Federal Financial Institutions Examination Council

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FIL-10-2019
March 6, 2019

DEPOSITORY INSTITUTION REPORTS

TO: CHIEF EXECUTIVE OFFICER (also of interest to Chief Financial Officer)

SUBJECT: Revisions to the Consolidated Reports of Condition and Income (Call Report) and Certain Other Regulatory Reports

The Federal Financial Institutions Examination Council (FFIEC) has approved the implementation of changes to all three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051), the Foreign Branch Report of Condition (FFIEC 030), the Abbreviated Foreign Branch Report of Condition (FFIEC 030S) and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101). The revised reporting requirements will be phased in starting as of the March 31, 2019, report date subject to approval by the U.S. Office of Management and Budget. These reporting changes, which are discussed below, were proposed by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, and the Office of the Comptroller of the Currency (collectively, the agencies), under the auspices of the FFIEC, in September 2018 (see FIL-51-2018, dated September 28, 2018).

After considering the comments received on the September 2018 proposal, the banking agencies will proceed with the proposed revisions, with slight modification, to all three versions of the Call Report, the FFIEC 030, the FFIEC 030S, and the FFIEC 101. The changes to these reports generally result from the revised accounting for credit losses under the Financial Accounting Standards Board's Accounting Standards Update No. 2016-13, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" (ASU 2016-13). The revisions also include reporting changes to the Call Report's regulatory capital schedule and the FFIEC 101 report related to the agencies' recent final rule on the implementation and capital transition for the current expected credit losses methodology in ASU 2016-13. An institution must apply ASU 2016-13 in its Call Report, FFIEC 030, FFIEC 030S, and FFIEC 101 submissions in accordance with the applicable effective date of the accounting standard, if the institution is required to file such a report. Because ASU 2016-13 sets three different effective dates and includes an option for early adoption, the credit loss accounting revisions to these FFIEC reports that begin to take effect March 31, 2019, will not be fully phased in until December 31, 2022.

Other reporting changes result from two sections of the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (EGRRCPA) that affect the information institutions report for high volatility commercial real estate (HVCRE) exposures and reciprocal deposits. These sections of EGRRCPA were effective upon enactment on May 24, 2018, and therefore affected reporting beginning with the second quarter 2018 Call Report and, for HVCRE exposures, the second quarter 2018 FFIEC 101 report. Please refer to the attached *Federal Register* notice and the December 2018 Call Report Supplemental Instructions for further information regarding the reporting of acquisition, development, or construction loans considered HVCRE exposures and reciprocal deposits in the Call Report and the FFIEC 101 report.

To help you understand how these revisions affect the three versions of the Call Report as well as the FFIEC 101 report, redlined copies of the FFIEC 031, FFIEC 041, and FFIEC 051 Call Report forms and the FFIEC 101 report form showing the reporting changes are available on the FFIEC's website (https://www.ffiec.gov/ffiec_report_forms.htm) on the webpage for each report form. The revisions to the FFIEC 030 and FFIEC 030S reports would affect only the instructions for these reports.

The agencies recently published for public comment a Notice of Proposed Rulemaking (NPR) to implement Section 205 of EGRRCPA on reduced reporting on Call Reports (see FIL-74-2018, dated November 19, 2018). In general, the agencies' proposed regulations would expand eligibility to file the FFIEC 051 Call Report to include certain institutions with less than $5 billion in total assets that meet other criteria. In connection with this NPR, the agencies also proposed to reduce the reporting frequency for a number of existing data items in the FFIEC 051 Call Report that currently are reported quarterly and, for institutions with total assets of $1 billion or more, to add to the FFIEC 051 Call Report certain data items that these institutions currently report in the FFIEC 041 Call Report, but generally with reduced reporting frequency. The comment period for this proposal ended January 18, 2019. Although the agencies proposed that these changes to the FFIEC 051 reporting requirements would take effect March 31, 2019, institutions should note that the FFIEC 051 reporting changes from the November 2018 proposal, if finalized, would take effect no earlier than June 30, 2019.

Please share this letter with the individuals responsible for preparing the Call Report and, if applicable, the FFIEC 030, the FFIEC 030S, and the FFIEC 101 reports at your institution. For further information about the Call Report revisions, institutions should contact their assigned Call Report analyst. If you do not know the analyst assigned to your institution, state member institutions should contact their Federal Reserve District Bank; national institutions, FDIC-supervised banks, and savings associations should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or email at FDICInfoReq@fdic.gov. For questions about the revisions to the FFIEC 030, FFIEC 030S, and FFIEC 101 reports, reporting institutions should contact their Reporting Central District Contact (https://www.frbservices.org/contactus/reporting-central.html).

signed by

Judith E. Dupré
Executive Secretary

Attachment: *Federal Register* Notice

Distribution: FDIC-Supervised Banks and Savings Institutions, National Institutions, State Member Institutions, and Savings Associations