

Proposal: Call Reports FFIEC 031, 041, and 051 Consolidated Reports of Condition and Income. (ICP 202423 Pub'd

Description:

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From: Mizuho Americas Finance, Helen Fung

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Comments:

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To the Board of Governors of the Federal Reserve System:

We would like to clarify the following items in the draft Call Report instructions with proposed effective date 12/31/2024:

(i) RC-C 9.a. Loans to nondepository financial institutions

- a) What is the definition of "securitization vehicles"?
- b) What is the treatment of the loans to the following types of SPV?

1. For a loan to a SPV created as securitization vehicle to warehouse and securitize the customer's account receivables or loan receivables (i.e. not mortgage related) generated as part of the customer's business/lending operations, do we report it in RC-C Memo 10.e?

1. For a loan to a SPV created as securitization vehicle to hold the asset for project finance (e.g. power plant) to fund for a project from a customer, do we report it in RC-C Memo 10.e?

1. For a loan to a SPV created as securitization vehicle to warehouse mortgages generated as part of the customer's lending operations, do we report in RC-C Memo 10.a?

1. For a loan to a SPV created as securitization vehicle to fund for real estate investment (i.e. not mortgage related) as part of the REIT operations, do we report it in RC-C Memo 10.e? If the real estate investment is mortgage related, then we will report it in RC-C Memo 10.a?

1. For a loan to a SPV created for the sole function is to borrow money and relend it to its affiliated companies or a corporate joint venture in which an affiliated company is a joint venturer, do we report it in RC-C 9.a or 9.b.(2) All other loans.

(ii) RC-C 9.b.(1) Loans for purchasing or carrying securities, including margin Loans:

For a margin loan to be reportable in RC-C line 9.b.1, the criteria are as follows:

- 1. Borrower is a securities investor;
- 2. Collateral is borrower's investment portfolio;
- 3. Securities type can be Debt or equity with readily determinable fair values; and
- 4. Predominately secured (i.e. greater than 50 percent of the underlying collateral by securities).

What is the definition of "All purpose and non-purpose" margin loan? Should the loan mainly for investment in securities purpose?

(iii) RC-C Memo 3, "Loans to finance commercial real estate, construction, and land development activities (not secured by real estate)

The draft instruction newly added reference to Line "Item 9.a. "Loans to nondepository financial institutions"", are we referring to loans in Insert D item (1) "Loans to mortgage credit intermediaries"?

Thank you.

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