



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities; Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Financial Statements for Holding Companies (FR Y-9 family of reports) (OMB No. 7100-0128).

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an

information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority the extension for three years, with revision, of the following reports:

Report title: Financial Statements for Holding Companies.

Agency form number: FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS.

OMB control number: 7100-0128.

Effective Date: June 30, 2018.

Frequency: Quarterly and semiannually.

Respondents: Bank holding companies, savings and loan holding companies, securities holding companies, and U.S. intermediate holding companies (collectively, holding companies (HCs)).

Estimated number of respondents: FR Y-9C (non-advanced approaches holding companies): 638; FR Y-9C (advanced approaches holding companies): 18; FR Y-9LP: 775; FR Y-9SP: 3,837; FR Y-9ES: 82; FR Y-9CS: 236.

Estimated average hours per response: FR Y-9C (non-advanced approaches holding companies): 46.29 hours; FR Y-9C (advanced approaches holding companies HCs): 47.54 hours; FR Y-9LP: 5.27 hours; FR Y-9SP: 5.40 hours; FR Y-9ES: 0.50 hours; FR Y-9CS: 0.50 hours.

Estimated annual burden hours: FR Y-9C (non-advanced approaches holding companies): 118,132 hours; FR Y-9C (advanced approaches holding companies): 3,423 hours; FR Y-9LP: 16,337 hours; FR Y-9SP: 41,440 hours; FR Y-9ES: 41 hours; FR Y-9CS: 472 hours.

General description of report: The FR Y-9C, FR Y-9LP, and FR Y 9SP serve as standardized financial statements for the consolidated holding company. The FR Y-9ES is a financial statement for HCs that are Employee Stock Ownership Plans. The Board uses the FR Y-9CS (a

free-form supplement) to collect additional information deemed to be critical and needed in an expedited manner. The FR Y-9 family of reporting forms continues to be the primary source of financial data on HCs that examiners rely on between on-site inspections. Financial data from these reporting forms is used to detect emerging financial problems, review performance, conduct pre-inspection analysis, monitor and evaluate capital adequacy, evaluate HC mergers and acquisitions, and analyze an HC's overall financial condition to ensure the safety and soundness of its operations. The Board requires HCs to provide standardized financial statements to fulfill the Board's statutory obligation to supervise these organizations. HCs file the FRY-9C on a quarterly basis, the FR Y-9LP quarterly, the FR Y-9SP semiannually, the FR Y-9ES annually, and the FR Y-9CS on a schedule that is determined when this supplement is used.

Legal authorization and confidentiality: The FR Y-9 family of reports is authorized by section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)), section 10 of Home Owners' Loan Act (12 U.S.C. 1467a(b)), section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") (12 U.S.C. 1850a(c)(1)), and section 165 of the Dodd-Frank Act (12 U.S.C. 5365). The obligation of covered institutions to report this information is mandatory. With respect to the FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS, as well as most items on the FR Y-9C, the information collected would generally not be accorded confidential treatment. If confidential treatment is requested by a respondent, the Board will review the request to determine if confidential treatment is appropriate. With respect to the FR Y-9C, Schedule HI's item 7(g) "FDIC deposit insurance assessments," Schedule HC-P's item 7(a) "Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and government sponsored agencies," and Schedule HC-P's

item 7(b) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties” are considered confidential. Such treatment is appropriate because the data is not publicly available and could cause substantial harm to the competitive position of the respondent. The public release of this confidential data may impair the Board’s future ability to collect similarly confidential data. Thus, this information may be kept confidential under exemptions (b)(4) of the Freedom of Information Act, which exempts from disclosure “trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential” (5 U.S.C. 552(b)(4)), and (b)(8) of the Freedom of Information Act, which exempts from disclosure information related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions (5 U.S.C. 552(b)(8)). If confidential treatment is requested by a respondent for other items in the FR Y-9C, the Board will review the request to determine if confidential treatment is appropriate.

Current Actions: On April 30, 2018, the Board published a notice in the *Federal Register* (83 FR 18843) requesting public comment for 60 days on the extension, with revision, of the FR Y-9C report, and the extension, without revision, of the FR Y-9LP, FR Y-9SP, FR Y-9ES, and FR Y-9CS report. The Board proposed to implement a number of revisions to the FR Y-9C requirements, most of which were consistent with changes now implemented on the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036). The proposed revisions included deleting certain data items and consolidating existing data items into new data items, as well as adding new or raising existing reporting thresholds for certain data items to reduce reporting burden. The comment period expired June 29, 2018.

Detailed Discussion of Public Comments

The Federal Reserve received one comment from a banking association. The commenter noted several inconsistencies on the FR Y-9C report form and one inconsistency on the instructions when compared to the Call Report pertaining to Schedule HC-Q Memoranda items 4.b and 4.d, column A and Schedule HC-S Column G instructions and requested clarification on the proper reporting. The draft report form was inadvertently updated to reflect the removal of items 4.b and 4.d and a line item reference on the instructions for Schedule HC-S Column G was also inadvertently struck through. The Board has revised these items so that both the report form and instructions align with the Call Report. Additionally, the commenter noted an inconsistency between the caption on the report form and the caption on the instructions pertaining to *Equity investments without readily determinable fair values* on Schedule HC-F line item 4 on the FR Y-9C report. The Board has updated the instructions so that the report form and instructions align.

The revisions will be implemented as proposed, with the modifications described above, effective for the June 30, 2018, report date.

Board of Governors of the Federal Reserve System, July 25, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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