

**Supporting Statement for the
Financial Statements for Holding Companies
(FR Y-9; OMB No. 7100-0128)¹**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Financial Statements for Holding Companies (FR Y-9; OMB No. 7100-0128). This information collection comprises the following five reports:

- Consolidated Financial Statements for Holding Companies (FR Y-9C),
- Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP),
- Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP),
- Financial Statements for Employee Stock Ownership Plan Holding Companies (FR Y-9ES), and
- Supplement to the Consolidated Financial Statements for Holding Companies (FR Y-9CS).

The Board requires bank holding companies (BHCs), most savings and loan holding companies (SLHCs), securities holding companies, and U.S. intermediate holding companies (IHCs) (collectively, HCs) to provide standardized financial statements through one or more of the FR Y-9 reports.² The information collected on the FR Y-9 reports is necessary for the Board to identify emerging financial risks and monitor the safety and soundness of HC operations.

The Board proposes to revise the FR Y-9C by (1) adding new line items to gather additional information regarding loans to nondepository financial institutions (NDFIs), (2) revising the instructions to include additional detail on the types of loans that should be reported as loans to NDFIs, (3) adding a new line item to capture the amount of structured financial products guaranteed by U.S. Government or sponsored agencies, (4) revising the instructions to permit HCs to use electronic signatures to comply with the FR Y-9C signature and attestation requirement, and (5) making other minor clarifications and conforming edits to the form and instructions. These revisions would also be consistent with proposed revisions³ to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051; OMB No. 7100-0036).

¹ In addition to the FR Y-9, the Board proposes to revise without extension the Capital Assessments and Stress Testing Reports (FR Y-14A/Q/M; OMB No. 7100-0341) as a part of this clearance package. The revisions are explained below.

² The following SLHCs are exempt: (1) a unitary savings and loan holding company with primarily commercial assets that meets the requirements of section 10(c)(9)(c) of the Home Owners' Loan Act (HOLA), for which thrifts make up less than 5 percent of its consolidated assets and (2) an SLHC that primarily holds insurance-related assets and does not otherwise submit financial reports with the Securities and Exchange Commission pursuant to sections 13 or 15(d) of the Securities Exchange Act of 1934.

³ See 89 FR 45046 (May 22, 2024)

The Board also proposes to revise the FR Y-9LP to instruct holding companies to report leases in accordance with Accounting Standards Update 2016-02, “Leases” (ASU 2016-02), Accounting Standards Codification (ASC) Topic 842. There are no proposed revisions at this time for the FR Y-9SP, FR Y-9ES, or FR Y-9CS.

The Board also proposes to revise the Capital Assessments and Stress Testing Reports (FR Y-14A/Q/M; OMB No. 7100 0341) FR Y-14Q to align Schedule H.1, item 26, with the FR Y-9C proposed line items related to NDFIs. There are no proposed revisions to the FR Y-14A/M as a part of this notice for comment. There is a separate notice for comment on an extension, with revision, of the FR Y-14A/Q/M, which was published in the Federal Register on June 21, 2024 (89 FR 52042). The revisions proposed in that notice are unrelated to this proposed revision. Once considering any comments received related to all proposed revisions of the FR Y-14A/Q/M, the Board may finalize all FR Y-14 revisions in a single federal register notice and supporting statement, separate from any federal register notice and supporting statement related to the FR Y-9.

All proposed changes mentioned above would take effect as of the December 31, 2024, report date.

The current estimated total annual burden for the FR Y-9 is 114,489 hours and would increase to 115,283 hours. The revisions would result in an increase of 794 total burden hours, which is less than 1 percent of the total burden hours. The FR Y-9 forms and instructions are available on the Board’s public website at <https://www.federalreserve.gov/apps/reportingforms>.

Background and Justification

The FR Y-9 reports are the Board’s primary source of financial data from HCs. Federal Reserve System examiners rely on the FR Y-9 reports to supervise HCs between on-site inspections. The Board uses the collected data to detect emerging financial problems, conduct pre-inspection analysis, monitor and evaluate capital adequacy, evaluate mergers and acquisitions, and analyze an HC’s overall financial condition to monitor the safety and soundness of its operations. The information collected by the FR Y-9 reports is not available from other sources.

Description of Information Collection

The FR Y-9C consists of standardized financial statements for HCs similar to the Call Reports filed by commercial banks. The FR Y-9C collects consolidated data and is filed quarterly by top-tier HCs with total consolidated assets of \$3 billion or more.⁴

The FR Y-9LP, which collects parent company only financial data, must be submitted quarterly by each HC that files the FR Y-9C, as well as by each of its subsidiary HCs.⁵ The

⁴ Under certain circumstances described in the FR Y-9C’s General Instructions, HCs with assets under \$3 billion may be required to file the FR Y-9C.

⁵ A top-tier HC may submit a separate FR Y-9LP on behalf of each of its lower-tier HCs.

report consists of standardized financial statements, including the following schedules: Income Statement, Cash Flow Statement, Balance Sheet, Investments in Subsidiaries and Associated Companies, Memoranda, and Notes to the Parent Company Only Financial Statements.

The FR Y-9SP is a parent company only financial statement filed semiannually by HCs with total consolidated assets of less than \$3 billion. In a banking organization with total consolidated assets of less than \$3 billion that has tiered HCs, each HC in the organization must submit, or have the top-tier HC submit on its behalf, a separate FR Y-9SP. This report collects basic balance sheet and income data for the parent company, as well as data on its intangible assets and intercompany transactions.

The FR Y-9ES is filed annually by each employee stock ownership plan (ESOP) that is also an HC. The report collects financial data on the ESOP's benefit plan activities. The FR Y-9ES consists of four schedules: Statement of Changes in Net Assets Available for Benefits, Statement of Net Assets Available for Benefits, Memoranda, and Notes to the Financial Statements.

The instructions to each of the FR Y-9C, FR Y-9LP, FR Y-9SP, and FR Y-9ES state that respondent HCs should retain workpapers and other records used in the preparation of the reports for a period of three years following submission. In addition, HCs must maintain in their files a manually signed and attested printout of the data submitted under each form for a period of three years.

The FR Y-9CS is a voluntary, free-form supplemental report that the Board may utilize to collect critical additional data deemed to be needed from HCs in an expedited manner. The FR Y-9CS data collections are used to assess and monitor emerging issues related to HCs, and the report is intended to supplement the other FR Y-9 reports. The data requested by the FR Y-9CS would depend on the Board's data needs in any given situation. For example, changes made by the Financial Accounting Standards Board (FASB) may introduce into generally accepted accounting principles (GAAP) new data items that are not currently collected by the other FR Y-9 reports. The Board could use the FR Y-9CS report to collect these data until the items are implemented into the other FR Y-9 reports.⁶

Respondent Panel

The FR Y-9 panel is comprised of HCs. Specifically, the FR Y-9C panel is comprised of top-tier HCs with total consolidated assets of \$3 billion or more; the FR Y-9LP panel is comprised of each HC that files the FR Y-9C, as well as by each of its subsidiary HCs; the FR Y-9SP panel is comprised of HCs with total consolidated assets of less than \$3 billion;⁷ the

⁶ The FR Y-9CS was most recently used by the Board on June 30, 2008. In that collection, data were requested from banking organizations implementing an Advanced Measurement Approach to calculate operational risk capital under the Basel II Risk-Based Capital Framework. The report was used to conduct a voluntary Loss Data Collection Exercise relating to operational risk.

⁷ The following HCs do not have to file HC financial statements under the FR Y-9C, FR Y-9LP, and FR Y-9SP: (1) HCs that have been granted an exemption under section 4(d) of the Bank Holding Company Act of 1956 and (2) a

FR Y-9ES panel is comprised of each ESOP that is also an HC; and the FR Y-9CS panel is comprised of any HC the Board selects.⁸ Most small HCs file the streamlined parent only FR Y-9SP report semiannually.

Frequency and Time Schedule

The FR Y-9C and FR Y-9LP are filed quarterly as of the last calendar day of March, June, September, and December. The filing deadline for the FR Y-9C is 40 calendar days after the March 31, June 30, and September 30 as-of dates and 45 calendar days after the December 31 as-of date. The filing deadline for the FR Y-9LP is 45 calendar days after the quarter-end as-of date. The FR Y-9SP is filed semiannually as of the last calendar day of June and December, and the filing deadline is 45 calendar days after the as-of date. The annual FR Y-9ES is collected as of December 31, and the filing deadline is July 31 of the following year, unless an extension to file by October 15 is granted. Respondents will be notified of the filing deadline for the FR Y-9CS if it is utilized by the Board.

If the above submission deadlines for the FR Y-9C, FR Y-9LP, FR Y-9SP, and FR Y-9ES fall on a weekend or holiday, the reports must be received on the first business day after the Saturday, Sunday, or holiday. The reports are due by the end of the reporting day on the submission date (i.e., 5:00 P.M. at each of the Reserve Banks).

Proposed Revisions to the FR Y-9C

A. Loans to Nondepository Financial Institutions

Loans to NDFIs have increasingly played an essential role in the financial system. NDFIs include a wide range of counterparties, including insurance companies, mortgage companies, private equity funds, hedge funds, broker-dealers, real estate investment trusts (REITs), marketplace lenders, special purpose entities, and other financial vehicles. Currently, data on loans to NDFIs is collected on Schedule HC-C, Loans and Leases, item 9.a. “Loans to nondepository financial institutions.”

Since this item was added in 2010, institutions have increased direct lending exposure to NDFIs. In March 2010, loans to NDFIs reported in this item totaled approximately \$83 billion and represented only 1.2 percent of gross loans reported by respondents. However, in June 2023, the reported amount of loans to NDFIs increased significantly to almost \$881 billion and represented 8.3 percent of respondents’ total loan exposure. Notwithstanding this increase in NDFI credit risk, the current report form and instructions do not provide granularity on specific

“qualified foreign banking organization” as defined by section 211.23(a) of Regulation K (12 CFR 211.23(a)) that controls a U.S. subsidiary bank.

⁸ The Reserve Bank with whom a reporting HC files its reports may require that an HC with total consolidated assets of less than \$3 billion submit the FR Y-9C and the FR Y-9LP reports to meet supervisory needs. In addition, any HC that is not subject to the Federal Reserve’s Capital Adequacy Guidelines, but nonetheless elects to comply with the guidelines, is required to file a complete FR Y-9C and FR Y-9LP report, and generally would not be permitted to revert to filing the FR Y-9SP report in any subsequent periods. See footnote 2 of the general instructions for the FR Y-9C for more information.

NDFI exposure, such as direct and off-balance sheet exposure, data on NDFI exposure in non-domestic offices, or NDFI loan performance data (e.g., nonaccrual and past-due status). Further, the Board has observed inconsistency in NDFI exposure reporting among industry filers.

The Board is proposing to update the report form and instructions to increase the granularity in reporting exposure to NDFIs and to improve reporting consistency. These proposed revisions would enhance the understanding of NDFI exposure, risks, and performance trends. The revisions would group together loan exposures that exhibit similar underlying risk characteristics while addressing the diversity in practice on the reporting of these loans that exists today. In addition, the proposed granular reporting would allow for more accurate analysis of bank financial statements for applicable institutions and performance metrics. These revisions and clarifications are proposed to be effective as of the December 31, 2024, report date and are described in detail below.

Schedule HC-C, Loans and Leases

- To ensure consistent reporting on loans to NDFIs, the instructions for item 9.a, “Loans to nondepository financial institutions” would be updated to include additional detail on the types of loans that should be reported in this line item. In addition, the instructions would be revised to include in the amounts reported in this item loans to securities brokers and dealers and loans to investment firms and mutual funds, excluding loans that meet the definition of a “loan secured by real estate” [Report in Schedule HC-C, item 1] and loans that meet the definition of “loans for purchasing or carrying securities, including margin loans” [Report in Schedule HC-C, item 9.b.(1)].
- On item 9.b.(1), “Loans for purchasing or carrying securities (secured and unsecured),” the instructions would be revised to include in the amounts reported in this item all purpose and non-purpose securities-based margin loans, regardless of borrower type, that are predominately secured (greater than 50 percent of the underlying collateral) by securities with readily determinable fair values. This would allow for certain loans to broker dealers that meet the definition of securities-based margin loans to be reported in this item. .
- On item 9.b.(1), “Loans for purchasing or carrying securities (secured and unsecured),” the instructions would also be revised to include in the amounts reported in this item all margin loans, including securities-based loans and non-purpose margin loans. In addition, the item description for item 9.b.(1) would be revised to “Loans for purchasing or carrying securities, including margin loans.” The description of item 9.b.(3) would also be revised to “Loans for purchasing or carrying securities, including margin loans and all other loans.”
- On Memorandum item 2, “Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule HC-C, items 4 and 9”, the instructions would be revised to also include amounts reported in item 9.a, “Loans to nondepository financial institutions,” and item 9.b, “Other loans,” as applicable.

- Memorandum item 10 (currently “not applicable”) would be renamed “Loans to nondepository financial institutions” and would include the following subitems, as defined in the instructions for Schedule HC-C, item 9.a, to capture direct lending exposures to NDFIs: 10.a, “Loans to mortgage credit intermediaries;” 10.b, “Loans to business credit intermediaries;” 10.c, “Loans to private equity funds;” 10.d, “Loans to consumer credit intermediaries;” and 10.e, “Other loans to nondepository financial institutions.” The sum of subitems 10.a through 10.e would equal Schedule HC-C, item 9.a. These items would only be collected from institutions with \$10 billion or more in total assets.

Schedule HC-L, “Derivatives and Off-Balance Sheet Items”

- The subitems for item 1.e, “Other unused commitments,” would be revised to include the collection of data on both depository financial institutions and NDFIs. Specifically, subitem 1.e.(2), “Loans to financial institutions,” would be changed to “Loans to depository financial institutions.” Subitem 1.e.(3), would be renamed “Loans to nondepository financial institutions” and would collect data on unused commitments for loans to NDFIs. The existing subitem 1.e.(3), “All other unused commitments,” would be renumbered to item 1.e.(4).
- The proposed renamed subitem 1.e.(3), “Loans to nondepository financial institutions,” would include five subitems with the same five categories as the new subitems listed for Schedule HC-C, Memorandum item 10, above. The sum of these subitems 1.e.(3)(a) through 1.e.(3)(e) would equal the amount reported in Schedule HC-L, item 1.e.(3). These items would only be collected from institutions with \$10 billion or more in total assets.

Schedule HC-N, “Past Due and Nonaccrual Loans, Leases, and Other Assets”

- Memorandum item 9 would be renamed, “Loans to nondepository financial institutions included in Schedule HC-N, item 7” and would capture past due and nonaccrual information for NDFIs in columns A through C.

B. Reporting on Guaranteed Structured Financial Products

In March 2023, a proposal for revisions to the FR Y-9C⁹ included a question on the reporting of certain Federal Home Loan Mortgage Corporation (FHLMC) and similar securitization structures that have government guarantees on Schedule HC-B, Securities. The Board sought comment on the reporting of these types of structured financial products, including those issued or guaranteed by U.S. government or government sponsored agencies.

The Board received one comment on this topic. The commenter supported reporting these securities in item 5.b. However, the commenter noted the lack of transparency in this item regarding the proportion of securities with government guarantees. The commenter suggested

⁹ 88 FR 18315 (March 28, 2023).

that a subcategory be added to item 5.b to report the amount that is guaranteed by the U.S. government or an agency. In the final notice published in August 2023,¹⁰ the Board indicated that it would consider whether to propose the addition of the suggested subcategory of item 5.b as part of a future proposal.

After further review of the commenter's suggestion to collect data on the amounts reported in item 5.b that are guaranteed by U.S. government agencies or sponsored agencies, the Board now proposes to add a new Memorandum item 7, "Structured financial products guaranteed by U.S. Government agencies or sponsored agencies included in Schedule HC-B, item 5.b", columns A through D, on Schedule HC-B. The proposed amounts in the new Memorandum item would collect the total amortized cost and total fair value for held-to-maturity securities and available-for-sale securities.

Additionally, to avoid double counting certain FHLMC securities reported on Schedule HC-B, the Board proposes to clarify in the instructions of Schedule HC-B, item 4.c.(1)(a) that HCs should exclude from the amounts reported in this item, the structured financial products that are reported on Schedule HC-B, item 5.b. The Board also proposes to clarify the instructions of Schedule HC-B, item 5.b to exclude pass-through securities that are reported in item 4.c.(1)(a).

C. Electronic Signature

The FR Y-9C currently requires that the CFO of the respondent HC (or an individual performing this equivalent function) attest to the accuracy of the data submitted by manually signing the cover page of the FR Y-9C submission. Review of the FR Y-9C in connection with signing the attestation supports internal control over the HC's reporting. The federal COVID-19 public health emergency declaration ended on May 11, 2023. However, business disruptions related to COVID-19 and the corresponding rise in remote work arrangements may make it operationally challenging for an HC to obtain original signatures from the required personnel to submit the FR Y-9C on a timely basis. Therefore, the Board is proposing to adopt standards for electronic signatures to comply with the FR Y-9C signature and attestation requirement. For the Board, electronic documentation can provide a stronger audit trail than a paper copy that can be misplaced or altered. For HCs, electronic signatures can reduce recordkeeping burden associated with preparing for, collecting, and retaining signatures.

Proposed Framework

A valid electronic signature generally must meet the following requirements: (1) The signer must use an acceptable electronic form of signature; (2) The electronic form of signature must be executed or adopted by a person with the intent to sign the electronic record; (3) The electronic form of signature must be logically associated with or part of the electronic record being signed; (4) There must be a means to identify, verify, and authenticate a particular person

¹⁰ 88 FR 56624 (August 18, 2023).

as the signer; and (5) There must be a means to preserve the integrity of the signed record.¹¹ The Board is proposing the electronic signature alternative for FR Y-9C signature purposes consistent with these requirements and Federal law on electronic signatures.¹²

1. Form of Signature

The Board is proposing to allow the following forms of signature: an image of the signer's physical signature; or application of an electronic signature, such as by clicking a box or entering a personal identification number (PIN). These forms of signature are widely available in current software products, are used by many banks that permit electronic signatures on loans or other agreements with customers and have been used by banks under the alternatives permitted for the Call Report since March 2020. While other forms of signature exist, such as biometric identification (e.g., voiceprint, fingerprint, retinal scan), these would not be suitable for the FR Y-9C given cost, complexity, and associated privacy issues involved in recording and maintaining signatures in these forms.

2. Intent to Sign

In order to be a valid electronic signature, the signature of the CFO or appropriate personnel must be applied by the CFO or appropriate personnel with the intent to sign in that person's official capacity on behalf of the HC. For the FR Y-9C, this means the CFO intends to sign the FR Y-9C as the attestation that it is prepared in accordance with the instructions and is true and correct, as stated on the signature page of the FR Y-9C. The CFO's intent and capacity must be included as part of the electronic signature process by using an electronic version of the relevant attestation text on the FR Y-9C signature page.

3. Association of Signature

A valid electronic signature must be made part of the record of the document being signed, to confirm that the signature applies to and is linked to the entire record. For FR Y-9C purposes, this means the signature must be associated with a complete version of the HCs FR Y-9C, including all applicable schedules, as the signer is attesting to the correctness of the information in those schedules. This association can be made by using a process that appends the signature data to the record signed, or which establishes a database-type link between the signature data and the record signed. An electronic signature made on a cover page or the FR Y-9C signature page, without the FR Y-9C schedules incorporated or attached, would not satisfy this requirement.

To validate that the HC obtained the signatures prior to filing the FR Y-9C, the date of each electronic signature would need to be included as part of the signature and attestation

¹¹ See "Use of Electronic Signatures in Federal Organization Transactions," available at: https://assets.cio.gov/assets/files/resources/Use_of_ESignatures_in_Federal_Agency_Transactions_v1-0_20130125.pdf.

¹² See, e.g., Electronic Records and Signatures in Global and National Commerce Act, Pub. L. 106-229; Government Paperwork Elimination Act of 1998, Pub. L. 105-277.

process and similarly made part of the record. This could be accomplished in different ways, for example, by the signer manually entering the date when signing, which could be verified by system transaction logs, or by software embedding the date as part of the form of signature or elsewhere within the record.

4. Identification and Authentication of the Signer

A valid signature requires proving an association between the signature and the person signing. For FR Y-9C purposes, the Board would accept any reliable information technology system identification and authentication method or process that associates access to and execution of the electronic signature transaction with the identity of the signer with a level of assurance sufficient to protect against repudiation or adverse impact to the bank that would result from a successful challenge to the execution of the electronic signature. For example, requiring the CFO of the HC to log into the HCs network using unique multifactor credentials in order to electronically sign the FR Y-9C could identify and authenticate the signer with sufficient assurance to protect against such risks. Credentials used to access the signature transaction must be sufficient for the protection of an HC's non-public or otherwise proprietary information.

5. Integrity of Signed Record

The usability of a signed electronic record requires maintaining the integrity of the electronic signature and associated record. A HC would need to have sufficient data security and data integrity practices to ensure that the FR Y-9C with electronic signature is safely stored, readily retrievable, and cannot be lost or altered.¹³ The electronic signatures would not be submitted as part of the electronic submission to Reporting Central along with the FR Y-9C data, but the electronically signed FR Y-9C would need to be available to Board examiners upon request.

An FR Y-9C with an electronic signature would be subject to the same record retention period as a paper version of the FR Y-9C, as specified in the FR Y-9C instructions, and may be deleted after the relevant timeframe. Generally, this period is three years from submission, unless state law or the Board requires a longer retention period. A HC that uses electronic signatures for its FR Y-9C would not be required to print or maintain a paper version of the submitted FR Y-9C, as the relevant electronic version of the FR Y-9C and signatures would be stored in electronic form.

Proposed Revisions to the FR Y-9LP

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, "Leases," (ASU 2016-02) which added Accounting Standards Codification (ASC) Topic 842. ASU 2016-02 became effective as of December 31, 2022, and supersedes ASC Topic 840. Under the prior standard, ASC Topic 840, lessees would recognize

¹³ These practices generally already exist within an HC's current information technology infrastructure for other bank records and customer information.

lease assets and lease liabilities on the balance sheet for capital leases but did not recognize operating leases on the balance sheet. The new lessee accounting model under ASC Topic 842 retains the distinction between operating leases and capital leases, which the new standard labels as 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.)

The FR Y-9C has been updated to reflect the FASB lease accounting changes under ASC Topic 842.¹⁴ However, the FR Y-9LP still contains the prior standard, ASC Topic 840 language. In order to attain consistency with the new accounting standard and with the FR Y-9C, the Board proposes to revise the FR Y-9LP by: (1) revising the line-item caption of FR Y-9LP, Schedule PC, item 6, by replacing references of “capitalized leases” with “right-of-use asset”; (2) revising the instructions of Schedule PC, item 6, to state that ROU assets should be reported in this line item in accordance with ASC Topic 842 and deleting instructions pertaining to reporting premises and fixed assets purchased directly or acquired by means of a capital lease; (3) revising the instructions of Schedule PC, item 14 to specify that the reporting holding company should report lease liabilities for finance leases and exclude lease liabilities for operating leases, as the lease liabilities for operating leases should be reported in Schedule PC, item 17; and (4) revise the instructions of Schedule PC-B, item 6 by replacing “capitalized leases” with “finance leases” to be consistent with the instructions of Schedule PC, item 14. These proposed revisions would be effective as of December 31, 2024.

ASU 2016-02 also impacts the FR 2314/S, FR 2886b, FR Y-7N/NS, and FR Y-11/S. The Board will consider whether to update those reports when they next undergo a periodic review under the Paperwork Reduction Act.

Proposed Revisions to the FR Y-14Q

When appropriate, the Board aims to align regulatory reports to allow for comparability and analysis across reports while keeping reporting consistent for firms. Frequently, items on the FR Y-14 reference FR Y-9C items that provide definitions or otherwise support the information collected on the FR Y-14. One instance of this alignment is FR Y-14Q, Schedule H.1 (Corporate) item 26 (“Line Reported on the FR Y-9C”) which records the FR Y-9C line item in which the loan is reported, or would be reported, on the FR Y-9C. This information complements the remainder of the data collected by Schedule H.1 to develop a comprehensive risk assessment of a loan.

To promote consistency with the FR Y-9C, the Board proposes to introduce the proposed FR Y-9C, Schedule HC-C, Memoranda items 10a through 10.e as options for item 26 on Schedule H.1. These options would replace option 7 “Loans to nondepository financial institutions (FR Y-9C, Schedule HC-C, item 9.a)”. This revision would ensure item 26 continues to capture the relevant FR Y-9C line items and that NDFI exposures are reported consistently across reports. As a result of this revision, the Board estimates no impact to the FR Y-14 burden,

¹⁴ See 85 Fed. Reg 18230 (April 1, 2020).

because the revision would modify how an existing item is reported, not introduce the reporting of additional data.

Public Availability of Data

Data from the FR Y-9 reports that are not granted confidential treatment as described below are publicly available on the FFIEC website: <https://www.ffiec.gov/NPW>.

Legal Status¹⁵

The reporting and recordkeeping requirements associated with the FR Y-9 are authorized for BHCs pursuant to section 5 of the Bank Holding Company Act of 1956 (BHC Act) (12 U.S.C. § 1844); for SLHCs pursuant to section 10(b)(2) and (3) of the HOLA (12 U.S.C. §§ 1467a(b)(2) and (3)); for IHCs pursuant to section 5 of the BHC Act, as well as pursuant to sections 102(a)(1) and 165 of the Dodd-Frank Wall Street and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. §§ 5311(a)(1) and 5365);¹⁶ and for securities holding companies pursuant to section 618 of the Dodd-Frank Act (12 U.S.C. § 1850a(c)(1)(A)). Except for the FR Y-9CS report, which is collected on a voluntary basis, the obligation to submit the remaining reports in the FR Y-9 series of reports and to comply with the recordkeeping requirements set forth in the respective instructions to each of the other reports is mandatory.

Certain information collected on the FR Y-9C and FR Y-9SP reports is kept confidential by the Board. The following items are kept confidential under exemption 4 of the Freedom of Information Act (FOIA) because these data items reflect commercial and financial information that is both customarily and actually treated as private by the respondent (12 U.S.C. § 552(b)(4)):

- FR Y-9C, Schedule HI, memoranda item 7(g), “FDIC deposit insurance assessments,”
- FR Y-9C, Schedule HC-P, item 7(a) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to U.S. government agencies and government sponsored agencies,”
- FR Y-9C, Schedule HC-P, item 7(b) “Representation and warranty reserves for 1-4 family residential mortgage loans sold to other parties,”

¹⁵ As noted above, the Board is proposing a revision to the FR Y-14Q to promote consistency with the FR Y-9C. The legal status of the FR Y-14 reports is discussed in a separate OMB Supporting Statement, and the additional revision to the FR Y-14Q described above would not affect the legal status of the reports.

¹⁶ Section 165(b)(2) of Title I of the Dodd-Frank Act (12 U.S.C. § 5365(b)(2)), refers to “foreign-based bank holding company.” Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include foreign banking organizations that are treated as bank holding companies under section 8(a) of the International Banking Act of 1978 (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain foreign banking organizations subject to section 165 of the Dodd-Frank Act to form U.S. intermediate holding companies. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides additional authority to require U.S. IHCs to report the information contained in the FR Y-9.

- FR Y-9C, Schedule HC-C, Part I, memorandum items 16.a and 16.b, for eligible loan modifications under Section 4013 of the 2020 Coronavirus Aid, Relief, and Economic Security Act, and
- FR Y-9C, Schedule HC and FR Y-9SP, Schedule SC, Memoranda item 2.b, the name and email address of the external auditing firm’s engagement partner.¹⁷

In some circumstances, disclosing these data items may also reveal confidential examination and supervisory information protected from disclosure under exemption 8 of the FOIA (12 U.S.C. § 552(b)(8)). The Board has previously assured submitters that these data items will be treated as confidential.

In addition, the Chief Executive Officer Contact Information section of both the FR Y-9C and FR Y-9SP is kept confidential pursuant to FOIA exemption 6, which applies to personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy (5 U.S.C. § 552(b)(6)), and exemption 8, which applies to information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions (5 U.S.C. § 552(b)(8)).

Aside from the data items described above, data collected by the FR Y-9 reports generally are not accorded confidential treatment. However, as provided in the Board’s Rules Regarding Availability of Information,¹⁸ a respondent may request confidential treatment for any data items the respondent believes should be withheld pursuant to a FOIA exemption. The Board will review any such request to determine if confidential treatment is appropriate and will inform the respondent if the request for confidential treatment has been granted or denied.

To the extent that the instructions to the FR Y-9 reports direct the financial institution to retain the workpapers and related materials used in preparation of each report, such material would only be obtained by the Board as part of the examination or supervision of the financial institution. Accordingly, such information is considered confidential pursuant to exemption 8 of the FOIA (5 U.S.C. § 552(b)(8)). In addition, the workpapers and related materials may also be protected by exemption 4 of the FOIA, to the extent such financial information is customarily and actually treated as private by the respondent (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

The Board consulted with the FDIC and OCC regarding the proposed revisions to the FR Y-9C.

Public Comments

¹⁷ The Board has assured respondents that this information will be treated as confidential since the collection of this data item was proposed in 2004, under the assumption that the identity of the engagement partner is treated as private information by HCs.

¹⁸ 12 CFR Part 261.

On October 2, 2024, the Board published an initial notice in the *Federal Register* (89 FR 80244) requesting public comment for 60 days on the extension, with revision, of the FR Y-9 and FR Y-14. The comment period for this notice will expire on December 2, 2024.

Estimate of Respondent Burden

As shown in the table below, the current estimated total annual burden for the FR Y-9 is 114,489 hours and would increase to 115,283 with the proposed revisions. The Board estimates that the proposed revisions applicable to FR Y-9C filers with less than \$5 billion in total assets would increase the average hours per response by 0.25 hours, the proposed revisions applicable to FR Y-9C filers with \$5 billion or more in total assets would increase the average hours per response by 0.69 hours and the proposed revisions applicable to FR Y-9C filers that are subject to the advanced approaches¹⁹ (AA) capital rule would increase the average hours per response by 1 hour. The offering of electronic signatures does not have an impact on the burden at this time. These reporting and recordkeeping requirements represent 1.7 percent of the Board’s total paperwork burden.

FR Y-9	<i>Estimated number of respondent²⁰</i>	<i>Estimated Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current Reporting				
FR Y-9C (non AA HCs) with less than \$5 billion in total assets	107	4	35.34	15,126
FR Y-9C (non AA HCs) with \$5 billion or more in total assets	236	4	44.54	42,046
FR Y-9C (AA HCs)	9	4	49.76	1,791
FR Y-9LP	411	4	5.27	8,664
FR Y-9SP	3,596	2	5.45	39,196
FR Y-9ES	73	1	0.50	37
FR Y-9CS	236	4	0.50	472
Recordkeeping				
FR Y-9C	352	4	1.00	1,408
FR Y-9LP	411	4	1.00	1,644

¹⁹ An HC that is subject to the advanced approaches capital rule (i.e., an advanced approaches institution as defined in the Board’s capital rules) is (i) a global systemically important BHC, as identified pursuant to 12 CFR 217.402, (ii) a Category II institution, (iii) a subsidiary of an HC that uses the advanced approaches pursuant to 12 CFR Part 217 (Board) to calculate its risk-based capital requirements, or (iv) an HC that elects to use the advanced approaches to calculate its risk-based capital requirements. Category II institutions include institutions with (1) at least \$700 billion in total consolidated assets or (2) at least \$75 billion in cross-jurisdictional activity and at least \$100 billion in total consolidated assets. In addition, depository institution subsidiaries of Category II institutions are considered Category II institutions.

²⁰ Of these respondents, 5 FR Y-9C (non AA HCs) with less than \$5 billion in total assets filers; 212 FR Y-9LP filers; 3,492 FR Y-9SP filers; and 73 FR Y-9ES filers are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>. There are no accommodations given to mitigate the burden on small entities. The respondent counts are as of December 31, 2021.

FR Y-9SP	3,596	2	0.50	3,596
FR Y-9ES	73	1	0.50	37
FR Y-9CS	236	4	0.50	<u>472</u>
<i>Current Total</i>				114,489
Proposed Reporting				
FR Y-9C (non AA HCs) with less than \$5 billion in total assets	107	4	35.59	15,233
FR Y-9C (non AA HCs) with \$5 billion or more in total assets	236	4	45.23	42,697
FR Y-9C (AA HCs)	9	4	50.76	1,827
FR Y-9LP	411	4	5.27	8,664
FR Y-9SP	3,596	2	5.45	39,196
FR Y-9ES	73	1	0.50	37
FR Y-9CS	236	4	0.50	472
Recordkeeping				
FR Y-9C	352	4	1.00	1,408
FR Y-9LP	411	4	1.00	1,644
FR Y-9SP	3,596	2	0.50	3,596
FR Y-9ES	73	1	0.50	37
FR Y-9CS	236	4	0.50	<u>472</u>
<i>Proposed Total</i>				115,283
<i>Change</i>				794

The estimated total annual cost to the public for the FR Y-9 is \$7,997,057 and would increase to \$8,052,518 with the proposed revisions.²¹

Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing the FR Y-9 reports is \$1,922,439.

²¹ Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$23, 45% Financial Managers at \$84, 15% Lawyers at \$85, and 10% Chief Executives at \$124). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2023, published April 3, 2024 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.