



Federal Financial Institutions  
Examination Council

---

# ANNUAL REPORT 2020

---

Board of Governors of the Federal Reserve System  
Consumer Financial Protection Bureau  
Federal Deposit Insurance Corporation  
National Credit Union Administration  
Office of the Comptroller of the Currency  
State Liaison Committee

---

# *Members of the Council*

---



*Kathleen Kraninger,  
FFIEC Chairman,  
Director, Consumer Financial  
Protection Bureau*



*Jelena McWilliams,  
Chairman, Federal Deposit Insurance  
Corporation*



*Rodney E. Hood,  
FFIEC Vice Chairman,  
Chairman, National Credit Union  
Administration*



*Randal K. Quarles,  
Member and Vice Chair for  
Supervision, Board of Governors of  
the Federal Reserve System*



*Greg Gonzales,  
Chairman,  
State Liaison Committee,  
Commissioner, Tennessee Department  
of Financial Institutions*



*Brian P. Brooks,  
Acting Comptroller of the Currency,  
Office of the Comptroller of the  
Currency*

---

# *Letter of Transmittal*

---

Federal Financial Institutions Examination Council

---



---

3501 Fairfax Drive • Room B7081a • Arlington, VA 22226-3550 • (703) 516-5588 • FAX (703) 562-6446 • [www.ffiec.gov](http://www.ffiec.gov)

March 29, 2021

The President of the Senate  
The Speaker of the House of Representatives

Pursuant to the provisions of section 1006(f) of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (12 U.S.C. § 3305), I am pleased to submit the 2020 Annual Report of the Federal Financial Institutions Examination Council.

Respectfully,

*David K. Uejio*

David K. Uejio  
*Chairman*

Board of Governors of the Federal Reserve System, Consumer Financial Protection Bureau, Federal Deposit Insurance Corporation,  
National Credit Union Administration, Office of the Comptroller of the Currency, State Liaison Committee

---

# *Table of Contents*

---

Members of the Council .....	ii
Letter of Transmittal .....	iv
Table of Contents .....	vi
Chart of Selected Abbreviations .....	viii
Message from the FFIEC Chairman .....	x
Overview of Council Operations.....	4
Record of Council Activities.....	8
State Liaison Committee .....	10
Activities of the Interagency Staff Task Forces .....	12
Task Force on Consumer Compliance .....	13
Task Force on Examiner Education.....	15
Task Force on Information Sharing.....	22
Task Force on Reports.....	24
Task Force on Supervision .....	29
Task Force on Surveillance Systems .....	32
The Federal Financial Institution Regulatory Agencies and their Supervised Institutions .....	34
Board of Governors of the Federal Reserve System.....	36
Consumer Financial Protection Bureau .....	38
Federal Deposit Insurance Corporation.....	40
National Credit Union Administration .....	42
Office of the Comptroller of the Currency.....	43
Assets, Liabilities, and Net Worth of U.S. Commercial Banks, Savings Institutions, and Credit Unions as of December 31, 2020 .....	44
Income and Expenses of U.S. Commercial Banks, Savings Institutions, and Credit Unions for the Twelve Months Ending December 31, 2020 .....	45
Appendix A: Selected Relevant Statutes.....	46
Appendix B: 2020 Audit Report .....	54
Appendix C: Maps of Agency Regions and Districts .....	68
Board of Governors of the Federal Reserve System.....	70
Consumer Financial Protection Bureau .....	71
Federal Deposit Insurance Corporation Supervisory Regions .....	72
National Credit Union Administration .....	73
Office of the Comptroller of the Currency .....	74
Appendix D: Organizational Listing of Personnel .....	76

The full report can be accessed online at <https://www.ffiec.gov/reports.htm>.

---

# *Chart of Selected Abbreviations*

---

ACSSS .....	American Council of State Savings Supervisors	FFIEC .....	Federal Financial Institutions Examination Council
ALG .....	Agency Liaison Group	FHC .....	Financial Holding Company
AML .....	Anti-Money Laundering	FHFA .....	Federal Housing Finance Agency
APR .....	Annual Percentage Rate	FinCEN .....	Financial Crimes Enforcement Network
APRWIN.....	Annual Percentage Rate Calculation Program for Windows	FIRIRCA .....	Financial Institutions Regulatory and Interest Rate Control Act of 1978
APY .....	Annual Percentage Yield	FIRREA .....	Financial Institutions Reform, Recovery, and Enforcement Act of 1989
APYWIN.....	Annual Percentage Yield Calculation Program for Windows	FRB .....	Board of Governors of the Federal Reserve System
ASC .....	Appraisal Subcommittee	FSOC .....	Financial Stability Oversight Council
BHC.....	Bank Holding Company	HMDA .....	Home Mortgage Disclosure Act of 1975
BSA.....	Bank Secrecy Act	IT.....	Information Technology
Call Report .....	Consolidated Reports of Condition and Income	LAG.....	Legal Advisory Group
CARES Act .....	Coronavirus Aid, Relief, and Economic Security Act	NASCUS .....	National Association of State Credit Union Supervisors
CCIWG .....	Cybersecurity and Critical Infrastructure Working Group	NCUA .....	National Credit Union Administration
CDR.....	Central Data Repository	OCC.....	Office of the Comptroller of the Currency
CECL.....	Current Expected Credit Losses	PRA .....	Paperwork Reduction Act of 1995
CFPB.....	Consumer Financial Protection Bureau	SEC .....	Securities and Exchange Commission
Council.....	Federal Financial Institutions Examination Council	SLC .....	State Liaison Committee
COVID-19 .....	Coronavirus Disease 2019	SLHC.....	Savings and Loan Holding Company
CRA .....	Community Reinvestment Act	SOD .....	Summary of Deposits
CSBS .....	Conference of State Bank Supervisors	TFCC .....	Task Force on Consumer Compliance
Dodd-Frank Act...	Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010	TFEE.....	Task Force on Examiner Education
EEO.....	Examiner Education Office	TFIS .....	Task Force on Information Sharing
EGRPRA .....	Economic Growth and Regulatory Paperwork Reduction Act of 1996	TFOR .....	Task Force on Reports
EGRRCPA.....	Economic Growth, Regulatory Relief, and Consumer Protection Act of 2018	TFOS.....	Task Force on Supervision
FASB.....	Financial Accounting Standards Board	TFSS.....	Task Force on Surveillance Systems
FCA .....	Farm Credit Administration	UBPR.....	Uniform Bank Performance Report
FDIC .....	Federal Deposit Insurance Corporation		

---

*Message from the  
FFIEC Chairman*

---



*FFIEC Chairman, Kathleen Kraninger*

I am honored to have served as Chairman of the Federal Financial Institutions Examination Council (FFIEC or Council) for the past two years. Considering the challenges posed by the novel coronavirus disease 2019 (COVID-19) pandemic for financial institutions, consumers, and FFIEC member agencies, I am particularly proud of our accomplishments this past year.

I would like to take this opportunity to highlight some of the important work undertaken by the Council, its task forces, and interagency working groups during the year. Additional information on these achievements, as well as other projects and initiatives, are included in the Record of Council Activities and Activities of the Interagency Staff Task Forces sections of this report.

### **Facilitated Interagency Pandemic Response**

During the past year, consumers, financial institutions, and small businesses have faced unique challenges as a result of the COVID-19 pandemic. To respond to these challenges, the Council acted swiftly to coordinate interagency efforts to provide guidance to financial institutions on how to work with consumers

and effectively manage risks associated with the pandemic.

At the start of the pandemic, the FFIEC facilitated the issuance of an interagency statement on pandemic planning. This statement updated previous guidance issued to financial institutions in 2006 and 2007. Its purpose was to remind financial institutions that business continuity plans should address the threat of a pandemic and its potential impact on the delivery of critical financial services.

As the pandemic continued, the FFIEC facilitated the issuance of a joint statement on additional loan accommodations related to COVID-19. This statement provided financial institutions with a series of prudent risk management and consumer protection principles to consider as they worked with borrowers whose initial coronavirus-related loan accommodation periods may be ending.

The FFIEC also took prompt action to revise various FFIEC reports and supplemental instructions to reflect changes to accounting and regulatory reporting requirements made by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and interim final rules issued by the federal banking agencies in response to the COVID-19 pandemic.

### **Continued Work on Key Cybersecurity Initiatives**

The Council continued its work on key cybersecurity areas, including risk management and oversight, threat intelligence and collaboration, cybersecurity controls, external dependency management, and cyber incident management and resilience. In recognition of National Cybersecurity Awareness Month in October 2020, the Council hosted a successful industry outreach webinar to highlight changes to the FFIEC Business Continuity Management Booklet and discuss how those changes relate

to issues of heightened cybersecurity risk and challenges posed by increased disruptive cybersecurity attacks.

### **Expanded Virtual Examiner Education**

One of the FFIEC's most important functions is to conduct examiner training. Efforts made in 2019 to explore alternative delivery methods for FFIEC training allowed the Council to offer an unprecedented number of virtual educational events. This shift to virtual delivery ensured continuity of training during the pandemic and expanded the number of examiners who could attend training programs.

We delivered over 60,000 hours of virtual content and provided it to a wider group of examiners than ever envisioned prior to this year. Considering our successes with remote instruction, the FFIEC will continue to explore ways to use technology to deliver these important training opportunities to the widest possible audience of examiners.

### **Developed Common Examination Procedures and Tools**

The Council also facilitated the approval of interagency examination procedures for the Truth in Lending Act, reflecting changes to Regulation Z related to the Consumer Financial Protection Bureau's 2017 and 2018 integrated

mortgage disclosures rulemakings and applicable provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA).

The FFIEC also released new computational tools for consumer compliance examiners and industry stakeholders to use to calculate the Annual Percentage Yield (APY) for deposit accounts and the Annual Percentage Rate (APR) for consumer credit to support compliance with certain consumer protection rules.

### **Conclusion**

Finally, I would like to thank the dedicated staff members of the FFIEC, as well as the representatives from all the member agencies and state regulators who participate on the Council's task forces and working groups. I am honored to serve as the Chairman of the FFIEC and am pleased to have led this important institution in the spirit of collaboration and innovation.



---

# *Overview of Council Operations*

---

The Federal Financial Institutions Examination Council (FFIEC or Council) was established on March 10, 1979, pursuant to title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRIRCA), Public Law 95-630. The purpose of title X, cited as the Federal Financial Institutions Examination Council Act of 1978, was to create a formal interagency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the constituent agencies, and to make recommendations to promote uniformity in the supervision of financial institutions. The Council is responsible for developing uniform reporting systems for federally supervised financial institutions, their holding companies, and the nonfinancial institution subsidiaries of those institutions and holding companies. It conducts schools for examiners employed by the five federal member agencies represented on the Council and makes those schools available to employees of state agencies that supervise financial institutions.

To encourage the application of uniform examination principles and standards by the state and federal supervisory authorities, the Council established, in accordance with the requirement of FIRIRCA, the State Liaison Committee (SLC).

## Membership, Organization, and Administration of the Council

### Members of the Council

By statute, the Council has six voting members. The most recent revision to the membership occurred in 2010 through a provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). Thus, since 2011 the Council Members are

- a member of the Board of Governors of the Federal Reserve System (FRB), appointed by the Chairman of the Board;
- the Chairman of the Federal Deposit Insurance Corporation (FDIC);
- the Chairman of the National Credit Union Administration (NCUA);
- the Comptroller of the Currency of the Office of the Comptroller of the Currency (OCC);

- the Director of the Consumer Financial Protection Bureau (CFPB); and
- the Chairman of the State Liaison Committee (SLC).

### Interagency Task Forces and Liaisons

Six staff task forces effectively administer the full spectrum of projects in the Council's functional areas, including but not limited to researching future enhancements for reporting, examiner training products, and examiner guidance. The task forces are each composed of six senior officials, one drawn from each of the five federal member agencies and one drawn from the SLC. Each is tasked with one of the following subject matters

- consumer compliance
- examiner education
- information sharing
- reports
- supervision
- surveillance systems

The Council also has a Legal Advisory Group (LAG), composed of the general or chief counsel from each of the member entities, to provide advice and other support on legal matters of interest to the Council. The task forces and the LAG provide research and develop analytical papers and proposals on the issues that the Council addresses. In addition, the Council has an Agency Liaison Group (ALG), composed of senior officials responsible for coordinating the FFIEC work of their respective members' staff.

### Administration of the Council

The Chairmanship of the Council rotates among the federal members for two-year terms in the following order: OCC, FRB, FDIC, CFPB, and NCUA. The Council holds regular meetings at least twice a year. Other Council meetings may be convened whenever called by the Chairman or four or more Council members. Most of the Council's funds are derived from assessments on its five federal member agencies. Additionally, it receives tuition fees from non-FFIEC member agency attendees to cover some of the costs associated with its examiner education program. The Council also receives

funding from the U.S. Department of Housing and Urban Development for collecting, processing, and reporting data under the Home Mortgage Disclosure Act of 1975 (HMDA).

The FRB provides administrative, budget, and accounting services to the Council. The Council is supported by a small, full-time administrative staff in its operations office and in its examiner education program, which are located at the FDIC's L. William Seidman Center in Arlington, Virginia. Each Council staff is detailed (some permanently) from one of the five federal member agencies represented on the Council.

## **A Brief Statutory History of the Council**

### **The Financial Institutions Regulatory and Interest Rate Control Act of 1978**

Upon passage of FIRIRCA, the constituent agencies each designated personnel to study title X, analyze the agencies' responsibilities, and prepare recommendations for performing the required duties. The heads of the constituent agencies, acting through the Interagency Coordinating Committee, then established a task force composed of representatives from each agency to develop the necessary mechanism to establish the Council. The task force prepared option papers and legal opinions for the Council on organization structure, rules of operation, funding, priorities, and other necessary matters pertinent to the establishment of a functioning Council. The Council organized and held its first meeting on March 16, 1979. At the first meeting of the Council, the organizations were represented by John G. Heimann, Comptroller of the Currency; Irvine H. Sprague, Chairman of the FDIC; J. Charles Partee, Governor of the FRB; Robert H. McKinney, Chairman of the Federal Home Loan Bank Board (Bank Board); and Lawrence Connell, Administrator of the NCUA.

### **The Housing and Community Development Act of 1980**

The Council was given additional statutory responsibilities by section 340 of the Housing and Community Development Act of 1980, Public Law 96-399. Among these responsibilities are the implementation of a system to facilitate public access to data that depository institutions must disclose

under the HMDA and the aggregation of annual HMDA data, by census tract, for each metropolitan statistical area.

### **The Financial Institutions Reform, Recovery, and Enforcement Act of 1989**

In 1989, the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) abolished the Bank Board and established the Office of Thrift Supervision (OTS). Accordingly, the Director of the OTS assumed the Council seat previously held by the Bank Board representative.

Title XI of FIRREA established the Appraisal Subcommittee (ASC) within the Council. The ASC's mission statement is "to provide federal oversight of State appraiser regulatory programs and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions." The ASC Board consists of seven individuals appointed by the heads of the five federal regulatory agencies represented on the Council and the Federal Housing Finance Agency and the U.S. Department of Housing and Urban Development. The ASC is largely autonomous and performs its duties independently of the direct supervision and oversight of the Council. The Council's responsibilities with respect to the ASC include (1) selection of the chairman of the ASC, (2) approval of any adjustment of the amount of the ASC's annual registry fee for appraisers that exceeds the statutorily defined amount, (3) approval of any determination by the ASC to waive any certification or licensing requirement based on a scarcity of appraisers in connection with federally related transactions within a state, and (4) approval of any proposal by the ASC to grant extensions to states to comply with new regulations governing establishment of appraisal management company registration and supervision systems.

### **The Economic Growth and Regulatory Paperwork Reduction Act of 1996**

The Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) requires that not less frequently than once every 10 years, the Council and each appropriate federal banking agency

represented on the Council (the OCC, FDIC, and FRB) shall conduct a review of all regulations prescribed by the Council or by any such appropriate federal banking agency, respectively, in order to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions.

Additional responsibility was given to the Council by the EGRPRA to submit reports to Congress on the regulatory reviews that the appropriate federal banking agencies conduct in accordance with EGRPRA. Although not required, the NCUA elects to participate in the decennial review process. The CFPB is required to complete a review of each significant rule five years after it takes effect, in a process separate from EGRPRA.

### **The Financial Services Regulatory Relief Act of 2006**

Congress passed the Financial Services Regulatory Relief Act of 2006 that provided for the election of a Chairman for the SLC from among the five SLC members and for the addition of the SLC Chairman as a voting member of the Council in October 2006.

### **The Secure and Fair Enforcement for Mortgage Licensing Act of 2008**

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008, enacted as title V of the Housing and Economic Recovery Act of 2008, established the responsibility for the federal banking agencies, through the Council and in conjunction with the Farm Credit Administration, to develop and maintain a system for registering employees of depository institutions and certain of their subsidiaries' loan originators with the Nationwide Mortgage Licensing System and Registry. On July 21, 2011, pursuant to the Dodd-Frank Act, the authority for rulemaking and the development and maintenance of the licensing system generally was transferred to the CFPB.

### **The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010**

In 2010, Congress enacted the Dodd-Frank Act, providing for the addition of the Director of the CFPB as a voting member of the Council, effective July 2011. The Director of the former OTS was removed from the Council, and the agency's functions were transferred to the OCC, FRB, FDIC, and CFPB.

---

# *Record of Council Activities*

---

This section provides a chronological record of the official actions taken by the FFIEC during 2020, pursuant to the FIRIRCA, as amended, and the HMDA, as amended.

### **February 4, 2020**

*Action.* Approved the issuance of the Council's annual interagency awards.

*Explanation.* The Council has a non-monetary interagency awards program that recognizes staff of the FFIEC members who have provided outstanding service to the Council on interagency projects and programs during the previous year.

### **March 2, 2020**

*Action.* Approved the Central Data Repository (CDR) Steering Committee's Task Order #13.

*Explanation.* The Council is required to approve task orders that exceed a specific dollar amount. Task Order #13 provides funding for CDR enhancements to improve processing and publication of Consolidated Reports of Condition and Income (Call Report) and Uniform Bank Performance Report (UBPR) data.

### **March 2, 2020**

*Action.* Approved the appointment of six task force chairs.

*Explanation.* The chairs for all six standing task forces are approved annually and are drawn from management and staff of the FFIEC members. Their terms run April 1, 2020, through March 31, 2021.

### **March 2, 2020**

*Action.* Approved the Council's 2019 annual report to Congress.

*Explanation.* The legislation establishing the Council requires that, not later than April 1 of each year, the Council publish an annual report covering its activities during the preceding year.

### **March 12, 2020**

*Action.* Approved selection of the ASC Chairman, Timothy Segerson, NCUA.

*Explanation.* In accordance with 12 U.S.C. § 3333, the Council is required to approve the selection of the ASC Chairman, who serves a two-year term. The

ASC nominated Mr. Segerson as their Chairman for the two-year term commencing April 1, 2020, through March 31, 2022.

### **March 13, 2020**

*Action.* Approved the replacement of the Chairman for the Task Force on Consumer Compliance (TFCC).

*Explanation.* The chairs for all six standing task forces are approved annually and are drawn from management and staff of the FFIEC members. Their terms run April 1, 2020, through March 31, 2021. The Council approves changes to the task force chairs should the need arise at any time during the term.

### **May 28, 2020**

*Action.* Approved appointment of new SLC member, Melanie Hall, Commissioner of the Montana Division of Banking and Financial Institutions.

*Explanation.* The Council appoints two of the SLC members. The remaining three members are designated by the Conference of State Bank Supervisors (CSBS), the American Council of State Savings Supervisors (ACSSS), and the National Association of State Credit Union Supervisors (NASCUS). The Council approved an initial two-year term running May 1, 2020, through April 30, 2022.

### **August 7, 2020**

*Action.* Approved the temporary waiver extension that was granted by the ASC Board on July 29, 2020, to the state of North Dakota. The waiver of appraiser credentialing requirements was extended for appraisals of federally related transactions under \$1 million, and applies to commercial real estate transactions throughout North Dakota for an additional one-year period, expiring August 7, 2021.

*Explanation.* Pursuant to 12 U.S.C. 3348(b), a determination by the ASC to waive any certification or licensing requirement based on a scarcity of appraisers in connection with federally related transactions within a state is subject to Council approval.

### **December 1, 2020**

*Action.* Approved the 2021 Council budget.

*Explanation.* The Council is required to approve the annual budget that funds the Council's staff, programs, and activities.

---

# *State Liaison Committee*

---

The SLC consists of five representatives from state regulatory agencies that supervise financial institutions. The representatives are appointed for two-year terms. An SLC member's two-year term may be extended by the appointing organization for an additional, consecutive two-year term. The Council elects two of the five members of the SLC. The ACSSS, the CSBS, and the NASCUS each designate a member. The members of the SLC serve as an important conduit to their state colleagues and represent state supervisory interests before the Council. Each year, the SLC elects one of its members to serve as chairman for 12 months, commencing May 1.

The five members serving on the SLC in 2020 were



- Greg Gonzales  
*SLC Chairman*  
Commissioner, Tennessee  
Department of Financial  
Institutions



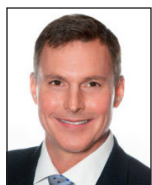
- John P. Ducrest (*retired 12/2020*)  
Commissioner, Louisiana Office of  
Financial Institutions



- Thomas C. Fite  
Director, Indiana Department of  
Financial Institutions



- Melanie Hall  
Commissioner, Montana Division  
of Banking and Financial  
Institutions



- Steve Pleger  
Senior Deputy Commissioner,  
Georgia Department of Banking  
and Finance

The SLC is represented on the Council's task forces and working groups by state supervisors from around the country. The CSBS provides staff support to the SLC representatives and serves as the primary liaison to the FFIEC staff for all administrative matters.

In connection with its role on the Council, the SLC meets before each Council meeting to discuss the agenda, task force projects, and topics of interest that may come before the Council. The SLC invites leadership and policymakers from the other FFIEC members and the FFIEC Executive Secretary's office to meet with them during these briefings to engage in informal dialogue. Such meetings allow the SLC members to bring a focused and impactful dialogue to the Council meetings, reflecting the diverse views from regulators nationwide.

State regulators, represented by the SLC, charter approximately 3,981 banks with \$7.15 trillion assets under supervision and approximately 1,920 credit unions with \$881 billion assets under supervision. In addition to commercial banks and credit unions, state regulators supervise other depository and nondepository institutions, including savings banks, savings and loan institutions, bankers' banks, credit card banks, industrial loan companies, foreign banking organizations, mortgage companies, mortgage servicers, money service businesses, nondepository trust companies, debt collectors, consumer finance companies, credit reporting agencies, and other nondepository entities.

---

*Activities of the Interagency  
Staff Task Forces*

---

# Task Force on Consumer Compliance

The TFCC promotes policy coordination, a common supervisory approach, and uniform enforcement of consumer protection laws and regulations. The TFCC identifies and analyzes emerging consumer compliance issues and develops proposed policies and procedures to foster consistency among the agencies. The TFCC also reviews legislation, regulations, and policies at the state and federal level that may have a bearing on the consumer compliance supervision responsibilities of the member agencies.

The TFCC meets monthly to address and resolve common issues in consumer compliance supervision. The TFCC has two standing subcommittees: the HMDA and Community Reinvestment Act (HMDA/CRA) Data Collection Subcommittee and the CRA Subcommittee.

The HMDA/CRA Data Collection Subcommittee oversees FFIEC projects and programs involving HMDA and CRA data collection and dissemination. This work includes interfacing with the vendor agencies—CFPB for HMDA data and FRB for CRA data—to ensure the efficient collection, processing, and publication of data and the provision of associated data products, tools, and guidance. The TFCC provides direction to the HMDA/CRA Data Collection Subcommittee for the development and implementation of any related HMDA/CRA processing projects.

The CRA Subcommittee is intended to serve the TFCC as the staff vehicle for drafting CRA examination procedures and coordinating any FFIEC training efforts.

## 2020 Initiatives

### *HMDA/CRA Data Collection Subcommittee*

The HMDA/CRA Data Collection Subcommittee meets monthly to discuss CRA and HMDA data collection and processing, including implementation through various FFIEC webpages, tools, and

publications. Achievements in 2020 include the establishment of quarterly HMDA data collection and processing, further enhancements to the HMDA Data Browser Tool, and the year-round availability of the Beta Platform for financial institutions to test HMDA data compliance prior to submission.

In June, the TFCC approved a press release announcing the availability of 2019 HMDA data, including the Snapshot National Loan-Level Dataset, the Dynamic National Loan-Level Dataset, the Aggregate and Disclosure Reports, and custom datasets and summary tables from the Data Browser.

### *A Guide to HMDA Reporting: Getting it Right!*

On February 12, 2020, the FFIEC released the 2020 version of *A Guide to HMDA Reporting: Getting It Right!* to reflect changes in Regulation C, which implements HMDA.

### *Examination Procedures*

In September 2020, the TFCC approved the inter-agency Regulation Z examination procedures. The agencies updated the Truth in Lending Act (TILA) examination procedures to reflect the 2017 and 2018 TILA-Real Estate Settlement Procedures Act (RESPA) Integrated Disclosure Rule amendments to Regulation Z and certain provisions of the EGRRCPA.

### *FFIEC Federal Computational Tools*

In 2018, the TFCC and the FFIEC approved a plan for the FFIEC to fund and develop new calculation tools to replace the Annual Percentage Yield for Windows (known as APYWIN) and the Annual Percentage Rate for Windows (known as APRWIN), which the agencies, consumer compliance examiners, and industry stakeholders use to calculate APY or APR in support of compliance with certain consumer protection rules.

In 2019, staff from each of the FFIEC agencies worked with technology staff from the FRB to build in-house interagency, web-based solutions to support calculation of APR, APY, and Military Annual Percentage Rate disclosures.

On April 16, 2020, the FFIEC, on behalf of its member agencies, released the Federal Disclosure Computational Tools, including the APR Computational Tool and the APY Computational Tool.

#### *FFIEC Consumer Compliance Conference*

In 2020, the TFCC continued to collaborate with the Task Force on Examiner Education (TFEE) and the FFIEC Examiner Education Office (EEO) to develop, plan, and deliver the Consumer Compliance Conference. The conference covered supervisory updates and emerging issues in consumer compliance for experienced examiners.

The FFIEC has offered this conference annually since 2013. This year the conference was held virtually, which allowed more people to attend. The most popular session—with nearly 500 participants—was a presentation regarding recent Unfair or Deceptive Acts or Practices (UDAP)/Unfair, Deceptive or Abusive Acts or Practices (UDAAP) examination findings.

## *Task Force on Examiner Education*

The TFEE oversees the FFIEC’s examiner education program on behalf of the Council. The TFEE promotes interagency education through timely, cost-efficient, state-of-the-art training programs for federal and state examiners and agency staff. The TFEE develops programs on its own initiative and in response to requests from the Council, Council task forces, and suggestions brought forth by the EEO staff. The EEO also maintains development groups that have been established to provide ongoing content guidance for classes and conferences. Development group members consist of subject matter experts from each FFIEC member entity designated by their TFEE members. Development group members help the EEO ensure the course content is relevant, current, and meets the agencies’ examiner training needs.

Each fall, EEO staff establishes a training schedule based on demand from the FFIEC member entities and state financial institution regulators, which is then approved by the TFEE. The EEO staff schedules, delivers, and evaluates training programs throughout the year.

### 2020 Initiatives

The TFEE has continued to ensure that the FFIEC’s educational programs meet the needs of agency personnel, are cost-effective, and are widely available. The TFEE meets monthly with the EEO staff to discuss emerging topics, review feedback from each course and conference, and develop a framework for future courses and conferences. The solid partnership between the TFEE members and the EEO staff promotes open and regular communication that continues to result in high-quality, well-received training.

### *Impact of COVID-19 Pandemic on Examiner Education*

In 2020, the COVID-19 pandemic disrupted EEO training and education programs. As depicted in figure 1, despite restrictions on travel and the ability to conduct in-person events, the EEO successfully

delivered over 70,000 actual content hours, or 66.5 percent of the 105,661 examiner education planned content hours. Between January 1, 2020, and March 13, 2020, 13,206 content hours were successfully delivered in-person. By leveraging virtual delivery, the EEO delivered nearly 60,000 content hours of educational programs to a wider group of examiners than originally planned.

The FFIEC continued efforts to explore alternative delivery methods for examiner training programs in order to allow more examiners the opportunity to participate remotely.

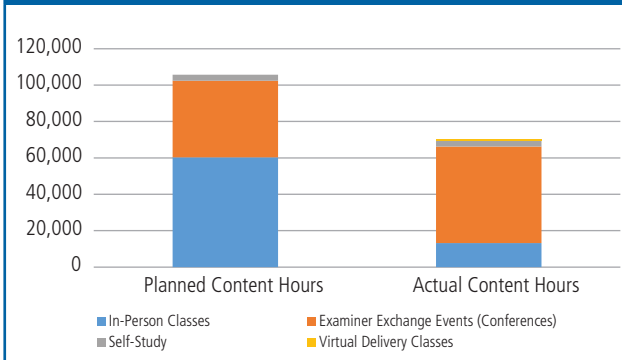
The efforts made in 2019 provided the EEO with the ability to pivot and convert previously planned, in-person conferences for 2020 to virtual delivery. The shift to virtual delivery of conference content ensured continuity of training for examiners and also expanded the number of examiners that could attend beyond the normal in-person scheduling limitations.

Additionally, the EEO hosted ad hoc webinars and converted two planned, in-person classes to a virtual format.

(See figure 1 below and figure 2 on page 16.)

Event Type	Content Hours		
	Planned	Actual	
In-Person Training (see figure 3)	60,260	13,206	
FFIEC Examiner Exchange Program (see figure 4)	42,105	53,047	
Self-Study Programs (see figure 6)	3,296	3,008	
Virtual Delivery Courses (see figure 7)	0	961	
<b>GRAND TOTAL</b>	<b>105,661</b>	<b>70,222</b>	
Percent of Planned Training Delivered (In-Person Training Actual plus Self-Study Actual divided by Grand Total Planned)			15.3%
Percent of Actual to Planned Content Hours			66.5%

**Figure 2. 2020 Comparison of Planned Versus Actual Examiner Education Content Hours - Chart**



**In-Person Training Programs**

From January 1, 2020, through March 13, 2020, the EEO administered 18 in-person training sessions with a total of 526 attendees. (See figure 3 on pages 18-19.)

**Alternative Delivery Education**

Building on the successful delivery of webinars and self-study programs for the past few years, in 2020, the EEO administered 102 virtual training events through the FFIEC Examiner Exchange, FFIEC Industry Outreach, self-study programs, and virtual instructor-led courses.

Ninety-four events were delivered to FFIEC members’ staff via the FFIEC Examiner Exchange program. Additionally, recorded sessions are provided after most events, allowing the event to be viewed at a later date. (See figure 4 on page 20.)

In 2020, two events were delivered via the FFIEC Industry Outreach program. These events are generally limited to entities regulated by FFIEC member agencies and state regulators represented by the [SLC](#), but may be offered to the general public. One FFIEC Industry Outreach event highlighted the *Bank Secrecy Act (BSA)/Anti-Money Laundering (AML) Examination Manual* updates and another provided information on the *Business Continuity Management Information Technology (IT)* booklet updates. Almost 5,200 attendees participated in these two events. (See figure 5 below.)

**Figure 5. 2020 FFIEC Industry Outreach Program (Virtual Delivery)**

Events	Total	
	Events Delivered	Actual Attendees
Banker Training for 2020 BSA/AML Updates (June)	1	4,092
FFIEC Business Continuity Management Update (October)	1	1,091
<b>GRAND TOTAL</b>	<b>2</b>	<b>5,183</b>

Currently, the EEO offers three self-study courses. The Basic International Banking Self-Study course is available to the public, in addition to the FFIEC members. The Fraud Identification Training Self-Study course and the Real Estate Appraisal Review Self-Study course are available to examiners and bankers through collaboration with the CSBS. A total of 80 attendees participated in four sessions of these self-study courses. (See figure 6 below.)

**Figure 6. 2020 Self-Study Programs (Virtual Delivery)**

Courses	Total Sessions		Actual Attendees												Total Attendees		Content Hours		
	Delivered	Planned	FRB	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored	OCC	CFPB	FCA	FHFA	FinCEN	OTHER	Actual	Planned	Estimated		Total Actual <sup>2</sup>
																	Per Class	Planned <sup>1</sup>	
Basic International Banking	1	1	6	4	32	0	0	0	0	0	0	0	2	0	44	49	40	1,960	1,760
Fraud Identification Training	2	2	2	0	12	0	0	0	9	0	1	0	0	0	24	28	32	896	768
Real Estate Appraisal Review	1	1	1	0	11	0	0	0	0	0	0	0	0	0	12	11	40	440	480
<b>GRAND TOTAL</b>	<b>4</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>80</b>	<b>88</b>	<b>112</b>	<b>3,296</b>	<b>3,008</b>

<sup>1</sup> Based on total planned attendees multiplied by estimated content hours per course  
<sup>2</sup> Based on total actual attendees multiplied by estimated content hours per course

Additionally, course curriculums for two in-person classes were piloted for conversion to virtual delivery. A total of 37 attendees participated in these two classes. (See figure 7 below.)

### Cybersecurity

Cybersecurity has been a standing topic covered in several training programs for many years. Efforts were again taken in 2020 to ensure the IT Conference and Supervisory Updates and Emerging Issues for Community Financial Institutions programs included as speakers either FFIEC member agency subject matter experts or industry experts on cybersecurity, to ensure attendees are informed of the latest developments in this rapidly changing area.

### Human Trafficking

Human trafficking has also been a standing topic covered in various training programs. The EEO offered two training sessions as part of the Financial Crimes Seminar(s) and one training session in the Advanced BSA/AML Specialists Conference in an ongoing effort to educate agency staff about this important topic.

### Annual Specialists Conferences

In addition to the classes and conferences designed to meet the needs of generalist commissioned examiners, the EEO curriculum also includes several annual specialists conferences designed to address important emerging topics and regulatory updates.

These conferences provide agency-designated subject matter experts with access to knowledgeable and informative speakers, including senior-level officials from member agencies, policymakers, and industry experts.

### Educational InfoBases

The TFEE implements and annually approves the maintenance of two InfoBases: (1) the BSA/AML InfoBase and (2) the IT Examination Handbook InfoBase. These two InfoBases are online products that centralize and facilitate prompt access to examination procedures, agency resources, and reference materials on topics of interest to both financial institution regulators and the industry. The electronic delivery medium enables the content to be readily updated as needed in coordination with Task Force on Supervision (TFOS) working groups and subcommittees.

The BSA/AML InfoBase contains the *BSA/AML Examination Manual*, agency resources, regulations and guidance, a glossary, and reference materials. The InfoBase content is updated on an as-needed basis. The BSA/AML InfoBase can be found at <https://bsaaml.ffiec.gov>.

The IT Examination Handbook InfoBase contains the current set of IT booklets, IT work programs, laws, regulations and guidance, a glossary, and reference materials. The InfoBase content is updated on an as-needed basis. The IT Examination Handbook InfoBase can be found at <https://ithandbook.ffiec.gov>.

Figure 7. 2020 Virtual Delivery Courses

Program Title (Classes)	Total Sessions		Actual Attendees												Total Attendees		Content Hours		
	Delivered	Planned	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored	OCC	CFPB	FCA	FHFA	FinCEN	OTHER	Actual	Planned	Estimated		Total Actual <sup>1</sup>	
																Per Class	Planned		
Advanced Commercial Credit Analysis (Pilot)	1	N/A	3	3	10	0	0	0	5	0	0	0	0	0	21	N/A	29	N/A	609
Structured Finance: Investment Analysis & Risk Management (Pilot)	1	N/A	5	3	5	0	0	0	3	0	0	0	0	0	16	N/A	22	N/A	352
<b>GRAND TOTAL</b>	<b>2</b>	<b>N/A</b>	<b>8</b>	<b>6</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>51</b>	<b>N/A</b>	<b>961</b>

<sup>1</sup> Based on total actual attendees multiplied by estimated content hours per class.

**Figure 3. 2020 Participation in FFIEC In-Person Training by Program and Entity-Actual as of March 13, 2020**

Program Title (Classes and Conferences)	Total Sessions		Actual Attendees					
	Delivered	Planned	FRB	FRB State-Sponsored	FDIC	FDIC State-Sponsored	NCUA	NCUA State-Sponsored
Advanced Cash Flow Concepts and Analysis: Beyond the Numbers	0	5	0	0	0	0	0	0
Advanced Commercial Credit Analysis	1	4	4	4	9	1	3	0
Agricultural Lending	1	3	4	6	20	1	3	0
Anti-Money Laundering Workshop	2	5	6	5	13	6	4	1
Cash Flow Construction and Analysis from Federal Tax Returns	1	6	6	6	9	3	0	1
Commercial Real Estate Analysis	2	7	7	10	15	6	0	2
Distressed Commercial Real Estate	1	5	2	14	3	0	3	1
Financial Crimes Seminar	1	4	8	12	35	2	7	5
Fraud Investigation Techniques for Examiners	1	4	2	6	8	3	0	1
Fundamentals of Fraud	2	5	11	9	21	3	2	3
Fundamentals of Trust	1	4	4	9	13	0	0	1
Instructor Training School	1	4	4	0	0	0	0	0
Interest Rate Risk Workshop	1	5	7	4	11	1	2	0
International Banking School	0	2	0	0	0	0	0	0
Liquidity Risk Management Workshop	1	6	3	4	12	0	1	3
Mortgage Origination Calculations	0	2	0	0	0	0	0	0
Real Estate Appraisal Review School	0	3	0	0	0	0	0	0
Structured Finance: Investment Analysis & Risk Management	1	5	5	1	9	1	1	0
Supervisory Updates & Emerging Issues for Community Financial Institutions	1	4	7	7	53	3	2	2
Testifying School	0	1	0	0	0	0	0	0
<b>GRAND TOTAL</b>	<b>18</b>	<b>84</b>	<b>80</b>	<b>97</b>	<b>231</b>	<b>30</b>	<b>28</b>	<b>20</b>
<b>PERCENTAGE</b>			<b>15%</b>	<b>18%</b>	<b>44%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>
<b>Combined Agency and Sponsored Percentage</b>			<b>33%</b>	<b>NA</b>	<b>50%</b>	<b>NA</b>	<b>9%</b>	<b>NA</b>

**Note:** In-person sessions were held from January 1, 2020 through March 13, 2020 only due to the COVID-19 pandemic

<sup>1</sup> Based on total planned attendees multiplied by estimated content hours per class/conference

<sup>2</sup> Based on total actual attendees multiplied by estimated content hours per class/conference

Actual Attendees						Total Attendees		Content Hours		
OCC	CFPB	FCA	FHFA	FinCEN	OTHER	Actual	Planned	Estimated Per Class/Conference	Planned <sup>1</sup>	Total Actual <sup>2</sup>
0	0	0	0	0	0	0	124	21	2,604	0
0	0	3	1	0	0	25	100	30	3,000	750
0	0	2	0	0	0	36	132	22	2,904	792
0	0	0	0	4	0	39	132	24	3,135	926
0	0	0	0	0	1	26	164	31	5,084	806
0	0	1	2	0	0	43	187	26	4,862	1,118
4	0	0	0	0	0	27	131	33	4,258	878
0	1	1	0	2	0	73	312	22	6,708	1,570
0	0	0	1	0	0	21	96	28	2,640	578
0	1	1	1	1	1	54	141	27	3,807	1,458
0	0	0	0	0	0	27	105	33	3,491	898
0	0	4	2	0	0	10	52	30	1,534	295
0	0	1	1	0	0	27	134	18	2,412	486
0	0	0	0	0	0	0	38	30	1,140	0
0	0	0	1	0	0	24	155	24	3,681	570
0	0	0	0	0	0	0	36	31	1,107	0
0	0	0	0	0	0	0	77	33	2,503	0
0	0	0	1	0	0	18	110	31	3,438	563
0	1	1	0	0	0	76	83	20	1,660	1,520
0	0	0	0	0	0	0	17	17	293	0
4	3	14	10	7	2	526	2,326	529	60,260	13,206
1%	1%	3%	2%	1%	0%	100%				
1%	1%	3%	2%	1%	0%	100%				

**Figure 4. 2020 FFIEC Examiner Exchange Program (Virtual Delivery)**

Events	Total		Average Attendees (1 or more events)								Attendees		Content Hours Provided for Conference	
	Events Delivered	Planned In-Person Sessions	FRB	FDIC	NCUA	OCC	CFPB	STATE	Non-Member	Total	Maximum at a Single Event <sup>1</sup>	Total Planned In-Person	Estimated Planned In-Person <sup>2</sup>	Average Actual Virtual <sup>3</sup>
Advanced BSA/AML Specialists Conference (July)	10	1	110	93	56	38	6	247	6	556	679	213	2,982	5,841
Agricultural Lending Hot Topics (August)	6	0	38	59	22	11	1	69	0	199	317	N/A	N/A	2,088
Asset & Wealth Management Forum (July)	8	1	59	95	6	45	3	124	0	332	400	191	2,913	3,069
Capital Markets Conference (June)	8	1	135	140	37	46	0	211	0	570	748	83	1,793	6,696
Capital Markets Generalist Conference (November)	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	82	1,771	0
Capital Markets Specialists Conference (March)	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	218	3,706	0
Capital Markets Specialists Conference (November)	3	1	29	89	57	21	7	99	0	302	402	0	0	906
Consumer Compliance Conference (October)	7	1	36	136	49	38	34	122	2	417	481	274	3,562	3,462
Examiner Training for 2020 Updates to the FFIEC BSA/AML Examination Manual (April)	1	0	113	326	250	163	0	541	0	1,393	1,393	N/A	N/A	N/A
Financial Crimes Seminar (April)	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	76	1,634	0
Financial Crimes Seminar (June)	7	1	167	161	78	34	8	237	0	685	803	76	1,634	7,191
Financial Crimes Seminar (November)	3	1	45	150	141	46	6	191	0	579	606	78	1,677	2,459
Information Technology Conference (September)	10	1	129	158	48	98	9	198	22	661	778	289	3,468	7,937
International Banking Conference (October)	6	1	30	40	0	18	3	28	0	119	194	83	1,266	925
Payment Systems Risk Conference (October)	8	1	67	100	17	102	13	104	7	409	503	248	2,728	3,377
Supervisory Updates & Emerging Issues for Community Financial Institutions (May)	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	0	84	1,848	0
Supervisory Updates & Emerging Issues for Community Financial Institutions (July)	7	1	60	135	37	28	4	171	0	435	641	81	1,782	3,915
Supervisory Updates & Emerging Issues for Community Financial Institutions (October)	2	1	15	71	14	11	4	80	0	194	206	81	1,782	581
Supervisory Updates & Emerging Issues for Large, Complex Financial Institutions (March)	0	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0	186	4,092	0
Supervisory Updates & Emerging Issues for Large, Complex Financial Institutions (September/October)	8	1	50	141	28	63	9	110	0	400	546	190	3,468	4,600
<b>SUM</b>	<b>94</b>	<b>18</b>	<b>80</b>	<b>118</b>	<b>41</b>	<b>50</b>	<b>8</b>	<b>157</b>	<b>4</b>	<b>457</b>	<b>8,697</b>	<b>2,533</b>	<b>42,105</b>	<b>53,047</b>

<sup>1</sup> Based on the largest number of attendees at any single event for each conference  
<sup>2</sup> Based on Total Planned In-Person Attendees multiplied by the number of content hours expected per conference  
<sup>3</sup> Based on Average Attendees (1 or more events) Total multiplied by the number of content hours provided across all events

### *Continuing Education Credits*

Several FFIEC courses are assessed and approved annually for continuing education credits, evidencing the high-quality content of the EEO's programming. Accreditation of EEO training events provides examiners the opportunity to maintain their certifications, as they would by attending industry-sponsored training, while still being able to hear from subject matter experts on topics of interest to examiners. Through a collaborative relationship with the FDIC, the program sponsor, a number of classes and conferences are reviewed and approved for Continuing Professional Education credits, which are required for those examiners who are Certified Public Accountants. Other EEO accreditations are also available to examiners with industry-recognized designations, such as Certified AML Specialist, Certified Fraud Examiner, Certified Regulatory Compliance Manager, Certified Trust and Financial Advisor, and Chartered Financial Analyst. EEO classes enable examiners to better perform their examination duties as well as meet their greater professional development needs.

### **Facilities**

The FFIEC rents office space and classrooms at the FDIC's L. William Seidman Center in Arlington, Virginia. This facility offers convenient access to two auditoriums, numerous classrooms, and lodging facilities for examiners. Regional sessions are provided on an as-needed basis as requested by the agencies.

### **Course Catalogue and Schedule**

The course catalogue and schedule are available online at [www.ffiec.gov/exam/education.htm](http://www.ffiec.gov/exam/education.htm).

For additional information contact

Karen Smith, Manager, Examiner Education  
FFIEC Examiner Education Office  
3501 Fairfax Drive  
Room B-3030  
Arlington, VA 22226-3550  
Phone: (703) 516-5588

# *Task Force on Information Sharing*

The Task Force on Information Sharing (TFIS) promotes and facilitates the sharing (collection, exchange, and access) of electronic information among the FFIEC members in support of the supervision, regulation, and deposit insurance responsibilities of financial institution regulators. The TFIS provides a forum for FFIEC members to discuss and address issues affecting the quality, consistency, efficiency, and security of interagency information sharing. Provided all TFIS members agree, the Council has delegated to the TFIS the authority to facilitate among the FFIEC members the sharing of electronic information to supervise, regulate, or insure depository institutions.

To the extent possible, the members build on each other's information databases to minimize duplication of effort and promote consistency. In accordance with each member's policy, the members participate in a program to share electronic versions of their examination and inspection reports, and other communications with financial institutions.

The members also provide each other with access to their regulated entities' structure, financial data, and supervisory information. The TFIS maintains the "Data Exchange Summary," which lists the data files exchanged among the Council members critical to information sharing.

The TFIS has working groups to address data sharing and interagency reconciliation of financial institution structure data. In addition, the TFIS receives demonstrations and reports on agency, financial industry, and other Council initiatives pertaining to technology development (including the production and development status of the interagency CDR).

## *2020 Initiatives*

### *Interconnection Security Agreement (ISA) Renewal*

The ISA documents the development, management, operation, and security of the five-way interconnection using the Connect:Direct facility for the exchange of financial, supervisory, and structure data by and between the FFIEC agencies.

The TFIS members collaborated with their respective general counsels and chief information officers to revise and renew the ISA. The ISA, dated June 5, 2020, is effective for a period of three years.

### *Data Sharing*

The TFIS's Technology Working Group (TWG) meets monthly to develop technological solutions that enhance data sharing and to coordinate the automated transfer of data files between the members. The group tracks weekly developments to provide timely resolutions of data exchange issues.

The TWG continues to develop necessary links and processes to exchange electronic documents and develop an inventory of future technology projects.

### *Structure Data Reconciliation*

Structure data are nonfinancial in nature and encompass the financial institution's profile, including, but not limited to, its charter type, holding company information, address, and contact information. These nonfinancial data are used in FDIC, FRB, and OCC databases for business analyses, processing, and reporting purposes. As a result, the accuracy and consistency of these data must be ensured. The Structure Data Reconciliation

Working Group (SDRWG) compares and reconciles data discrepancies between the FDIC, FRB, and OCC databases quarterly to ensure their reliability. The SDRWG's quarterly efforts have greatly resolved structure data discrepancies among the members.

*Coordination with Other Interagency Information-Sharing Entities*

The TFIS continues to coordinate with interagency information-sharing entities, including the Financial Stability Oversight Council (FSOC). These coordination efforts enable the TFIS to keep apprised of emerging issues and to monitor progress on projects, such as the Global Legal Entity Identifier initiative and those identified by the FSOC Data Committee.

# Task Force on Reports

The law establishing the Council and defining its functions requires the Council to develop uniform reporting systems for federally supervised financial institutions and their holding companies and subsidiaries. To meet this objective, the Council established the Task Force on Reports (TFOR). The TFOR helps to develop interagency uniformity in the reporting of periodic information that is needed for effective supervision and other public policy purposes. As a consequence, the TFOR is concerned with issues such as the review and implementation of proposed revisions to reporting requirements; the development and interpretation of reporting instructions, including responding to inquiries about the instructions from reporting institutions and the public; the application of accounting standards to specific transactions; the development and application of processing standards; the monitoring of data quality; and the assessment of reporting burden. The TFOR also is responsible for any special projects related to these subjects that the Council may assign. In addition, the TFOR works with other organizations, including the Securities and Exchange Commission (SEC), the Financial Accounting Standards Board, and the American Institute of Certified Public Accountants.

To help the TFOR carry out its responsibilities, working groups are organized as needed to handle specialized or technical accounting, reporting, instructional, and processing matters. In this regard, the TFOR has established a CDR Steering Committee to make business decisions needed to ensure the continued success of the CDR system, monitor its ongoing performance, and report on its status. The CDR is a secure, shared application for collecting, managing, validating, and distributing data reported in the quarterly Call Reports filed by insured banks and savings associations and the FDIC's annual Summary of Deposits (SOD) survey submitted by insured institutions with branch offices. The CDR also processes and distributes the UBPR under the oversight of the Task Force on Surveillance Systems (TFSS).

## 2020 Initiatives

### *Agencies' Response to COVID-19 – Immediate Actions*

On April 9, 2020, the TFOR issued the quarterly Financial Institution Letter (FIL) and Supplemental Instructions for the quarter ended March 31, 2020, which described the following actions taken by the agencies to provide regulatory reporting relief to those institutions impacted by COVID-19.

First, institutions were notified that the agencies would not take action against any institution for submitting the March 31, 2020 Call Report after the respective deadline, as long as the report was submitted within 30 days of the official filing date.

Second, the agencies acknowledged that due to the business disruptions related to COVID-19, it could be operationally challenging for an institution to obtain original ink signatures from all required signers to fulfill the attestation requirement. The March 31, 2020 Supplemental Instructions included permission for institutions to use electronic signatures to fulfill this requirement starting with the March 31, 2020 Call Report and for the duration of COVID-19 disruptions.

Finally, the TFOR, in conjunction with the banking agencies' subject matter experts and accounting staff, provided further information in COVID-19 related Supplemental Instructions on how certain sections of the CARES Act—enacted into law on March 27, 2020—affected accounting and regulatory reporting. These COVID-19 related Supplemental Instructions for the Call Reports, the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101), and the Report of Assets and Liabilities of Foreign Banks (FFIEC 002) were updated as of each quarter end in 2020 to reflect any further revisions as the interim final rules were finalized, as appropriate. (See figure 8 on page 25.)

*Banking Agencies' Response to COVID-19 - Revisions to the March 31, 2020 and June 30, 2020 Call Reports, FFIEC 101, and the FFIEC 002 Report Forms and Instruction Books*

In March 2020 and May 2020, the banking agencies received temporary approvals from the U.S. Office of Management and Budget (OMB) for certain revisions to all three versions of the Call Report, the FFIEC 101, and the FFIEC 002, effective as of the March 31, 2020, and June 30, 2020, report dates, respectively. The revisions primarily resulted from several interim final rules (IFRs) and a notice of proposed rulemaking (NPR) issued by one or all of the agencies in response to the impact on the financial markets and the strains on the economy as a result of COVID-19. These revisions also resulted from certain provisions of the 2020 CARES Act. These IFRs and NPRs were published in the *Federal Register* from March through June 2020.

Although these revisions were effective as of the March 31, 2020, and June 30, 2020, report dates, the changes were required to go through the standard Paperwork Reduction Act (PRA) process. The TFOR published notices in the *Federal Register* on July 22, 2020, and November 23, 2020, to complete that process.

These revisions were incorporated in the December 31, 2020, instruction book updates, as appropriate. Those instructions that are temporary in nature and not included in the instruction book updates were included in the December 31, 2020, quarterly Supplemental Instructions.

*Banking Agencies' Response to COVID-19 - Temporary change in measurement date for total consolidated assets related to certain total asset thresholds in the Call Reports*

An initial 60-day PRA *Federal Register* notice addressing the temporary change to the measurement date for total consolidated assets for certain thresholds in the Call Reports was published in the *Federal Register* on November 30, 2020.

The banking agencies started implementing adjustments to the measurement date for certain total asset thresholds that trigger additional reporting requirements in all three versions of the Call Report due to institutions' asset growth in 2020 related to participation in various COVID-19 related stimulus activities. The banking agencies are particularly focused on these total asset thresholds set at \$10 billion or less, as these thresholds could impact a significant number of smaller community institutions. For example, the IFR would allow

**Figure 8. COVID-19 Related Supplemental Instructions in 2020**

Category	Topic	Federal Register Notice	Publish Date
Regulatory Capital Rule	Eligible Retained Income (Final Rule)	85 FR 63423	October 8, 2020
	Revised Transition of the Current Expected Credit Losses Methodology for Allowances (Final Rule)	85 FR 61577	September 30, 2020
	Temporary Changes to and Transition for the Community Bank Leverage Ratio Framework (Final Rule)	85 FR 64003	October 9, 2020
	Money Market Liquidity Fund (MMLF) (IFR)	85 FR 16232	March 23, 2020
	Payment Protection Program Liquidity Facility (PPPLF) and Payment Protection Program (PPP) Loans (IFR);	85 FR 20387	April 13, 2020
	Treatment of Certain Emergency Facilities in the Regulatory Capital Rule and the Liquidity Coverage Ratio Rule (Final Rule)	85 FR 68243	October 28, 2020
	Temporary Exclusion of U.S. Treasury Securities and Deposits at Federal Reserve Banks from the Supplementary Leverage Ratio for Depository Institutions (IFR)	85 FR 32980	June 1, 2020
Regulation D	Reserve Requirements of Depository Institutions (IFR)	85 FR 23445	April 28, 2020
Regulation O	Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks (IFR)	85 FR 22345	April 22, 2020
Deposit Insurance Assessment	Assessments, Mitigating the Deposit Insurance Assessment Effect of Participation in the PPP, the PPPLF, and the MMLF (Final Rule)	85 FR 38282	June 26, 2020

Source: <https://www.govinfo.gov>

institutions that temporarily exceed the \$10 billion total asset threshold to use the community bank leverage ratio framework from December 31, 2020, to December 31, 2021, provided they meet the other qualifying criteria for this framework. These revisions would also retain FFIEC 051 eligibility and asset thresholds for reporting additional data times that would be effective for the quarterly Call Report submissions for the calendar year 2021 only.

The TFOR prepared instructions for the temporary adjustment to the measurement date for total consolidated assets related to certain asset thresholds in the Call Reports and posted them to each FFIEC Call Report webpage to help institutions better understand the proposed revisions.

## Other Revisions to the FFIEC Reports in 2020

### *Call Reports and FFIEC 101 Revisions for Regulatory Capital Rulemakings*

On January 21, 2020, the TFOR approved changes to all three versions of the Call Report and the FFIEC 101 primarily to implement the regulatory capital rulemakings listed below. The final PRA notice for these revisions was published by the banking agencies in the *Federal Register* on January 27, 2020. A FIL was issued on February 18, 2020, notifying institutions that the agencies are moving forward with the proposed changes, but with certain modifications. All three banking agencies had received approval from the OMB for these revisions to the Call Report and the FFIEC 101.

The reporting revisions were the result of the following final regulatory capital rulemakings:

- Simplifications to the Capital Rule – Finalized July 2019;
- Community Bank Leverage Ratio – Finalized October 2019;
- Tailoring (Domestic large banking organizations, U.S. holding companies of foreign banking organizations) – Finalized October 2019;
- High Volatility Commercial Real Estate (HVCRE) Land Development Financing – Finalized December 2019;
- Standardized Approach for Counterparty Credit Risk (SA-CCR) – Finalized January 2020;

- Supplementary Leverage Ratio (SLR) for Custodial Banks – Finalized January 2020; and
- Total Loss Absorbing Capital – Finalized October 2020.

The banking agencies' capital policy experts, in consultation with TFOR representatives, developed the proposed revisions to the Call Reports and the FFIEC 101, along with related draft instructional revisions.

In addition, the revisions to the Call Reports included a change in the scope of the FFIEC 031 Call Report, as well as an instructional revision for the reporting of operating lease liabilities. The revisions to the Call Reports also included an instructional clarification for home equity lines of credit that convert from revolving to non-revolving status and a related new item, both of which take effect in 2021.

### *Proposed Revisions to the Call Reports and the FFIEC 002 Related to Credit Losses and Hedge Accounting Standards and Certain Other Revisions*

The TFOR proposed revisions to the Call Reports and the FFIEC 002 with expected effective dates in 2021. These revisions relate to the credit losses and the hedging accounting standards that were previously issued. The proposed revisions to the Call Reports also include the expiration of the temporary exception for estimated disclosures on international remittance transfers and certain amendments to the Remittance Rule recently finalized by the CFPB. The TFOR also proposed revisions to the definition of savings deposit in the Call Reports and FFIEC 002 instructions. These proposed revisions to the Call Reports and FFIEC 002 would be effective as of the March 31, 2021, report date.

The TFOR included these proposed revisions in the same initial 60-day PRA *Federal Register* notice for the COVID-19 revisions, discussed previously. In response to the comments received and a review of the final rules, above, certain revisions have been incorporated in the final 30-day PRA *Federal Register* notice, as appropriate. The final 30-day PRA *Federal Register* notice was published on November 23, 2020.

To help institutions better understand these proposed revisions, the TFOR prepared and posted draft redlined report forms and instructions to the Call Reports and FFIEC 002 webpages on the FFIEC website.

### *Review of Potential Areas for Additional Reductions in Regulatory Reporting Burden in the FFIEC 051 Call Report*

In the final rule implementing section 205 of the EGRRCPA, agencies stated that they “are committed to exploring further burden reduction and are actively evaluating further revisions to the FFIEC 051 Call Report [filed by smaller institutions], consistent with guiding principles developed by the FFIEC.” In February 2020, after conducting further outreach with banks and bank trade associations, the agencies began collecting feedback from their internal users of the Call Reports. The TFOR was working to complete these reviews and determine next steps by late April. However, since mid-March, agency resources have been focused on regulatory reporting revisions related to COVID-19 and the CARES Act. As a result, the TFOR subgroup’s work has been temporarily paused. Upon resuming work on this project, the subgroup will revise the project plan and timeline, working to deliver timely and meaningful burden reduction with sufficient advanced notice to financial institutions.

### *Reporting of Loans to Small Businesses and Small Farms in the Call Reports*

A recommendation to the banking agencies by the Government Accountability Office (GAO) to reevaluate and modify, as needed, the data on loans to small businesses and small farms reported in the Call Reports was referred to the TFOR in September 2018. Two key points identified by the GAO were: (1) the reporting of loans based on loan-size thresholds of \$1 million and \$500,000 at origination, rather than the size of a business or farm, respectively, may not be accurate measures of loans to small businesses and small farms and (2) the thresholds have not been changed since this reporting requirement was implemented in 1993.

The TFOR engaged in industry outreach efforts in 2019 to better understand the data maintained by institutions that would assist in identifying small businesses and small farms and could be a basis for determining whether and how the information currently collected in the Call Reports can be modified. In addition, the TFOR published in the *Federal Register* on October 17, 2019, a request for comment to obtain additional feedback on ways to

modify the collection of small business and small farm lending data. The comment period for this notice ended December 16, 2019.

The comments received on the notice generally did not support making further revisions to the Call Reports at this time. Most commenters requested that the agencies postpone proposing revisions to the current requirements with some citing the CRA rulemaking and the Dodd-Frank Act section 1071 rulemaking, which is on the CFPB’s regulatory agenda, which could affect how data on small business or small farm loans are defined and reported. As a result, the agencies’ TFOR members agreed with commenters’ feedback and decided not to propose any changes to the data collection. The banking agencies shared the TFOR’s conclusion with GAO in January 2020.

### *Central Data Repository*

In June 2020, the CDR Steering Committee completed FDIC-funded enhancements to features in the CDR that support the collection and publication of the FDIC’s SOD data series. These enhancements included the integration of web services to improve integration between the CDR and other agency systems, enhancements to features within the user interface to ease data entry, and the implementation of several reports to improve analytic capabilities.

In July 2020, a pilot project to explore the use of machine learning capabilities within the CDR was completed. This proof-of-concept initiative demonstrated how machine learning capabilities could potentially reduce the amount of time spent by agency analysts reviewing Call Report data quality validation exceptions, allowing the analysts to focus instead on other high-value analysis and tasks. The results of this pilot project will inform future strategic objectives and enhancement proposals for the CDR.

In December 2020, further enhancements to the CDR were implemented to improve processes related to metadata management and Call Report analysis. Improvements to search features and the overall usability of the CDR Public Data Distribution website were also completed.

### *Instructional Guidance*

A TFOR working group conducted monthly inter-agency conference calls during 2020 to discuss instructional matters pertaining to FFIEC reports and related accounting issues to reach uniform inter-agency positions on these issues.

## Task Force on Supervision

The TFOS coordinates and oversees matters relating to safety-and-soundness supervision and examination of depository institutions. It provides a forum for Council members to promote quality, consistency, and effectiveness in examination and other supervisory practices. While significant issues and recommendations are referred to the Council for consideration and action, the Council has delegated to the TFOS the authority to make certain decisions and recommendations, provided that no TFOS member dissents or requests review by the Council. Meetings are held monthly to address and resolve common supervisory issues. The TFOS also maintains supervisory communication protocols to be used in emergencies. These protocols, established by the TFOS, are periodically tested through exercises with TFOS members and key supervisory personnel.

The TFOS has one subcommittee and two permanent working groups. It also establishes ad-hoc working groups to handle individual projects and assignments, as needed.

- The IT Subcommittee serves as a forum to address information technology policy issues as they relate to financial institutions and their technology service providers. The IT Subcommittee develops and maintains the FFIEC *IT Examination Handbook*, which consists of a series of topical booklets addressing issues such as information security, management, and audits. This resource is available through an InfoBase on the FFIEC website. In conjunction with the TFEE, the IT Subcommittee sponsors an annual IT Conference for examiners and periodically holds symposia on emerging information technology and related risks. The IT Subcommittee regularly coordinates with the TFOS's Cybersecurity and Critical Infrastructure Working Group (CCIWG) in situations where supervisory issues overlap.

- The CCIWG was formed in June 2013 in response to the increasing sophistication and volume of cyber threats that pose significant risks to financial institutions and their service providers. The CCIWG promotes coordination across the FFIEC member entities on cybersecurity and critical infrastructure issues, including the development and maintenance of the Cybersecurity Assessment Tool. The CCIWG's coordination efforts include ongoing communications with the intelligence community, law enforcement, and homeland security agencies. The CCIWG also serves as a forum to build on existing efforts to support and strengthen the activities of other interagency and private sector groups that promote financial services sector cybersecurity and critical infrastructure security and resilience.
- The BSA/AML Working Group seeks to enhance coordination of BSA/AML guidance, policy, and other issues related to consistency of BSA/AML supervision. Working group coordination includes ongoing communication among representatives from federal and state banking agencies, U.S. Department of the Treasury Financial Crimes Enforcement Network (FinCEN), and periodically with other federal agencies that have BSA responsibility. The group's responsibilities include maintaining the FFIEC's *BSA/AML Examination Manual*, available through an InfoBase on the FFIEC website.

### 2020 Initiatives

#### *Pandemic Event Response*

As FFIEC members responded to the pandemic event both individually and on an interagency basis outside the auspices of the FFIEC, the TFOS regularly discussed COVID-19 related guidance to promote consistent application of examination policies. In addition, the TFOS coordinated the following statements to communicate supervisory expectations:

On March 6, 2020, the FFIEC issued the Interagency Statement on Pandemic Planning to remind financial institutions that business continuity plans should address the threat of a pandemic outbreak and its potential impact on the delivery of critical financial services. The guidance updates the 2007 FFIEC issuance of the Interagency Statement on Pandemic Planning as well as the Interagency Advisory on Influenza Pandemic Preparedness issued on March 15, 2006, by the federal banking agencies as well as the Letter to Credit Union 06-CU-06 - Influenza Pandemic Preparedness issued by the NCUA in March 2006.

The Joint Statement on Additional Loan Accommodations Related to COVID-19 issued by the FFIEC on August 3, 2020, provides prudent risk-management and consumer protection principles for financial institutions to consider while working with borrowers as initial coronavirus-related loan accommodation periods come to an end, and they consider additional accommodations.

#### *Cybersecurity Priorities*

In 2020, the FFIEC continued work on key cybersecurity areas, including risk management and oversight, threat intelligence and collaboration, cybersecurity controls, external dependency management, and cyber incident management and resilience.

#### *Cybersecurity Webinar*

In recognition of National Cybersecurity Awareness Month in October 2020, the FFIEC hosted an FFIEC Industry Outreach webinar to highlight changes in the FFIEC *Business Continuity Management Booklet* and how they relate to issues of heightened cyber risk and challenges posed by increasing disruptive cybersecurity attacks.

#### *Information Technology*

The IT Subcommittee continued to coordinate on IT supervisory matters, emerging technology issues, and updates to the *IT Examination Handbook*, which supports the FFIEC members' supervisory programs and provides guidance to examiners. The IT Subcommittee's Handbook Working Group continues to update the FFIEC *IT Examination Handbook* booklets to reflect current risk-

management practices and cybersecurity concepts in the upcoming year.

On April 30, 2020, the FFIEC issued the Statement on Risk Management for Cloud Computing Services to address the use of cloud computing services and security risk-management principles in the financial services sector.

#### *Information Technology Outreach*

In September 2020, the IT Subcommittee sponsored its annual IT Conference for examiners using a virtual format. The conference highlighted current and emerging technology issues affecting insured financial institutions and their service providers. While the virtual platform did not allow for networking opportunities and individual interactions, over 600 examiners attended each of the 10 presentations. The conference included presentations on a range of topics, including cyber hygiene, lessons learned from disruptive cybersecurity attacks, banking in the cloud, and cyber insurance.

#### *Bank Secrecy Act/Anti-Money Laundering*

Throughout 2020, the BSA/AML Working Group continued to coordinate BSA/AML training, guidance, and policy. In April 2020, several updates to the *BSA/AML Examination Manual* were published and an FFIEC Examiner Exchange webinar was held for examination staff. In June 2020, the FFIEC held an FFIEC Industry Outreach webinar on the *BSA/AML Examination Manual* updates. The working group sponsored its 14th FFIEC Advanced BSA/AML Specialists Conference in July 2020, which included presentations on a range of topics, such as human trafficking, illicit finance trends, cannabis-related businesses, Office of Foreign Assets Control sanction regulations, and money service businesses.

The Financial Institution Guidance to Halt Trafficking (FIGHT Act), a subtitle in the National Defense Authorization Act for fiscal year 2020, addresses human smuggling and trafficking (sections 7151 to 7155). Section 7154(c) of the FIGHT Act contains specific requirements for the FFIEC, after consultation with a number of persons, organizations, and law enforcement agencies to, among other things, review and enhance training and examination procedures to improve the

surveillance capabilities of anti-money-laundering programs and programs countering the financing of terrorism to detect human trafficking-related financial transactions. This task was fulfilled by the human trafficking session at the FFIEC Advanced BSA/AML Specialist Conference conducted July 7 to 9, 2020, as well as the FFIEC Financial Crimes Seminar held the week of June 8, 2020, which also featured a session designed to help examiners gain a heightened awareness of common customer account attributes, transactional red flags, and practical discussion tips related to this type of financial crime.

#### *New Accounting Standard for Current Expected Credit Losses*

The TFOS authorized a project in first quarter 2018 to oversee interagency efforts to review and update applicable policies in response to the change in the accounting standard for credit losses under the new Current Expected Credit Losses (CECL) methodology. In May 2020, the agencies finalized the Interagency Policy Statement on Allowances for Credit Losses (ACL), and Interagency Guidance on Credit Risk Review Systems were published for public comment in October 2019. The interagency policy statement on ACL describes the measurement of expected credit losses using the CECL methodology and updates concepts and

practices detailed in existing supervisory guidance that remain applicable. The guidance on Credit Risk Review Systems presents principles for establishing a system of independent, ongoing credit risk review in accordance with safety-and-soundness standards. Beginning in 2019, early adoption of CECL was permitted, with required adoption in 2020 or 2023, depending on an institution's characteristics. The implementation of CECL will affect a broad range of supervisory activities, including regulatory reports, examinations, and examiner training.

#### *Reference Rate Communication Effort*

The TFOS authorized a project in June 2018 to coordinate communication efforts to raise awareness and educate examiners and financial institutions on the potential discontinuance of the London Interbank Offered Rate (LIBOR) and its impact on financial products and the institutions. On July 1, 2020, the FFIEC issued a statement to highlight the financial, legal, operational, and consumer protection risks that will result from the transition away from the LIBOR and encourage supervised institutions to continue their efforts to transition to alternative reference rates. The statement also provides a number of potential preparedness and risk-management actions that institutions may use in planning for the transition.

# Task Force on Surveillance Systems

The TFSS oversees the development and implementation of uniform interagency surveillance and monitoring systems. It provides a forum for the members to discuss best practices to be used in those systems and to consider the development of new financial analysis tools. The TFSS's principal objective is to develop and produce the UBPR. UBPRs present financial data of individual financial institutions and peer group statistics for current and historical periods. These reports are important tools for completing supervisory evaluations of a financial institution's condition and performance as well as for planning onsite examinations. The federal and state banking agencies also use the data from these reports in their automated monitoring systems to identify potential or emerging risks in insured financial institutions.

A UBPR is produced for each insured bank and savings association in the United States that is supervised by the FRB, FDIC, or OCC. While the UBPR is principally designed to meet the examination and surveillance needs of the federal and state banking agencies, the TFSS also makes the UBPR available to financial institutions and the public through a public website, [www.ffiec.gov/UBPR.htm](http://www.ffiec.gov/UBPR.htm).

The TFSS has established three working groups to assist with carrying out its responsibilities. The Content Working Group reviews the content of the UBPR and makes recommendations to the TFSS for potential enhancements. The Supplementary Analysis Working Group provides a forum for exchanging information about various analytical tools and datasets currently used at the respective agencies. Once the tools and datasets are identified, the group explores the potential for them to be shared, maintained, or further developed under the purview of the TFSS to enhance the UBPR or to create a new FFIEC analytical tool. The Technology Working Group explores ways to improve the UBPR's usability, including the development of various presentation options (i.e., graphs, charts).

## 2020 Initiatives

### *Content Working Group*

The Content Working Group recommended modifications to several UBPR ratios that the TFSS approved and implemented in 2020. The updates were necessitated by numerous changes to the Call Report Capital Schedules related to the implementation of the community bank leverage ratio framework. The UBPR modifications were implemented for the March 2020 quarter with detailed, supporting information posted to the FFIEC UBPR website. Lastly, changes related to UBPR loan concentration ratios for CECL filers who opted to phase-in the capital impact were implemented in May 2020.

A multi-year project commenced in 2020 whereby all UBPR concepts within the CDR system will be reviewed to ensure all data fields are accurate and consistent with data used in agency downstream systems and other internal reports. This will ensure all data fields are consistently identified within the CDR system.

### *Supplementary Analysis Working Group*

The Supplementary Analysis Working Group recommended to the TFSS a modification to the two ad hoc UBPR reports created in 2018. The modification will better assist the UBPR coordinators and agency users in performing various research projects by adding a new column displaying all active concepts in the latest published Call Report Taxonomy. The TFSS approved the modification and it was implemented in 2020.

### *Technology Working Group*

The Technology Working Group implemented CDR-user functionality enhancements with the approval of the TFSS. These enhancements affected the landing page on the CDR public data display website, which was redesigned to streamline

navigation and access to public data. The search page was modified to show simple and advanced search options that will make it easier to search by the most commonly used inputs. Additionally, UBPR system functionality was enhanced to allow agency staff to more seamlessly extract UBPR data into their downstream systems. Lastly, the group proposed several 2021 UBPR enhancements, which were approved by the TFSS and forwarded to the CDR Steering Committee for approval. One of the proposed enhancements is to create a new "My UBPR" page. This will allow users to create their own content page based upon existing UBPR data used elsewhere in the UBPR.

#### *UBPR Production and Delivery*

During 2020, UBPRs for December 31, 2019; March 31, 2020; June 30, 2020; and September 30, 2020, were produced and delivered to federal and state banking agencies. Additionally, the UBPR section of the FFIEC website was utilized to deliver the same data to financial institutions and the general public. The TFSS strives to deliver the most up-to-date UBPR data to all users. Thus, the data for the current quarter are updated nightly and the data for previous quarters are updated regularly. Frequent updating also allows the UBPR to remain synchronized with new Call Report data as it is being submitted by financial institutions.

#### **UBPR Information on the FFIEC Website**

##### *UBPR Availability*

To provide broad industry and public access to information about the financial condition of insured financial institutions, the TFSS publishes UBPR data for each institution shortly after the underlying Call Report is filed in the CDR. The UBPR is frequently refreshed to reflect amendments to underlying Call Report data and to incorporate any content-based changes agreed to by the TFSS. The online UBPR is a dynamic report that is closely synchronized with the underlying Call Report. UBPR reports can be accessed at <https://cdr.ffiec.gov/public/ManageFacsimiles.aspx>.

#### *Other UBPR Reports*

Web-based statistical reports supporting UBPR analysis are available and updated nightly for the current quarter and regularly for previous quarters. These reports (1) provide bank management with a quick one-page summary of a bank's financial condition; (2) summarize the performance of all UBPR peer groups (determined by size, location, and business line); (3) detail the distribution of UBPR performance ratios for financial institutions in each of the peer groups; (4) list the individual financial institutions included in each peer group; and (5) compare a financial institution to the performance of a user-defined custom peer group.

#### *Custom Peer Group Tool*

The Custom Peer Group Tool allows industry professionals, regulators, and the general public to create and save custom peer groups based on financial and geographical criteria. The tool can then display all UBPR pages with peer group statistics and percentile rankings derived from the custom peer group. The Custom Peer Group Tool can recompute the entire UBPR using a custom peer group of up to 2,000 financial institutions and deliver the results usually within seconds.

#### *Bulk Data Download*

The UBPR database within the CDR, which contains all data appearing on report pages for all financial institutions, may be downloaded as either a delimited file or in XBRL format. The service is free, and downloads are typically fast. The bulk data download feature can be accessed at <https://cdr.ffiec.gov/public/PWS/DownloadBulkData.aspx>.

Additional information about the UBPR, including status, descriptions of changes, and the UBPR User's Guide, can be found at [www.ffiec.gov/UBPR.htm](http://www.ffiec.gov/UBPR.htm).

The site also provides access to the reports described above. For questions about the UBPR, contact support by calling 1-888-237-3111, emailing [cdr.help@cdr.ffiec.gov](mailto:cdr.help@cdr.ffiec.gov), or writing the Council at

FFIEC  
Attention: UBPR Coordinator  
3501 Fairfax Drive  
Room B7081a  
Arlington, VA 22226-3550

---

*The Federal Financial Institution  
Regulatory Agencies and their  
Supervised Institutions*

---



The FRB, FDIC, OCC, and NCUA have primary federal supervisory jurisdiction over 10,338 domestically chartered banks, savings associations, and federally insured credit unions. On December 31, 2020, these financial institutions held total assets of more than \$26.2 trillion. The FRB has primary federal supervisory responsibility for commercial bank holding companies (BHCs) and for savings and loan holding companies (SLHCs).

Three banking agencies on the Council have authority to oversee the operations of U.S. branches and agencies of foreign banks. The International Banking Act of 1978 (IBA) authorizes the OCC to license federal branches and agencies of foreign banks and authorizes the FRB to approve applications for both federal and state branches and agencies. Prior to the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), foreign banks could establish federal and state branches that accepted retail deposits and were insured by the FDIC. However, after FDICIA, foreign banks that wish to operate entities in the

U.S. that accept retail deposits must organize under separate insured U.S. subsidiaries. Existing insured retail branches may continue to operate as branches. The IBA also subjects those U.S. offices of foreign banks to many provisions of the Federal Reserve Act of 1913. The IBA gives primary examining authority to the OCC for federal branches and agencies and to the FRB in conjunction with state authorities for state branches and agencies. The FDIC also has authority, along with the OCC and FRB, as appropriate, over those few remaining insured branches of foreign banks. The IBA also gives the FRB residual examining authority over all U.S. banking operations of foreign banks.

The Dodd-Frank Act provides statutory authority to the CFPB to conduct examinations of insured depository entities with total assets over \$10 billion and their affiliates (in addition to certain nonbank entities) to ensure consumer financial products and services conform to certain federal consumer financial laws.



## *Board of Governors of the Federal Reserve System*

The FRB was established in 1913. It is headed by a seven-member Board of Governors. Each member is appointed by the President, with the advice and consent of the Senate, for a 14-year term, unless completing an unexpired term of a departing member. Subject to confirmation by the Senate, the President selects one Board member to serve a four-year term as Chair and two members to serve as Vice Chairs; one serves in the absence of the Chair and the other is designated as Vice Chair for Supervision. The Chair also serves as a voting member of the FSOC. One member of the Board of Governors serves as the FRB's representative to the FFIEC. The FRB's activities most relevant to the work of the Council are the following

- overseeing the quality and efficiency of the examination and supervision function of the 12 Federal Reserve Banks;
  - developing, issuing, implementing, and communicating regulations, supervisory policies, and guidance, and taking appropriate enforcement actions applicable to those organizations that are within the FRB's supervisory oversight authority;
  - approving or denying applications for mergers, acquisitions, and changes in control by state member banks, SLHCs, and BHCs (including financial holding companies (FHCs)); applications for foreign operations of member banks and Edge Act and agreement corporations; and applications by foreign banks to establish or acquire U.S. banks and to establish U.S. branches, agencies, or representative offices; and
- supervising and regulating
    - state member banks (i.e., state-chartered banks that are members of the Federal Reserve System);
    - BHCs and SLHCs, including FHCs;<sup>1</sup>
    - Edge Act and agreement corporations; select non-bank financial firms;
    - international operations of banking organizations headquartered in the United States and the domestic activities of foreign banking organizations, in conjunction with the responsible licensing authorities; as well as
    - nonbank financial firms designated as systemically important by FSOC.

---

<sup>1</sup> The FRB's role as supervisor of BHCs, FHCs, and SLHCs is to review and assess the consolidated organization's operations, risk-management systems, and capital adequacy to ensure that the holding company and its nonbank subsidiaries do not threaten the viability of the company's depository institutions. In this role, the FRB serves as the "umbrella supervisor" of the consolidated organization. In fulfilling this role, the FRB relies, to the fullest extent possible, on information and analysis provided by the appropriate supervisory authority of the company's depository institutions or securities or insurance subsidiaries.

Other supervisory and regulatory responsibilities of the FRB include monitoring compliance by entities under the FRB's jurisdiction with other statutes (e.g., the AML provisions of the BSA), monitoring compliance with certain statutes that protect consumers in credit and deposit transactions, regulating margin requirements on securities transactions, and regulating transactions between banking affiliates.

Policy decisions are implemented by the FRB or under delegated authority to the Director of the Division of Supervision and Regulation, the Director of the Division of Consumer and Community Affairs, and to the 12 Federal Reserve Banks—each of which has operational responsibility within a specific geographical area. The Reserve Bank Districts are headquartered in Boston, New York, Philadelphia, Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, and San Francisco. Each Reserve Bank has a president (chief executive officer) who serves for five years and is appointed by the Reserve Bank's class B and class C directors, and other executive officers who report directly to the president. Among other responsibilities, a Reserve Bank employs a staff of examiners who examine state member banks and Edge Act and agreement corporations, conduct BHC and SLHC inspections, and examine the international operations of foreign banks—whose

head offices are usually located within the Reserve Bank's District. When appropriate, examiners also visit the overseas offices of U.S. banking organizations to obtain financial and operating information to evaluate adherence to safe and sound banking practices.

National banks, which must be members of the Federal Reserve System, are chartered, regulated, and supervised by the OCC. State-chartered banks may apply to and be accepted for membership in the Federal Reserve System, after which they are subject to the supervision and regulation of the FRB, which is coordinated with a state's banking authority. Insured state-chartered banks that are not members of the Federal Reserve System are regulated and supervised by the FDIC. The FRB also has overall responsibility for the supervision of foreign banking operations, including both U.S. banks operating abroad and foreign banks operating branches within the United States.

The Dodd-Frank Act, as amended by the EGRRCPA, directs the FRB to collect assessments, fees, and other charges that are equal to the expenses incurred by the Federal Reserve to carry out its responsibilities with respect to supervision of (1) BHCs and SLHCs with assets equal to or greater than \$100 billion and (2) all nonbank financial companies supervised by the FRB.



## *Consumer Financial Protection Bureau*

The CFPB was created in 2010 by the Dodd-Frank Act and assumed transferred authorities from other federal agencies, and other new authorities, on July 21, 2011. The CFPB seeks to foster free, innovative, competitive, and transparent consumer finance markets where the rights of all parties are protected by the rule of law and where consumers are free to choose the products and services that best fit their individual needs. To accomplish this, the CFPB works to regulate the offering and provision of consumer financial products or services under the federal consumer financial laws and to educate and empower consumers to make better informed financial decisions. The Director of the CFPB serves on the FDIC Board of Directors and the FSOC.

The Dodd-Frank Act consolidated many of the consumer financial protection authorities previously shared by seven federal agencies into the CFPB and provided the Bureau with additional authorities to

- conduct rulemaking, supervision and enforcement with respect to the federal consumer financial laws;
- handle consumer complaints and inquiries;
- promote financial education;
- research consumer behavior; and
- monitor financial markets for risks to consumers.

The CFPB has statutory authority to, among other things, conduct examinations of and require reports from entities subject to its supervisory authority. The CFPB has supervisory authority over

- insured depository institutions and credit unions with total assets over \$10 billion, and their affiliates.
- certain nondepository entities regardless of size— mortgage companies (originators, brokers, and servicers, as well as related loan modification or foreclosure relief services firms), payday lenders, and private education lenders.
- “larger participants,” as defined by rule, in consumer financial markets. To date, the CFPB has published final rules that allow it to supervise larger participants in the following markets
  - consumer reporting market (these entities have more than \$7 million in annual receipts resulting from consumer reporting);
  - consumer debt collection market (these entities have annual receipts of more than \$10 million resulting from consumer debt collection);
  - student loan servicing market (these entities have account volume that exceeds one million);
  - international money transfer market (these entities have at least one million aggregate annual international money transfers); and
  - auto finance market (these entities make, acquire, or refinance 10,000 or more loans or leases annually).

- certain nondepository entities that it determines are posing a risk to consumers in connection with the offering or provision of consumer financial products or services.

The CFPB's supervisory and enforcement activities are conducted by the Division of Supervision, Enforcement, and Fair Lending. The Division is headquartered in Washington, D.C., with regional offices in San Francisco (West), Chicago (Midwest), New York (Northeast), and Atlanta (Southeast). Examination staff is assigned to each of the four regions.



## *Federal Deposit Insurance Corporation*

Congress created the FDIC in 1933 to promote stability and public confidence in our nation's banking system. The FDIC accomplishes its mission by insuring deposits, examining and supervising financial institutions for safety and soundness and consumer protection, making large and complex financial institutions resolvable, and managing receiverships. In its unique role as deposit insurer, the FDIC works in cooperation with other federal and state regulatory agencies to identify, monitor, and address risks to the Deposit Insurance Fund (DIF) posed by insured depository institutions.

Management of the FDIC is vested in a five-member Board of Directors. No more than three board members may be of the same political party. Three of the directors are appointed by the President, with the advice and consent of the Senate, for six-year terms. One of the three appointed directors is designated by the President as Chairman for a five-year term and another is designated as Vice Chairman. The other two board members are the Comptroller of the Currency and the Director of the CFPB. The Chairman also serves as a member of the FSOC.

### **Operational Structure**

The FDIC's operations are organized into three major program areas: insurance, supervision, and receivership management. A description of each of these areas follows.

### *Insurance*

The FDIC maintains stability and public confidence in our nation's financial system by providing deposit insurance. As insurer, the FDIC continually evaluates and effectively manages how changes in the economy, financial markets, and banking system affect the adequacy and viability of the DIF. When an insured depository institution fails, the FDIC ensures that the financial institution's customers have timely access to their insured deposits.

The FDIC, through its Division of Insurance and Research, provides the public with a sound deposit insurance system by publishing comprehensive statistical information on banking; identifying and analyzing emerging risks; conducting research that supports deposit insurance, banking policy, and risk assessment; assessing the adequacy of the DIF; and maintaining a risk-based premium system.

The Dodd-Frank Act revised the statutory authorities governing the FDIC's management of the DIF. As a result, the FDIC has developed a comprehensive, long-term management plan for the DIF to reduce the effects of cyclicity and achieve moderate, steady assessment rates throughout economic and credit cycles, while also maintaining a positive fund balance, even during a banking crisis. The plan sets an appropriate target fund size and a strategy for setting assessment rates and dividends. On September 15, 2020, the FDIC adopted a Restoration Plan to restore the DIF reserve ratio to at least 1.35 percent within eight years, as required by the

Federal Deposit Insurance Act (FDI Act). The DIF reserve ratio declined below the minimum of 1.35 percent as a result of extraordinary insured deposit growth in the first and second quarters of 2020. Under the Restoration Plan, the FDIC will monitor deposit balance trends, potential losses, and other factors that affect the reserve ratio. The DIF reserve ratio was 1.30 percent on September 30, 2020, unchanged from the previous quarter.

### *Supervision*

The FDIC has primary federal supervisory authority over insured state-chartered banks that are not members of the Federal Reserve System and for state-chartered savings associations. The FDIC's supervisory activities for risk management and consumer protection are primarily organized into two divisions: the Division of Risk Management Supervision (RMS) and the Division of Depositor and Consumer Protection (DCP). RMS oversees the safety and soundness of FDIC-supervised institutions and carries out the FDIC's backup examination and enforcement authorities for institutions with total assets less than \$100 billion. DCP is responsible for the FDIC's consumer protection supervisory functions, including its examination and enforcement programs for FDIC-supervised institutions with assets of \$10 billion or less. Under the Dodd-Frank Act, the FDIC also retains examination and supervisory authority for several laws and regulations, including the Community Reinvestment Act, without regard to the size of an institution.

RMS and DCP are further organized into six regional offices located in Atlanta, Chicago, Dallas, Kansas City, New York, and San Francisco. There are two area offices located in Boston (reporting to New York) and Memphis (reporting to Dallas). In addition to the regional and area offices, the FDIC maintains 82 field offices for risk management and 75 field offices for compliance.

As deposit insurer, the FDIC has backup examination and enforcement authority over all FDIC-insured institutions. Accordingly, the FDIC can examine for insurance purposes any insured financial institution, either independently or in cooperation with state or other federal supervisory authorities. The FDIC can also recommend that the appropriate federal banking agency take enforcement action against an insured institution and may

do so itself if it deems necessary. The Dodd-Frank Act expanded the FDIC's responsibilities pertaining to systemically important financial institutions (SIFIs) and non-bank financial companies designated by the FSOC.

The Division of Complex Institution Supervision and Resolution (CISR) oversees the FDIC's systemic risk responsibilities under the Dodd-Frank Act and the FDI Act, including resolution plan reviews, resolution planning for large and complex financial institutions under the FDIC's Orderly Liquidation Authority and the FDI Act, and promoting cross-border cooperation and coordination as part of that planning. As part of its responsibilities, CISR carries out the FDIC's backup examination authorities for institutions with total assets of \$100 billion or more.

### *Receivership Management*

Bank resolutions are handled by the FDIC's Division of Resolutions and Receiverships (DRR). In protecting insured depositors, the FDIC is statutorily charged with resolving failed depository institutions at the least possible cost to the DIF. In carrying out this responsibility, the FDIC has several methods to resolve banks, including arranging the purchase of assets and assumption of liabilities of failed institutions, paying insured depositors, and creating and operating temporary bridge banks until a resolution can be accomplished. DRR maintains personnel in its field operations branch in Dallas as well as various FDIC regional offices.

CISR is responsible for leading the FDIC's resolution planning and preparedness for large and complex financial institutions under the FDI Act and the Orderly Liquidation Authority, as applicable. As a general matter, all insolvent bank holding companies are expected to file for reorganization or liquidation under the U.S. Bankruptcy Code, just as any failed nonfinancial company would. The Orderly Liquidation Authority gives the FDIC an alternative to resolve a failing financial company when bankruptcy would have serious adverse effects on U.S. financial stability. This authority is triggered after recommendations by the appropriate federal agencies and a determination by the Secretary of the Treasury in consultation with the President. The Orderly Liquidation Authority imposes accountability on shareholders, creditors, and the management of the failed company, while mitigating systemic risk and imposing no cost on taxpayers.



## *National Credit Union Administration*

The NCUA, established by Congress in 1970 through section 1752a of the Federal Credit Union Act, is the independent federal agency that regulates, charters, and supervises the nation's federal credit union system. With the backing of the full faith and credit of the United States, the NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

The NCUA has a full-time, three-member Board appointed by the President of the United States and confirmed by the Senate. No more than two Board members can be from the same political party, and each member serves a staggered six-year term. The President selects one board member to serve as the Chairman. The Chairman also serves on FSOC.

The NCUA's mission is to provide, through regulation and supervision, a safe and sound credit union system, which promotes confidence in the national system of cooperative credit. Specifically, the NCUA's responsibilities include

- chartering, regulating, and supervising more than 3,100 federal credit unions in the United States and its territories;

- administering the National Credit Union Share Insurance Fund, which insures member share accounts in more than 5,000 federal and state-chartered credit unions; and
- managing the Central Liquidity Facility, which serves as a source of emergency liquidity to the credit union system during periods of financial and economic stress.

The NCUA also has statutory authority to examine and supervise federally insured, state-chartered credit unions in coordination with state regulators.

The NCUA relies upon more than 1,100 employees to perform all the vital tasks in the agency's examination, consumer protection, and regulatory roles, including onsite examinations and supervision of each federal credit union and selected state chartered credit unions. The agency operates a central office in Alexandria, Virginia; an Asset Management and Assistance Center, located in Austin, Texas, to liquidate credit unions and recover assets; and three regional offices.

The NCUA is funded by the credit unions it regulates and insures.



## *Office of the Comptroller of the Currency*

The OCC is the oldest federal bank regulatory agency, established as a bureau of the U.S. Treasury Department by the National Currency Act of 1863. It is headed by the Comptroller of the Currency, who is appointed to a five-year term by the President with the advice and consent of the Senate. The Comptroller is also a director of the FDIC and NeighborWorks America, and a member of the FSOC.

The OCC was created by Congress to charter, regulate, and supervise national banks. On July 21, 2011, pursuant to the Dodd-Frank Act, the OCC assumed supervisory responsibility for federal savings associations, as well as rulemaking authority relating to all savings associations. The OCC regulates and supervises 828 national banks and trust companies, 287 federal savings associations, and 53 federal branches and agencies of foreign banks—accounting for approximately 68 percent of the total assets of all U.S. commercial banks, savings associations, and branches of foreign banks. The OCC seeks to ensure that national banks and federal savings associations (collectively “banks”) safely and soundly manage their risks, comply with applicable laws and regulations, compete effectively with other providers of financial services, offer products and services that meet the needs of customers, and provide fair access to financial services and fair treatment of their customers.

The OCC’s mission-critical programs include

- chartering banks and issuing interpretations related to permissible banking activities;
- establishing and communicating regulations, policies, and operating guidance applicable to banks; and
- supervising the national system of banks and savings associations through on-site examinations, off-site monitoring, systemic risk analyses, and appropriate enforcement activities.

To meet its objectives, the OCC maintains a nationwide staff of bank examiners and other professional and support personnel across 92 operating locations. Headquartered in Washington, D.C., the OCC has four district offices, which are located in Chicago, Dallas, Denver, and New York. In addition, the OCC maintains a network of field offices and satellite locations in cities throughout the United States, as well as core examiner teams in the largest national banking companies.

The Comptroller receives advice on policy and operational issues from an Executive Committee comprised of senior agency officials who lead major business units.

The OCC is funded primarily by semiannual assessments on banks, interest revenue from its investment in U.S. Treasury securities, and other fees. The OCC does not receive congressional appropriations for any of its operations.

## Assets, Liabilities, and Net Worth of U.S. Commercial Banks, Savings Institutions, and Credit Unions as of December 31, 2020

Billions of dollars

Item	Total	U.S. Commercial Banks <sup>1</sup>			U.S. Branches and Agencies of Foreign Banks <sup>5</sup>	Savings Institutions <sup>3</sup>		Credit Unions <sup>2</sup>	
		National	State Member <sup>4</sup>	State Non-member		OCC Regulated Federal Charter	FDIC Regulated State Charter <sup>6</sup>	Federal Charter	State Charter
Total assets	26,216	13,884	3,568	3,468	2,477	590	385	931	913
Total loans and receivables (net)	12,597	6,278	1,471	2,282	806	336	262	584	578
Loans secured by real estate <sup>7</sup>	5,801	2,584	759	1,371	81	187	218	293	308
Consumer loans <sup>8</sup>	2,311	1,149	145	328	-	117	6	295	271
Commercial and industrial loans	2,722	1,572	323	356	412	18	34	4	3
All other loans and lease receivables <sup>9</sup>	2,012	1,125	269	270	313	27	7	0	1
LESS: Allowance for loan and lease losses	249	152	25	43	-	13	3	8	5
Federal funds sold and securities purchased under agreements to resell	1,113	704	56	21	324	0	2	3	3
Cash and balances due from depository institutions <sup>10</sup>	3,497	2,099	684	323	20	52	33	143	143
Securities and other obligations <sup>11</sup>	5,678	3,209	1,131	624	173	178	64	154	145
U.S. government obligations <sup>12</sup>	772	175	139	81	71	5	47	127	127
Obligations of state and local governments <sup>13</sup>	1,071	842	65	125	-	23	6	6	4
Other securities	3,835	2,192	927	418	102	150	11	21	14
Other assets <sup>14</sup>	3,331	1,594	226	218	1,154	24	24	47	44
Total liabilities	23,795	12,495	3,227	3,069	2,477	529	339	836	823
Total deposits and shares <sup>15</sup>	20,514	11,191	3,027	2,841	1,101	467	300	795	792
Federal funds purchased and securities sold under agreements to repurchase	812	217	26	20	545	1	3	0	0
Other borrowings <sup>16</sup>	1,076	435	105	162	253	45	31	28	17
Other liabilities <sup>17</sup>	1,393	652	69	46	578	16	5	13	14
Net worth <sup>18</sup>	2,421	1,389	341	399	-	61	46	95	90
Memorandum: Number of institutions reporting	10,338	816	734	2,908	190	279	312	3,185	1,914

Note: The tables cover institutions, including those in Puerto Rico and U.S. territories and possessions, insured by the FDIC or the NCUA. All branches and agencies of foreign banks in the United States, but excluding any in Puerto Rico and U.S. territories and possessions, are covered whether or not insured. Excludes Edge Act and agreement corporations that are not subsidiaries of U.S. commercial banks.

### Footnotes to Tables

1. Reflects fully consolidated statements of FDIC-insured U.S. commercial banks—including their foreign branches, foreign subsidiaries, branches in Puerto Rico and U.S. territories and possessions, and FDIC insured banks in Puerto Rico and U.S. territories and possessions. Excludes bank holding companies.
2. Data are for federally insured natural person credit unions only.
3. Reflects fully consolidated statements of savings institutions—including stock savings banks, mutual savings banks, stock savings & loan associations, and mutual savings & loan associations that are federally chartered or that are state chartered and not federal reserve members.
4. Includes state member savings banks and state member cooperative banks.
5. These institutions are not required to file reports of income.
6. Includes state chartered savings associations formerly regulated by the Office of Thrift Supervision.
7. Includes loans secured by residential property, commercial property, farmland (including improvements), and unimproved land; and construction loans secured by real estate.
8. Includes loans, except those secured by real estate, to individuals for household, family, and other personal expenditures including both installment and single payment loans. Net of unearned income on installment loans.
9. Includes loans to financial institutions, for purchasing or carrying securities, to finance agricultural production and other loans to farmers (except those secured by real estate), to

Notes continue on the next page

## Income and Expenses of U.S. Commercial Banks, Savings Institutions, and Credit Unions for the Twelve Months Ending December 31, 2020

Billions of dollars

Item	Total	U.S. Commercial Banks <sup>1</sup>			Savings Institutions <sup>3</sup>		Credit Unions <sup>2</sup>	
		National	State Member <sup>4</sup>	State Non-member	OCC Regulated Federal Charter	FDIC Regulated State Charter <sup>6</sup>	Federal Charter	State Charter
Operating income:	970	547	127	161	37	15	43	40
Interest and fees on loans	549	285	61	115	23	11	28	26
Other interest and dividend income	90	53	16	12	2	1	3	3
All other operating income	331	209	50	34	12	3	12	11
Operating expenses:	781	447	95	125	31	11	38	34
Salaries and benefits	265	147	35	44	8	5	13	13
Interest on deposits and shares	69	30	9	14	3	2	6	5
Interest on other borrowed money	19	12	2	3	1	0	1	0
Provision for loan and lease losses	142	92	13	20	7	1	5	4
All other operating expenses	286	166	36	44	12	3	13	12
Net operating income	189	100	32	36	6	4	5	6
Securities gains and losses	6	5	0	0	0	0	1	0
Discontinued operations	0	0	0	0	0	0	-	-
Income taxes	37	20	7	8	1	1	-	-
Net income	158	85	25	28	5	3	6	6
Memorandum: Number of institutions reporting	10,148	816	734	2,908	279	312	3,185	1,914

states and political subdivisions and public authorities, and miscellaneous types of loans.

10. Includes vault cash, cash items in process of collection, and balances with United States and foreign banks and other depository institutions (including demand and time deposits and certificates of deposit for all categories of institutions).

11. Includes government and corporate securities, including mortgage-backed securities and obligations of states and political subdivisions and of U.S. government agencies and corporations.

12. U.S. Treasury securities and securities of, and loans to, U.S. government agencies and corporations.

13. Securities issued by states and political subdivisions and public authorities, except for U.S. branches and agencies of foreign banks that do not report these securities separately. Loans to states and political subdivisions and public authorities are included in "All other loans and lease receivables."

14. Customers' liabilities on acceptances, real property owned, various accrual accounts, and miscellaneous assets. For U.S. branches and agencies of foreign banks, also includes net due from head office and other related institutions.

15. Includes demand, savings, and time deposits, (including certificates of deposit at commercial banks, U.S. branches and

agencies of foreign banks, and savings banks), credit balances at U.S. agencies of foreign banks and share balances at credit unions (including certificates of deposit, NOW accounts, and share draft accounts). For U.S. commercial banks, includes deposits in foreign offices, branches in U.S. territories and possessions, and Edge Act and agreement corporation subsidiaries.

16. Includes interest-bearing demand notes issued to the U.S. Treasury, borrowing from Federal Reserve Banks and Federal Home Loan Banks, subordinated debt, limited life preferred stock, and other nondeposit borrowing.

17. Includes depository institutions' own mortgage borrowing, liability for capitalized leases, liability on acceptances executed, various accrual accounts, and miscellaneous liabilities. For U.S. branches and agencies of foreign banks, also includes net amount owed to head office and other related institutions.

18. Includes capital stock, surplus, capital reserves, and undivided profits.

Note: Data are rounded to nearest billion. Consequently some information may not reconcile precisely. Additionally, balances less than \$500 million will show as zero. Dashes will be used for items not requiring reporting.

---

*Appendix A:  
Selected Relevant Statutes*

---

# *Table of Contents*

Federal Financial Institutions Examination Council Act of 1978 (Pub. L. 95-630, title X) . . . . .	48
Excerpt from Economic Growth and Regulatory Paperwork Reduction Act of 1996 . . . . .	51
Excerpt from Financial Institutions Reform, Recovery, and Enforcement Act of 1989 . . . . .	51
Excerpt from Home Mortgage Disclosure Act of 1975 . . . . .	52

---

NOTE: In the interest of representing the official statutory text in the U.S. Code, formatting styles have been applied throughout this section as faithfully as possible.

## Selected Relevant Statutes

### **Federal Financial Institutions Examination Council Act of 1978 (Pub. L. 95-630, title X)**

#### *Sec. 1002. (12 U.S.C. § 3301). Declaration of purpose*

It is the purpose of this chapter to establish a Financial Institutions Examination Council which shall prescribe uniform principles and standards for the Federal examination of financial institutions by the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, and the National Credit Union Administration and make recommendations to promote uniformity in the supervision of these financial institutions. The Council's actions shall be designed to promote consistency in such examination and to insure progressive and vigilant supervision.

#### *Sec. 1003. (12 U.S.C. § 3302). Definitions*

As used in this chapter—

(1) the term “Federal financial institutions regulatory agencies” means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration;

(2) the term “Council” means the Financial Institutions Examination Council; and

(3) the term “financial institution” means a commercial bank, a savings bank, a trust company, a savings association, a building and loan association, a homestead association, a cooperative bank, or a credit union;<sup>2</sup>

<sup>2</sup> So in original. Should be a period in this excerpt format.

#### *Sec. 1004. (12 U.S.C. § 3303). Financial Institutions Examination Council*

##### (a) Establishment; composition

There is established the Financial Institutions Examination Council which shall consist of—

(1) the Comptroller of the Currency,

(2) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation,

(3) a Governor of the Board of Governors of the Federal Reserve System designated by the Chairman of the Board,

(4) the Director of the Consumer Financial Protection Bureau,

(5) the Chairman of the National Credit Union Administration Board; and

(6) the Chairman of the State Liaison Committee.

##### (b) Chairmanship

The members of the Council shall select the first chairman of the Council. Thereafter the chairmanship shall rotate among the members of the Council.

##### (c) Term of office

The term of the Chairman of the Council shall be two years.

##### (d) Designation of officers and employees

The members of the Council may, from time to time, designate other officers or employees of their respective agencies to carry out their duties on the Council.

##### (e) Compensation and expenses

Each member of the Council shall serve without additional compensation but shall be entitled to reasonable expenses incurred in carrying out his official duties as such a member.

*Sec. 1005. (12 U.S.C. § 3304). Costs and expenses of Council*

One-fifth of the costs and expenses of the Council, including the salaries of its employees, shall be paid by each of the Federal financial institutions regulatory agencies. Annual assessments for such share shall be levied by the Council based upon its projected budget for the year, and additional assessments may be made during the year if necessary.

*Sec. 1006. (12 U.S.C. § 3305). Functions of Council*

(a) Establishment of principles and standards

The Council shall establish uniform principles and standards and report forms for the examination of financial institutions which shall be applied by the Federal financial institutions regulatory agencies.

(b) Making recommendations regarding supervisory matters and adequacy of supervisory tools

(1) The Council shall make recommendations for uniformity in other supervisory matters, such as, but not limited to, classifying loans subject to country risk, identifying financial institutions in need of special supervisory attention, and evaluating the soundness of large loans that are shared by two or more financial institutions. In addition, the Council shall make recommendations regarding the adequacy of supervisory tools for determining the impact of holding company operations on the financial institutions within the holding company and shall consider the ability of supervisory agencies to discover possible fraud or questionable and illegal payments and practices which might occur in the operation of financial institutions or their holding companies.

(2) When a recommendation of the Council is found unacceptable by one or more of the applicable Federal financial institutions regulatory agencies, the agency or agencies shall

submit to the Council, within a time period specified by the Council, a written statement of the reasons the recommendation is unacceptable.

(c) Development of uniform reporting system

The Council shall develop uniform reporting systems for federally supervised financial institutions, their holding companies, and nonfinancial institution subsidiaries of such institutions or holding companies. The authority to develop uniform reporting systems shall not restrict or amend the requirements of section 12(i) of the Securities Exchange Act of 1934.

(d) Conducting schools for examiners and assistant examiners

The Council shall conduct schools for examiners and assistant examiners employed by the Federal financial institutions regulatory agencies. Such schools shall be open to enrollment by employees of State financial institutions supervisory agencies and employees of the Federal Housing Finance Board under conditions specified by the Council.

(e) Affect on Federal regulatory agency research and development of new financial institutions supervisory agencies

Nothing in this chapter shall be construed to limit or discourage Federal regulatory agency research and development of new financial institutions supervisory methods and tools, nor to preclude the field testing of any innovation devised by any Federal regulatory agency.

(f) Annual report

Not later than April 1 of each year, the Council shall prepare an annual report covering its activities during the preceding year.

(g) Flood insurance

The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in 42 U.S.C. § 4121(a), in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the national flood insurance program.

*Sec. 1007. (12 U.S.C. § 3306). State liaison*

To encourage the application of uniform examination principles and standards by State and Federal

supervisory agencies, the Council shall establish a liaison committee composed of five representatives of State agencies which supervise financial institutions which shall meet at least twice a year with the Council. Members of the liaison committee shall receive a reasonable allowance for necessary expenses incurred in attending meetings. Members of the Liaison Committee shall elect a chairperson from among the members serving on the committee.

*Sec. 1008. (12 U.S.C. § 3307). Administration*

(a) Authority of Chairman of Council

The Chairman of the Council is authorized to carry out and to delegate the authority to carry out the internal administration of the Council, including the appointment and supervision of employees and the distribution of business among members, employees, and administrative units.

(b) Use of personnel, services, and facilities of Federal financial institutions regulatory agencies, Federal Reserve banks, and Federal Home Loan Banks.

in<sup>3</sup> addition to any other authority conferred upon it by this chapter, in carrying out its functions under this chapter, the Council may utilize, with their consent and to the extent practical, the personnel, services, and facilities of the Federal financial institutions regulatory agencies, Federal Reserve banks, and Federal Home Loan Banks, with or without reimbursement therefor.

(c) Compensation, authority, and duties of officers and employees; experts and consultants

In addition, the Council may—

(1) subject to the provisions of title 5 of the United States Code relating to the competitive service, classification, and General Schedule pay rates, appoint and fix the compensation of such officers and employees as are necessary to carry out the provisions of this chapter, and to prescribe the authority and duties of such officers and employees; and

(2) obtain the services of such experts and consultants as are necessary to carry out the provisions of this chapter.

<sup>3</sup> So in original. Should be capitalized in this excerpt format.

*Sec. 1009. (12 U.S.C. § 3308). Access to books, accounts, records, etc., by Council*

For the purpose of carrying out this chapter, the Council shall have access to all books, accounts, records, reports, files, memorandums, papers, things, and property belonging to or in use by Federal financial institutions regulatory agencies, including reports of examination of financial institutions or their holding companies from whatever source, together with workpapers and correspondence files related to such reports, whether or not a part of the report, and all without any deletions.

*Sec. 1009A. (12 U.S.C. § 3309). Risk management training*

(a) Seminars

The Council shall develop and administer training seminars in risk management for its employees and the employees of insured financial institutions.

(b) Study of risk management training program

Not later than end of the 1-year period beginning on August 9, 1989, the Council shall—

(1) conduct a study on the feasibility and appropriateness of establishing a formalized risk management training program designed to lead to the certification of Risk Management Analysts; and

(2) report to the Congress the results of such study.

*Sec. 1011. (12 U.S.C. § 3310). Establishment of Appraisal Subcommittee*

There shall be within the Council a subcommittee to be known as the "Appraisal Subcommittee", which shall consist of the designees of the heads of the Federal financial institutions regulatory agencies, the Bureau of Consumer Financial Protection, and the Federal Housing Finance Agency. Each such designee shall be a person who has demonstrated knowledge and competence concerning the appraisal profession. At all times at least one member of the Appraisal Subcommittee shall have demonstrated knowledge and competence through licensure, certification, or professional designation within the appraisal profession.

## Excerpt from Economic Growth and Regulatory Paperwork Reduction Act of 1996

*Sec. 2222. (12 U.S.C. § 3311). Required review of regulations*

### (a) In general

Not less frequently than once every 10 years, the Council and each appropriate Federal banking agency represented on the Council shall conduct a review of all regulations prescribed by the Council or by any such appropriate Federal banking agency, respectively, in order to identify outdated or otherwise unnecessary regulatory requirements imposed on insured depository institutions.

### (b) Process

In conducting the review under subsection (a) of this section, the Council or the appropriate Federal banking agency shall—

(1) categorize the regulations described in subsection (a) of this section by type (such as consumer regulations, safety and soundness regulations, or such other designations as determined by the Council, or the appropriate Federal banking agency); and

(2) at regular intervals, provide notice and solicit public comment on a particular category or categories of regulations, requesting commentators to identify areas of the regulations that are outdated, unnecessary, or unduly burdensome.

### (c) Complete review

The Council or the appropriate Federal banking agency shall ensure that the notice and comment period described in subsection (b)(2) of this section is conducted with respect to all regulations described in subsection (a) of this section not less frequently than once every 10 years.

### (d) Regulatory response

The Council or the appropriate Federal banking agency shall—

(1) publish in the Federal Register<sup>4</sup> a summary of the comments received under this

section, identifying significant issues raised and providing comment on such issues; and

(2) eliminate unnecessary regulations to the extent that such action is appropriate.

### (e) Report to Congress

Not later than 30 days after carrying out subsection (d)(1) of this section, the Council shall submit to the Congress a report, which shall include—

(1) a summary of any significant issues raised by public comments received by the Council and the appropriate Federal banking agencies under this section and the relative merits of such issues; and

(2) an analysis of whether the appropriate Federal banking agency involved is able to address the regulatory burdens associated with such issues by regulation, or whether such burdens must be addressed by legislative action.

## Excerpt from Financial Institutions Reform, Recovery, and Enforcement Act of 1989

*Sec. 1103. (12 U.S.C. § 3332). Functions of Appraisal Subcommittee*

### (a) In general

The Appraisal Subcommittee shall—

(1) monitor the requirements established by States—

(A) for the certification and licensing of individuals who are qualified to perform appraisals in connection with federally related transactions, including a code of professional responsibility; and

(B) for the registration and supervision of the operations and activities of an appraisal management company;

(2) monitor the requirements established by the Federal financial institutions regulatory agencies with respect to—

<sup>4</sup> So in original Should probably appear in italics font.

(A) appraisal standards for federally related transactions under their jurisdiction, and

(B) determinations as to which federally related transactions under their jurisdiction require the services of a State certified appraiser and which require the services of a State licensed appraiser;

(3) maintain a national registry of State certified and licensed appraisers who are eligible to perform appraisals in federally related transactions;

(4) Omitted.

(5) transmit an annual report to the Congress not later than June 15 of each year that describes the manner in which each function assigned to the Appraisal Subcommittee has been carried out during the preceding year. The report shall also detail the activities of the Appraisal Subcommittee, including the results of all audits of State appraiser regulatory agencies, and provide an accounting of disapproved actions and warnings taken in the previous year, including a description of the conditions causing the disapproval and actions taken to achieve compliance; and

(6) maintain a national registry of appraisal management companies that either are registered with and subject to supervision of a State appraiser certifying and licensing agency or are operating subsidiaries of a Federally regulated financial institution.

(b) Monitoring and reviewing foundation

The Appraisal Subcommittee shall monitor and review the practices, procedures, activities, and organizational structure of the Appraisal Foundation.

*Sec. 1104. (12 U.S.C. § 3333). Chairperson of Appraisal Subcommittee; term of Chairperson; meetings*

(a) Chairperson

The Council shall select the Chairperson of the subcommittee. The term of the Chairperson shall be 2 years.

(b) Meetings; quorum; voting

The Appraisal Subcommittee shall meet in public session after notice in the Federal Register, but may close certain portions of these meetings related to personnel and review of preliminary State audit reports, at the call of the Chairperson or a majority of its members when there is business to be conducted. A majority of members of the Appraisal Subcommittee shall constitute a quorum but 2 or more members may hold hearings. Decisions of the Appraisal Subcommittee shall be made by the vote of a majority of its members. The subject matter discussed in any closed or executive session shall be described in the Federal Register notice of the meeting.

### **Excerpt from Home Mortgage Disclosure Act of 1975**

*Sec. 302. (12 U.S.C. § 2801). Congressional findings and declaration of purpose*

(a) Findings of Congress

The Congress finds that some depository institutions have sometimes contributed to the decline of certain geographic areas by their failure pursuant to their chartering responsibilities to provide adequate home financing to qualified applicants on reasonable terms and conditions.

(b) Purpose of chapter

The purpose of this chapter is to provide the citizens and public officials of the United States with sufficient information to enable them to determine whether depository institutions are filling their obligations to serve the housing needs of the communities and neighborhoods in which they are located and to assist public officials in their determination of the distribution of public sector investments in a manner designed to improve the private investment environment.

(c) Construction of chapter

Nothing in this chapter is intended to, nor shall it be construed to, encourage unsound lending practices or the allocation of credit.

\*\*\*\*\*

*Sec. 304. (12 U.S.C. § 2803). Maintenance of records and public disclosure*

\* \* \*

(f) Data disclosure system; operation, etc.

The Federal Financial Institutions Examination Council, in consultation with the Secretary [of Housing and Urban Development], shall implement a system to facilitate access to data required to be disclosed under this section. Such system shall include arrangements for a central depository of data in each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas. Disclosure statements shall be made available to the public for inspection and copying at such central depository of data for all depository institutions which are required to disclose information under this section (or which are exempted pursuant to 12 U.S.C. § 2805(b) of this title) and which have a home office or branch office within such primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas.

\* \* \* \* \*

*Sec. 310. (12 U.S.C. § 2809). Compilation of aggregate data*

(a) Commencement; scope of data and tables

Beginning with data for calendar year 1980, the Federal Financial Institutions Examination

Council shall compile each year, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate data by census tract for all depository institutions which are required to disclose data under 12 U.S.C. § 2803 of this title or which are exempt pursuant to 12 U.S.C. § 2805(b) of this title. The Council shall also produce tables indicating, for each primary metropolitan statistical area, metropolitan statistical area, or consolidated metropolitan statistical area that is not comprised of designated primary metropolitan statistical areas, aggregate lending patterns for various categories of census tracts grouped according to location, age of housing stock, income level, and racial characteristics.

(b) Staff and data processing resources

The Bureau [of Consumer Financial Protection] shall provide staff and data processing resources to the Council to enable it to carry out the provisions of subsection (a) of this section.

(c) Availability to public

The data and tables required pursuant to subsection (a) of this section shall be made available to the public by no later than December 31 of the year following the calendar year on which the data is based.

---

*Appendix B:  
2020 Audit Report*

---

# *Table of Contents*

Office of Inspector General.....	56
KPMG Independent Auditor's Report .....	57
Federal Financial Institutions Examination Council Balance Sheets .....	59
Federal Financial Institutions Examination Council Statements of Operations.....	60
Federal Financial Institutions Examination Council Statements of Cash Flows .....	61
Federal Financial Institutions Examination Council Notes to Financial Statements.....	62



**Office of Inspector General**

Board of Governors of the Federal Reserve System  
Bureau of Consumer Financial Protection

February 25, 2021

Federal Financial Institutions Examination Council  
3501 Fairfax Drive, B-7081a  
Arlington, VA 22226-3550

Dear Members of the Federal Financial Institutions Examination Council:

This letter transmits the *Independent Auditors' Report on the Financial Statements and Report on Internal Control Over Financial Reporting and on Compliance and Other Matters* (Independent Auditors' Reports) prepared by KPMG LLP on the Federal Financial Institutions Examination Council's (FFIEC) financial statements. We contracted with KPMG to audit the financial statements of the FFIEC as of and for the years ended December 31, 2020 and 2019.

The contract requires the audit to be performed in accordance with the auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, which is issued by the comptroller general of the United States. We reviewed and monitored the work of KPMG to ensure compliance with the contract. KPMG is responsible for the accompanying Independent Auditors' Reports, dated February 25, 2021.

We do not express an opinion on the FFIEC's financial statements. In addition, we do not draw conclusions on the Independent Auditors' Reports.

Sincerely,

A handwritten signature in black ink that reads "Fred Gibbs" with a small "for" written above the "s". The signature is written in a cursive, professional style.

Mark Bialek  
Inspector General

cc: Judith Dupre, Executive Secretary, FFIEC  
Mary McLeod, Chairman, FFIEC Legal Advisory Group, and General Counsel, Bureau of Consumer  
Financial Protection  
Ricardo A. Aguilera, Chief Financial Officer, Board of Governors of the Federal Reserve System



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## Independent Auditors' Report

The Federal Financial Institutions Examination Council:

### Report on the Financial Statements

We have audited the accompanying financial statements of the Federal Financial Institutions Examination Council (the Council), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, and cash flows for the years then ended, and the related notes to the financial statements.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Change in Accounting Principle*

As discussed in Note 2 to the financial statements, the Council has changed its method of accounting for leases as of January 1, 2020 due to the adoption of Accounting Standards Codification Topic 842, Leases, and the related amendments.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Federal Financial Institutions Examination Council as of December 31, 2020 and 2019, and its



operations and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### **Other Reporting Required by Government Auditing Standards**

#### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements as of and for the year ended December 31, 2020, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### *Purpose of the Other Reporting Required by Government Auditing Standards*

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

Washington, District of Columbia  
February 25, 2021

Federal Financial Institutions Examination Council  
Balance Sheets

	As of December 31,	
	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash	\$ 2,288,820	\$ 2,171,527
Accounts receivable from member agencies	534,455	1,125,726
Accounts receivable from non-members agencies—net	<u>-</u>	<u>14,525</u>
Total current assets	<u>2,823,275</u>	<u>3,311,778</u>
NON-CURRENT ASSETS:		
Operating lease real estate right-of-use-asset	1,681,240	-
Operating lease equipment right-of-use-assets	<u>188,492</u>	<u>-</u>
Total non-current assets	<u>1,869,732</u>	<u>-</u>
TOTAL	\$ 4,693,007	\$ 3,311,778
LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities payable to member agencies	\$ 1,072,474	\$ 1,552,020
Accounts payable and accrued liabilities payable to non-member agencies	301,552	506,394
Accrued annual leave	123,621	81,296
Operating lease payable	<u>379,890</u>	<u>-</u>
Total current liabilities	<u>1,877,537</u>	<u>2,139,710</u>
LONG-TERM LIABILITIES:		
Operating lease payable and deferred rent	<u>1,489,842</u>	<u>8,416</u>
Total long-term liabilities	<u>1,489,842</u>	<u>8,416</u>
Total liabilities	<u>3,367,379</u>	<u>2,148,126</u>
CUMULATIVE RESULTS OF OPERATIONS	<u>1,325,628</u>	<u>1,163,652</u>
TOTAL LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS	\$ 4,693,007	\$ 3,311,778

See notes to financial statements.

Federal Financial Institutions Examination Council  
Statements of Operations

	For the years ended December 31,	
	<u>2020</u>	<u>2019</u>
<b>REVENUES:</b>		
Central Data Repository	\$ 3,461,665	\$ 3,551,781
Tuition	3,281,809	4,600,550
Assessments on member agencies	1,529,203	1,484,705
Community Reinvestment Act	693,261	655,973
Uniform Bank Performance Report	614,292	618,424
Other Revenues	<u>594,707</u>	<u>608,767</u>
Total revenues	<u>10,174,937</u>	<u>11,520,200</u>
<b>EXPENSES:</b>		
Professional fees	4,067,152	5,122,144
Salaries and related benefits	3,252,052	3,152,487
Data Processing	1,287,968	1,264,740
Administration fees	914,573	905,540
Rental of office space	367,926	367,927
Depreciation	-	86,706
Travel	28,580	251,837
Rental and maintenance of office equipment	73,574	103,079
Other seminar expenses	13,117	96,265
Office and other supplies	6,728	29,143
Printing	209	6,905
Miscellaneous	<u>1,082</u>	<u>1,920</u>
Total expenses	<u>10,012,961</u>	<u>11,388,693</u>
RESULTS OF OPERATIONS	161,976	131,507
CUMULATIVE RESULTS OF OPERATIONS—Beginning of year	<u>1,163,652</u>	<u>1,032,145</u>
CUMULATIVE RESULTS OF OPERATIONS—End of year	\$ <u>1,325,628</u>	\$ <u>1,163,652</u>

See notes to financial statements.

Federal Financial Institutions Examination Council  
Statements of Cash Flows

	For the years ended December 31,	
	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Results of operations	\$ 161,976	\$ 131,507
Adjustments to reconcile results of operations to net cash from operating activities:		
Depreciation	—	86,706
Net operating lease assets and payables (current and non-current) and deferred rent	(8,416)	(4,102)
(Increase) decrease in assets:		
Accounts receivable from member agencies	591,271	(533,986)
Accounts receivable from non-member agencies	14,525	(5,751)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities payable to member agencies	(479,546)	815,193
Other accounts payable and accrued liabilities payable to non-member agencies	(204,842)	(7,484)
Accrued annual leave	42,325	28,458
Deferred rent	—	(86,706)
Net cash from (used in) operating activities	117,793	423,835
NET INCREASE (DECREASE) IN CASH	117,293	423,835
CASH BALANCE—Beginning of year	<u>2,171,527</u>	<u>1,747,692</u>
CASH BALANCE—End of year	\$ 2,288,820	\$ 2,171,527

See notes to financial statements.

## Federal Financial Institutions Examination Council

### *Notes to Financial Statements as of and for the Years Ended December 31, 2020 and 2019*

#### 1. Organization and Purpose

The Federal Financial Institutions Examination Council (the Council) was established under title X of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. The purpose of the Council is to prescribe uniform principles and standards for the federal examination of financial institutions and to make recommendations to promote uniformity in the supervision of these financial institutions. The Council has six voting members. The five federal agencies represented on the Council during 2020, referred to collectively as member agencies, are as follows::

- Board of Governors of the Federal Reserve System (FRB)
- Consumer Financial Protection Bureau (the Bureau)
- Federal Deposit Insurance Corporation (FDIC)
- National Credit Union Administration (NCUA)
- Office of the Comptroller of the Currency (OCC)

In accordance with the Financial Services Regulatory Relief Act of 2006, a rotating representative state regulator was added as a full voting member of the Council in October 2006.

The Council was given additional statutory responsibilities by section 340 of the Housing and Community Development Act of 1980, Public Law 96-399. Among these responsibilities is the implementation of a system, in consultation with the Secretary of the Department of Housing and Urban Development (HUD), to facilitate public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act of 1975 (HMDA) and the aggregation of annual HMDA data, by census tract, for each metropolitan statistical area.

On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was signed into law. This legislation gave the Bureau general rule-writing responsibility for federal consumer financial laws and the HMDA supervisory and enforcement authority. The Bureau,

as part of these responsibilities, developed a new HMDA processing system that replaced the HMDA processing system maintained by the FRB. The Council is performing the collection and billing activity for the new HMDA processing system developed by the Bureau. The activity includes the member agencies and HUD. As a collecting entity, the Council does not recognize the transfers from member agencies as revenue nor does the Council use the collections to fund Council expenses; the funds are transferred to the Bureau.

The Council is performing the collection and billing activity for the Computational Tools product services developed by the FRB. The activity includes the member agencies. As a collecting agency, the Council does not recognize the transfers from member agencies as revenue nor does the Council use the collections to fund Council expenses; the funds are transferred to the FRB.

The Council's financial statements do not include financial data for the Council's Appraisal Subcommittee (the Subcommittee). The Subcommittee was created pursuant to Public Law 101-73, title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. Although it is a subcommittee of the Council, the Appraisal Subcommittee maintains separate financial records and administrative processes. The Council is not responsible for any debts incurred by the Appraisal Subcommittee, nor are Appraisal Subcommittee funds available for use by the Council.

#### 2. Significant Accounting Policies

*Basis of Accounting*—The Council prepares its financial statements in accordance with accounting principles generally accepted in the United States (GAAP).

*Revenues*—Assessments are made on member organizations to fund the Council's operations based on expected cash needs and are recognized as revenue in the period in which they are assessed. Amounts over- or under-assessed due to differences between assessments and actual expenses are presented in the Council's Statements of Operations in the "Cumulative results of operations" line item

*Notes continue on the following page.*

during the year and then may be used to offset or increase the next year's assessment. Deficits in "Cumulative results of operations" can be recouped in the following year's assessments.

The Council provides training seminars in the Washington, D.C. area and at locations throughout the country for member organizations, other federal agencies, and state organizations. The Council recognizes revenue from member agencies for the production and distribution of the Uniform Bank Performance Reports (UBPR) through the FDIC. Tuition and UBPR revenue are adjusted at year-end to match expenses incurred as a result of providing education classes and UBPR services. For differences between revenues and expenses, member agencies are assessed an additional amount or credited a refund based on each member's proportional cost for the examiner education and UBPR budget. The Council recognizes revenue from member agencies for expenses incurred related to the Central Data Repository (CDR) processing system, the Community Reinvestment Act (CRA) processing system, and the Geocoder and Census Product Services (Other Revenues).

*Equipment and Software*—Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, which range from three to five years. Upon the sale or other disposition of a depreciable asset, the cost and related accumulated depreciation are removed and any gain or loss is recognized. Costs incurred to acquire software are capitalized based on the purchase price. Costs incurred during the application development stage to develop internal-use software are capitalized based on the cost of direct services and materials associated with designing, coding, installing, and testing the software. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the software applications, which generally range from two to five years. Maintenance costs and minor replacements related to software are charged to operating expense in the year incurred. The CDR system, which consists of internally developed software projects, are recorded at cost less accumulated depreciation; unique useful lives are applied to these assets as appropriate.

*Estimates*—The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include useful lives of the CDR and the HMDA processing systems previously maintained by the FRB.

*Prepaid Expenses* — The Council recognizes expenses as prepaid for costs paid in advance that will be expensed with the passage of time or upon the occurrence of a triggering event in future periods.

*Commitments and contingencies* — Liabilities for loss contingencies arising from claims, assessments, litigation, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

*Tax Exempt Status* — The Council is not subject to state or local income taxes, and federal law does not impose taxes on the Council's income.

*Recently Issued Accounting Standards* — In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), which supersedes the existing guidance for lease accounting, *Leases* (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets (through right-of-use (ROU) assets and lease liabilities), and leaves lessor accounting largely unchanged. The Council adopted the provisions of Topic 842 on December 31, 2020, using the modified retrospective approach and the option presented under ASU 2018-11 to transition only active leases as of the December 31, 2020 adoption date, with a cumulative effect adjustment recorded as of that date. All comparative periods prior to December 31, 2020 retain the financial reporting and disclosure requirements of Topic 840.

*Notes continue on the following page.*

The Council elected to utilize the transition package of practical expedients permitted under Topic 842, which, among other things, allowed the Council to carry forward the historical lease classification. Additionally, the Council made an accounting policy election to exempt short-term leases (with an initial term of 12 months or less) from the provisions of Topic 842, which resulted in recognition of the related lease payments on a straight-line basis over the lease term, consistent with prior treatment under Topic 840. The Council did not elect the “hindsight” practical expedient when determining the lease terms under Topic 842.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU), 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This update was issued to create common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards. The guidance is applicable to all contracts for the transfer of goods or services regardless of industry or type of transaction. This update requires recognition of revenue in a manner that reflects the consideration that the entity expects to receive in return for the transfer of goods or services to customers. Subsequently, the FASB issued a number of related ASUs including ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*; ASU 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*; and ASU 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*. This revenue recognition accounting guidance was effective for the Council for the year ended December 31, 2019, and the relevant disclosures have been incorporated into the current disclosures, as applicable.

### 3. Selected Transactions with Member Agencies

	<u>2020</u>	<u>2019</u>
<i>Accounts receivable:</i>		
Board of Governors of the Federal Reserve System	\$ 135,030	\$ 257,255
Consumer Financial Protection Bureau	19,626	34,155
Federal Deposit Insurance Corporation	210,3459	257,255
National Credit Union Administration	19,626	34,155
Office of the Comptroller of the Currency	<u>149,828</u>	<u>404,782</u>
	<u>\$ 534,455</u>	<u>\$ 1,125,746</u>
<i>Accounts payable and accrued liabilities:</i>		
Board of Governors of the Federal Reserve System	\$ 538,629	\$ 1,151,325
Consumer Financial Protection Bureau	10,349	9,658
Federal Deposit Insurance Corporation	263,775	242,205
National Credit Union Administration	39,218	42,978
Office of the Comptroller of the Currency	<u>220,503</u>	<u>105,854</u>
	<u>\$ 1,072,474</u>	<u>\$ 1,552,020</u>
<i>Operations:</i>		
Council operating expenses reimbursed by members	\$ 1,529,203	\$ 1,484,705
FRB-provided administrative support	\$ 914,573	\$ 905,540
FRB-provided data processing	\$ 1,287,968	\$ 1,264,740
<i>Tuition revenue:</i>		
Member tuition	\$ 3,212,652	\$ 4,461,675

Member agencies of the Council detail personnel to support Council operations. The salaries and related costs presented on the Statement of Operations represent the amounts which the Council has

*Notes continue on the following page.*

reimbursed member agencies. These detailed personnel are paid through the payroll systems of their respective member agency. The Council does not have any post-retirement or post-employment benefit liabilities since Council personnel are included in the plans of the member agencies.

Member agencies are not reimbursed for the costs of personnel who serve as Council members and on the various task forces and committees of the Council. The value of these contributed services is not included in the accompanying financial statements.

#### 4. Central Data Repository

In 2003, the Council entered into an agreement with Unisys to enhance the methods and systems used to collect, validate, process, and distribute Call Report information used by member organizations, and to store this information in the CDR. The CDR was placed into service in October 2005. At that time, the Council began depreciating the CDR on a straight-line basis over its estimated useful life of 63 months. In 2009, the Council reevaluated the useful life of the CDR and decided to extend its estimated useful life by an additional 36 months based on enhanced functionality of the software. In 2013, the Council again reevaluated the useful life of the CDR and decided to extend its estimated useful life by an additional 12 months to December 31, 2014. In 2014, the Council added additional enhancements of \$688,281 and extended the useful life of the asset, including the enhancements, for an additional 56 months. The Council similarly extended the period of the associated deferred revenue. The CDR asset value is \$21,839,856 and is fully depreciated. The Council also pays for hosting and maintenance expenses for the CDR and recognizes the associated revenue from members.

*CDR Financial Activity* — The Council is funding the project by billing the three participating Council member agencies (FRB, FDIC, and OCC). The accounts payable and accrued liabilities related to the CDR is \$270,000 and \$468,000 as of December 31, 2020 and 2019, respectively.

#### 5. Leases

In February 2021, the Council executed the option to extend for another five years an operating lease with the FDIC to secure office and classroom space. In 2018, the Council entered into operating leases for copier equipment. These leases have remaining terms of 3 to 5 years. Adoption of Topic 842 resulted in the recording of ROU assets and corresponding lease liabilities of \$1,869,732 each as of December 31, 2020. The adoption of Topic 842 did not materially impact the Council's net earnings and had no impact on its cash flows. The Council's current lease arrangements expire through 2025.

The Council's lease population does not include any residual value guarantees, and therefore none were considered in the calculation of the ROU and lease liability balances. The Council has leases that contain variable payments, most commonly in the form of common area maintenance charges, which are based on actual costs incurred. These variable payments were excluded from the calculation of the ROU asset and lease liability balances since they are not fixed or in-substance fixed payments.

For leases with terms greater than 12 months, the FFIEC records the related ROU assets and lease liabilities at the present value of lease payments over the lease terms. For leases with an initial term of 12 months or less (with purchase options or extension options that are not reasonably certain to be exercised), the Council does not record them on the balance sheet, but instead recognizes lease expense on a straight-line basis over the terms of the leases.

*Lease cost.* The Council's lease cost was comprised of the following components for the year ended December 31, 2020:

Operating lease cost	\$	388,076
Variable lease cost		<u>53,425</u>
Total lease cost	\$	<u>441,500</u>

*Notes continue on the following page.*

*Lease commitments.* The Council's future minimum lease payments required under operating leases as of December 31, 2020 were as follows:

	<u>Operating Leases</u>
2021	\$ 388,056
2022	405,407
2023	398,650
2024	346,556
2025	<u>351,349</u>
Total lease payments	1,890,019
Less imputed interest	<u>20,287</u>
Present value of lease payments	1,869,732
Less current maturities of lease obligations	<u>379,890</u>
Long-term lease obligations	<u>\$ 1,489,842</u>

In order to calculate the ROU asset and lease liability for a lease, Topic 842 requires that a lessee apply a discount rate equal to the rate implicit in the lease whenever that rate is readily determinable. The Council's lease agreements do not provide a readily determinable implicit rate, nor is the rate available to the Council from its lessors. Therefore, as permitted under Topic 842 for non-public business entities in such situations, management estimates the Council's risk-free rate (U.S. Treasury rate), as determined using a period comparable with that of the lease term. The risk-free rate, which is based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered into subsequently, is used to discount the remaining lease payments to present value.

*Additional lease information.* Additional information related to the Council's leases as of December 31, 2020 was as follows:

<i>Weighted Average Remaining Lease Term</i>	
Operating leases	4.78 year
<i>Weighted Average Discount Rate</i>	
Operating leases	0.49 %

*Supplemental cash flow information.* Supplemental cash flow information related to the Council's leases during the year ended December 31, 2020 was as follows:

<i>Cash paid for amounts included in measurement of lease liabilities:</i>	
Operating cash flows from operating leases	\$398,678

## 6. Subsequent Events

There were no subsequent events that require adjustments to or disclosures in the financial statements as of December 31, 2020. Subsequent events were evaluated through February 25, 2021, which is the date the financial statements were available to be issued.



---

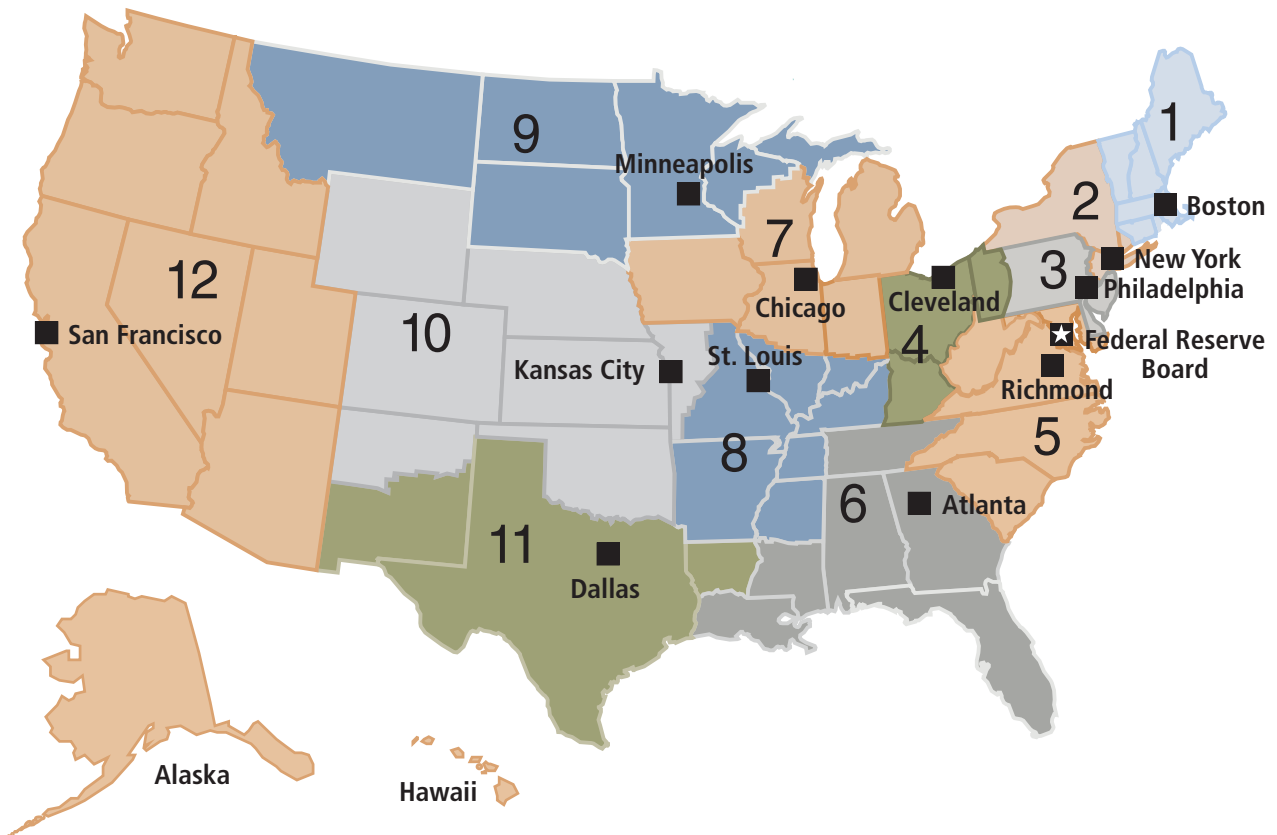
*Appendix C:  
Maps of Agency Regions  
and Districts*

---

# *Table of Contents*

Board of Governors of the Federal Reserve System .....	70
Consumer Financial Protection Bureau .....	71
Federal Deposit Insurance Corporation Supervisory Regions .....	72
National Credit Union Administration .....	73
Office of the Comptroller of the Currency .....	74

## *Board of Governors of the Federal Reserve System*

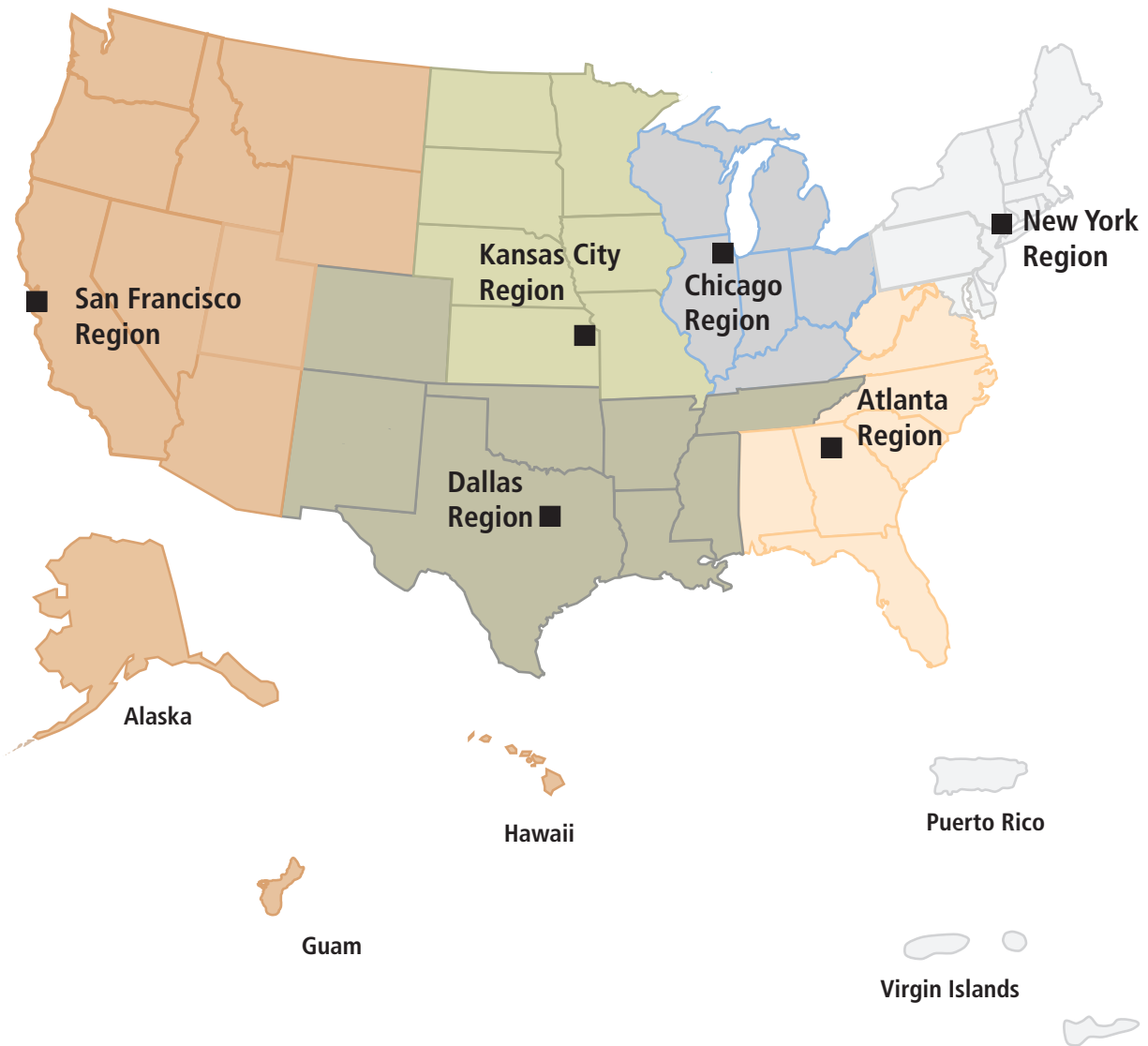


Notes: In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii. The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

# Consumer Financial Protection Bureau

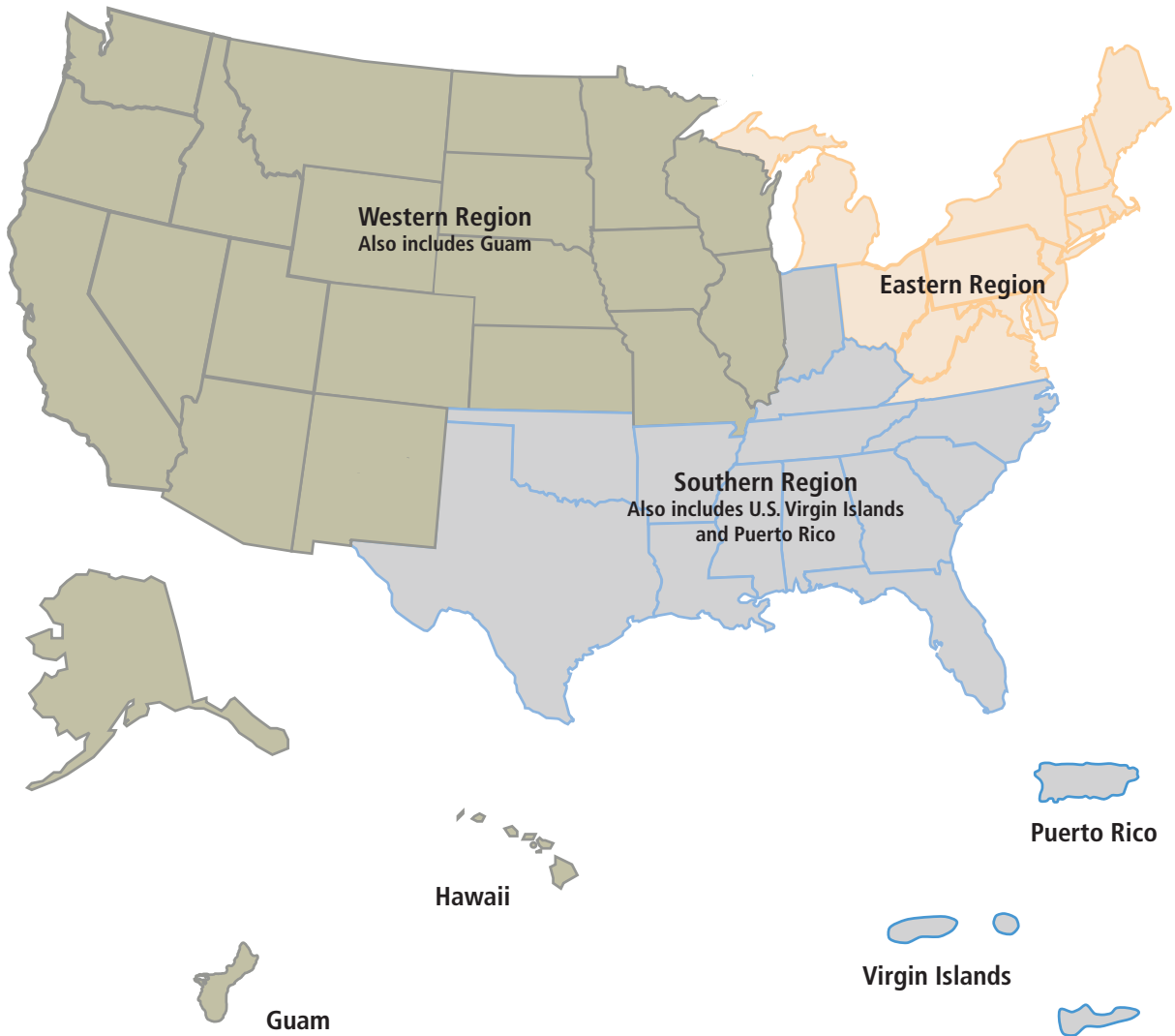


# *Federal Deposit Insurance Corporation Supervisory Regions*

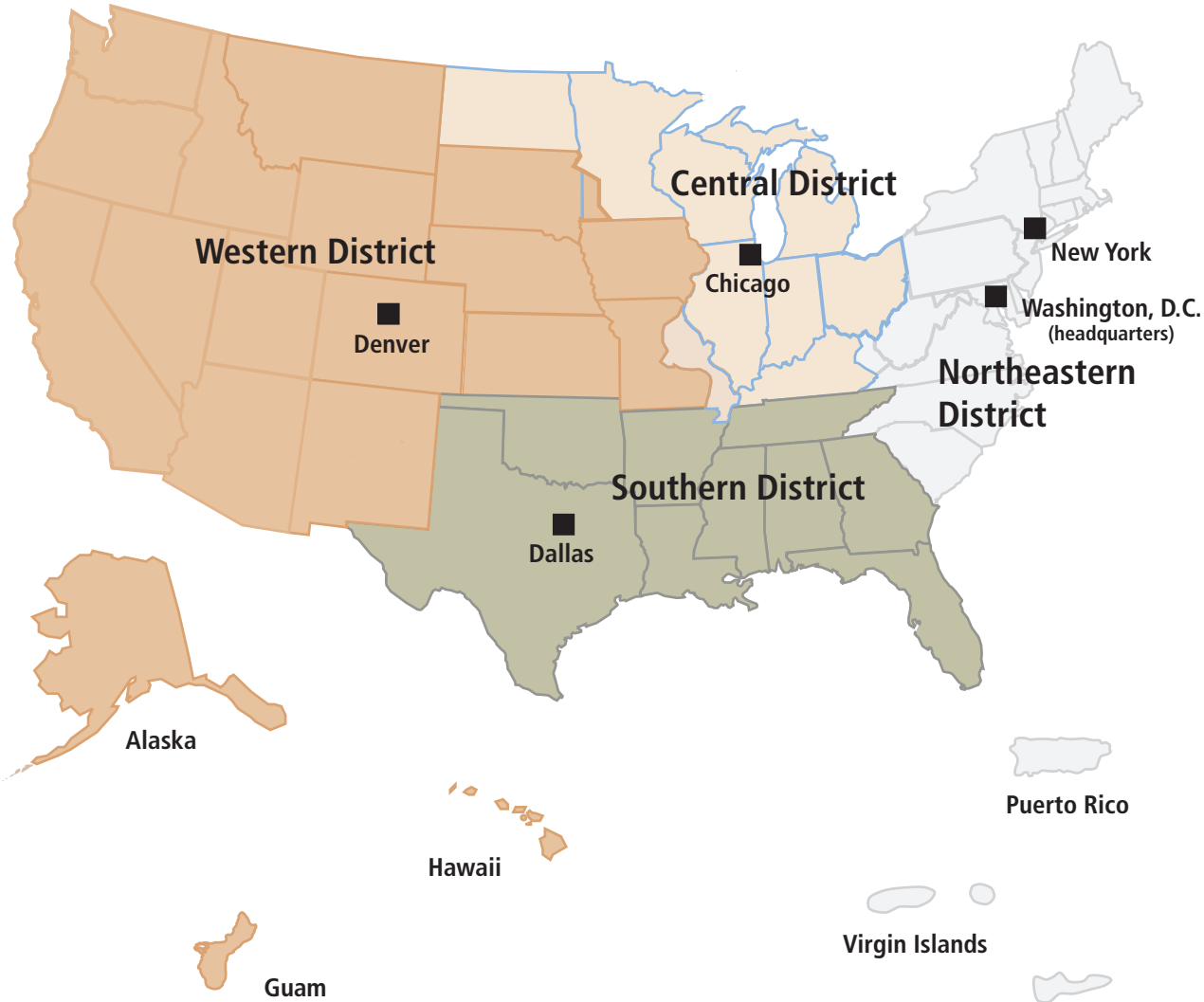


Note: Two area offices are located in Boston (reports to New York) and Memphis (reports to Dallas)

# National Credit Union Administration



# Office of the Comptroller of the Currency





---

*Appendix D:  
Organizational Listing of  
Personnel*

---

# Table of Contents

Members of the Council .....	78
State Liaison Committee .....	78
Council Staff Officer .....	78
Interagency Staff Groups .....	78
Agency Liaison Group .....	78
Legal Advisory Group .....	79
Task Force on Consumer Compliance .....	79
Task Force on Examiner Education .....	79
Task Force on Information Sharing .....	79
Task Force on Reports .....	79
Task Force on Supervision .....	79
Task Force on Surveillance Systems .....	79

# Organizational Listing of Personnel

December 31, 2020

## Members of the Council

Kathleen Kraninger, *Chairman*  
Director  
Consumer Financial Protection  
Bureau (CFPB)

Rodney E. Hood, *Vice Chairman*  
Chairman  
National Credit Union  
Administration (NCUA)

Brian P. Brooks  
Acting Comptroller of the Currency  
Office of the Comptroller  
of the Currency (OCC)

Randal K. Quarles  
Member and Vice Chair for Supervision  
Board of Governors of the  
Federal Reserve System (FRB)

Jelena McWilliams  
Chairman  
Federal Deposit Insurance  
Corporation (FDIC)

Greg Gonzales  
*Chairman*  
State Liaison Committee (SLC)  
Commissioner  
Tennessee Department of  
Financial Institutions

## State Liaison Committee

Greg Gonzales, *Chairman*  
Commissioner  
Tennessee Department of  
Financial Institutions

John P. Ducrest, *(retired 12/2020)*  
Commissioner  
Louisiana Office of Financial Institutions

Thomas C. Fite  
Director  
Indiana Department of Financial Institutions

Melanie Hall  
Commissioner  
Montana Division of Banking and  
Financial Institutions

Steve Pleger  
Senior Deputy Commissioner  
Georgia Department of Banking and Finance

## Council Staff Officer

Judith Dupré  
*Executive Secretary*

## Interagency Staff Groups

### *Agency Liaison Group*

Bryan Schneider (CFPB)  
Myra Toeppe (NCUA)  
Grovetta Gardineer (OCC)  
Todd Vermilyea (FRB)  
Doreen Eberley (FDIC)  
Mary Beth Quist  
(SLC Representative/CSBS)

### *Legal Advisory Group*

Mary McLeod, *Chairman* (CFPB)  
Frank Kressman (NCUA)  
Jonathan Gould (OCC)  
Mark Van Der Weide (FRB)  
Nicholas Podsiadly (FDIC)  
Margaret Liu  
(SLC Representative/CSBS)

### *Task Force on Consumer Compliance*

Allison Brown, *Chairman* (CFPB)  
Matthew Biliouris (NCUA)  
Luke Brown (FDIC)  
James Dewhirst  
(SLC Representative/Tennessee)  
Jeremy Hochberg (FRB)  
Paul Reymann (OCC)

### *Task Force on Examiner Education*

Joseph Arleth, *Chairman* (CFPB)  
Tracy Bergmann  
(SLC Representative/Iowa)  
Wendy Frederick (OCC)  
D. Scott Neat (NCUA)  
Amol Vaidya (FRB)  
John Vogel (FDIC)

### *Task Force on Information Sharing*

Todd Roscoe, *Chairman* (NCUA)  
Jami Blume (CFPB)  
Jeffrey Dawson (FRB)  
Shahrokh Molavi (OCC)  
Terrie Templemon (FDIC)  
Patrick Welch  
(SLC Representative/Mississippi)

### *Task Force on Reports*

Cady Coddling, *Chairman* (OCC)  
Shannon Beattie (FDIC)  
Matthew Canzater (NCUA)  
Douglas Carpenter (FRB)  
Kara Garman  
(SLC Representative/Iowa)  
William McHale (CFPB)

### *Task Force on Supervision*

Doreen Eberley, *Chairman* (FDIC)  
Thomas Fite  
(SLC Representative/Indiana)  
Grovetta Gardineer (OCC)  
D. Scott Neat (NCUA)  
Bryan Schneider (CFPB)  
Todd Vermilyea (FRB)

### *Task Force on Surveillance Systems*

Robin Stefan, *Chairman* (OCC)  
Matthew Canzater (NCUA)  
Jay Caver  
(SLC Representative/Alabama)  
Matt Mattson (FRB)  
William McHale (CFPB)  
Eric Walker (FDIC)







Federal Financial Institutions Examination Council

[www.ffiec.gov](http://www.ffiec.gov)

2021