific Call Report data to provide information on credit availability and lending conditions not available elsewhere. Loan and lease detail at all sizes of institutions is necessary for monitoring economic conditions.

Reducing loan detail or data frequency for smaller institutions would limit the ability to monitor credit availability and lending conditions widely, including changes in credit and lending related to changes in monetary policy. At times, loan availability and lending conditions may be different at smaller institutions than at larger institutions. Furthermore, Schedule RC-C, Part I, data are used to benchmark weekly loan data collected by the Board from a sample of both small and large institutions; the weekly data are used to estimate weekly loan aggregates for the banking sector as a whole to provide a more timely input for purposes of monitoring the macroeconomy.

The FDIC's deposit insurance assessment system for "established small banks" relies on information reported by individual institutions for the Schedule RC-C, Part I, standardized loan categories in the determination of the loan mix index in the financial ratios method, as recently amended, which is used to determine assessment rates for such institutions.

*Schedule RC-C, Part II (Loans to Small Businesses and Small Farms)*

Schedule RC-C, Part II, requests data on loans to small businesses and small farms, including stratification by original loan amount.

Call Report small business and small farm lending data are an invaluable resource for understanding credit conditions facing these sectors of the economy. Quarterly collection of these data improves the Board's ability to monitor credit conditions facing small businesses and small farms and significantly contributes to its ability to develop policies intended to address any problems that arise in credit markets. The institution-level Call Report data provide information that cannot be obtained from other indicators of small business and small farm credit conditions. For example, during a period of credit contraction, the Call Report data can be used to identify which types of institutions are reducing the volume of their loans to small businesses and small farms. This is important information for the Board, as having detailed data on the characteristics of affected institutions is crucial to building a sufficiently informative picture of the strength of economic activity. Moreover, there is evidence that small business lending by small institutions does not correlate with lending by larger institutions.

Monetary policymaking benefits importantly from timely information on small business credit conditions and flows. To determine how best to adjust the federal funds rate over time, the Board must continuously assess the prospects for real economic activity and inflation in coming

quarters. Credit conditions have an important bearing on the evolution of those prospects over time, and so the Board pays close attention to data from Call Reports and other sources. In trying to understand the implications of aggregate credit data for the macroeconomic outlook, it is helpful to be able to distinguish between conditions facing small firms and those affecting other businesses, for several reasons. First, small businesses comprise a substantial portion of the nonfinancial business sector, and so their hiring and investment decisions have an important influence on overall real activity. Second, because small businesses tend to depend more heavily on depository institutions for external financing, they likely experience material swings in their ability to obtain credit relative to larger firms. Third, the relative opacity of small businesses and their consequent need to provide collateral for loans is thought to create a "credit" channel for monetary policy to influence real activity. Specifically, changes in monetary policy may alter the value of assets used as collateral for loans, thereby affecting the ability of small businesses to obtain credit, abstracting from the effects of any changes in loan rates. Finally, the credit conditions facing small businesses and small farms differ substantially from those facing large businesses, making it necessary to collect indicators that are specific to these borrowers. Large businesses may access credit from a number of different sources, including the corporate bond market and the commercial paper market. In contrast, small businesses and small farms rely more heavily on credit provided through depository institutions. The dependence of small businesses and small farms on lending by depository institutions—particularly from smaller institutions—highlights the importance of Call Report data.

*Schedule RC-N (Past Due and Nonaccrual Loans, Leases, and Other Assets)*

Schedule RC-N requests data on past due and nonaccrual assets by detailed categories for loans and leases and, on a combined basis, for debt securities and other assets.

Data collected on Schedule RC-N is essential to the oversight function of the FFIEC member entities. The loan portfolio is the largest asset type and the primary source of credit risk at most financial institutions. Past due and nonaccrual loan information provides significant insights into the overall credit quality of a financial institution's loan portfolio and potential areas of credit quality concerns on which to focus for monitoring and assessing the credit risk management and overall safety and soundness of an institution. A high level of past due or nonaccrual loans often precedes adverse changes in an institution's earnings, liquidity, and capital adequacy. This information can also have an impact on consumer protection law compliance and agency rulemaking.

Information collected on Schedule RC-N is integral to both on-site and off-site review processes at the FFIEC member entities. Trends in past due and nonaccrual loans alert examiners to possible weaknesses in bank management's loan underwriting and

credit administration practices. This information is a significant factor in assessing the portfolio's collectability and in estimating the appropriate level for an institution's ALLL, as well as the adequacy of its capital levels. The ability to compare results and trends across financial institutions is important to distinguish systemic issues from institution-specific concerns. Past due and nonaccrual loan information can serve as an indicator of areas of increasing credit risk within the loan portfolio. The segmentation of past due and nonaccrual information by loan category is necessary to pinpoint where the credit risk in an institution's loan portfolio exists. Comparing the past due level in different loan portfolios to other risk characteristics in that portfolio such as concentration, charge-offs, or growth can help to determine the overall level of risk to the safety and soundness of an institution. This data can also provide more insight on credit risks or weak underwriting practices associated with a specific loan category, which helps direct the scope of an exam.

Memorandum items in Schedule RC-N also provide important information about credit risk management, including the past due or nonaccrual status of troubled debt restructurings, which can assist the assessment of management's ability to work out different categories of problem loans. Data regarding delinquent derivative contracts provides important information for assessing a financial institution's asset quality, capital level, earnings, market risk, and operational risk.

Past due and nonaccrual information is also utilized in the assessment of compliance with consumer protection laws and regulations. Items reported on Schedule RC-N are used to inform rule writing and policy efforts, including the CFPB's Title XIV mortgage reform rulemakings under the Dodd-Frank Act. Past due information can identify potential areas of disparate treatment in relation to the Fair Housing Act (Pub. L. 90-284). Additionally, past due levels can highlight areas of potential unfair practices under the principles in section 1031 of the Dodd-Frank Act, which are similar to those under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

*Schedule RI-B, Parts I and II (Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses)*

Schedule RI-B, Part I, collects information on charge-offs and recoveries on loans and leases, while Part II collects information on changes in the ALLL during the year-to-date reporting period in a manner consistent with the disclosure of the activity in the allowance required under U.S. GAAP.

The data items on Schedule RI-B provide information critical to the missions of the FFIEC member entities. Charge-off amounts, in conjunction with any associated recoveries, for the various loan categories are needed to assess the safety and soundness of the financial institution by indicating the credit quality of the loan portfolio and the potential credit risk of the institution. The data items are also used to assess the strength of the institution's credit administration

practices, along with the institution's loan underwriting practices. The data items also support the agencies' rule writing and policy efforts.

Schedule RI-B data play an integral role in reviewing the asset quality of an institution. The net charge-offs help in the assessment of the level of credit risk in the loan portfolio, both in aggregate and by loan type. Above average or increasing net charge-offs may be a signal of weak underwriting in prior periods, which in turn may be an indicator of future risks to earnings and capital. In addition, the separate reporting of gross charge-offs and recoveries allows users of the data to evaluate whether high recovery rates are masking underlying loss levels and trends, which may have future earnings implications, and the charge-off and recovery data also aid in the planning of on-site examinations and in the scoping of the loan review to be conducted during these examinations.

Schedule RI-B is also important in assessing the strength of an institution's underwriting and credit administration practices. The data items allow for the agencies to highlight loan categories with a large or sudden change in charge-off rates, which is often a key indicator of weaknesses in these areas, while information on recoveries provides support in evaluating an institution's ability to collect on prior charge-offs.

The segmentation of the charge-off and recovery data by loan category in Schedule RI-B is essential for many reasons. Consistent segmentation by loan category allows for comparability between institutions, as well as within an institution from quarter to quarter, allowing for the evaluation of changes and trends in charge-offs and recoveries that may or may not be institution-specific. This evaluation facilitates on-site examination planning. It also allows for better off-site monitoring of the existing types of lending and shifts in types of lending. The granularity and consistency of data items helps in the determination of whether weaknesses are confined to a particular portfolio segment and are unique to the institution or whether they are representative of a more widespread systemic weakness in a particular loan category. The detail by loan category is critical as losses in certain portfolios vary based on several factors and aggregating the data items would impair the ability to analyze data by loan category. The Memorandum items request further detail on charge-offs and recoveries or additional loan categories, which assists in the assessment of credit risk in these areas.

Schedule RI-B data items are used in rule writing and policy efforts. In particular, the items are used to assess institutional participation in regulated consumer financial services markets and to assess regulatory impact associated with recent and proposed policies, as required by the CFPB's mandate. Also, the information reported in Schedule RI-B, Part I, was integral in various Title XIV mortgage reform rulemakings under the Dodd-Frank Act and continues to be critical for the continuous monitoring of the mortgage markets.

*Schedule RC-E, Parts I and II (Deposit Liabilities)*

Schedule RC-E, Part I, requests data on deposits, segmented between transaction and nontransaction accounts. The Memoranda section of the schedule requests additional detail on retirement account deposits, brokered deposits, deposit size, and time deposit maturity and repricing dates. Schedule RC-E, Part II, requests data on foreign deposits and is included only in the FFIEC 031.

Schedule RC-E, Part I, provides detail necessary for supervisory purposes, including for identifying material deposit elements and providing detail needed to analyze cost of funds. Deposit detail as to the type, nature, and maturity of deposits, including deposits from non-core sources, is critical to the agencies' asset-liability management, interest rate risk, and liquidity analyses. A number of agency analysis tools routinely use quarterly deposit data for trend analysis and timely identification of deposit shifts, including changes in an institution's use of brokered and listing service deposits. Schedule RC-E, Part I, data are also used to estimate the contribution to the U.S. monetary aggregates for over 1,000 depository institutions that do not file these data directly to the Board.

The Schedule RC-E, Part I, Memorandum items provide information needed for off-site monitoring and pre-examination planning, particularly for analyses related to brokered deposits and time deposits, the results of which may signal the existence of higher-risk funding strategies. The resolution process for failed institutions requires sufficient deposit detail to estimate the least costly alternative to liquidation. Brokered deposit data are used as inputs in the calculation of deposit insurance assessment rates and to assure compliance with safety and soundness regulations tied to limits on those types of deposits.

Maturity and repricing information on time deposits, together with the maturity and repricing information collected in other schedules for other types of assets and liabilities, are needed to evaluate the liquidity and interest rate risk of the institution and to aid in evaluating the strategies institutions take to mitigate these risks. Liquidity and interest rate risk indicators that are calculated by agency models from an institution's Call Report data and exceed specified parameters or change significantly between examinations are red flags that call for timely examiner off-site review. The institution's risk profile in these areas is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations.

Schedule RC-E, Part II, data on foreign deposits provides the extent of and exposure to such balances, and is used in similar analyses for institutions with foreign operations.

*Schedule RC-O (Other Data for Deposit Insurance and FICO Assessments)*

Schedule RC-O requests data for deposit insurance purposes and serves three primary purposes for the FDIC: Calculating the FDIC's DIF reserve ratio, calculating the assessment base of FDIC-insured institutions, and calculating the risk-based assessment rate of FDIC-insured institutions.

Schedule RC-O data are collected in the Call Report to provide unique information used in the calculation of the FDIC's reserve ratio to satisfy the statutory requirements related to maintaining the DIF. Information related to deposit liabilities on Schedule RC-O is needed to estimate insured deposits. Schedule RC-O is the only place on the Call Report where information is available to estimate insured and uninsured deposits for individual institutions and equivalent data items are not readily available from other sources.

Schedule RC-O data that are not available elsewhere enable the FDIC to calculate the quarterly deposit insurance assessment base for each FDIC-insured institution. Pursuant to the Dodd-Frank Act, the assessment base is defined as average consolidated total assets minus average tangible equity, both of which are reported in Schedule RC-O. Custodial banks and banker's banks also receive an additional adjustment to the assessment base using Schedule RC-O data. The FDIC must be able to calculate the assessment base in order to meet the statutory requirements for collecting quarterly insurance assessments from all FDIC-insured institutions.

Most of the data reported on Schedule RC-O is used to determine the risk-based insurance assessment for individual institutions in accordance with FDIC regulations implementing the statutory requirement for risk-based assessments first enacted in 1991. With the adoption of the risk-based scorecards for large and highly complex institutions, additional reporting is required on Schedule RC-O in data items applicable only to these institutions. In addition, some Schedule RC-O data items are used for determining the assessment rate of all FDIC-insured institutions.

Supervisory uses of Schedule RC-O data include incorporating the data on the maturity structure of external borrowings in agency interest rate risk models to determine the impact of interest rate movements on income and economic value of equity. Interest rate risk indicators that exceed specified parameters or change significantly

between examinations are triggers for timely off-site review. The indicated level of interest rate risk is considered during pre-examination planning to determine the appropriate scoping and staffing for examinations. Data on reciprocal brokered deposits supplements on- and off-site analyses of liquidity ratios, including the net non-core funding dependence and net short-term non-core funding dependence, both of which include brokered deposits in their calculation, because reciprocal brokered deposits may have characteristics that differ from other brokered deposits.

**Appendix B**

**Proposed FFIEC 051 for March 31, 2017: Changes Made to the FFIEC 041 (Based on the FFIEC 041 for September 30, 2016)**

*Schedules Replaced by Schedule SU—Supplemental Information*

- Schedule RC-D—Trading Assets and Liabilities
- Schedule RC-P—1-4 Family Residential Mortgage Banking Activities
- Schedule RC-Q—Assets and Liabilities Measured at Fair Value on a Recurring Basis
- Schedule RC-S—Servicing, Securitization, and Asset Sale Activities
- Schedule RC-V—Variable Interest Entities

*Schedules with a Change in Frequency of Collection*

1. Schedule RC-C, Part II—Loans to Small Businesses and Small Farms—For all institutions that file the FFIEC 051, the frequency of collection will move from quarterly to semiannual (June and December).
2. Schedule RC-A—Cash and Balances Due from Depository Institutions—Institutions with less than \$300 million in total assets are already exempt from completing this schedule. For all other FFIEC 051 filers, the frequency of collection will move from quarterly to semiannual (June and December).

*Data Items Removed*

**Note:** In the following list of "Data Items Removed" from the proposed FFIEC 051, existing FFIEC 041 data items that institutions with less than \$1 billion in total assets are currently exempt from reporting are marked with an asterisk ("\*"). In addition, the list excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, **Federal Register** notice (81 FR 45357): Schedule RI, Memorandum items 14.a and 14.b.

Schedule	Item	Item name	MDRM No.
RI .....	1.a.(4) .....	Loans to foreign governments and official institutions .....	RIAD4056.
RI .....	1.e .....	Interest income from trading assets .....	RIAD4069.
RI .....	2.c .....	Interest on trading liabilities and other borrowed money .....	RIAD4185.
RI .....	2.d .....	Interest on subordinated notes and debentures .....	RIAD4200.
		Note: Items 2.c and 2.d of Schedule RI will be combined into one data item for "Other interest expense."	
RI .....	5.c .....	Trading revenue .....	RIADA220.
RI .....	5.e .....	Venture capital revenue .....	RIADB491.

Schedule	Item	Item name	MDRM No.
RI	M2*	Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8).	RIAD8431.
RI	M8.a	Interest rate exposures	RIAD8757.
RI	M8.b	Foreign exchange exposures	RIAD8758.
RI	M8.c	Equity security and index exposures	RIAD8759.
RI	M8.d	Commodity and other exposures	RIAD8760.
RI	M8.e	Credit exposures	RIADF186.
RI	M8.f*	Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e).	RIADK090.
RI	M8.g*	Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e)..	RIADK094.
RI	M9.a	Net gains (losses) on credit derivatives held for trading	RIADC889.
RI	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading.	RIADC890.
RI	M10	Credit losses on derivatives	RIADA251.
RI	M13.a.(1)	Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk.	RIADF552.
RI	M13.b.(1)	Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk.	RIADF554.
RI	M15.a*	Consumer overdraft-related service charges levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for personal, household, or family use.	RIADH032.
RI	M15.b*	Consumer account periodic maintenance charges levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for personal, household, or family use.	RIADH033.
RI	M15.c*	Consumer customer automated teller machine (ATM) fees levied on those transaction account and non-transaction savings account deposit products intended primarily for individuals for personal, household, or family use.	RIADH034.
RI	M15.d*	All other service charges on deposit accounts	RIADH035.
RI-B, Part I	2	Loans to depository institutions and acceptances of other banks (Columns A and B).	RIAD4481, RIAD4482.
RI-B, Part I	6	Loans to foreign governments and official institutions (Columns A and B).	RIAD4643, RIAD4627.
RI-B, Part I	M2.a	Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1) (Columns A and B).	RIAD4652, RIAD4662.
RI-B, Part I	M2.b	Loans to and acceptances of foreign banks (included in Schedule RI-B, part I, item 2) (Columns A and B).	RIAD4654, RIAD4664.
RI-B, Part I	M2.c	Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4) (Columns A and B).	RIAD4646, RIAD4618.
RI-B, Part I	M2.d	Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8) (Columns A and B).	RIADF185, RIADF187.
RI-B, Part II	M1	Allocated transfer risk reserve included in Schedule RI-B, part II, item 7.	RIADC435.
RI-C	1.a*	Construction loans (Columns A through F)	RCONM708, RCONM709, RCONM710, RCONM711, RCONM712, RCONM713.
RI-C	1.b*	Commercial real estate loans (Columns A through F)	RCONM714, RCONM715, RCONM716, RCONM717, RCONM719, RCONM720.
RI-C	1.c*	Residential real estate loans (Columns A through F)	RCONM721, RCONM722, RCONM723, RCONM724, RCONM725, RCONM726.
RI-C	2*	Commercial loans (Columns A through F)	RCONM727, RCONM728, RCONM729, RCONM730, RCONM731, RCONM732.
RI-C	3*	Credit cards (Columns A through F)	RCONM733, RCONM734, RCONM735, RCONM736, RCONM737, RCONM738.
RI-C	4*	Other consumer loans (Columns A through F)	RCONM739, RCONM740, RCONM741, RCONM742, RCONM743, RCONM744.
RI-C	5*	Unallocated, if any	RCONM745.
RI-C	6*	Total (for each column, sum of items 1.a through 5) (Columns A through F).	RCONM746, RCONM747, RCONM748, RCONM749, RCONM750, RCONM751.

Schedule	Item	Item name	MDRM No.
RC-B	M5.a *	Credit card receivables (Columns A through D)	RCONB838, RCONB839, RCONB840, RCONB841.
RC-B	M5.b *	Home equity lines (Columns A through D)	RCONB842, RCONB843, RCONB844, RCONB845.
RC-B	M5.c *	Automobile loans (Columns A through D)	RCONB846, RCONB847, RCONB848, RCONB849.
RC-B	M5.d *	Other consumer loans (Columns A through D)	RCONB850, RCONB851, RCONB852, RCONB853.
RC-B	M5.e *	Commercial and industrial loans (Columns A through D)	RCONB854, RCONB855, RCONB856, RCONB857.
RC-B	M5.f *	Other (Columns A through D)	RCONB858, RCONB859, RCONB860, RCONB861.
RC-C, Part I	2a.(1)	To U.S. branches and agencies of foreign banks	RCONB532.
RC-C, Part I	2a.(2)	To other commercial banks in the U.S.	RCONB533.
RC-C, Part I	2.b	To other depository institutions in the U.S.	RCONB534.
RC-C, Part I	2.c.(1)	To foreign branches of other U.S. banks	RCONB536.
RC-C, Part I	2.c.(2)	To other banks in foreign countries	RCONB537.
RC-C, Part I	4.a	To U.S. addressees (domicile)	RCON1763.
RC-C, Part I	4.b	To non-U.S. addressees (domicile)	RCON1764.
RC-C, Part I	7	Loans to foreign governments and official institutions (including foreign central banks).	RCON2081.
RC-C, Part I	9.b.(1)	Loans for purchasing or carrying securities (secured and unsecured).	RCON1545.
RC-C, Part I	9.b.(2)	All other loans (exclude consumer loans)	RCONJ451.
RC-C, Part I	10.a	Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases).	RCONF162.
RC-C, Part I	10.b	All other leases	RCONF163.
RC-C, Part I	M1.e.(1)	To U.S. addressees (domicile)	RCONK163.
RC-C, Part I	M1.e.(2)	To non-U.S. addressees (domicile)	RCONK164.
RC-C, Part I	M5	Loans secured by real estate to non U.S. addressees (domicile).	RCONB837.
RC-C, Part I	M10.a.(1)	Construction, land development, and other land loans	RCONF578.
RC-C, Part I	M10.a.(2)	Secured by farmland (including farm residential and other improvements).	RCONF579.
RC-C, Part I	M10.a.(3)(a)	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.	RCONF580.
RC-C, Part I	M10.a.(3)(b)(1)	Secured by first liens	RCONF581.
RC-C, Part I	M10.a.(3)(b)(2)	Secured by junior liens	RCONF582.
RC-C, Part I	M10.a.(4)	Secured by multifamily (5 or more) residential properties	RCONF583.
RC-C, Part I	M10.a.(5)	Secured by nonfarm nonresidential properties	RCONF584.
RC-C, Part I	M10.b	Commercial and industrial loans	RCONF585.
RC-C, Part I	M10.c.(1)	Credit cards	RCONF586.
RC-C, Part I	M10.c.(2)	Other revolving credit plans	RCONF587.
RC-C, Part I	M10.c.(3)	Automobile loans	RCONK196.
RC-C, Part I	M10.c.(4)	Other consumer loans	RCONK208.
RC-C, Part I	M10.d	Other loans	RCONF589.
RC-C, Part I	M11.a.(1)	Construction, land development, and other land loans	RCONF590.
RC-C, Part I	M11.a.(2)	Secured by farmland (including farm residential and other improvements).	RCONF591.
RC-C, Part I	M11.a.(3)(a)	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.	RCONF592.
RC-C, Part I	M11.a.(3)(b)(1)	Secured by first liens	RCONF593.
RC-C, Part I	M11.a.(3)(b)(2)	Secured by junior liens	RCONF594.
RC-C, Part I	M11.a.(4)	Secured by multifamily (5 or more) residential properties	RCONF595.
RC-C, Part I	M11.a.(5)	Secured by nonfarm nonresidential properties	RCONF596.
RC-C, Part I	M11.b	Commercial and industrial loans	RCONF597.
RC-C, Part I	M11.c.(1)	Credit cards	RCONF598.
RC-C, Part I	M11.c.(2)	Other revolving credit plans	RCONF599.
RC-C, Part I	M11.c.(3)	Automobile loans	RCONK195.
RC-C, Part I	M11.c.(4)	Other consumer loans	RCONK209.
RC-C, Part I	M11.d	Other loans	RCONF601.
RC-C, Part I	M12.a	Loans secured by real estate (Columns A through C)	RCONG091, RCONG092, RCONG093.
RC-C, Part I	M12.b	Commercial and industrial loans (Columns A through C)	RCONG094, RCONG095, RCONG096.
RC-C, Part I	M12.c	Loans to individuals for household, family and other personal expenditures (Columns A through C).	RCONG097, RCONG098, RCONG099.
RC-C, Part I	M12.d	All other loans and all leases (Columns A through C) Note: Memorandum items 12.a through 12.d of Schedule RC-C, Part I, will be combined into data items for "Total loans and leases" (Columns A through C).	RCONG100, RCONG101, RCONG102.
RC-E	M6.a *	Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.	RCONP753.

Schedule	Item	Item name	MDRM No.
RC-E	M6.b *	Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use.	RCONP754.
RC-E	M6.c *	Total deposits in all other transaction accounts of individuals, partnerships, and corporations.	RCONP755.
RC-E	M7.a.(1) *	Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use.	RCONP756.
RC-E	M7.a.(2) *	Deposits in all other MMDAs of individuals, partnerships, and corporations.	RCONP757.
RC-E	M7.b.(1) *	Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use.	RCONP758.
RC-E	M7.b.(2) *	Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.	RCONP759.
RC-L	1.a.(1)	Unused commitments for Home Equity Conversion Mortgage (HECM) reverse mortgages outstanding that are held for investment (included in item 1.a above).	RCONJ477.
RC-L	1.a.(2)	Unused commitments for proprietary reverse mortgages outstanding that are held for investment (included in item 1.a).	RCONJ478.
RC-L	2.a *	Amount of financial standby letters of credit conveyed to others.	RCON3820.
RC-L	3.a *	Amount of performance standby letters of credit conveyed to others.	RCON3822.
RC-L	7.a.(1)	Credit default swaps (Columns A and B)	RCONC968, RCONC969.
RC-L	7.a.(2)	Total return swaps (Columns A and B)	RCONC970, RCONC971.
RC-L	7.a.(3)	Credit options (Columns A and B)	RCONC972, RCONC973.
RC-L	7.a.(4)	Other credit derivatives (Columns A and B)	RCONC974, RCONC975.
RC-L	7.b.(1)	Gross positive fair value (Columns A and B)	RCONC219, RCONC221.
RC-L	7.b.(2)	Gross negative fair value (Columns A and B)	RCONC220, RCONC222.
RC-L	7.c.(1)(a)	Sold protection	RCONG401.
RC-L	7.c.(1)(b)	Purchased protection	RCONG402.
RC-L	7.c.(2)(a)	Sold protection	RCONG403.
RC-L	7.c.(2)(b)	Purchased protection that is recognized as a guarantee for regulatory capital purposes.	RCONG404.
RC-L	7.c.(2)(c)	Purchased protection that is not recognized as a guarantee for regulatory capital purposes.	RCONG405.
RC-L	7.d.(1)(a)	Investment grade (Columns A through C)	RCONG406, RCONG407, RCONG408.
RC-L	7.d.(1)(b)	Sub-investment grade (Columns A through C)	RCONG409, RCONG410, RCONG411.
RC-L	7.d.(2)(a)	Investment grade (Columns A through C)	RCONG412, RCONG413, RCONG414.
RC-L	7.d.(2)(b)	Sub-investment grade (Columns A through C)	RCONG415, RCONG416, RCONG417.
RC-L	8	Spot foreign exchange contracts	RCON8765.
RC-L	9.b	Commitments to purchase when-issued securities	RCON3434.
RC-L	10.a	Commitments to sell when-issued securities	RCON3435.
RC-L	12.a	Futures contracts (Columns A through D)	RCON8693, RCON8694, RCON8695, RCON8696.
RC-L	12.b	Forward contracts (Columns A through D)	RCON8697, RCON8698, RCON8699, RCON8700.
RC-L	12.c.(1)	Written options (Columns A through D)	RCON8701, RCON8702, RCON8703, RCON8704.
RC-L	12.c.(2)	Purchased options (Columns A through D)	RCON8705, RCON8706, RCON8707, RCON8708.
RC-L	12.d.(1)	Written options (Columns A through D)	RCON8709, RCON8710, RCON8711, RCON8712.
RC-L	12.d.(2)	Purchased options (Columns A through D)	RCON8713, RCON8714, RCON8715, RCON8716.
RC-L	12.e	Swaps (Columns A through D)	RCON3450, RCON3826, RCON8719, RCON8720.
RC-L	13	Total gross notional amount of derivative contracts held for trading (Columns B through D).	RCONA127, RCON8723, RCON8724.
RC-L	14	Total gross notional amount of derivative contracts held for purposes other than trading (Columns B through D).	RCON8726, RCON8727, RCON8728.
RC-L	14.a	Interest rate swaps where the bank has agreed to pay a fixed rate.	RCONA589.
RC-L	15.a.(1)	Gross positive fair value (Columns A through D)	RCON8733, RCON8734, RCON8735, RCON8736.
RC-L	15.a.(2)	Gross negative fair value (Columns A through D)	RCON8737, RCON8738, RCON8739, RCON8740.
RC-L	15.b.(1)	Gross positive fair value (Columns A through D)	RCON8741, RCON8742, RCON8743, RCON8744.



Schedule	Item	Item name	MDRM No.
RC-L	15.b.(2)	Gross negative fair value (Columns A through D)	RCON8745, RCON8746, RCON8747, RCON8748.
RC-L	16.a *	Net current credit exposure (Columns A through E)	RCONG418, RCONG419, RCONG420, RCONG421, RCONG422.
RC-L	16.b.(1) *	Cash—U.S. dollar (Columns A through E)	RCONG423, RCONG424, RCONG425, RCONG426, RCONG427.
RC-L	16.b.(2) *	Cash—Other currencies (Columns A through E)	RCONG428, RCONG429, RCONG430, RCONG431, RCONG432.
RC-L	16.b.(3) *	U.S. Treasury securities (Columns A through E)	RCONG433, RCONG434, RCONG435, RCONG436, RCONG437.
RC-L	16.b.(4) *	U.S. Government agency and U.S. Government-sponsored agency debt securities (Columns A through E).	RCONG438, RCONG439, RCONG440, RCONG441, RCONG442.
RC-L	16.b.(5) *	Corporate bonds (Columns A through E)	RCONG443, RCONG444, RCONG445, RCONG446, RCONG447.
RC-L	16.b.(6) *	Equity securities (Columns A through E)	RCONG448, RCONG449, RCONG450, RCONG451, RCONG452.
RC-L	16.b.(7) *	All other collateral (Columns A through E)	RCONG453, RCONG454, RCONG455, RCONG456, RCONG457.
RC-L	16.b.(8) *	Total fair value of collateral (sum of items 16.b.(1) through (7)) (Columns A through E).	RCONG458, RCONG459, RCONG460, RCONG461, RCONG462.
RC-M	13.a.(1)(a)(1)	1–4 family residential construction loans	RCONK169.
RC-M	13.a.(1)(a)(2)	Other construction loans and all land development and other land loans.	RCONK170.
RC-M	13.a.(1)(b)	Secured by farmland	RCONK171.
RC-M	13.a.(1)(c)(1)	Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit.	RCONK172.
RC-M	13.a.(1)(c)(2)(a)	Secured by first liens	RCONK173.
RC-M	13.a.(1)(c)(2)(b)	Secured by junior liens	RCONK174.
RC-M	13.a.(1)(d)	Secured by multifamily (5 or more) residential properties	RCONK175.
RC-M	13.a.(1)(e)(1)	Loans secured by owner-occupied nonfarm nonresidential properties.	RCONK176.
RC-M	13.a.(1)(e)(2)	Loans secured by other nonfarm nonresidential properties	RCONK177.
RC-M	13.a.(3)	Commercial and industrial loans	RCONK179.
RC-M	13.a.(4)(a)	Credit cards	RCONK180.
RC-M	13.a.(4)(b)	Automobile loans	RCONK181.
RC-M	13.a.(4)(c)	Other (includes revolving credit plans other than credit cards and other consumer loans).	RCONK182.
RC-M	13.a.(5)	All other loans and all leases	RCONK183.
RC-M	13.b.(1)	Construction, land development, and other land	RCONK187.
RC-M	13.b.(2)	Farmland	RCONK188.
RC-M	13.b.(3)	1–4 family residential properties	RCONK189.
RC-M	13.b.(4)	Multifamily (5 or more) residential properties	RCONK190.
RC-M	13.b.(5)	Nonfarm nonresidential properties	RCONK191.
RC-M	13.c	Debt securities (included in Schedule RC, items 2.a and 2.b)	RCONJ461.
RC-M	13.d	Other assets (exclude FDIC loss-sharing indemnification assets).	RCONJ462.
RC-N	6	Loans to foreign governments and official institutions (Columns A through C).	RCON5389, RCON5390, RCON5391.
RC-N	11.a.(1)(a)	1–4 family residential construction loans (Columns A through C).	RCONK045, RCONK046, RCONK047.
RC-N	11.a.(1)(b)	Other construction loans and all land development and other land loans (Columns A through C).	RCONK048, RCONK049, RCONK050.
RC-N	11.a.(2)	Secured by farmland (Columns A through C)	RCONK051, RCONK052, RCONK053.
RC-N	11.a.(3)(a)	Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit (Columns A through C).	RCONK054, RCONK055, RCONK056.
RC-N	11.a.(3)(b)(1)	Secured by first liens (Columns A through C)	RCONK057, RCONK058, RCONK059.
RC-N	11.a.(3)(b)(2)	Secured by junior liens (Columns A through C)	RCONK060, RCONK061, RCONK062.
RC-N	11.a.(4)	Secured by multifamily (5 or more) residential properties (Columns A through C).	RCONK063, RCONK064, RCONK065.
RC-N	11.a.(5)(a)	Loans secured by owner-occupied nonfarm nonresidential properties (Columns A through C).	RCONK066, RCONK067, RCONK068.

Schedule	Item	Item name	MDRM No.
RC-N	11.a.(5)(b)	Loans secured by other nonfarm nonresidential properties (Columns A through C).	RCONK069, RCONK070, RCONK071.
RC-N	11.c	Commercial and industrial loans (Columns A through C)	RCONK075, RCONK076, RCONK077.
RC-N	11.d.(1)	Credit cards (Columns A through C)	RCONK078, RCONK079, RCONK080.
RC-N	11.d.(2)	Automobile loans (Columns A through C)	RCONK081, RCONK082, RCONK083.
RC-N	11.d.(3)	Other (includes revolving credit plans other than credit cards and other consumer loans) (Columns A through C).	RCONK084, RCONK085, RCONK086.
RC-N	11.e	All other loans and all leases (Columns A through C)	RCONK087, RCONK088, RCONK089.
RC-N	M1.e.(1)	To U.S. addressees (domicile) (Columns A through C)	RCONK120, RCONK121, RCONK122.
RC-N	M1.e.(2)	To non-U.S. addressees (domicile) (Columns A through C)	RCONK123, RCONK124, RCONK125.
RC-N	M3.a	Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1) (Columns A through C).	RCON1248, RCON1249, RCON1250.
RC-N	M3.b	Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2) (Columns A through C).	RCON5380, RCON5381, RCON5382.
RC-N	M3.c	Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4) (Columns A through C).	RCON1254, RCON1255, RCON1256.
RC-N	M3.d	Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8) (Columns A through C).	RCONF166, RCONF167, RCONF168.
RC-N	M5.b.(1)	Loans measured at fair value: Fair value (Columns A through C).	RCONF664, RCONF665, RCONF666.
RC-N	M5.b.(2)	Loans measured at fair value: Unpaid principal balance (Columns A through C).	RCONF667, RCONF668, RCONF669.
RC-N	M6	Derivative contracts: Fair value of amounts carried as assets (Columns A and B).	RCON3529, RCON3530.
RC-O	M2*	Estimated amount of uninsured deposits, including related interest accrued and unpaid.	RCON5597.
RC-O	M6.a*	Special mention	RCONK663.
RC-O	M6.b*	Substandard	RCONK664.
RC-O	M6.c*	Doubtful	RCONK665.
RC-O	M6.d*	Loss	RCONK666.
RC-O	M7.a*	Nontraditional 1-4 family residential mortgage loans	RCONN025.
RC-O	M7.b*	Securitizations of nontraditional 1-4 family residential mortgage loans.	RCONN026.
RC-O	M8.a*	Higher-risk consumer loans	RCONN027.
RC-O	M8.b*	Securitizations of higher-risk consumer loans	RCONN028.
RC-O	M9.a*	Higher-risk commercial and industrial loans and securities	RCONN029.
RC-O	M9.b*	Securitizations of higher-risk commercial and industrial loans and securities.	RCONN030.
RC-O	M10.a*	Total unfunded commitments	RCONK676.
RC-O	M10.b*	Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC).	RCONK677.
RC-O	M11*	Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements).	RCONK669.
RC-O	M12*	Nonbrokered time deposits of more than \$250,000 (included in Schedule RC-E, Memorandum item 2.d).	RCONK678.
RC-O	M13.a*	Construction, land development, and other land loans secured by real estate.	RCONN177.
RC-O	M13.b*	Loans secured by multifamily residential and nonfarm non-residential properties.	RCONN178.
RC-O	M13.c*	Closed-end loans secured by first liens on 1-4 family residential properties.	RCONN179.
RC-O	M13.d*	Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.	RCONN180.
RC-O	M13.e*	Commercial and industrial loans	RCONN181.
RC-O	M13.f*	Credit card loans to individuals for household, family, and other personal expenditures.	RCONN182.
RC-O	M13.g*	All other loans to individuals for household, family, and other personal expenditures.	RCONN183.
RC-O	M13.h*	Non-agency residential mortgage-backed securities	RCONM963.
RC-O	M14*	Amount of the institution's largest counterparty exposure	RCONK673.
RC-O	M15*	Total amount of the institution's 20 largest counterparty exposures.	RCONK674.

Schedule	Item	Item name	MDRM No.
RC-O	M16*	Portion of loans restructured in troubled debt restructurings 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).	RCONL189.
RC-O	M17.a*	Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.	RCONL194.
RC-O	M17.b*	Total allowable exclusions, including interest accrued and unpaid on allowable exclusions.	RCONL195.
RC-O	M17.c*	Unsecured "Other borrowings" with a remaining maturity of one year or less.	RCONL196.
RC-O	M17.d*	Estimated amount of uninsured deposits, including related interest accrued and unpaid.	RCONL197.
RC-O	M18.a*	"Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations (Columns A through O).	RCONM964, RCONM965, RCONM966, RCONM967, RCONM968, RCONM969, RCONM970, RCONM971, RCONM972, RCONM973, RCONM974, RCONM975, RCONM976, RCONM977, RCONM978.
RC-O	M18.b*	Closed-end loans secured by first liens on 1-4 family residential properties (Columns A through O).	RCONM979, RCONM980, RCONM981, RCONM982, RCONM983, RCONM984, RCONM985, RCONM986, RCONM987, RCONM988, RCONM989, RCONM990, RCONM991, RCONM992, RCONM993.
RC-O	M18.c*	Closed-end loans secured by junior liens on 1-4 family residential properties (Columns A through O).	RCONM994, RCONM995, RCONM996, RCONM997, RCONM998, RCONM999, RCONN001, RCONN002, RCONN003, RCONN004, RCONN005, RCONN006, RCONN007, RCONN008, RCONN009.
RC-O	M18.d*	Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (Columns A through O).	RCONN010, RCONN011, RCONN012, RCONN013, RCONN014, RCONN015, RCONN016, RCONN017, RCONN018, RCONN019, RCONN020, RCONN021, RCONN022, RCONN023, RCONN024.
RC-O	M18.e*	Credit cards (Columns A through O)	RCONN040, RCONN041, RCONN042, RCONN043, RCONN044, RCONN045, RCONN046, RCONN047, RCONN048, RCONN049, RCONN050, RCONN051, RCONN052, RCONN053, RCONN054.
RC-O	M18.f*	Automobile loans (Columns A through O)	RCONN055, RCONN056, RCONN057, RCONN058, RCONN059, RCONN060, RCONN061, RCONN062, RCONN063, RCONN064, RCONN065, RCONN066, RCONN067, RCONN068, RCONN069.
RC-O	M18.g*	Student loans (Columns A through O)	RCONN070, RCONN071, RCONN072, RCONN073, RCONN074, RCONN075, RCONN076, RCONN077, RCONN078, RCONN079, RCONN080, RCONN081, RCONN082, RCONN083, RCONN084.

Schedule	Item	Item name	MDRM No.
RC-O .....	M18.h* .....	Other consumer loans and revolving credit plans other than credit cards (Columns A through O).	RCONN085, RCONN086, RCONN087, RCONN088, RCONN089, RCONN090, RCONN091, RCONN092, RCONN093, RCONN094, RCONN095, RCONN096, RCONN097, RCONN098, RCONN099.
RC-O .....	M18.i* .....	Consumer leases (Columns A through O) .....	RCONN100, RCONN101, RCONN102, RCONN103, RCONN104, RCONN105, RCONN106, RCONN107, RCONN108, RCONN109, RCONN110, RCONN111, RCONN112, RCONN113, RCONN114.
RC-O .....	M18.j* .....	Total (Columns A through N) .....	RCONN115, RCONN116, RCONN117, RCONN118, RCONN119, RCONN120, RCONN121, RCONN122, RCONN123, RCONN124, RCONN125, RCONN126, RCONN127, RCONN128.

*Data Items With a Change in Frequency of Collection*

SEMIANNUAL REPORTING  
[June and December]

Schedule	Item	Item name	MDRM No.
RC-B .....	M6.a through M6.g .....	Structured financial products by underlying collateral or reference assets (Columns A through D).	RCONG348, RCONG349, RCONG350, RCONG351, RCONG352, RCONG353, RCONG354, RCONG355, RCONG356, RCONG357, RCONG358, RCONG359, RCONG360, RCONG361, RCONG362, RCONG363, RCONG364, RCONG365, RCONG366, RCONG367, RCONG368, RCONG369, RCONG370, RCONG371, RCONG372, RCONG373, RCONG374, RCONG375
RC-C, Part I .....	M4 .....	Adjustable-rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, Part I, item 1.c.(2)(a), column B).	RCON5370
RC-F .....	6.a through 6.i .....	All other assets: Itemized items greater than \$100,000 that exceed 25 percent of this item.	RCON2166, RCON1578, RCONC010, RCONC436, RCONJ448, RCON3549, RCON3550, RCON3551
RC-G .....	4.a through 4.g .....	All other liabilities: Itemized items greater than \$100,000 that exceed 25 percent of this item.	RCON3066, RCONC011, RCON2932, RCONC012, RCON3552, RCON3553, RCON3554
RC-L .....	9.c through 9.f .....	All other off-balance sheet liabilities (exclude derivatives): Itemized items over 25 percent of Schedule RC, item 27.a. "Total bank equity capital".	RCONC978, RCON3555, RCON3556, RCON3557
RC-L .....	10.b through 10.e .....	All other off-balance sheet assets (exclude derivatives): Itemized items over 25 percent of Schedule RC, item 27.a. "Total bank equity capital".	RCONC5592, RCON5593, RCON5594, RCON5595
RC-N .....	M5.a .....	Loans and leases held for sale (Columns A through C).	RCONC240, RCONC241, RCONC226

ANNUAL REPORTING  
[December]

Schedule	Item	Item name	MDRM No.
RI .....	M12	Noncash income from negative amortization on closed-end loans secured by 1–4 family residential properties (included in Schedule RI, item 1.a.(1)(a)).	RIADF228
RC–C, Part I .....	M8.b	Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1–4 family residential properties.	RCONF231
RC–C, Part I .....	M8.c	Total amount of negative amortization on closed-end loans secured by 1–4 family residential properties included in the amount reported in Memorandum item 8.a.	RCONF232
RC–M .....	6	Does the reporting bank sell private label or third-party mutual funds and annuities?	RCONB569
RC–M .....	7	Assets under the reporting bank’s management in proprietary mutual funds and annuities.	RCONB570
RC–M .....	9	Do any of the bank’s Internet websites have transactional capability, i.e., allow the bank’s customers to execute transactions on their accounts through the website?	RCON4088
RC–M .....	11	Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463
RC–M .....	12	Does the bank provide custody, safekeeping, or other services involving the acceptance of order for the sale or purchase of securities?	RCONG464
RC–M .....	14.a	Total assets of captive insurance subsidiaries .....	RCONK193
RC–M .....	14.b	Total assets of captive reinsurance subsidiaries .....	RCONK194

DATA ITEMS MOVED TO SCHEDULE SU—SUPPLEMENTAL INFORMATION

Schedule	Item	Item name	MDRM No.
RI .....	M13.a	Net gains (losses) on assets .....	RIADF551
RI .....	M13.b	Net gains (losses) on liabilities .....	RIADF553
RI–B, Part I .....	M4	Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses).	RIADC388
RI–B, Part II .....	M2	Separate valuation allowance for uncollectible retail credit card fees and finance charges.	RIADC389
RI–B, Part II .....	M3	Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges.	RIADC390
RC–C, Part I .....	M6	Outstanding credit card fees and finance charges included in Schedule RC–C, part I, item 6.a.	RCONC391
RC–L .....	13	Total gross notional amount of derivative contracts held for trading (Column A)	RCONA126
RC–L .....	14	Total gross notional amount of derivative contracts held for purposes other than trading (Columns A).	RCON8725
RC–M .....	13.b.(7)	Portion of covered other real estate owned included in items 13.b.(1) through (5) that is protected by FDIC loss-sharing agreements.	RCONK192
RC–N .....	11.f	Portion of covered loans and leases included in items 11.a through 11.e that is protected by FDIC loss-sharing agreements (Columns A through C).	RCONK102, RCONK103, RCONK104
RC–S .....	M4	Outstanding fees and credit card charges included in Schedule RC–S, item 1, column C.	RCONC407

Appendix C

FFIEC 031 for March 31, 2017: Data Items  
Removed or Change in Reporting Threshold

DATA ITEMS REMOVED

Schedule	Item	Item name	MDRM No.
RI–B, Part I .....	2.a	Loans to and acceptances of U.S. banks and other U.S. depository institutions (Column A and Column B).	RIAD4653, RIAD4663
RI–B, Part I .....	2.b	Loans to and acceptances of foreign banks (Column A and Column B) .....	RIAD4654, RIAD4664
RC–C, Part II .....	1	Yes/No indicator whether all or substantially all of the dollar volume of ‘loans secured by nonfarm nonresidential properties’ and ‘commercial and industrial loans to U.S. addressees’ have original amounts of \$100,000 or less.	RCON6999
RC–C, Part II .....	2.a	Total number of loans secured by nonfarm nonresidential properties currently outstanding.	RCON5562
RC–C, Part II .....	2.b	Total number of commercial and industrial loans to U.S. addressees currently outstanding.	RCON5563

## DATA ITEMS REMOVED—Continued

Schedule	Item	Item name	MDRM No.
RC—C, Part II .....	5	Yes/No indicator whether all or substantially all of the dollar volume of 'Loans secured by farmland' and 'Loans to finance agricultural production and other loans to farmers' have original amounts of \$100,000 or less.	RCON6860
RC—C, Part II .....	6.a	Total number of loans secured by farmland currently outstanding .....	RCON5576
RC—C, Part II .....	6.b	Total number of loans to finance agricultural production and other loans to farmers currently outstanding.	RCON5577
RC—E, Part I .....	M6.c	Total deposits in all other transaction accounts of individuals, partnerships, and corporations.	RCONP755
RC—M .....	13.a.(2)	Loans to finance agricultural production and other loans to farmers covered by loss-sharing agreements with the FDIC.	RCFDK178
RC—M .....	13.a.(3)	Commercial and industrial loans covered by loss-sharing agreements with the FDIC.	RCFDK179
RC—M .....	13.a.(4)(a)	Credit card loans covered by loss-sharing agreements with the FDIC .....	RCFDK180
RC—M .....	13.a.(4)(b)	Automobile loans covered by loss-sharing agreements with the FDIC .....	RCFDK181
RC—M .....	13.a.(4)(c)	All other consumer loans covered by loss-sharing agreements with the FDIC .....	RCFDK182
RC—N .....	11.b	Loans to finance agricultural production and other loans to farmers covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCFDK072, RCFDK073, RCFDK074
RC—N .....	11.c	Commercial and industrial loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCFDK075, RCFDK076, RCFDK077
RC—N .....	11.d.(1)	Credit card loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCFDK078, RCFDK079, RCFDK080
RC—N .....	11.d.(2)	Automobile loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCFDK081, RCFDK082, RCFDK083
RC—N .....	11.d.(3)	All other consumer loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCFDK084, RCFDK085, RCFDK086

## CHANGE IN REPORTING THRESHOLD

[To be completed by banks with \$10 billion or more in total assets]

Schedule	Item	Item name	MDRM No.
RI .....	M9.a	Net gains (losses) on credit derivatives held for trading .....	RIADC889
RI .....	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading .....	RIADC890
RC—E, Part II .....	1	Deposits of Individuals, partnerships, and corporations (include all certified and official checks).	RCFNB553
RC—E, Part II .....	2	Deposits of U.S. banks and other U.S. depository institutions in foreign offices ..	RCFNB554
RC—E, Part II .....	3	Deposits of foreign banks in foreign offices .....	RCFN2625
RC—E, Part II .....	4	Deposits of foreign governments and official institutions in foreign offices .....	RCFN2650
RC—E, Part II .....	5	Deposits of U.S. Government and states and political subdivisions in the U.S. in foreign offices.	RCFNB555
RC—E, Part II .....	6	Total deposits in foreign offices .....	RCFN2200

**Note:** The preceding list of "Data Items Removed" from the FFIEC 031 excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, **Federal Register** notice (81 FR 45357): Schedule RI, Memorandum items 14.a and 14.b.

## CHANGE IN REPORTING THRESHOLD

[To be completed by banks with \$10 million or more in average trading assets]

Schedule	Item	Item name	MDRM No.
RI .....	M8.a	Trading revenue from interest rate exposures .....	RIAD8757
RI .....	M8.b	Trading revenue from foreign exchange exposures .....	RIAD8758
RI .....	M8.c	Trading revenue from equity security and index exposures .....	RIAD8759
RI .....	M8.d	Trading revenue from commodity and other exposures .....	RIAD8760
RI .....	M8.e	Trading revenue from credit exposures .....	RIADF186

## Appendix D

## FFIEC 041 for March 31, 2017: Data Items Removed or Change in Reporting Threshold

DATA ITEMS REMOVED

Schedule	Item	Item name	MDRM No.
RI .....	1.a.(4)	Interest on loans to foreign governments and official institutions .....	RIAD4056
RI .....	1.e	Interest income from trading assets .....	RIAD4069
RI-B, Part I .....	2	Loans to depository institutions and acceptances of other banks (Column A through Column B).	RIAD4481, RIAD4482
RI-B, Part I .....	6	Loans to foreign governments and official institutions (Column A through Column B).	RIAD4643, RIAD4627
RC-C, Part I .....	2.a.(1)	Loans to U.S. branches and agencies of foreign banks .....	RCONB532
RC-C, Part I .....	2.a.(2)	Loans to other commercial banks in the U.S. .... Note: Items 2.a.(1) and 2.a.(2) of Schedule RC-C, Part I, will be combined into one data item for total loans to commercial banks in the U.S.	RCONB533
RC-C, Part I .....	2.c.(1)	Loans to foreign branches of other U.S. banks .....	RCONB536
RC-C, Part I .....	2.c.(2)	Loans to other banks in foreign countries .....	RCONB537
		Note: Items 2.c.(1) and 2.c.(2) of Schedule RC-C, Part I, will be combined into one data item for total loans to banks in foreign countries.	
RC-C, Part I .....	7	Loans to foreign governments and official institutions (including foreign central banks).	RCON2081
RC-E .....	M6.c	Total deposits in all other transaction accounts of individuals, partnerships, and corporations.	RCONP755
RC-M .....	13.a.(3)	Commercial and industrial loans covered by loss-sharing agreements with the FDIC.	RCONK179
RC-M .....	13.a.(4)(a)	Credit card loans covered by loss-sharing agreements with the FDIC .....	RCONK180
RC-M .....	13.a.(4)(b)	Automobile loans covered by loss-sharing agreements with the FDIC .....	RCONK181
RC-M .....	13.a.(4)(c)	All other consumer loans covered by loss-sharing agreements with the FDIC .....	RCONK182
RC-N .....	6	Loans to foreign governments and official institutions (Column A through Column C).	RCON5389, RCON5390, RCON5391
RC-N .....	11.c	Commercial and industrial loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCONK075, RCONK076, RCONK077
RC-N .....	11.d.(1)	Credit card loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCONK078, RCONK079, RCONK080
RC-N .....	11.d.(2)	Automobile loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCONK081, RCONK082, RCONK083
RC-N .....	11.d.(3)	All other consumer loans covered by loss-sharing agreements with the FDIC (Column A through Column C).	RCONK084, RCONK085, RCONK086
RC-N .....	M6	Derivative contracts: Fair value of amounts carried as assets (Column A through Column B).	RCON3529, RCON3530

**Note:** The preceding list of "Data Items Removed" from the FFIEC 041 excludes two Call Report data items that have been approved for removal by OMB effective March 31, 2017, in accordance with the agencies' July 13, 2016, **Federal Register** notice (81 FR 45357): Schedule RI, Memorandum items 14.a and 14.b.

CHANGE IN REPORTING THRESHOLD

[To be completed by banks with \$10 billion or more in total assets]

Schedule	Item	Item name	MDRM number
RI .....	M9.a	Net gains (losses) on credit derivatives held for trading .....	RIADC889
RI .....	M9.b	Net gains (losses) on credit derivatives held for purposes other than trading .....	RIADC890

CHANGE IN REPORTING THRESHOLD

[To be completed by banks with \$10 million or more in average trading assets]

Schedule	Item	Item name	MDRM number
RI .....	M8.a	Trading revenue from interest rate exposures .....	RIAD8757
RI .....	M8.b	Trading revenue from foreign exchange exposures .....	RIAD8758
RI .....	M8.c	Trading revenue from equity security and index exposures .....	RIAD8759
RI .....	M8.d	Trading revenue from commodity and other exposures .....	RIAD8760
RI .....	M8.e	Trading revenue from credit exposures .....	RIADF186

Dated: December 30, 2016.

**Karen Solomon,**

*Deputy Chief Counsel, Office of the  
Comptroller of the Currency.*

Board of Governors of the Federal Reserve  
System, January 3, 2017.

**Robert deV. Frierson,**

*Secretary of the Board.*

Dated at Washington, DC, this 3rd day of  
January, 2017. Federal Deposit Insurance  
Corporation.

**Robert E. Feldman,**

*Executive Secretary.*

[FR Doc. 2017-00085 Filed 1-6-17; 8:45 am]

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