

February 26, 2024

Chief Counsel's Office  
Office of the Comptroller of the Currency  
400 7th Street, SW, Suite 3E-218  
Washington, D.C. 20219

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, D.C. 20551

Manuel E. Cabeza, Counsel  
Attn: Comments, Room MB-3128  
Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington D.C. 20429

RE: Call Report and FFIEC 002 Revisions – OMB Control No: OCC 1557-0081.

To Whom It May Concern:

The American Bankers Association<sup>1</sup> (ABA) welcomes the opportunity to comment on the joint Notice of Proposed Rulemaking (the Proposal) by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (Banking Agencies) on Federal Financial Institutions Examination Council's<sup>2</sup> (FFIEC) revisions to modify FFIEC Forms 031, 041, and 051, commonly referred to as the Consolidated Reports of Condition and Income (the Call Report). The Call Report provides data on individual banks, allows for trend analysis of bank condition and trend information about the overall banking industry and serves as the basis for other reporting and policy analysis. Additionally, data provided in Call Reports serve as a foundation for other required regulatory reporting.

The Proposal would make revisions to expand and add several disclosures related to loans to and other receivables from non-depository financial institutions (NDFIs). It adds a requirement to disclose amounts for the consolidated bank that are currently only reported for domestic offices. The Proposal clarifies that margin loans are included in loans for purchasing or carrying securities and it requires a disaggregation of loans to NDFIs in the following categories of NDFIs:

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<sup>1</sup> The American Bankers Association is the voice of the nation's \$23.4 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2.1 million people, safeguard nearly \$18.6 trillion in deposits, and extend more than \$12.3 trillion in loans.

<sup>2</sup> The Council is a formal interagency body whose voting members include the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Consumer Financial Protection Bureau (CFPB), and the State Liaison Committee (SLC).

- Loans to mortgage credit intermediaries
- Loans to business credit intermediaries
- Loans to private equity funds
- Loans to consumer credit intermediaries
- Other loans to nondepository financial institutions

The effective date in the Proposal will be for Call Reports for the June 30, 2024 reporting date.

### **The Proposal’s Effective Date Does Not Provide Sufficient Time to Implement the Changes**

As with any reporting change that requires the development of new reporting processes and controls banks require significant time to effectively implement these changes in accordance with the expectations of the Banking Agencies and other stakeholders. While the complexity and level of effort will vary amongst institutions based on a number of factors, typically, these changes require a minimum of 6 to 9 months. As a result, the Proposed effective date of June 30, 2024 does not provide sufficient time to implement the changes. Therefore, the ABA recommends the effective date be deferred until the fourth reporting period after a final rule is issued.

### **Additional Clarifications with a Focus on Cross-Reporting Consistency Are Needed**

The Proposal appears to change the reporting line item of certain loans, which thus creating questions regarding the reporting of other loans that may involve NDFIs. Some of these changes may result in different classifications in other regulatory reports, such as FR Y-9C and FR Y-14Q/A.

Though not addressed in the Proposal, we believe the following may also fall under the intended scope of the Proposal:

- Loans to securitization vehicles
- Loans to brokers and dealers in securities, investment companies and mutual funds
- Non-purpose margin loans for commercial and industrial purposes
- Non-purpose margin loans to individuals for personal purposes
- All other non-purpose margin loans

The final Call Report instructions should confirm this. Additionally, in applying the definition of a security for both purpose and non-purpose margin loans under the Proposal, clarification is needed in the instructions related to:


- Scope of securities
- International securities-based loans
- Threshold to be considered “secured by securities.”

Clarifications are also needed to confirm which loans are to be included in “other loans” to nondepository financial institutions.

As a general rule, ABA recommends avoiding cross-reporting inconsistency, so all clarifications should be made within the context of cross-report implications to other regulatory reports noted above.

Thank you for considering these comments. If you need additional information or have questions, please contact me (jstein@aba.com; 202-663-5318).

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Stein", with a stylized flourish at the end.

Joshua Stein