



FIL-39-2015
September 18, 2015

DEPOSITORY INSTITUTION REPORTS

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

SUBJECT: Proposed Revisions to the Consolidated Reports of Condition and Income (Call Report)

The Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board (Board), and the Office of the Comptroller of the Currency (collectively, the agencies) are requesting comment on proposed revisions to the Call Report that would take effect December 31, 2015, or March 31, 2016, depending on the nature of the change. The agencies encourage you to review the proposal, which has been approved by the Federal Financial Institutions Examination Council (FFIEC), and comment on those aspects of interest to you. You may send comments to any or all of the agencies by the methods described in the attached *Federal Register* notice. All comments must be submitted by November 17, 2015. The FFIEC and the agencies will review and consider the comments as they finalize the revisions to the Call Report.

This Call Report proposal is one element 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 banks. In embarking on this initiative, the FFIEC is responding to industry concerns about the cost and burden arising from the Call Report preparation process. The FFIEC's burden-reduction initiative comprises actions in five areas, which are summarized as follows:

- Implementing an initial group of burden-reducing revisions to the Call Report;
- Accelerating the start of the next statutorily required review of existing Call Report data items;
- Assessing the feasibility of a potential community bank Call Report;
- Conducting industry dialogue to better understand significant sources of Call Report burden; and
- Providing Call Report training for bankers.

As a foundation for these actions, the FFIEC has developed a set of guiding principles for use in evaluating potential additions and deletions of Call Report data items and other revisions to the Call Report. The attached *Federal Register* notice provides further information about the community bank Call Report burden-reduction initiative and the guiding principles.

In proceeding with the first action above, the agencies have identified and are proposing a number of burden-reducing changes to the Call Report. Additional burden-reducing changes to the Call Report are expected to result from other actions taken under the FFIEC's formal initiative. The agencies' proposal also includes certain new and revised Call Report data items, but because of the nature of these changes, they should have a limited impact on community institutions. The proposal also contains instructional clarifications and revisions. The proposed reporting changes, which would take effect in December 2015 unless otherwise indicated, include:

- Deletions of certain existing data items pertaining to other-than-temporary impairments from Schedule RI, Income Statement; troubled debt restructurings from Schedule RC-C, Loans and Lease Financing Receivables, and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets; loans covered by FDIC loss-sharing agreements from Schedule RC-M, Memoranda, and Schedule RC-N; and certain unused commitments to asset-backed commercial paper conduits in Schedule RC-R, Regulatory Capital;
- Increases in existing reporting thresholds for certain data items in Schedule RI-E, Explanations; Schedule RC-D, Trading Assets and Liabilities; Schedule RC-F, Other Assets; Schedule RC-G, Other Liabilities; and Schedule RC-Q, Assets and Liabilities Measured at Fair Value on a Recurring Basis; and

the establishment of a reporting threshold for certain data items in Schedule RC-S, Servicing, Securitization, and Asset Sale Activities;

- Instructional revisions addressing the reporting of:
 - Home equity lines of credit that convert from revolving to non-revolving status in Schedule RC-C;
 - Securities for which a fair value option is elected in Schedule RC, Balance Sheet; and
 - Net gains (losses) and other-than-temporary impairments on equity securities that do not have readily determinable fair values in Schedule RI;
- New and revised data items and information of general applicability, including:
 - Increasing the time deposit size threshold used to report certain deposit information from \$100,000 to \$250,000 in Schedule RC-E, Deposit Liabilities, and (effective in March 2016) in Schedule RI, and Schedule RC-K, Quarterly Averages;
 - Revising the statements used to describe the level of external auditing work performed for the reporting institution during the preceding year in Schedule RC (effective in March 2016);
 - Adding contact information for the reporting institution's Chief Executive Officer;
 - Reporting the institution's Legal Entity Identifier if it already has one (on the Call Report cover page);
 - Creating additional preprinted captions for itemizing and describing components of certain items that exceed reporting thresholds in Schedules RC-F and RI-E; and
 - Revising Schedule RI to eliminate the concept of extraordinary items (effective in March 2016); and
- New and revised data items of limited applicability, including:
 - Revising the reporting of certain securities measured under a fair value option in Schedule RC-Q and moving the existing Memorandum items for the fair value and unpaid principal balance of loans (not held for trading) measured under a fair value option from Schedule RC-C to Schedule RC-Q;
 - Revising the information reported in Schedule RI Memorandum items by institutions with total assets of \$100 billion or more on the impact on trading revenues of changes in credit and debit valuation adjustments (effective in March 2016);
 - Adding a new item on "dually payable" deposits in foreign branches of U.S. banks to Schedule RC-E, Part II, Deposits in Foreign Offices, on the FFIEC 031 report; and
 - Revising the information reported about the supplementary leverage ratio by advanced approaches institutions in Schedule RC-R (effective in March 2016).

For the Call Report revisions proposed to take effect in December 2015, the agencies invite comment on difficulties institutions would encounter in implementing any of these revisions in their year-end 2015 Call Reports.

To help you understand the proposed changes to the Call Report, drafts of the Call Report schedules that are proposed to be revised are available on the FFIEC's website (www.ffiec.gov/ffiec_report_forms.htm). Draft instructions for the proposed reporting changes will be posted on the FFIEC's website during the comment period for the proposal.

Please forward this letter to the person responsible for preparing Call Reports at your institution. For further information about the proposed reporting revisions, state member banks should contact their Federal Reserve District Bank. National banks, savings associations, and FDIC-supervised banks should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or by email at insurance-research@fdic.gov.



Judith E. Dupré
Executive Secretary

Attachment: Initial Paperwork Reduction Act Federal Register Notice

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