



FIL-38-2020
April 9, 2020

DEPOSITORY INSTITUTION REPORTS

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

SUBJECT: Capital-related Revisions to the Consolidated Reports of Condition and Income (Call Report) and the FFIEC 101 Report

In March 2020, in response to the impact on the financial markets by COVID-19, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, and the Office of the Comptroller of the Currency (collectively, the agencies), issued, and published in the *Federal Register*, three interim final rules (IFRs) and a notice that impact the reporting of regulatory capital in the Call Report. These revisions impact the instructions for calculation of certain amounts reported on Schedule RC-R, Regulatory Capital, and apply to the three versions of the Call Report (FFIEC 031, FFIEC 041, and FFIEC 051) and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101).

The revisions, as described more fully in the attached *Federal Register* notices, include the following:

- 1) Revising the definition of eligible retained income in the capital rule;
- 2) Permitting banking organizations to neutralize the effects of purchasing assets through the Money Market Mutual Fund Liquidity Facility (MMLF) on their risk-based and leverage capital ratios;
- 3) Providing banking organizations that implement the Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses, Topic 326, Measurement of Credit Losses on Financial Instruments, before the end of 2020 the option to delay for two years an estimate of the current expected credit losses (CECL) methodology's effect on regulatory capital, relative to the incurred loss methodology's effect on capital, followed by a three-year transition period; and
- 4) Allowing banking organizations to implement the final rule titled *Standardized Approach for Calculating the Exposure Amount of Derivative Contracts* (SA-CCR rule) for the first quarter of 2020, on a best efforts basis.

The agencies have requested and have received emergency clearance from the Office of Management and Budget to permit these revisions for the March 31, 2020, Call Report and FFIEC 101. The agencies will request public comment on these changes in reporting through the standard Paperwork Reduction Act process on a later date.

The agencies encourage you to review the regulatory capital changes applicable to your institution. The attached supplemental instructions for completing the Call Report and the FFIEC 101 as of the March 31, 2020, report date, for these revisions to Schedule RC-R, Regulatory Capital and for these revisions to the FFIEC 101, will be published to each of the FFIEC Call Report and FFIEC 101 webpages shortly.

Please share this letter with individuals responsible for preparing these 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, while 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 to FDICInfoReq@fdic.gov.

signed by

Judith E. Dupré
Executive Secretary

Attachments: [1Q2020 Capital Related IFRs Supplemental Instructions \(Call Report\)](#); [1Q2020 Capital Related IFRs Supplemental Instructions \(FFIEC 101\)](#); [Federal Register Notice – Eligible Retained Income](#); [Federal Register Notice - MMLF](#); [Federal Register Notice - CECL Transition](#); and [Federal Register Notice - SA-CCR](#)

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