as MARAD–2020–0011 at *http://www.regulations.gov.* Interested parties may comment on the effect this action may have on U.S. vessel builders or businesses in the U.S. that use U.S.-flag vessels. If MARAD determines, in accordance with 46 U.S.C. 12121 and MARAD's regulations at 46 CFR part 388, that the issuance of the waiver will have an unduly adverse effect on a U.S.-vessel builder or a business that uses U.S.-flag vessels in that business, a waiver will not be granted. Comments should refer to the vessel name, state the commenter's interest in the waiver application, and address the waiver criteria given in section 388.4 of MARAD's regulations at 46 CFR part 388.

Public Participation

How do I submit comments?

Please submit your comments, including the attachments, following the instructions provided under the above heading entitled **ADDRESSES**. Be advised that it may take a few hours or even days for your comment to be reflected on the docket. In addition, your comments must be written in English. We encourage you to provide concise comments and you may attach additional documents as necessary. There is no limit on the length of the attachments.

Where do I go to read public comments, and find supporting information?

Go to the docket online at *http://www.regulations.gov,* keyword search MARAD–2020–0011 or visit the Docket Management Facility (see **ADDRESSES** for hours of operation). We recommend that you periodically check the Docket for new submissions and supporting material.

Will my comments be made available to the public?

Yes. Be aware that your entire comment, including your personal identifying information, will be made publicly available.

May I submit comments confidentially?

If you wish to submit comments under a claim of confidentiality, you should submit three copies of your complete submission, including the information you claim to be confidential business information, to the Department of Transportation, Maritime Administration, Office of Legislation and Regulations, MAR–225, W24–220, 1200 New Jersey Avenue SE, Washington, DC 20590. Include a cover letter setting forth with specificity the basis for any such claim and, if possible, a summary of your submission that can be made available to the public.

Privacy Act

In accordance with 5 U.S.C. 553(c), DOT solicits comments from the public to better inform its rulemaking process. DOT posts these comments, without edit, to *www.regulations.gov,* as described in the system of records notice, DOT/ALL–14 FDMS, accessible through *www.dot.gov/privacy.* To facilitate comment tracking and response, we encourage commenters to provide their name, or the name of their organization; however, submission of names is completely optional. Whether or not commenters identify themselves, all timely comments will be fully considered. If you wish to provide comments containing proprietary or confidential information, please contact the agency for alternate submission instructions.

Authority: 49 CFR 1.93(a), 46 U.S.C. 55103, 46 U.S.C. 12121

* * *

Dated: January 22, 2020.

By Order of the Maritime Administrator.

T. Mitchell Hudson, Jr.,

Secretary, Maritime Administration.

[FR Doc. 2020–01308 Filed 1–24–20; 8:45 am]

BILLING CODE 4910–81–P

DEPARTMENT OF THE TREASURY

Office of the Comptroller of the Currency

FEDERAL RESERVE SYSTEM

FEDERAL DEPOSIT INSURANCE CORPORATION

Agency Information Collection Activities; Submission for OMB Review; Comment Request

AGENCY: Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

ACTION: Joint notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (the agencies) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. On October 4, 2019, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to revise and extend the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051) and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101), which are currently approved collections of information.

The comment period for the October 2019 notice ended on December 3, 2019. As described in the **SUPPLEMENTARY INFORMATION** section, after considering the comments received on the proposal, the agencies are proceeding with the proposed revisions to the reporting forms and instructions for the Call Reports and the FFIEC 101 (except for the reporting changes arising from the proposed total loss absorbing capacity holdings rule that has not yet been finalized), but with certain modifications. In general, the modifications relate to the disclosure of an institution's election of the community bank leverage ratio framework, a change in the scope of the FFIEC 031 Call Report, and the reporting of home equity lines of credit that convert from revolving to non-revolving status. The reporting revisions that implement various changes to the agencies' capital rule would take effect in the same quarters as the effective dates of the capital rule changes, *i.e.,* primarily as of the March 31 and June 30, 2020, report dates. Call Report revisions applicable to operating lease liabilities and home equity lines of credit would take effect in the first quarter of 2020 and 2021, respectively.

In addition, the agencies are giving notice they are sending the collections to OMB for review.

DATES: Comments must be submitted on or before February 26, 2020.

ADDRESSES: Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the ''Call Report and FFIEC 101 Reporting Revisions,'' will be shared among the agencies.

OCC: You may submit comments, which should refer to ''Call Report and FFIEC 101 Reporting Revisions,'' by any of the following methods:

- *Email: prainfo@occ.treas.gov.*
- *Mail:* Chief Counsel's Office, Office of the Comptroller of the Currency, Attention: 1557–0081 and 1557–0239, 400 7th Street SW, Suite 3E–218, Washington, DC 20219.
- *Hand Delivery/Courier:* 400 7th Street SW, Suite 3E–218, Washington, DC 20219.

Instructions: You must include ''OCC'' as the agency name and ''1557–0081 and 1557–0239'' in your comment. In general, the OCC will publish comments on *www.reginfo.gov* without change, including any business or personal information provided, such as name and address information, email addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to these information collections following the close of the 30-Day comment period for this notice by any of the following methods:

• *Viewing Comments Electronically:* Go to *www.reginfo.gov*. Click on the ''Information Collection Review'' tab. Underneath the ''Currently under Review'' section heading, from the drop-down menu select ''Department of Treasury'' and then click ''submit.'' These information collections can be located by searching by OMB control number ''1557–0081'' or ''1557–0239.'' Upon finding the appropriate information collection, click on the related ''ICR Reference Number.'' On the next screen, select ''View Supporting Statement and Other Documents'' and then click on the link to any comment listed at the bottom of the screen.

• For assistance in navigating *www.reginfo.gov,* please contact the Regulatory Information Service Center at (202) 482–7340.

• *Viewing Comments Personally:* You may personally inspect comments at the OCC, 400 7th Street SW, Washington, DC. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649–6700 or, for persons who are deaf or hearing impaired, TTY, (202) 649–5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect comments.

Board: You may submit comments, which should refer to ''Call Report and FFIEC 101 Reporting Revisions,'' by any of the following methods:

• *Agency Website: http://www.federalreserve.gov*. Follow the instructions for submitting comments at: *http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm*.

• *Email: regs.comments@federalreserve.gov*. Include ''Call Report and FFIEC 101 Reporting Revisions'' in the subject line of the message.

• *Fax:* (202) 452–3819 or (202) 452–3102.

• *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

All public comments are available on the Board's website at *https://www.federalreserve.gov/apps/foia/proposedregs.aspx* as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452–3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

FDIC: You may submit comments, which should refer to ''Call Report and FFIEC 101 Reporting Revisions,'' by any of the following methods:

• *Agency Website: https://www.fdic.gov/regulations/laws/federal/*. Follow the instructions for submitting comments on the FDIC's website.

• *Federal eRulemaking Portal: https://www.regulations.gov*. Follow the instructions for submitting comments.

• *Email: comments@FDIC.gov*. Include ''Call Report and FFIEC 101 Reporting Revisions'' in the subject line of the message.

• *Mail:* Manuel E. Cabeza, Counsel, Attn: Comments, Room MB–3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

• *Hand Delivery:* Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

• *Public Inspection:* All comments received will be posted without change to *https://www.fdic.gov/regulations/laws/federal/* including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center, 3501 North Fairfax Drive, Arlington, VA 22226, or by telephone at (877) 275–3342 or (703) 562–2200.

Additionally, commenters may send a copy of their comments to the OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW, Washington, DC 20503; by fax to (202) 395–6974; or by email to *oira_submission@omb.eop.gov*.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed revisions to the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the report forms for the Call Report and the FFIEC 101 can be obtained at the FFIEC's website (*https://www.ffiec.gov/ffiec_report_forms.htm*).

OCC: Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649–5490, or for persons who are deaf or hearing impaired, TTY, (202) 649–5597.

Board: Nuha Elmaghrabi, Federal Reserve Board Clearance Officer, (202) 452–3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may call (202) 263–4869.

FDIC: Manuel E. Cabeza, Counsel, (202) 898–3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

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I. Affected Reports

All of the proposed changes discussed below affect the Call Reports, while a number of the changes also affect the FFIEC 101. On December 27, 2019, the Board separately proposed to make revisions to the Consolidated Financial Statements for Holding Companies (FR Y–9C) [1] corresponding to those initially proposed by the agencies on October 4, 2019.[2]

A. Call Reports

The agencies propose to extend for three years, with revision, the FFIEC 031, FFIEC 041, and FFIEC 051 Call Reports.

Report Title: Consolidated Reports of Condition and Income (Call Report).

Form Number: FFIEC 031 (Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices), FFIEC 041 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only), and FFIEC 051 (Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than $5 Billion).

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Type of Review: Revision and extension of currently approved collections.

OCC

OMB Control No.: 1557–0081.

Estimated Number of Respondents: 1,143 national banks and federal savings associations.

Estimated Average Burden per Response: 41.24 burden hours per quarter to file.

Estimated Total Annual Burden: 188,549 burden hours to file.

Board

OMB Control No.: 7100–0036.

Estimated Number of Respondents: 779 state member banks.

Estimated Average Burden per Response: 44.45 burden hours per quarter to file.

Estimated Total Annual Burden: 138,506 burden hours to file.

FDIC

OMB Control No.: 3064–0052.

Estimated Number of Respondents: 3,386 insured state nonmember banks and state savings associations.

Estimated Average Burden per Response: 39.43 burden hours per quarter to file.

Estimated Total Annual Burden: 534,040 burden hours to file.

The estimated average burden hours collectively reflect the estimates for the FFIEC 051, the FFIEC 041, and the FFIEC 031 reports for each agency. When the estimates are calculated by type of report across the agencies, the estimated average burden hours per quarter are 36.70 (FFIEC 051), 50.11(FFIEC 041), and 95.42 (FFIEC 031). The estimated burden hours for the currently approved reports are 40.27 (FFIEC 051), 53.72 (FFIEC 041), and 95.60 (FFIEC 031), so the revisions proposed in this notice would represent a reduction in estimated average burden hours per quarter of 3.57 (FFIEC 051), 3.61 (FFIEC 041), and 0.18 (FFIEC 031). The change in burden is predominantly due to changes associated with the community bank leverage ratio final rule. The reduction in average burden hours is significantly less for the FFIEC 031 than for the FFIEC 041 or the FFIEC 051 because greater percentages of institutions that would be eligible to report under the proposed community bank leverage ratio framework currently file the FFIEC 041 or the FFIEC 051 than the FFIEC 031.[3] The estimated burden per response for the quarterly filings of the Call Report is an average that varies by agency because of differences in the composition of the institutions under each agency's supervision (*e.g.,* size distribution of institutions, types of activities in which they are engaged, and existence of foreign offices).

Type of Review: Extension and revision of currently approved collections.

Legal Basis and Need for Collections

The Call Report information collections are mandatory: 12 U.S.C. 161 (for national banks), 12 U.S.C. 324 (for state member banks), 12 U.S.C. 1817 (for insured state nonmember commercial and savings banks), and 12 U.S.C. 1464 (for federal and state savings associations). At present, except for selected data items and text, these information collections are not given confidential treatment.

Banks and savings associations submit Call Report data to the agencies each quarter for the agencies' use in monitoring the condition, performance, and risk profile of individual institutions and the industry as a whole. Call Report data serve a regulatory or public policy purpose by assisting the agencies in fulfilling their shared missions of ensuring the safety and soundness of financial institutions and the financial system and protecting consumer financial rights, as well as agency-specific missions affecting national and state-chartered institutions, such as conducting monetary policy, ensuring financial stability, and administering federal deposit insurance. Call Reports are the source of the most current statistical data available for identifying areas of focus for on-site and off-site examinations. Among other purposes, the agencies use Call Report data in evaluating institutions' corporate applications, including interstate merger and acquisition applications for which the agencies are required by law to determine whether the resulting institution would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. Call Report data also are used to calculate institutions' deposit insurance assessments and national banks' and federal savings associations' semiannual assessment fees.

B. FFIEC 101

The agencies propose to extend for three years, with revision, the FFIEC 101 report.

Report Title: Risk-Based Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework.

Form Number: FFIEC 101.

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

OCC:

OMB Control No.: 1557–0239.

[1] See 84 FR 71414, December 27, 2019. Consolidated Financial Statements for Holding Companies (FR Y–9C), OMB Number 7100–0128.

[2] 84 FR 53227, October 4, 2019.

[3] For estimating burden hours, the agencies assumed 60 percent of eligible institutions would use the framework.

Estimated Number of Respondents: 5 national banks and federal savings associations.

Estimated Time per Response: 674 burden hours per quarter to file for banks and federal savings associations.

Estimated Total Annual Burden: 13,480 burden hours to file.

Board

OMB Control No.: 7100–0319.

Estimated Number of Respondents: 4 state member banks; 4 bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1 and 2 only; 9 other bank holding companies and savings and loan holding companies; and 6 intermediate holding companies.

Estimated Time per Response: 674 burden hours per quarter to file for state member banks; 3 burden hours per quarter to file for bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1 and 2 only; 677 burden hours per quarter to file for other bank holding companies and savings and loan holding companies; and 3 burden hours per quarter to file for intermediate holding companies.

Estimated Total Annual Burden: 10,784 burden hours for state member banks to file; 48 burden hours for bank holding companies and savings and loan holding companies that complete Supplementary Leverage Ratio (SLR) Tables 1 and 2 only to file; 24,372 burden hours for other bank holding companies and savings and loan holding companies to file; and 72 burden hours for intermediate holding companies to file.

FDIC

OMB Control No.: 3064–0159.

Estimated Number of Respondents: 1 insured state nonmember bank and state savings association.

Estimated Time per Response: 674 burden hours per quarter to file.

Estimated Total Annual Burden: 2,696 burden hours to file.

Type of Review: Extension and revision of currently approved collections.

Legal Basis and Need for Collections

Each advanced approaches institution [4] is required to report quarterly regulatory capital data on the FFIEC 101. Each Category III institution [5] is required to report supplementary leverage ratio information on the FFIEC 101. The FFIEC 101 information collections are mandatory for advanced approaches and Category III institutions: 12 U.S.C. 161 (national banks), 12 U.S.C. 324 (state member banks), 12 U.S.C. 1844(c) (bank holding companies), 12 U.S.C. 1467a(b) (savings and loan holding companies), 12 U.S.C. 1817 (insured state non-member commercial and savings banks), 12 U.S.C. 1464 (savings associations), and 12 U.S.C. 1844(c), 3106, and 3108 (intermediate holding companies). Certain data items in this information collection are given confidential treatment under 5 U.S.C. 552(b)(4) and (8).

The agencies use data reported in the FFIEC 101 to assess and monitor the levels and components of each reporting entity's applicable capital requirements and the adequacy of the entity's capital under the Advanced Capital Adequacy Framework [6] and the supplementary leverage ratio,[7] as applicable; to evaluate the impact of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable, on individual reporting entities and on an industry-wide basis and its competitive implications; and to supplement on-site examination processes. The reporting schedules also assist advanced approaches institutions and Category III institutions in understanding expectations relating to the system development necessary for implementation and validation of the Advanced Capital Adequacy Framework and the supplementary leverage ratio, as applicable. Submitted data that are released publicly will also provide other interested parties with information about advanced approaches institutions' and Category III institutions' regulatory capital.

II. Current Actions

A. Overview

On October 4, 2019, the agencies proposed revisions to the Call Reports and the FFIEC 101 that would implement various changes to the agencies' regulatory capital rule [8] that, as of that date, the agencies had finalized or were considering finalizing.[9] The changes to the agencies' regulatory capital rule included in their October 2019 notice were the capital simplifications rule, the community bank leverage ratio (CBLR) rule, the proposed tailoring rule, the proposed total loss absorbing capacity (TLAC) holdings rule, the proposed rule for supplementary leverage ratio (SLR) revisions for certain central bank deposits of custodial banks, the proposed rule for the standardized approach for counterparty credit risk (SA–CCR) on derivative contracts, and the high volatility commercial real estate (HVCRE) land development proposal.

The agencies also proposed a change in the scope of the FFIEC 031 Call Report; a change in the reporting of construction, land development, and other land loans with interest reserves in the Call Report; and Call Report instructional revisions for the reporting of operating lease liabilities and home equity lines of credit (HELOCs) that convert from revolving to non-revolving status.

The comment period for the October 2019 notice ended on December 3, 2019. The agencies received comments on the proposed reporting changes covered in the notice from four entities: Three bankers' associations and one savings association. These comments are addressed in the following sections of this notice.

Except for the proposed TLAC holdings rule, final rules have been adopted for all of the regulatory capital rulemakings addressed in the October 2019 notice. The capital-related reporting changes discussed in the October 2019 notice will be effective in the same quarters as the effective dates of the various capital rules that have been finalized (see Section III below). However, because the proposed TLAC holdings rule has not been finalized, at this time the agencies are not proceeding with the implementation of the TLAC-related reporting changes proposed in the October 2019 notice. Once the proposed TLAC holdings rule is finalized, the agencies plan to issue a 30-day **Federal Register** notice pursuant to the PRA to implement the associated reporting changes, which would address any comments received on the proposed changes.

After carefully considering the comments received on the October 2019 notice, the agencies are adopting the reporting changes proposed in that notice (other than for TLAC) with modifications discussed in the following sections of this notice.

[4] *See* 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); 12 CFR 324.100(b) (FDIC).

[5] See 12 CFR 3.2 (OCC); 12 CFR 217.2 (Board); 12 CFR 324.2 (FDIC).

[6] 12 CFR part 3, subpart E (OCC); 12 CFR part 217, subpart E (Board); 12 CFR part 324, subpart E (FDIC).

[7] 12 CFR 3.10(c)(4) (OCC); 12 CFR 217.10(c)(4) (Board); 12 CFR 324.10(c)(4) (FDIC).

[8] 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR part 324 (FDIC). While the agencies have codified the capital rule in different parts of title 12 of the Code of Federal Regulations, the internal structure of the sections within each agency's rule is substantially similar.

[9] 84 FR 53227, October 4, 2019.

B. Capital Simplifications Rule

1. Background

On July 22, 2019, the agencies published a final rule amending their regulatory capital rule to make a number of burden-reducing changes to the capital rule (capital simplifications rule).[10] The capital simplifications rule had an effective date of April 1, 2020. However, the agencies subsequently approved a final rule that permits non-advanced approaches banking organizations [11] to implement the capital simplifications rule on January 1, 2020.[12] As a result, non-advanced approaches banking organizations have the option to implement the capital simplifications rule on the revised effective date of January 1, 2020, or in the quarter beginning April 1, 2020.

The agencies proposed revisions to Call Report Schedule RC–R, Regulatory Capital, in all three versions of the Call Report to implement the associated changes to the agencies' regulatory capital rule effective as of the March 31, 2020, report date, consistent with the final rule that effectively permits early adoption of the capital simplifications rule.

2. Proposed Revisions to Call Report Schedule RC–R

The revisions in the capital simplifications rule would make a number of changes to the calculation of common equity tier 1 (CET1) capital, additional tier 1 capital, and tier 2 capital for non-advanced approaches institutions that do not apply to advanced approaches institutions. Thus, the capital simplifications rule results in different sets of calculations for these tiers of regulatory capital for non-advanced approaches institutions and advanced approaches institutions. At present, the FFIEC 031 and the FFIEC 041 Call Reports are completed by both non-advanced approaches institutions and advanced approaches institutions while only non-advanced approaches institutions are eligible to file the FFIEC 051 Call Report. To mitigate the complexity of revising existing Schedule RC–R, Part I, Regulatory Capital Components and Ratios, to incorporate the different sets of regulatory capital calculations for non-advanced approaches institutions and advanced approaches institutions, and to reflect the effects of the capital simplifications rule in both the FFIEC 031 and FFIEC 041 Call Reports, the agencies proposed in the October 2019 notice to require all advanced approaches institutions to file the FFIEC 031 Call Report effective as of the March 31, 2020, report date.[13] As a result, the agencies proposed to adjust the existing regulatory capital calculations reported on Schedule RC–R, Part I, for the FFIEC 041 Call Report, and also for the FFIEC 051 Call Report, to reflect the effects of the capital simplifications rule for non-advanced approaches institutions. For the FFIEC 031 Call Report, which is filed by the fewest number of institutions, the agencies proposed to incorporate the two different sets of regulatory capital calculations (one for non-advanced approaches institutions and the other for advanced approaches institutions) in Schedule RC–R, Part I, and, as mentioned above, require all advanced approaches institutions to file this version of the Call Report.

In the October 2019 notice, the agencies proposed a number of revisions that would simplify the capital calculations on each version of Schedule RC–R, Part I, effective March 31, 2020, and thereby reduce reporting burden. Because both non-advanced approaches institutions and advanced approaches institutions file the FFIEC 031 Call Report, the FFIEC 031 Call Report would include two different sets of calculations (one that incorporates the effects of the capital simplifications rule and another that does not) in adjacent columns in the affected portion of Schedule RC–R, Part I. An institution would complete only the column for the set of calculations applicable to that institution. For the March 31, 2020, report date, non-advanced approaches institutions that file the FFIEC 031 Call Report and elect to adopt the capital simplifications rule on January 1, 2020, would complete the column for the set of calculations that incorporates the effects of the capital simplifications rule. Non-advanced approaches institutions that elect to wait to adopt the capital simplifications rule on April 1, 2020, and all advanced approaches institutions would complete the column for the set of calculations that does not reflect the effects of the capital simplifications rule (*i.e.,* that reflects the capital calculation in effect for all institutions before this revision). Beginning with the June 30, 2020, report date, all non-advanced approaches institutions that file the FFIEC 031 Call Report would complete the column for the set of calculations that incorporates the effects of the capital simplifications rule; all advanced approaches institutions that file this Call Report would complete the column that does not reflect the effects of the capital simplifications rule.

Because advanced approaches institutions currently are not permitted to file the FFIEC 051 Call Report and, as proposed in the October 2019 notice, would not be permitted to file the FFIEC 041 Call Report, the FFIEC 041 and FFIEC 051 Call Reports would include a single column for the capital calculation in Schedule RC–R, Part I, that would be revised effective March 31, 2020, to incorporate the effects of the capital simplifications rule. For the March 31, 2020, report date, non-advanced approaches institutions that file the FFIEC 041 or FFIEC 051 Call Report and elect to adopt the capital simplifications rule on January 1, 2020, would complete the capital calculation column in Schedule RC–R, Part I, as revised for the capital simplifications rule. The agencies would provide instructions for non-advanced approaches institutions that file the FFIEC 041 or FFIEC 051 Call Report that elect to wait to adopt the capital simplifications rule on April 1, 2020, on how to complete Schedule RC–R, including the capital calculation column, for the March 31, 2020, report date in accordance with the capital rule in effect before the capital simplifications rule's revised effective date of January 1, 2020. Such non-advanced approaches institutions would use these instructions on a one-time basis for the March 31, 2020, report date only. Beginning with the June 30, 2020, report date, all non-advanced approaches institutions that file the FFIEC 041 or FFIEC 051 Call Report would complete Schedule RC–R as revised for the capital simplifications rule.

In connection with proposing that all advanced approaches institutions file the FFIEC 031 Call Report in the October 2019 notice, the agencies proposed to remove certain items from the FFIEC 041 Call Report that apply only to advanced approaches institutions. Thus, for Schedule RC–R, Part I, in the FFIEC 041 Call Report, the agencies proposed to remove items 30.b, 32.b, 34.b, 35.b, 40.b, 41 through 43 (Column B only), 45.a, 45.b, and 46.b. The agencies proposed to renumber items 30.a, 32.a, 34.a, 35.a, 40.a, and 46.a as items 30, 32, 34, 35, 40, and 46, respectively.

In the capital simplifications rule, the agencies increased the thresholds for

[10] 84 FR 35234 (July 22, 2019).

[11] Non-advanced approaches banking organizations are institutions that do not meet the criteria in 12 CFR 3.100(b) (OCC); 12 CFR 217.100(b) (Board); or 12 CFR 324.100(b) (FDIC).

[12] 84 FR 61804 (November 13, 2019).

[13] As discussed in Sections II.B.3. and II.D.1., below, the agencies also proposed in their October 2019 notice to require all Category III institutions to file the FFIEC 031 Call Report effective as of the March 31, 2020, report date.

including mortgage servicing assets (MSAs), temporary difference deferred tax assets that could not be realized through net operating loss carrybacks (temporary difference DTAs),[14] and investments in the capital of unconsolidated financial institutions for non-advanced approaches institutions. In addition, the agencies revised the capital calculation for minority interests included in the various capital categories for non-advanced approaches institutions and to the calculation of the capital conservation buffer.

The current regulatory capital calculations in Call Report Schedule RC–R, which do not yet reflect the revisions contained in the capital simplifications rule, require that an institution's capital cannot include MSAs, certain temporary difference DTAs, and significant investments in the common stock of unconsolidated financial institutions in an amount greater than 10 percent of CET1 capital, on an individual basis, and those three data items combined cannot comprise more than 15 percent of CET1 capital. When the reporting of regulatory capital calculations by non-advanced approaches institutions in accordance with the capital simplifications rule takes effect, this calculation would be revised in Schedule RC–R, Part I, to require that only MSAs or temporary difference DTAs in an amount greater than 25 percent of CET1 capital, on an individual basis, could not be included in a non-advanced approaches institution's regulatory capital. The 15 percent aggregate limit would be removed. In addition, the capital simplifications rule combines the current three categories of investments in financial institutions (non-significant investments in the capital of unconsolidated financial institutions, significant investments in the capital of unconsolidated financial institutions that are in the form of common stock, and significant investments in the capital of unconsolidated financial institutions that are not in the form of common stock) into a single category, investments in the capital of unconsolidated financial institutions, and applies a limit of 25 percent of CET1 capital on the amount of these investments that can be included in capital. Any investments in excess of the 25 percent limit would be deducted from regulatory capital using the corresponding deduction approach.

Consistent with the current capital rule, an institution must risk weight MSAs, temporary difference DTAs, and investments in the capital of unconsolidated financial institutions that are not deducted. The agencies proposed revisions to allow institutions to enter values into the Column K—250% risk weight on Schedule RC–R, Part II, in the FFIEC 051 Call Report, which is currently shaded out, and remove footnote two on the second page of Schedule RC–R, Part II, and the corresponding footnote on subsequent pages of Schedule RC–R, Part II, in all three versions of the Call Reports effective as of the March 31, 2020, report date to accommodate the capital simplifications rule revisions to the risk weight for MSAs and temporary difference DTAs. Consistent with the capital simplifications rule, non-advanced approaches institutions will not be required to differentiate among categories of investments in the capital of unconsolidated financial institutions. The risk weight for such equity exposures generally will be 100 percent, provided the exposures qualify for this risk weight.[15] For non-advanced approaches institutions, the capital simplifications rule eliminates the exclusion of significant investments in the capital of unconsolidated financial institutions in the form of common stock from being eligible for a 100 percent risk weight.[16] The application of the 100 percent risk weight (i) requires a banking organization to follow an enumerated process for calculating adjusted carrying value and (ii) mandates the equity exposures that must be included in determining whether the threshold has been reached. Equity exposures that do not qualify for a preferential risk weight will generally receive risk weights of either 300 percent or 400 percent, depending on whether the equity exposures are publicly traded.

In order to implement these regulatory capital changes from a regulatory reporting perspective, the agencies proposed in their October 2019 notice to make a number of revisions to Schedule RC–R, Part I, for non-advanced approaches institutions effective March 31, 2020. Specifically, in Schedule RC–R, Part I, in the FFIEC 041 and FFIEC 051 Call Reports, the agencies proposed to remove item 11 and modify item 13 to reflect the consolidation of all investments in unconsolidated financial institutions into a single category and apply a single 25 percent of CET1 capital limit to these investments. The agencies proposed to modify items 14 and 15 to reflect the 25 percent of CET1 capital limit for MSAs and certain temporary difference DTAs, respectively. The agencies also proposed to remove item 16, which applies to the aggregate 15 percent limitation that was removed from the capital rule for non-advanced approaches institutions. In the FFIEC 031 Call Report, the agencies proposed to create two columns for existing items 11 through 19. Column A would be reported by non-advanced approaches institutions that elect to adopt the capital simplifications rule on January 1, 2020, in the March 2020 Call Report and by all non-advanced approaches institutions beginning in the June 2020 Call Report using the definitions under the capital simplifications rule. Column A would not include items 11 or 16, and items 13 through 15 would be designated as items 13.a through 15.a to reflect the new calculation methodology. Column B would be reported by advanced approaches institutions and by non-advanced approaches institutions that elect to wait to adopt the capital simplifications rule on April 1, 2020, in the March 2020 Call Report and only by advanced approaches institutions beginning in the June 2020 Call Report using the existing definitions. Existing items 13 through 15 would be designated as items 13.b through 15.b to reflect continued use of the existing calculation methodology.

The agencies did not propose any changes to the form to incorporate the minority interest revisions. However, the agencies proposed to modify the instructions for the existing minority interest items in all versions of the Call Report to reflect the ability of non-advanced approaches institutions to use the revised method under the capital simplifications rule to calculate minority interest in existing items 4, 22,

[14] The agencies note that An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, Public Law 115–97 (originally introduced as the Tax Cuts and Jobs Act), enacted December 22, 2017, eliminated the concept of net operating loss carrybacks for U.S. federal income tax purposes, although the concept may still exist in particular jurisdictions for state or foreign income tax purposes.

[15] 12 CFR 3.52 and .53 (OCC); 12 CFR 217.52 and .53 (Board); 12 CFR 324.52 and .53 (FDIC). Note that for purposes of calculating the 10 percent nonsignificant equity bucket, the capital rule excludes equity exposures that are assigned a risk weight of zero percent and 20 percent, and community development equity exposures and the effective portion of hedge pairs, both of which are assigned a 100 percent risk weight. In addition, the 10 percent non-significant bucket excludes equity exposures to an investment firm that would not meet the definition of traditional securitization were it not for the application of criterion 8 of the definition of traditional securitization, and has greater than immaterial leverage.

[16] Equity exposures that exceed, in the aggregate, 10 percent of a non-advanced approaches banking organization's total capital would then be assigned a risk weight based upon the approaches available in sections 52 and 53 of the capital rule. 12 CFR 3.52 and .53 (OCC); 12 CFR 217.52 and .53 (Board); 12 CFR 324.52 and .53 (FDIC).

and 29 (CET1, additional tier 1, and tier 2 minority interest, respectively).

3. Comments Received and Final Capital Simplifications Rule Reporting Revisions

Two commenters opposed the agencies' proposal to require all advanced approaches institutions and Category III institutions to file the FFIEC 031 Call Report because this requirement could impact the reporting burden of numerous small depository institution subsidiaries of holding companies that are advanced approaches and Category III institutions. The agencies agree with the commenters with respect to Category III institutions, and therefore they will allow such institutions that are not otherwise required to file the FFIEC 031 Call Report to file the FFIEC 041 Call Report. To do so, the agencies will retain three existing data items for reporting supplementary leverage ratio information and countercyclical capital buffer information in the FFIEC 041 Call Report for use by Category III institutions. Specifically, the agencies will retain items 45.a and 45.b (renumbered as items 55.a and 55.b) in the FFIEC 041 to collect supplementary leverage ratio information from institutions with domestic offices only and total assets less than $100 billion that are subsidiaries of banking organizations subject to Category III capital standards. Additionally, the agencies will retain item 46.b (renumbered as item 52.b) in the FFIEC 041 to collect countercyclical capital buffer information from Category III institutions.

In proposing to require all advanced approaches institutions to file the FFIEC 031 Call Report (including those advanced approaches institutions that currently file the FFIEC 041 Call Report) in conjunction with the implementation of the capital simplifications rule, the agencies sought to retain a streamlined and straightforward Part I of Schedule RC–R for the more than 1,400 non-advanced approaches institutions that filed the FFIEC 041 Call Report (based on data as of September 30, 2019). When the capital simplifications rule takes effect in the first quarter of 2020, allowing advanced approaches institutions currently filing the FFIEC 041 Call Report to continue to do so, rather than requiring them to begin filing the FFIEC 031 Call Report as had been proposed, would subject all institutions filing the FFIEC 041 to the complexity of the same dual column structure for items 11 through 19 of Schedule RC–R, Part I, that is discussed above in the context of the FFIEC 031 reporting form. The benefit of a simple, straightforward Part I of Schedule RC–R in the FFIEC 041 Call Report that would be applicable only to the more than 1,400 non-advanced approaches institutions is expected to offset the impact on the small group of less than 20 advanced approaches institutions that currently file the FFIEC 041 Call Report of having to migrate to the FFIEC 031 Call Report when the capital simplifications rule takes effect. Thus, the agencies are not adopting the commenters' recommendation to permit advanced approaches institutions currently eligible to file the FFIEC 041 to continue to file this version of the Call Report.

In addition, as a consequence of the technical amendments that the capital simplifications rule made to the agencies' capital rule effective October 1, 2019, the agencies are clarifying when an institution must report the amount of distributions and discretionary bonus payments in Schedule RC–R, Part I, item 48 (which would be renumbered as item 54). The agencies are clarifying the instructions for renumbered item 54 to explain that an institution must report the amount of distributions and discretionary bonus payments made during the calendar quarter ending on the report date if the amount of its capital conservation buffer that it reported for the previous calendar quarter-end report date was less than its applicable required buffer percentage on that previous calendar quarter-end report date. This change will enhance the agencies' ability to monitor compliance with the limitations on distributions and discretionary bonus payments. Institutions must comply with this instructional clarification beginning with the March 31, 2020, report date.

C. Community Bank Leverage Ratio Rule

1. Background

In November 2019, the agencies published a final rule to provide a simplified alternative measure of capital adequacy, the community bank leverage ratio (CBLR), for qualifying community banking organizations with less than $10 billion in total consolidated assets (CBLR final rule).[17]

In addition, the FDIC recently approved a final rule regarding the application of the CBLR framework to the deposit insurance assessment system (CBLR assessments final rule).[18] Certain clarifications would be made to the Schedule RC–O instructions to address the application of the CBLR framework to the FDIC's deposit insurance assessment system in accordance with the CBLR assessments final rule, but no revisions would be made to the data items in this schedule.

Under the CBLR final rule, banking organizations that have less than $10 billion in total consolidated assets, meet risk-based qualifying criteria, and have a leverage ratio of greater than 9 percent are eligible to opt into the CBLR framework. A banking organization that opts into the CBLR framework, maintains a leverage ratio of greater than 9 percent, and meets the other qualifying criteria will not be subject to other risk-based and leverage capital requirements and, in the case of an insured depository institution (IDI), is considered to have met the well capitalized capital ratio requirements for purposes of the agencies' prompt corrective action framework.

Under the CBLR final rule, a bank or savings association (bank) that opts into the CBLR framework (CBLR bank) may opt out of the CBLR framework at any time, without restriction, by reverting to the generally applicable capital requirements in the agencies' capital rule[19] and reporting its regulatory capital information in Call Report Schedule RC–R, ''Regulatory Capital,'' Parts I and II, at the time of opting out.

As described in the CBLR final rule, a banking organization that no longer meets the qualifying criteria for the CBLR framework will be required within two consecutive calendar quarters (grace period) either to once again satisfy the qualifying criteria or demonstrate compliance with the generally applicable capital requirements. During the grace period, the bank would continue to be treated as a CBLR bank and would be required to report its leverage ratio and related components in Call Report Schedule RC–R, Part I, in the manner described in this notice.[20] A CBLR bank that ceases to meet the qualifying criteria as a result of a business combination (*e.g.,* a merger) would receive no grace period,

[17] 84 FR 61776 (November 13, 2019).

[18] 84 FR 66833 (December 6, 2019). *See also* FDIC Press Release 80–2019, dated September 17, 2019.

[19] 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR part 324 (FDIC).

[20] For example, if the banking organization electing the CBLR no longer meets one of the qualifying criteria as of February 15, and still does not meet the criteria as of the end of that quarter, the grace period for such a banking organization will begin as of the end of the quarter ending March 31. The banking organization may continue to use the community bank leverage ratio framework as of June 30, but will need to comply fully with the generally applicable rule (including the associated reporting requirements) as of September 30, unless the banking organization once again meets all qualifying criteria of the community bank leverage ratio framework, including a leverage ratio of greater than 9 percent, by that date.

and would immediately become subject to the generally applicable capital requirements. Similarly, a CBLR bank that fails to maintain a leverage ratio greater than 8 percent would not be permitted to use the grace period and would immediately become subject to the generally applicable capital requirements.

2. Proposed Revisions to Call Report Schedule RC–R

In the October 2019 notice, the agencies proposed reporting revisions to the Call Reports for banks that qualify for and opt into the CBLR framework, consistent with the CBLR final rule. The agencies also proposed in the October 2019 notice that the reporting changes to the Call Reports to implement the CBLR framework would take effect in the same quarter as the effective date of the final rule adopting the CBLR framework.

As provided in the CBLR final rule, the numerator of the community bank leverage ratio will be tier 1 capital, which is currently reported in Schedule RC–R, Part I, item 26. Therefore, the agencies are not proposing any changes related to the numerator of the community bank leverage ratio.

As provided in the CBLR final rule, the denominator of the community bank leverage ratio will be average total consolidated assets. Specifically, average total consolidated assets would be calculated in accordance with the existing reporting instructions for Schedule RC–R, Part I, items 36 through 39. The agencies did not propose any substantive changes related to the denominator of the community bank leverage ratio. However, the agencies are proposing to move existing items 36 through 39 of Schedule RC–R, Part I, and renumber them as items 27 through 30 of Schedule RC–R, Part I, to consolidate all of the community-bank-leverage-ratio-related capital items earlier in Schedule RC–R, Part I.

As provided in the CBLR final rule, a CBLR bank will calculate its community bank leverage ratio by dividing tier 1 capital by average total consolidated assets (as adjusted), and the community bank leverage ratio would be reported as a percentage, rounded to four decimal places. Since this calculation is essentially identical to the existing calculation of the tier 1 leverage ratio in Schedule RC–R, Part I, item 44, the agencies are not proposing a separate item for the community bank leverage ratio in Schedule RC–R, Part I. Instead, the agencies proposed to move the tier 1 leverage ratio from item 44 of Part I and renumber it as item 31, and rename the item the Leverage Ratio, as this ratio would apply to all institutions (as the community bank leverage ratio for qualifying institutions or the tier 1 leverage ratio for all other institutions).

As provided in the CBLR final rule, a CBLR bank will need to satisfy certain qualifying criteria in order to be eligible to opt into the CBLR framework. The proposed items identified below would collect information necessary to ensure that a bank continuously meets the qualifying criteria for using the CBLR framework.

Specifically, a CBLR bank is a bank that is not an advanced approaches institution and meets the following qualifying criteria:

- A leverage ratio of greater than 9 percent;
- Total consolidated assets of less than $10 billion;
- Total trading assets and trading liabilities of 5 percent or less of total consolidated assets; and
- Total off-balance sheet exposures (excluding derivatives other than sold credit derivatives and unconditionally cancelable commitments) of 25 percent or less of total consolidated assets.[21]

Accordingly, the agencies proposed to collect the items described below for community bank leverage ratio reporting purposes.

In proposed item 32 of Schedule RC–R, Part I, a CBLR bank would report total assets, as reported in Call Report Schedule RC, item 12.

In proposed item 33, a CBLR bank would report the sum of trading assets from Schedule RC, item 5, and trading liabilities from Schedule RC, item 15, in Column A. The bank would also report that sum divided by total assets from Schedule RC, item 12, and expressed as a percentage in Column B. As provided in the CBLR final rule, trading assets and trading liabilities would be added together, not netted, for purposes of this calculation. Also as discussed in the CBLR final rule, a bank would not meet the definition of a qualifying community banking organization for purposes of the CBLR framework if the percentage reported in Column B is greater than 5 percent.

In proposed items 34.a through 34.d, a CBLR bank would report information related to commitments, other off-balance sheet exposures, and sold credit derivatives.

In proposed item 34.a, a CBLR bank would report the unused portion of conditionally cancelable commitments. This amount would be the amount of all unused commitments less the amount of unconditionally cancelable commitments, as discussed in the planned CBLR final rule and defined in the agencies' capital rule.[22] This item would be calculated consistent with the sum of Schedule RC–R, Part II, items 18.a and 18.b, Column A.

In proposed item 34.b, a CBLR bank would report total securities lent and borrowed, which would be the sum of Schedule RC–L, items 6.a and 6.b.

In proposed item 34.c, a CBLR bank would report the sum of certain other off-balance sheet exposures and sold credit derivatives. Specifically, a CBLR bank would report the sum of self-liquidating, trade-related contingent items that arise from the movement of goods; transaction-related contingent items (performance bonds, bid bonds, warranties, and performance standby letters of credit); sold credit protection in the form of guarantees and credit derivatives; credit-enhancing representations and warranties; financial standby letters of credit; forward agreements that are not derivative contracts; and off-balance sheet securitizations. A CBLR bank would not include derivatives that are not sold credit derivatives, such as foreign exchange swaps and interest rate swaps, in proposed item 34.c.

In proposed item 34.d, a CBLR bank would report the sum of proposed items 34.a through 34.c in Column A. The bank would also report that sum divided by total assets from Schedule RC, item 12, and expressed as a percentage in Column B. As discussed in the planned CBLR final rule, a bank would not be eligible to opt into the CBLR framework if this percentage is greater than 25 percent.

In proposed item 35, a CBLR bank would report the total of unconditionally cancellable commitments, which would be calculated consistent with the instructions for existing Schedule RC–R, Part II, item 19. This item is not used specifically to calculate a bank's

[21] Under the CBLR final rule, the agencies have reserved the authority to disallow the use of the CBLR framework by a depository institution or depository institution holding company based on the risk profile of the banking organization. This authority is reserved under the general reservation of authority included in the capital rule, in which the CBLR framework would be codified. *See* 12 CFR 3.1(d) (OCC); 12 CFR 217.1(d) (Board); and 12 CFR 324.1(d) (FDIC). In addition, for purposes of the capital rule and section 201 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) (Pub. L. 115–174, 132 Stat. 1296 (2018)), the agencies have reserved the authority to take action under other provisions of law, including action to address unsafe or unsound practices or conditions, deficient capital levels, or violations of law or regulation. *See* 12 CFR 3.1(b) (OCC); 12 CFR 217.1(b) (Board); and 12 CFR 324.1(b) (FDIC).

[22] *See* definition of ''unconditionally cancellable'' in 12 CFR 3.2 (OCC); 12 CFR 217.2 (Board); 12 CFR 324.2 (FDIC).

eligibility for the CBLR framework. However, the agencies are collecting this information to identify any bank using the CBLR framework that may have significant or excessive concentrations in unconditionally cancellable commitments that would warrant the agencies' use of the reservation of authority in their capital rule to direct an otherwise-eligible CBLR bank to report its regulatory capital using the generally applicable capital requirements.[23]

In proposed item 36, a CBLR bank would report the amount of investments in the capital instruments of an unconsolidated financial institution that would qualify as tier 2 capital. Since the CBLR framework does not have a total capital requirement, a CBLR bank is neither required to calculate tier 2 capital nor make any deductions that would be taken from tier 2 capital. Therefore, if a CBLR bank has investments in the capital instruments of an unconsolidated financial institution that would qualify as tier 2 capital of the CBLR bank under the generally applicable capital requirements (tier 2 qualifying instruments), and the CBLR bank's total investments in the capital of unconsolidated financial institutions exceed 25 percent of its CET1 capital, the CBLR bank is not required to deduct the tier 2 qualifying instruments. A CBLR bank is required to make a deduction from CET1 capital or tier 1 capital only if the sum of its investments in the capital of an unconsolidated financial institution is in a form that would qualify as CET1 capital or tier 1 capital instruments of the CBLR bank and the sum exceeds the 25 percent CET1 threshold. The agencies believe it is important to continue collecting information on the amount of investments in tier 2 qualifying instruments as excessive investments similarly could warrant the agencies' use of their reservation of authority.

In proposed item 37, a CBLR bank would be required to report its allocated transfer risk reserve (ATRR), as currently calculated and reported in Schedule RC–R, Part II, item 30. In proposed items 38.a through 38.c, a CBLR bank that has adopted Accounting Standards Update (ASU) No. 2016–13 on credit losses must report the amount of any allowances for credit losses on purchased credit-deteriorated loans and leases held for investment, held-to-maturity debt securities, and other financial assets measured at amortized cost, as currently calculated and reported in Schedule RC–R, Part II, Memorandum items 4.a through 4.c. The amount of the ATRR, if any, is necessary to calculate capital and surplus and corresponding limits in a number of the OCC's regulations, including investment securities limits (12 CFR part 1) and lending limits (12 CFR part 32). After an institution adopts ASU 2016–13, allowances for credit losses on purchased credit-deteriorated assets similarly would affect the calculation of these limits. While these limits apply directly to institutions supervised by the OCC, a number of federal or state laws may apply the OCC's calculation of certain limits to state-chartered institutions supervised by the FDIC or the Board. Therefore, the agencies are proposing to retain this information for all CBLR banks. As CBLR banks would not complete Schedule RC–R, Part II, this information would otherwise not be readily available for the agencies to calculate the relevant regulatory limits for these institutions.[24]

Because a CBLR bank would not be subject to the generally applicable capital requirements, a CBLR bank would not need to complete any of the items in Schedule RC–R, Part I, after proposed item 38, nor would the bank need to complete Schedule RC–R, Part II, Risk-Weighted Assets.

In connection with moving the leverage ratio calculations and inserting items for the CBLR qualifying criteria in Schedule RC–R, Part I, existing items 27 through 35 of Schedule RC–R, Part I, will be renumbered as items 39 through 47. Existing items 40 through 43 will be renumbered as items 48 through 51, while existing items 46 through 48 will be renumbered as items 52 through 54. For advanced approaches institutions filing the FFIEC 031 Call Report, existing items 45.a and 45.b for total leverage exposure and the supplementary leverage ratio, respectively, will be renumbered as items 55.a and 55.b.

As proposed in the October 2019 notice, a CBLR bank would indicate that it has elected to apply the CBLR framework by completing Schedule RC–R, Part I, items 32 through 38. Institutions not subject to the CBLR framework would be required to report all data items in Schedule RC–R, Part I, except for items 32 through 38.

3. Other Proposed Call Report Revisions Related to the CBLR

While not specifically part of the CBLR final rule, the agencies currently collect information in Call Report Schedule RC–C, Part I, ''Loans and Leases,'' Memorandum item 13, from institutions that have a significant amount of construction, land development, and other land loans with interest reserves in relation to their total regulatory capital as reported as of the previous calendar year-end report date. At present, total regulatory capital is defined as total capital reported on Schedule RC–R, Part I, item 35 (FFIEC 051) or item 35.a (FFIEC 031 or FFIEC 041). While CBLR banks would no longer report their total capital in Schedule RC–R, Part I, the agencies believe it is still important to collect this information from CBLR banks that have a significant amount of construction, land development, and other land loans with interest reserves. Therefore, effective March 31, 2021,[25] the agencies proposed to revise the reporting threshold for Schedule RC–C, Part I, Memorandum item 13, for all institutions to reference the sum of tier 1 capital as reported in Schedule RC–R, Part I, item 26, plus the allowance for loan and lease losses or the allowance for credit losses on loan and leases, as applicable, as reported in Schedule RC, item 4.c.

4. Comments Received and Final CBLR Rule Reporting Revisions

Two commenters addressed certain aspects of the proposed CBLR reporting revisions. Aspects of the proposed CBLR reporting revisions on which no comments were received, including the proposed change in the reporting threshold for Schedule RC–C, Part I, Memorandum item 13, would be implemented as proposed.

One commenter supported ''the proposed line item additions to RC–R, Part I reporting to support changes to the leverage ratio,'' but the other commenter recommended removing

[23] Other factors also may lead the agencies to determine that the risk profile of an otherwise-eligible CBLR bank would warrant the use of the reservation of authority.

[24] Institutions that are not CBLR banks would not complete proposed items 37 and 38.a through 38.c, but would continue to report any ATRR and any allowances for credit losses on purchased credit-deteriorated loans and leases held for investment, held-to-maturity debt securities, and other financial assets measured at amortized cost in Schedule RC–R, Part II.

[25] For report dates during 2020, the reporting threshold for Schedule RC–C, Part I, Memorandum item 13, would be the total capital an institution reported in Schedule RC–R, Part I, as of December 31, 2019, which will predate the initial reporting under the CBLR framework in Schedule RC–R. The first year-end report date under the CBLR framework would be December 31, 2020, which would be the report date to which a CBLR bank would refer in order to determine whether it would need to complete Schedule RC–C, Part I, Memorandum item 13, as of each quarter-end report date during 2021.

proposed items 35 through 38.c of Part I because the data to be reported are not qualifying criteria under the CBLR framework. Both commenters did not favor the proposal to move existing items 36 through 39 of Schedule RC–R, Part I, which are used to measure total assets for the leverage ratio, and existing item 44, ''Tier 1 leverage ratio,'' from their present locations in Part I of the schedule to an earlier position in Part I where all of the CBLR-related items would be reported and these five items would be renumbered as items 27 through 31. One of the commenters stated that, although this proposed change in the presentation of Part I of Schedule RC–R would not affect the results of individual items in Part I, the proposed new presentation could be confusing to end users of the schedule. The second commenter expressed concern about inserting the data items for the CBLR framework within existing Schedule RC–R, Part I, rather than in a separate version of the schedule as the agencies had originally proposed in April 2019, because the insertion of these data items was confusing and could lead to reporting errors. Thus, this commenter suggested that the agencies break the proposed revised structure of Part I of Schedule RC–R into three separate parts with existing Part II of Schedule RC–R becoming the fourth part of the schedule. In addition, this commenter noted that an institution that is eligible to opt into the CBLR framework may opt into and out of the framework at any time, and that there is a grace period for an institution that no longer meets the qualifying criteria for the CBLR framework. During the grace period, the institution continues to be treated as a CBLR bank. Because an institution's status, *i.e.,* as a CBLR bank or as subject to the generally applicable capital requirements, can change from quarter to quarter, the commenter recommended the addition of data items to Schedule RC–R for reporting the institution's status with respect to the CBLR framework.

The agencies have considered these comments and will retain proposed items 35 through 38.c for reporting by CBLR banks in Schedule RC–R, Part I, as proposed for the reasons cited in the October 2019 notice.[26] When unconditionally cancellable commitments or investments in the tier 2 capital instruments of unconsolidated financial institutions, as reported in proposed items 35 and 36, reach excessive levels, this may warrant the agencies' use of the reservation of authority in their capital rule to direct an otherwise-eligible CBLR bank to report its regulatory capital using the generally applicable capital requirements. The allocated transfer risk reserve and allowances for credit losses on purchased credit-deteriorated assets, which would be reported in proposed items 37 and 38.a through 38.c, currently exist in Part II of Schedule RC–R, which a CBLR bank would no longer complete. The agencies use the information reported in these data items in the calculation of regulatory limits on investment securities and lending where relevant.

The agencies also will retain the proposed movement of the data items related to the leverage ratio to a position immediately after the calculation of tier 1 capital (designated items 27 through 31 of Schedule RC–R, Part I, as it would be revised) as well as the placement of the proposed data items to be completed only by CBLR banks, including those within the grace period (designated items 32 through 38.c of Schedule RC–R, Part I, as it would be revised). Because all institutions are subject to a leverage ratio requirement, all institutions must calculate and report the ratio's numerator, which is tier 1 capital, and its denominator, which is based on average total assets. As a consequence, items 1 through 31 of Part I would be applicable to and completed by all institutions. Moving the leverage ratio data items as proposed would allow CBLR banks to avoid completing the remainder of Schedule RC–R after item 38.c of Part I, which the agencies believe will be less confusing for CBLR banks than having to complete the leverage ratio items in their current location in Part I of the schedule, which is after numerous items that will not be applicable to CBLR banks.

Furthermore, the agencies will modify the formatting of Schedule RC–R, Part I, to better distinguish the data items that should be completed only by CBLR banks and those that should be completed only by those institutions applying the generally applicable capital requirements. This will be accomplished by improving the captioning before Schedule RC–R, Part I, item 32, which is the first data item to completed only by CBLR banks, and between items 38.c, which is the final data item only for CBLR banks, and item 39, which is the first data item applicable only to other institutions subject to the generally applicable capital requirements. The portion of Schedule RC–R, Part I, applicable only to CBLR banks also will be marked by bordering. These modifications to the formatting of Part I should functionally achieve an outcome similar to the comment suggesting that Part I be split into Parts 1, 2, and 3 with existing Part II then renumbered as Part 4.

In addition, the agencies acknowledge that, under the CBLR final rule, an institution that is eligible to opt into the CBLR framework may choose to opt into or out of this framework at any time and for any reason. Accordingly, the agencies see merit in a commenter's recommendation that an institution should report its status as of the report date regarding the use of the CBLR framework. Therefore, the agencies propose to add a ''yes/no'' item 31.a to Schedule RC–R, Part I, after item 31, ''Leverage ratio,'' in which each institution would report whether it has a CBLR framework election in effect as of the quarter-end report date. An institution would answer ''yes'' if it qualifies for the CBLR framework (even if it is within the grace period) and has elected to adopt the framework as of that report date. Otherwise, the institution would answer ''no.'' Captioning after the ''yes/no'' response to item 31.a would indicate which of the subsequent data items in Schedule RC–R should be completed based on the response to item 31.a. This ''yes/no'' response should assist an institution in understanding which specific data items it should complete in the rest of Schedule RC–R. The response also should assist users of Schedule RC–R in understanding the regulatory capital regime an institution is following as of the report date. The agencies are not adopting a commenter's recommendation to add additional data items relating to use of the CBLR, for example by differentiating between banks that currently meet the CBLR qualifying criteria and those that are within the grace period, as the agencies do not need this additional level of detail in the Call Report.

The agencies believe these modifications to the format and structure of Part I of Schedule RC–R will limit the burden on reporting institutions and lessen possible confusion, including for users of Schedule RC–R and for those qualifying community institutions that elect to adopt the CBLR framework. Redlined drafts of Call Report Schedule RC–R in all three versions of the Call Report as it is proposed to be revised, with the modifications described in this Section II.C.4., will be available on the FFIEC's Reporting Forms web page.

D. Tailoring Rule

1. Background

On November 1, 2019, the agencies published a final rule to revise the

[26] *See* 84 FR 53234 (October 4, 2019).

criteria for determining the applicability of regulatory capital and liquidity requirements for large U.S. banking organizations and the U.S. intermediate holding companies of certain foreign banking organizations (tailoring final rule).[27]

Under the tailoring final rule, the most stringent set of standards (Category I) applies to U.S. global systemically important banks (GSIBs). The second set of standards (Category II) applies to banking organizations that are very large or have significant international activity, but are not GSIBs. Like Category I, this category generally includes standards that are based on standards that reflect agreements reached by the Basel Committee on Banking Supervision. The third set of standards (Category III) applies to banking organizations with $250 billion or more in total consolidated assets that do not meet the criteria for Category I or II. The third set of standards also applies to banking organizations with total consolidated assets of $100 billion or more, but less than $250 billion, that meet or exceed other specified risk-based indicators. The fourth set of standards (Category IV) applies to banking organizations with total consolidated assets of $100 billion or more that do not meet the thresholds for one of the other categories.

Under the tailoring final rule, depository institution subsidiaries generally are subject to the same category of standards that apply at the holding company level.[28]

Based on the proposed capital and liquidity requirements that would apply to institutions subject to Category I, II, III, or IV capital standards in the domestic interagency tailoring and foreign interagency tailoring NPRs, the agencies proposed in their October 2019 notice to amend certain regulatory reporting forms to clarify the reporting requirements for those institutions that would be subject to those proposed rules. Specifically, the agencies proposed changes to Call Report Schedule RC–R, Part I, Regulatory Capital Components and Ratios, and FFIEC 101 Schedule A, Advanced Approaches Regulatory Capital, to provide clarification for institutions subject to Category III capital standards.[29]

In addition, the agencies proposed in the October 2019 notice that all institutions subject to Category I, II, or III capital standards would be required to file the FFIEC 031 Call Report. While the agencies proposed to require all advanced approaches institutions to file the FFIEC 031 Call Report in connection with the capital simplifications rule (see Section II.B., above), the tailoring rules would narrow the scope of institutions calculating risk-weighted assets under the advanced approaches. In the October 2019 notice, the agencies stated that they expected the revision in the scope of advanced approaches institutions to have little, if any, impact on current institutions, as all institutions with total consolidated assets of $100 billion or more or with foreign offices already are required to file the FFIEC 031, which generally aligns with the standards for Category I, II, and III institutions. However, the agencies noted in the October 2019 notice that, under the domestic interagency tailoring and foreign interagency tailoring NPRs, institutions that are subsidiaries of institutions subject to Category I, II, or III capital standards also are considered Category I, II, or III institutions. The tailoring final rule maintains the application of the same category of capital standards to depository institution holding companies and their depository institution subsidiaries. Thus, the proposed change in scope for the FFIEC 031 under the October 2019 notice meant that depository institutions considered Category I, II, or III institutions, but not required to file the FFIEC 031 Call Report at that time, would have been required to begin filing the FFIEC 031.

The agencies noted that modifying the scope of the Call Report in this manner would enable them to streamline Schedule RC–R, Part I, of the FFIEC 041 report by removing data items that apply only to the limited number of institutions then considered advanced approaches institutions that were then also eligible to file the FFIEC 041 report and to any future institutions that would, absent this change in scope, be eligible to file the FFIEC 041 report.

2. Proposed Revisions to Call Report Schedule RC–R, Part I

In order to implement the clarifications for institutions subject to Category III capital standards, as discussed above, the agencies proposed to require all Category III institutions to file the FFIEC 031 Call Report and to revise the caption for Schedule RC–R, Part I, item 45, ''Advanced approaches institutions only: Supplementary leverage ratio information,'' on the FFIEC 031 Call Report. Specifically, the agencies proposed to clarify that item 45 (proposed to be renumbered as item 55) applies to ''advanced approaches and Category III institutions'' on the FFIEC 031 report form. Item 45 would be removed from the FFIEC 041 report form. The instructions for Schedule RC–R, Part I, item 45 (proposed to be renumbered as item 55), in the FFIEC 031–FFIEC 041 instruction book also would be revised in the same manner. The general instructions for Schedule RC–R, Part I, in the FFIEC 031–FFIEC 041 instruction book also would be clarified to indicate that Category III institutions are not required to calculate risk-weighted assets according to the advanced approaches rule, but are subject to the supplementary leverage ratio and countercyclical capital buffer.

3. Proposed Revisions to the FFIEC 101

To implement the clarification for institutions subject to Category III capital standards, the agencies proposed to revise the instructions for the scope of the FFIEC 101. Specifically, because Category III institutions are not required to calculate risk-weighted assets according to the advanced approaches rule, the FFIEC 101 instructions would be revised to clarify that top-tier Category III bank holding companies, savings and loan holding companies, and insured depository institutions, and all Category III U.S. intermediate holding companies, must complete FFIEC 101 Schedule A, SLR Tables 1 and 2, only and would not complete or file any other part of the FFIEC 101. In addition, any Category III banking organization that is a consolidated subsidiary of a top-tier Category III bank holding company, savings and loan holding company, U.S. intermediate holding company, or insured depository institution would not complete or file any part of the FFIEC 101. Instead, Category III subsidiary banking organizations that file Call Reports would report SLR data in Call Report Schedule RC–R, Part I, item 45 (proposed to be renumbered as item 55).

[27] 84 FR 59230 (November 1, 2019).

[28] However, standardized liquidity requirements apply only to depository institution subsidiaries with $10 billion or more in total consolidated assets under Categories I through III, and such requirements do not apply to depository institution subsidiaries under Category IV.

[29] In the October 2019 notice, the agencies stated that they do not believe reporting form or instructional clarifications are needed to reflect capital requirements that would apply to institutions subject to Category I, II, or IV capital standards under the domestic interagency tailoring and foreign interagency tailoring NPRs. With the issuance of the tailoring final rule, the agencies continue to believe no such reporting form or instructional clarifications are needed.

All Category IV institutions would not complete or file any part of the FFIEC 101.

4. Comments Received and Final Tailoring Rule Reporting Revisions

a. Call Report Revisions

Two commenters addressed the agencies' proposal to require all institutions subject to Category I, II, or III capital standards to file the FFIEC 031 Call Report. One commenter observed that institutions that are subsidiaries of Category I, II, and III institutions, and therefore also considered Category I, II, and III institutions, will experience increases in overall reporting burden if they currently file the FFIEC 041 Call Report, but now must file the FFIEC 031 Call Report. The other commenter explicitly stated that the agencies should not expand the scope of the FFIEC 031 to require subsidiaries of Category I, II, and III institutions that previously were eligible to file the FFIEC 041 Call Report to file the FFIEC 031 Call Report. This commenter recommended that the agencies confirm that subsidiary depository institutions that currently file the FFIEC 041 or FFIEC 051 Call Report should continue to do so rather than ''filing the more burdensome FFIEC 031.''

As previously discussed in Section II.B.3., the agencies have reviewed these comments and are modifying the proposed change in scope as it applies to Category III institutions not currently required to file the FFIEC 031 Call Report. Accordingly, Category III institutions that have less than $100 billion in total assets and have no foreign offices (as defined in the Call Report instructions) would be eligible to file the FFIEC 041 Call Report and would not be required to file the FFIEC 031. Such institutions also would not be eligible to file the FFIEC 051 Call Report. As previously mentioned, to accommodate this modification to the originally proposed change in scope for Category III institutions, the agencies will retain existing SLR information items 45.a and 45.b (proposed to be renumbered as items 55.a and 55.b), as well as existing item 46.b for the countercyclical capital buffer (proposed to be renumbered as item 56.b), in Schedule RC–R, Part I, in the FFIEC 041 Call Report rather than removing these three items from this report as had been proposed. However, the agencies would require all Category I and II institutions, including depository institution subsidiaries of Category I and II institutions, to file the FFIEC 031 Call Report as proposed. As advanced approaches institutions, depository institutions that are Category I and II institutions are not eligible to file the FFIEC 051 Call Report.

b. FFIEC 101 Revisions

Two commenters recommended that Category III institutions should not be required to file the FFIEC 101. Such institutions are not required to calculate risk-weighted assets according to the advanced approaches rule, but are subject to the supplementary leverage ratio (SLR). Thus, the only portions of the FFIEC 101 report applicable to Category III institutions are Supplementary Leverage Ratio Tables 1 and 2. However, one commenter noted that depository institution subsidiaries of Category III institutions, which are themselves considered Category III institutions, are not required to complete these two tables in the FFIEC 101 and instead report specified SLR data only in Call Report Schedule RC–R, Part I.

In support of their recommendation to eliminate SLR data from the FFIEC 101, these commenters asserted that holding companies that report detailed SLR information in the FFIEC 101 report duplicate information in the Board's FR Y–15.[30] However, the instructions for the FR Y–15 state that ''[i]f the banking organization files the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101) for the same reporting period, then''12 data items in Schedule A of the FR Y–15 ''will be populated automatically'' from the corresponding data items reported in FFIEC 101 SLR Table 2. Furthermore, the FR Y–15 does not collect data comparable to the data reported in FFIEC 101 SLR Table 1, ''Summary comparison of accounting assets and total leverage exposure.''

Both commenters also noted that Table 13 of the Pillar 3 disclosures [31] requires certain institutions to disclose the same SLR information as is reported in FFIEC 101 SLR Tables 1 and 2. These commenters also cited these Pillar 3 disclosures as a reason for eliminating the SLR Tables from the FFIEC 101. However, the agencies' capital rule provides that the management of an institution required to make the Pillar 3 public disclosures may provide all of the required disclosures in one place on its public website ''or may provide the disclosures in more than one public financial report or other regulatory reports,'' provided the institution ''publicly provides a summary table specifically indicating the location(s) of all such disclosures.'' [32] Thus, an institution could satisfy the Table 13 disclosure requirement through the use of FFIEC 101 SLR Tables 1 and 2, the location of which would be provided in the institution's summary table.

Although the agencies recognize the existence of overlaps between the SLR information in the FR Y–15, Table 13 of the Pillar 3 disclosures, and SLR Tables 1 and 2 of the FFIEC 101, the latter serves, or can serve, as the source for some or all of the SLR information in the other two. Therefore, the agencies do not agree with the comments that SLR Tables 1 and 2 in the FFIEC 101 duplicate other available information and will retain these tables.

In addition, one commenter suggested that if the requirement to complete SLR Tables 1 and 2 is retained for top-tier Category III banking organizations, as proposed, ''a change to Line 2.20 Tier 1 capital for Category III firms to account for Tier 1 capital calculation differences would be appropriate.'' On the FFIEC 101 reporting form, the caption for Item 2.20 currently says, ''Tier 1 capital (from Schedule A, item 45).'' The agencies note that the existing instructions for Item 2.20 already state that an institution ''that does not complete Schedule A, except for the SLR disclosures, must use the corresponding item as reported on the institution's Schedule RC–R of the Call Report or Schedule HC–R of the FR Y–9C, as applicable.'' Thus, the Item 2.20 instructions already address the commenter's suggestion. However, the agencies will modify the caption for Item 2.20 to clarify the source for the amount of Tier 1 capital to be reported in this item.

E. Revisions to the Supplementary Leverage Ratio for Certain Central Bank Deposits of Custodial Banks

1. Background

On November 19, 2019, the agencies announced that they had finalized the proposed revisions to the SLR for certain central bank deposits of banking organizations predominantly engaged in custodial activities.[33] The final rule, which implements section 402 of the EGRRCPA, takes effect April 1, 2020.

In the October 2019 notice, the agencies proposed changes to the instructions for Call Report Schedule

[30] Banking Organization Systemic Risk Report (FR Y–15), OMB No. 3064–0352.

[31] *See* 12 CFR 3.173 (OCC); 12 CFR 217.173 (Board); 12 CFR 324.173 (FDIC).

[32] *See* 12 CFR 3.172(c)(1) (OCC); 12 CFR 217.172(c)(1) (Board); 12 CFR 324.172(c)(1) (FDIC).

[33] *See* the custodial bank SLR final rule attached to OCC News Release 2019–135, Board Press Release, and FDIC Press Release 109–2019, all of which are dated November 19, 2019.

RC–R and the addition of a new data item to both SLR Tables 1 and 2 in FFIEC 101 Schedule A that would implement the proposed changes to the agencies' capital rule.

2. Proposed Revisions to Call Report Schedule RC–R, Part I

In the October 2019 notice, the agencies proposed to modify the instructions for the calculation of the total leverage exposure to enable an institution that qualifies as a ''custodial banking organization'' to exclude deposits placed at a ''qualifying central bank'' from the total leverage exposure reported in Schedule RC–R, Part I, item 45.a (which would become item 54.a of Part I, as proposed above). The excluded deposits would be limited to the amount of deposit liabilities on the consolidated balance sheet of the custodial banking organization that are linked to fiduciary or custody and safekeeping accounts.

3. Proposed Revisions to FFIEC 101 Schedule A

In the October 2019 notice, the agencies also proposed to revise the total leverage exposure calculation that would be reported on the FFIEC 101 Schedule A through the addition of a new data item for the qualifying central bank deduction to the calculations of the total leverage exposure in SLR Tables 1 and 2 of this schedule. The new reporting item would be placed between existing data items 1.7 and 1.8 in SLR Table 1 and between data items 2.2 and 2.3 in SLR Table 2.

4. Final Reporting Revisions

The agencies received no comments on the proposed changes to Call Report Schedule RC–R, Part I, and FFIEC 101 Schedule A for the SLR for custodial banks and will implement the changes as proposed.

F. Standardized Approach for Counterparty Credit Risk on Derivative Contracts

1. Background

On November 19, 2019, the agencies announced that they had adopted a final rule implementing a new approach for calculating the exposure amount of derivative contracts under the capital rule: The standardized approach for counterparty credit risk (SA–CCR final rule).[34] The SA–CCR final rule takes effect April 1, 2020 (*i.e.,* for the Call Report and the FFIEC 101 for the June 30, 2020, report date) with a mandatory compliance date of January 1, 2022 (*i.e.,* for the Call Report and the FFIEC 101 for the March 31, 2022, report date).

The SA–CCR final rule replaces the current exposure methodology (CEM) with SA–CCR in the capital rule for advanced approaches institutions. The final rule requires banking organizations subject to Category I and II standards (Category I and II banking organizations) in the agencies' tailoring final rule,[35] discussed in Section II.D. above, to use SA–CCR to calculate their standardized total risk-weighted assets and permits non-advanced approaches banking organizations the option of using SA–CCR in place of CEM to calculate the exposure amount of their noncleared and cleared derivative contracts. Category I and II banking organizations would have to choose either SA–CCR or the internal models methodology (IMM) to calculate the exposure amount of their noncleared and cleared derivative contracts in connection with calculating their risk-based capital under the advanced approaches. The SA–CCR final rule provides for the eventual elimination of the current methods for Category I and II banking organizations to determine the risk-weighted asset amount for their default fund contributions to a central counterparty (CCP) or a qualifying central counterparty (QCCP) and implements a new and simpler method that would be based on the banking organization's pro-rata share of the CCP's and QCCP's default fund. However, the final rule allows banking organizations that elect to use SA–CCR to continue to use method 1 and method 2 under CEM to calculate the risk-weighted asset amount for default fund contributions until January 1, 2022.

The SA–CCR final rule also requires Category I and Category II banking organizations to use SA–CCR to determine the exposure amount of derivative contracts for purposes of calculating total leverage exposure for the supplementary leverage ratio. If a Category III banking organization chooses to use SA–CCR to calculate its total risk-weighted assets, it must use SA–CCR to determine the exposure amount of derivative contracts for its total leverage exposure. Where a banking organization has the option to choose among the approaches applicable to such banking organization under the capital rule, it must use the same approach for all purposes.

Furthermore, the final rule allows a clearing member banking organization to recognize the counterparty credit risk-reducing effect of client collateral in replacement cost and potential future exposure (PFE) for purposes of calculating total leverage exposure under certain circumstances. In particular, this treatment applies to a clearing member banking organization's exposure from its client-facing derivative transactions. For such exposures, a clearing member banking organization would use SA–CCR, as applied for risk-based capital purposes, which permits recognition of both cash and non-cash forms of margin in the form of financial collateral received from a client to offset the replacement cost and PFE components for client-facing derivative transactions.

In the October 2019 notice, the agencies proposed to revise the instructions for Call Report Schedule RC–R, Part II, as well as for SLR Table 2 in FFIEC 101 Schedule A, to implement the changes to the calculation of the exposure amount of derivative contracts under the agencies' capital rule.

Additionally, the SA–CCR final rule notes that the FDIC is unable to incorporate the SA–CCR methodology into the deposit insurance assessment pricing methodology for highly complex institutions[36] upon the effective date of this rule, but will consider options for addressing the use of SA–CCR in the deposit insurance system as derivative exposure data reported using SA–CCR becomes available. In the meantime, certain clarifications would be made to the instructions for reporting counterparty exposures in Schedule RC–O, Memorandum items 14 and 15, of the FFIEC 031 and the FFIEC 041 Call Reports, requiring highly complex institutions to continue to calculate derivative exposures using CEM, but without any reduction for collateral other than cash collateral that is all or part of variation margin and that satisfies certain requirements.[37] Similarly, certain clarifications would be made to the instructions for Schedule RC–O, Memorandum items 14 and 15, in the FFIEC 031 and the FFIEC 041 Call Reports requiring highly complex institutions to continue to report the exposure amount associated with securities financing transactions, including cleared transactions that are

[34] *See* the SA–CCR final rule attached to OCC News Release 2019–136, Board Press Release, and FDIC Press Release 110–2019, all of which are dated November 19, 2019.

[35] 84 FR 59231 (November 1, 2019).

[36] *See* 12 CFR 327.8(g).

[37] *See* 12 CFR 3.10(c)(4)(ii)(C)(1)(ii) and (iii) and 3.10(c)(4)(ii)(C)(3)–(7) (OCC); 12 CFR 217.10(c)(4)(ii)(C)(1)(ii) and (iii) and 217.10(c)(4)(ii)(C)(3)–(7) (Board); and 12 CFR 324.10(c)(4)(ii)(C)(1)(ii) and (iii) and 324.10(c)(4)(ii)(C)(3)–(7) (FDIC) (as amended under the SA–CCR final rule).

securities financing transactions, using the standardized approach.[38]

2. Proposed Revisions to Call Report Schedule RC–R, Part II

A banking organization that applies the generally applicable capital requirements must report the notional amount and regulatory capital exposure amount of its derivatives exposures in Schedule RC–R, Part II. In the October 2019 notice, the agencies proposed to revise the instructions for Schedule RC–R, Part II, to be consistent with SA–CCR. Generally, the proposed revisions to the reporting of derivatives elements in Schedule RC–R, Part II, are driven by the treatment of cleared derivatives' variation margin (settled-to-market versus collateralized-to-market), netting provisions impacting the calculations of notional and exposure amounts, and attributions of derivatives to cleared versus noncleared derivatives. The General Instructions for Schedule RC–R, Part II, and the instructions for Schedule RC–R, Part II, items 20, 21, and Memorandum items 1 through 3 would be revised.

3. Proposed Revisions to FFIEC 101 Schedule A, SLR Table 2

In connection with their calculation of the supplementary leverage ratio, Category I, II, and III banking organizations must report the exposure amount of their derivatives in SLR Table 2 of FFIEC 101 Schedule A. In the October 2019 notice, the agencies proposed to revise the instructions for SLR Table 2 to be consistent with SA–CCR. Institutions that continue to use the CEM would use the current FFIEC 101 Schedule A instructions to complete SLR Table 2.

4. Comments Received and Instructions for Reporting Derivatives

The agencies did not receive comments specifically addressing their proposals to revise the instructions for Schedule RC–R, Part II, and for FFIEC 101 Schedule A, SLR Table 2, consistent with the SA–CCR final rule. However, two commenters submitted similar questions and requests for clarifications related to certain derivatives reporting issues. In Schedule RC–R, Part II, Memorandum item 3, institutions report the notional principal amounts of centrally cleared derivative contracts by remaining maturity. Commenters sought clarification as to whether, for purposes of reporting derivatives referred to as settled-to-market contracts in Memorandum item 3, the remaining maturity of such derivatives should be the remaining maturity used to determine the conversion factor for the calculation of the PFE of these contracts or the contractual remaining maturity of these contracts. The derivatives information reported in Memorandum items 1 through 3 of Schedule RC–R, Part II, is collected to assist the agencies in understanding, and assessing the reasonableness of, the credit equivalent amounts of the over-the-counter derivatives and the centrally cleared derivatives reported in Schedule RC–R, Part II, items 20 and 21, column B. Accordingly, when reporting settled-to-market centrally cleared derivative contracts in Memorandum item 3, the remaining maturity used to determine the applicable conversion factor should be the basis for reporting. The agencies will clarify the instructions for Memorandum item 3 to address the reporting of settled-to-market contracts.

Both commenters stated that the Call Report instructions do not explain whether institutions should report notional amounts in Schedule RC–L, Derivatives and Off-Balance Sheet Items, and Schedule RC–R, Part II, Risk-Weighted Assets, for derivatives that have matured, but have associated unsettled receivables or payables that are reported as assets or liabilities, respectively, on the balance sheet as of the quarter-end report date. In seeking clarification of the reporting requirements for such situations, the commenters recommended that notional amounts not be reported for derivatives that have matured. The agencies agree and will clarify the Call Report instructions to so indicate.

For purposes of reporting notional amounts in the Call Report, one commenter recommended that the agencies clarify whether the notional amount as defined in U.S. generally accepted accounting principles (GAAP)[39] or under the SA–CCR final rule should be used when an institution must report the notional amount of derivative contracts in Schedule RC–R, Regulatory Capital, and elsewhere in the Call Report, such as Schedule RC–L. The agencies believe that the SA–CCR notional amount should be reported in Schedule RC–R only when an institution uses SA–CCR to calculate its exposure amounts when the institution determines its standardized total risk-weighted assets. When an institution uses CEM to calculate exposure amounts for its derivative contracts, the notional amounts to be reported in Schedule RC–R should be based on the definition in U.S. GAAP. All notional amounts reported in Schedule RC–L should be based on the U.S. GAAP notional amount. The agencies will revise the instructions for Schedules RC–L and RC–R in this manner.

Both commenters addressed the reporting of the fair value of collateral held against over-the-counter (OTC) derivative exposures by type of collateral and type of derivative counterparty in Schedule RC–L, item 16.b, and questioned whether this information is meaningful. One commenter requested clarification of the purpose for collecting this information while the other recommended that the agencies no longer collect this information. The data items for reporting the fair value of collateral are applicable to institutions with total assets of $10 billion or more. In general, the agencies use this information in their oversight and supervision of banks engaging in OTC derivative activities. The breakdown of the fair value of collateral posted for OTC derivative exposures in item 16.b provides the agencies with important insights into the extent to which collateral is used as part of the credit risk management practices associated with derivative credit exposures to different types of counterparties and changes over time in the nature and extent of the collateral protection. As a result of the agencies' review of Schedule RC–L in 2016 during their most recent statutorily mandated review of existing Call Report data items,[40] the agencies reduced the level of detail required to be reported on the fair value of collateral posted for OTC derivative exposures in item 16.b effective June 30, 2018. The agencies' use of the information reported in Schedule RC–L, item 16.b, will be reviewed again before the end of 2022 as part of their next statutorily mandated review.

G. High Volatility Commercial Real Estate (HVCRE) Land Development Loans

1. Background

On December 13, 2019, the agencies published a final rule that conforms the HVCRE exposure definition in section 2 of the capital rule[41] to the statutory definition of an HVCRE ADC loan[42] and clarifies the capital treatment for loans that finance the development of land

[38] *See* 12 CFR 3.37(b) or (c) (OCC); 12 CFR 217.37(b) or (c) (Board); and 12 CFR 324.37(b) or (c) (FDIC) (as amended under the SA–CCR final rule).

[39] *See* Accounting Standards Codification Section 815–10–20.

[40] This review is mandated by section 604 of the Financial Services Regulatory Relief Act of 2006 (12 U.S.C. 1817(a)(11)).

[41] *See* 12 CFR 3.2 (OCC); 12 CFR 217.2 (Board); and 12 CFR 324.2 (FDIC).

[42] See Section 214 of the EGRRCPA.

under the revised HVCRE exposure definition (HVCRE final rule).[43] This final rule takes effect April 1, 2020.

2. Proposed Revisions to Call Report Schedule RC–R, Part II

The agencies' adoption of the HVCRE final rule supersedes the July 6, 2018, interagency statement.[44] In relevant part, this statement advised institutions that, when determining which loans should be subject to a heightened risk weight, until the agencies take further action institutions may choose to continue to apply the current regulatory definition of HVCRE exposure, or they may choose to apply the heightened risk weight only to those loans they reasonably believe meet the statutory definition of HVCRE ADC loan. Institutions will be required to apply the HVCRE exposure definition in the final rule beginning with the Call Report for June 30, 2020. Therefore, the agencies will make conforming revisions to the instructions for Schedule RC–R, Part II, items 4.b and 5.b, in all versions of the Call Report effective as of that report date. No revisions to the Call Report forms are necessary.

3. Proposed Revisions to FFIEC 101 Schedule G

The changes to the HVCRE exposure definition discussed above would also affect the instructions for Schedule G—Wholesale Exposure in the FFIEC 101. Therefore, the agencies also will make conforming revisions to the FFIEC 101 instructions to align with the new HVCRE exposure definition in the final rule effective as of the June 30, 2020, report date.

H. Operating Lease Liabilities

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016–02, ''Leases,'' which added Topic 842, Leases, to the Accounting Standards Codification (ASC). Once ASU 2016–02 is effective for an institution, the ASU's accounting requirements, as amended by certain subsequent ASUs, supersede ASC Topic 840, Leases.

The most significant change that ASC Topic 842 makes to the previous lease accounting requirements is to lessee accounting. Under the lease accounting standards in ASC Topic 840, lessees recognize lease assets and lease liabilities on the balance sheet for capital leases, but do not recognize operating leases on the balance sheet. The lessee accounting model under Topic 842 retains the distinction between operating leases and capital leases, which the new standard labels finance leases. However, the new standard requires lessees to record a right-of-use (ROU) asset and a lease liability on the balance sheet for operating leases. (For finance leases, a lessee's lease asset also is designated an ROU asset.) In general, the new standard permits a lessee to make an accounting policy election to exempt leases with a term of one year or less at their commencement date from on-balance sheet recognition.

For institutions that are public business entities, as defined under U.S. GAAP, Topic 842 is currently in effect. For institutions that are not public business entities, the FASB recently amended the effective date of the new standard so that Topic 842 will now take effect for fiscal years beginning after December 15, 2020, and interim reporting periods within fiscal years beginning after December 15, 2021.[45] Early application of the new standard is permitted for all institutions.

The Call Report Supplemental Instructions for March 2019[46] stated that a lessee should report lease liabilities for operating leases and finance leases, including lease liabilities recorded upon adoption of the ASU, in Schedule RC–M, items 5.b, ''Other borrowings,'' and 10.b, ''Amount of 'Other borrowings' that are secured,'' which is consistent with the current Call Report instructions for reporting a lessee's obligations under capital leases under ASC Topic 840. In response to this instructional guidance, the agencies received questions from institutions concerning the reporting of a bank lessee's lease liabilities for operating leases. These institutions indicated that reporting operating lease liabilities as other liabilities instead of other borrowings would better align the reporting of the single noninterest expense item for operating leases in the income statement (which is the presentation required by ASC Topic 842) with their balance sheet classification and would be consistent with how these institutions report operating lease liabilities internally.

The agencies considered the views expressed by these institutions and proposed in the October 2019 notice to require that operating lease liabilities be reported on the Call Report balance sheet in Schedule RC, item 20, ''Other liabilities.'' In Schedule RC–G, Other Liabilities, operating lease liabilities would be reported in item 4, ''All other liabilities.'' In subitems of Schedule RC–G, item 4, institutions must itemize and describe any components of this item in amounts greater than $100,000 that exceed 25 percent of the amount reported in item 4. Because of the expected prevalence of operating lease liabilities, the agencies also proposed to add a new subitem with the preprinted caption ''Operating lease liabilities'' to item 4 to facilitate the reporting of these liabilities when their amount exceeds the reporting threshold for itemizing and describing components of ''All other liabilities.'' These changes would take effect as of the March 31, 2020, report date.

The agencies received no comments on these proposed revisions for operating lease liabilities and will implement them as proposed.

I. Reporting Home Equity Lines of Credit That Convert From Revolving to Non-Revolving Status

1. Proposed Instructional Clarification

Institutions report the amount outstanding under revolving, open-end lines of credit secured by 1–4 family residential properties (commonly known as home equity lines of credit or HELOCs) in item 1.c.(1) of Schedule RC–C, Part I, Loans and Leases. The amounts of closed-end loans secured by 1–4 family residential properties are reported in Schedule RC–C, Part I, item 1.c.(2)(a) or (b), depending on whether the loan is a first or a junior lien.[47]

A HELOC is a line of credit secured by a lien on a 1–4 family residential property that generally provides a draw period followed by a repayment period. During the draw period, a borrower has revolving access to unused amounts under a specified line of credit. During the repayment period, the borrower can no longer draw on the line of credit, and the outstanding principal is either due immediately in a balloon payment or repaid over the remaining loan term through monthly payments. Because the Call Report instructions do not address the reporting treatment for a home equity line of credit when it reaches its end-of-draw period and converts from

[43] 84 FR 68019 (December 13, 2019).

[44] Board, FDIC, and OCC, *Interagency statement regarding the impact of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20180706a1.pdf.*

[45] See FASB ASU 2019–10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates.

[46] *https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_FFIEC051_suppinst_201903.pdf.*

[47] Institutions report additional information on open-end and closed-end loans secured by 1–4 family residential properties in certain other Call Report schedules in accordance with the loan category definitions in Schedule RC–C, Part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b).

revolving to non-revolving status, the agencies have found diversity in how these credits are reported in Schedule RC–C, Part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b), and in other Call Report items that use the definitions of these three loan categories.

In September 2015, to address this absence of instructional guidance and promote consistency in reporting, the agencies proposed to clarify the instructions for reporting loans secured by 1–4 family residential properties by specifying that after a revolving open-end line of credit has converted to non-revolving closed-end status, the loan should be reported as closed-end in Schedule RC–C, Part I, item 1.c.(2)(a) or (b), as appropriate.[48] As discussed in a subsequent notice,[49] the agencies received a number of comments that raised concerns with the proposal. In particular, some commenters stated that reclassifying HELOCs after the draw period could raise operational challenges for institutions' loan systems that would require additional time to implement. Based on the feedback received, the agencies did not proceed with their proposed instructional clarification at that time.

The agencies continue to believe that it is important to collect accurate data on loans secured by 1–4 family residential properties in the Call Report. Consistent classification of HELOCs based on the status of the draw period is particularly important for the agencies' safety and soundness monitoring. Due to the structure of HELOCs discussed above, borrowers generally are not required to make principal repayments during the draw period, which may create a financial shock for borrowers when they must make a balloon payment or begin regular monthly repayments after the draw period. With some institutions reporting HELOCs past the draw period as revolving, this increases the amounts outstanding, charge-offs, recoveries, past dues, and nonaccruals reported in the open-end category relative to the amounts reported by institutions that treat HELOCs past the draw period as closed-end, which makes the data less useful for agency comparisons and safety and soundness monitoring. In addition, in ASU No. 2019–04,[50] the FASB amended ASC Subtopic 326–20 on credit losses to require that, when presenting credit quality disclosures in notes to financial statements prepared in accordance with U.S. GAAP, an entity must separately disclose line-of-credit arrangements that are converted to term loans from line-of-credit arrangements that remain in revolving status. The agencies further stated in the October 2019 notice that they had determined that there would be little or no impact to the regulatory capital calculations, FDIC deposit insurance assessments, or other regulatory reporting requirements as a result of this proposed clarification, which were other concerns previously raised by commenters.

Therefore, in the October 2019 notice, the agencies re-proposed to clarify the Call Report instructions for Schedule RC–C, Part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b), to address continuing diversity in reporting practices by stating that revolving, open-end lines of credit secured by 1–4 family residential properties that have converted to non-revolving closed-end status should be reported as closed-end loans. The effect of this clarification would extend to the instructions for numerous data items elsewhere in the Call Report that reference the Schedule RC–C, Part I, loan category definitions for open-end and closed-end loans secured by 1–4 family residential properties and were identified in the October 2019 notice. That notice also identified a limited number of Call Report data items to which this instructional clarification would not be applied.

To address prior comments regarding the time needed for any systems changes, the agencies proposed that compliance with the clarified instructions would not be required until the March 31, 2021, report date. The October 2019 notice further proposed that institutions not currently reporting in accordance with the clarified instructions would be permitted, but not required, to report in accordance with the clarified instructions before that date.

2. Comments Received and Final Reporting Revisions

Three commenters opposed the agencies' proposal to require that HELOCs that have converted to non-revolving closed-end status should be reported as closed-end loans. Commenters cited the numerous data items in multiple Call Report schedules that would be affected by this proposed instructional clarification and the reconfiguration of systems that would need to be undertaken as well as a definitional conflict between the Call Report instructions as the agencies proposed to clarify them and the instructions for the Board's FR Y–14M report filed by holding companies with total consolidated assets of $100 billion or more.[51] In addition, one commenter stated that the proposed Call Report instructional clarification may lead to inconsistencies between the reporting of HELOCs in open-end and closed-end status in the Call Report and disclosures of HELOCs made in filings with the Securities and Exchange Commission under the federal securities laws. Another commenter cited differences in the risk profiles of loans underwritten as HELOCs and those underwritten as closed-end loans at origination and indicated that the proposed instructional clarification could distort performance trends for loans secured by 1–4 family residential properties as HELOCs migrate between the open-end and closed-end loan categories in the Call Report. Two of the commenters opposing the proposed instructional clarification instead recommended the creation of a memorandum item in the Call Report loan schedule (Schedule RC–C, Part I) to identify for supervisory purposes the amount of HELOCs that have converted to non-revolving closed-end status. The other commenter suggested segregating closed-end HELOCs using a separate loan category code, which may also imply separate reporting and disclosure of such HELOCs.

One commenter also requested that the agencies clarify the reporting treatment for ''drawdowns of a HELOC Flex product that contain 'lock-out' features,'' which was described as the borrower's exercise of an option to convert a draw on the line of credit to ''a fixed rate interest structure with defined payments and term.''

After considering the comments received, the agencies will not implement the proposed clarification to the instructions for Schedule RC–C, Part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b) that would result in revolving, open-end lines of credit secured by 1–4 family residential properties that have converted to non-revolving closed-end status being reported as closed-end loans. In light of the guidance in the instructions for the Board's FR Y–14M report that directs reporting entities to continue to report HELOCs that are no longer revolving credits in the Home Equity schedule, the agencies propose to adopt this treatment for Call Report purposes. However, recognizing the existing diversity in practice in which some institutions report HELOCs that have converted from revolving to non-revolving status as closed-end loans in

[48] *See* 80 FR 56539 (September 18, 2015).

[49] *See* 81 FR 45357 (July 13, 2016).

[50] ASU No. 2019–04, ''Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments,'' issued in April 2019.

[51] Capital Assessments and Stress Testing Report (FR Y–14M), OMB Number 7100–0341.

the Call Report while other institutions continue to report such HELOCs as open-end loans, the agencies propose that institutions report all HELOCs that convert to closed-end status on or after January 1, 2021, as open-end loans in Schedule RC–C, Part I, item 1.c.(1). An institution that currently reports HELOCs that have converted to non-revolving closed-end status as open-end loans in Schedule RC–C, Part I, item 1.c.(1), should not change its reporting practice for these loans and should continue to report these loans in item 1.c.(1) regardless of their conversion date. An institution that currently reports HELOCs that convert to non-revolving closed-end status as closed-end loans in Schedule RC–C, Part I, item 1.c.(2)(a) or 1.c.(2)(b), as appropriate, may continue to report HELOCs that convert on or before December 31, 2020, as closed-end loans in Call Reports for report dates after that date. Alternatively, the institution may choose to begin reporting some or all of these closed-end HELOCs as open-end loans in item 1.c.(1) as of the March 31, 2020, or any subsequent report date, provided this reporting treatment is consistently applied. With respect to HELOC Flex products, the proposed reporting treatment described above would mean that amounts drawn on a HELOC during its draw period that a borrower converts to a closed-end amount before the end of this period also should be reported as open-end loans in Schedule RC–C, Part I, item 1.c.(1), subject to the transition guidance above.

The agencies also agree with commenters' suggestion to create a memorandum item in Schedule RC–C, Part I, in which institutions would report the amount of HELOCs that have converted to non-revolving closed-end status that are included in item 1.c.(1), ''Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit.'' This new Memorandum item 16 in Schedule RC–C, Part I, would enable the agencies to monitor the proportion of an institution's home equity credits in revolving and non-revolving status and changes therein and assess whether changes in this proportion in relation to changes in past due and nonaccrual home equity credits and charge-offs and recoveries of such credits warrant supervisory follow-up. Memorandum item 16 would be collected quarterly in the FFIEC 031 and the FFIEC 041 Call Reports and semiannually as of June 30 and December 31 in the FFIEC 051 Call Report. To provide time needed for any systems changes, the agencies propose to implement this new memorandum item as of the March 31, 2021, report date in the FFIEC 031 and the FFIEC 041 Call Reports and as of the June 30, 2021, report date in the FFIEC 051 Call Report.

III. Timing

As stated in their October 2019 notice, the agencies plan to make the capital-related reporting changes described in Sections II.B. through II.G. effective the same quarters as the effective dates of the various final capital rules discussed in this notice. Thus, the reporting revisions to the Call Report and the FFIEC 101, as applicable, would take effect March 31, 2020, for the capital simplifications rule, the community bank leverage ratio rule, and the tailoring final rule. In this regard, the filing of the FFIEC 031 Call Report by all institutions that are advanced approaches institutions under the tailoring final rule and the filing of the FFIEC 031 or FFIEC 041 Call Report by institutions considered Category III institutions under this rule would take effect as of March 31, 2020. Non-advanced approaches institutions may elect to wait to adopt the capital simplifications rule for reporting purposes until the June 30, 2020, report date. The reporting revisions to the Call Report and the FFIEC 101, as applicable, would take effect June 30, 2020, for the custodial bank supplementary leverage ratio final rule, the standardized approach for counterparty credit risk on derivative contracts final rule, and the high volatility commercial real estate exposures final rule. However, the mandatory compliance date for reporting in accordance with the standardized approach for counterparty credit risk final rule is the March 31, 2022, report date.

In addition, the reporting of operating lease liabilities as ''All other liabilities'' in Call Report Schedule RC–G would take effect March 31, 2020, and the change in the reporting of construction, land development, and other land loans with interest reserves in Call Report Schedule RC–C, Part I, would take effect March 31, 2021. The requirement to continue reporting HELOCs that convert to closed-end status as open-end loans in Schedule RC–C, Part I, would apply to those HELOCs that convert on or after January 1, 2021, with pre-2021 conversions subject to the transition guidance described in Section II.I. above; new Memorandum item 16 in Schedule RC–C, Part I, for HELOCs in non-revolving closed-end status that are reported as open-end loans would take effect March 31, 2021, in the FFIEC 031 and the FFIEC 041 Call Reports and June 30, 2021, in the FFIEC 051 Call Report.

The specific wording of the captions for the new or revised Call Report data items discussed in this notice and the numbering of these data items should be regarded as preliminary.

IV. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

(a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies.

Dated: January 21, 2020.

Theodore J. Dowd,

Deputy Chief Counsel, Office of the Comptroller of the Currency.

Board of Governors of the Federal Reserve System, January 21, 2020.

Ann E. Misback,

Secretary of the Board.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on January 21, 2020.

Annmarie H. Boyd,

Assistant Executive Secretary.

[FR Doc. 2020–01292 Filed 1–24–20; 8:45 am]

BILLING CODE 4810–33–P; 6210–01–P; 6714–01–P

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Registration of Money Services Businesses Regulation and FinCEN Form 107

AGENCY: Financial Crimes Enforcement Network (''FinCEN''), Treasury.