

**Supporting Statement for the
Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations
(FR 2314 and FR 2314S; OMB No. 7100-0073)
Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies
(FR Y-11 and FR Y-11S; OMB No. 7100-0244)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 following mandatory reports:

- Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314),
- Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314S),
- Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11), and
- Abbreviated Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11S).

The FR 2314 reporting forms collect financial information for non-functionally regulated direct or indirect foreign subsidiaries of U.S. state member banks (SMBs), Edge and agreement corporations, and holding companies (i.e., bank holding companies, savings and loan holding companies, securities holding companies, and intermediate holding companies) (collectively U.S. Banking Organizations (USBOs)). Parent organizations (SMBs, Edge and agreement corporations, or holding companies) file the FR 2314 on a quarterly or annual basis, or the FR 2314S on an annual basis, predominantly based on whether the organization meets certain asset size thresholds. The data from the FR 2314 forms are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

The FR Y-11 reporting forms collect financial information for individual non-functionally regulated U.S. nonbank subsidiaries of domestic holding companies (HCs), which is essential for monitoring the subsidiaries' potential impact on the condition of the HC or its subsidiary banks. HCs file the FR Y-11 on a quarterly or annual basis, or the FR Y-11S on an annual basis, predominantly based on whether the organization meets certain asset size thresholds. The data from the FR Y-11 forms are used with other holding company data to assess

¹ As part of this clearance, the Board will clear the FR 2314, FR 2314S, Y-11, and FR Y-11S under the FR 2314 OMB control number (7100-0073), and then discontinue the FR Y-11's separate OMB control number (7100-0244). This non-substantive change is aimed at simplifying the tracking and clearance process for the four related forms. This change would not modify the reporting or recordkeeping requirements described in this Supporting Statement in any way. The collection will then be titled Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies and Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314, FR 2314S, FR Y-11, and FR Y-11S; OMB No. 7100-0073).

the condition of HCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

The Board proposes to revise the FR 2314 and FR Y-11 forms and instructions to be consistent with adopted changes to U.S. generally accepted accounting principles (GAAP) related to troubled debt restructurings (TDRs), provisions for credit losses on off-balance sheet credit exposures, and expected recoveries of amounts previously charged off included within the allowances for credit losses. The Board also proposes to revise the FR 2314 and FR Y-11 instructions by modifying and clarifying the recordkeeping requirements related to the submitted form. Additionally, the Board proposes to incorporate six-line items from the FR 2502q, Quarterly Report of Assets and Liabilities of Large Foreign Offices of U.S. Banks (OMB Control No. 7100-0079), into the FR 2314. The revisions are proposed to take effect for the December 31, 2024, as-of date.

Lastly, following the completion of this clearance, the Board will remove the Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7N) and Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (Y-7NS) from OMB No. 7100-0125. These reports will be moved to the OMB No. for the Financial Statement of Foreign Subsidiaries of U.S. Banking Organizations, Financial Statement of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR 2314, FR 2314S, FR Y-11, FR Y-11S; OMB No. 7100-0073).² There are no proposed revisions to the FR 2314S and FR Y-11S at this time.

The current estimated total annual burden for the FR 2314 and FR Y-11 is 28,024 hours and would increase to 31,820 hours. The proposed revisions would result in an increase of 3,796 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/ReportingForms/>.

Background and Justification

The FR 2314 reports are the only source of comprehensive and systematic data on the assets, liabilities, and earnings of the foreign nonbank subsidiaries of U.S. banking organizations and the data are used to monitor the growth, profitability, and activities of these foreign companies. The data help the Federal Reserve identify present and potential problems of these companies, monitor their activities in specific countries, and develop a better understanding of activities within the industry and within specific institutions. This information, coupled with information from the Foreign Branch Reports of Condition (FFIEC 030; OMB No. 7100-0071), provides a picture of the breadth and scope of international banking operations for U.S. holding companies both individually and in the aggregate.

The FR Y-11 reports collect financial information for individual U.S. nonbank subsidiaries of domestic HCs, which is essential for monitoring the subsidiaries' potential impact on the holding company or its subsidiary banks' condition. Consolidated and parent company only data do not reveal the extent of the problems that may exist within the nonbank subsidiaries

² These modifications to the OMB control numbers would be made as a non-material change to these information collections.

because the size and operations of bank subsidiaries can mask the operations of nonbank subsidiaries in a consolidated report.

In addition to providing information used in the supervision of holding companies, the FR Y-11 reports provide essential information to assist the Federal Reserve in the formulation of regulations and supervisory policies. The data are also used by the Federal Reserve to respond to requests from Congress and the public for information on holding companies.

Description of Information Collection

The FR 2314 reports collect financial information for direct or indirect foreign subsidiaries of USBOs. The FR 2314 consists of an income statement and balance sheet, schedules that collect information on changes in equity capital, the allowance for loan and lease losses, off-balance-sheet data items, loans, and a memoranda section. A USBO must file the FR 2314 quarterly, as of the last calendar day of March, June, September, and December, for its subsidiary if the subsidiary is owned or controlled by a parent U.S. holding company that has total consolidated assets of \$500 million or more as of June 30 of the preceding year; or if the USBO files the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128) to meet supervisory needs; or if the subsidiary is owned or controlled by an SMB or an Edge or agreement corporation that has total consolidated assets equal to or greater than \$500 million, and the subsidiary has (1) total assets of \$1 billion or more, (2) total off-balance-sheet activities of at least \$5 billion, (3) equity capital of at least 5 percent of the top-tier organization's consolidated equity capital, or (4) operating revenue of at least 5 percent of the top-tier organization's consolidated operating revenue. The FR 2314 is filed annually, as of December 31, for each individual subsidiary that does not meet the criteria for filing quarterly and that has total assets of at least \$500 million but less than \$1 billion.

The FR 2314S is an abbreviated reporting form that collects four data items: net income, total assets, equity capital, and total off-balance-sheet data items. The FR 2314S is filed annually, as of December 31, for each individual subsidiary (that does not meet the criteria for filing the FR 2314) with total assets of at least \$250 million but less than \$500 million.

Domestic HCs file the FR Y-11 reports for their U.S. nonbank subsidiaries. The FR Y-11 consists of an income statement and balance sheet, schedules that collect information on changes in equity capital, the allowance for loan and lease losses, off-balance-sheet data items, loans, and a memoranda section. A top-tier HC must file the FR Y-11 quarterly for each nonbank subsidiary that it owns and controls if the top-tier HC has total consolidated assets of \$500 million or more as of June 30 of the preceding year or files the FR Y-9C to meet supervisory needs and the subsidiary meets any one of the following criteria: (1) total assets of \$1 billion or more, (2) total off-balance-sheet activities of at least \$5 billion, (3) equity capital of at least 5 percent of the top-tier holding company's consolidated equity capital, or (4) operating revenue of at least 5 percent of the top-tier HC's consolidated operating revenue. The FR Y-11 is filed annually, as of December 31, by top-tier holding companies for each individual nonbank subsidiary that does not meet the criteria for filing quarterly and that has total assets of at least \$500 million, but less than \$1 billion.

The FR Y-11S is an abbreviated reporting form that collects four data items: net income, total assets, equity capital, and total off-balance-sheet data items. The FR Y-11S is filed annually, as of December 31, by top-tier HCs for each individual nonbank subsidiary (that does not meet the criteria for filing the FR Y-11) with total assets of at least \$250 million, but less than \$500 million.

Respondent Panel

USBOs file the FR 2314 and FR 2314S for their foreign subsidiaries. U.S. HCs file the FR Y-11 and FR Y-11S for U.S. nonbank subsidiaries they own or control. The FR 2314S and Y-11S provide burden relief to smaller entities, as abbreviated reporting is permitted with respect to entities with total assets of at least \$250 million, but not greater than \$500 million.

Frequency and Time Schedule

The FR 2314 and the FR Y-11 are filed quarterly and annually. The FR 2314S and FR Y-11S are filed annually. HCs are required to file the quarterly FR 2314 and the FR Y-11 as of the end of March, June, September, and December, and must submit them within sixty days after the as-of date. The annual FR 2314 and FR Y-11, the FR 2314S, and the FR Y-11S are filed as of December 31 and are also submitted within sixty days after the as-of date.

Proposed Revisions to the FR 2314 and FR Y-11

Provisions for Credit Losses on Off-Balance-Sheet Credit Exposures

On June 16, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Topic 326, “Financial Instruments – Credit Losses” (ASU 2016-13). Within Topic 326, paragraph 326-20-30-11 states: “[a]n entity shall report in net income (as a credit loss expense) the amount necessary to adjust the liability for credit losses for management’s current estimate of expected credit losses on off-balance-sheet credit exposures.” Off-balance-sheet credit exposures include loan commitments, standby letters of credit, and financial guarantees not accounted for as insurance, and other similar instruments except for those within the scope of Accounting Standards Codification (ASC) Topic 815 on derivatives and hedging.

Throughout Topic 326, the FASB refers to provisions for credit losses as “credit loss expense.” For example, paragraph 326-20-30-1 states: “[a]n entity shall report in net income (as a credit loss expense) the amount necessary to adjust the allowance for credit losses (ACL) for management’s current estimate of expected credit losses on financial assets”. Thus, Topic 326 does not prohibit recording the adjustment to the liability for expected credit losses on off-balance-sheet credit exposures within the provisions for credit losses reported in the income statement.

To align with GAAP, the Board proposes to revise the FR 2314 and FR Y-11 instructions to direct USBOs and holding companies to report provisions for expected credit losses on off-balance-sheet credit exposures as part of the total amount of provisions for credit losses in Schedule IS, Income Statement, item 4, with respect to their foreign subsidiaries and U.S. nonbank subsidiaries, respectively. The inclusion of provisions for expected credit losses on

off-balance-sheet credit exposures in the provisions for credit losses presented in Schedule IS, item 4, would cause a loss of transparency within the overall reported amount of provisions for credit losses between provisions attributable to on- and off-balance-sheet credit exposures. To enhance transparency and differentiate these provisions, the Board proposes adding Memorandum item 3, “Provisions for credit losses on off-balance-sheet credit exposures,” to Schedule IS-B, “Changes in Allowances for Credit Losses,” which would identify the portion of the overall amount of the provisions for credit losses reported in Schedule IS, item 4, attributable to the provisions for expected credit losses on off-balance-sheet credit exposures.

In addition, the Board proposes to revise footnote 3 on Schedule IS-B, item 4, “Provisions for credit losses,” of the FR 2314 and FR Y-11 reporting form to reflect that the sum of item 4, Column A through Column C, plus Schedule IS-B, Memorandum items 1 and 3 must equal Schedule IS, item 4.” These proposed revisions to the FR 2314 and FR Y-11 would be effective as of December 31, 2024, and would be consistent with revisions adopted³ for the Consolidated Financial Statements for Holding Companies (FR Y-9C, OMB No. 7100-0128).

Expected Recoveries of Amounts Previously Charged Off Included within the Allowances for Credit Losses

Within Topic 326, paragraph 326-20-30-1 states: “[t]he [ACL] is a valuation account that is deducted from, or added to, the amortized cost basis of the financial asset(s) to present the net amount expected to be collected on the financial asset. Expected recoveries of amounts previously written off and expected to be written off shall be included in the valuation account and shall not exceed the aggregate of amounts previously written off and expected to be written off by an entity.” The terms “written off,” as used in Topic 326, and “charged off,” as used in the FR 2314 and FR Y-11 instructions, are used interchangeably in this discussion.

Under GAAP, before an institution’s adoption of Topic 326, expected recoveries of amounts previously written off would not be included in the measurement of the allowance for loan and lease losses; recoveries would be recorded only when received. Under Topic 326, including expected recoveries of amounts previously written off within allowances for credit losses reduces the overall amount of these allowances. Amounts related to an individual asset are written off or charged off when deemed uncollectible. However, under Topic 326, institutions can, in some circumstances, reduce the amount of the ACL that would otherwise be calculated for a pool of assets with similar risk characteristics that includes charged-off assets on the same day the charge-offs were taken by the estimated amount of expected recoveries of amounts written off on these assets. Reducing the ACL by amounts of expected recoveries prior to collection effectively “reverses” a charge-off.

Therefore, to align with GAAP and provide transparency for expected recoveries of amounts with inherently higher risk, the Board proposes to add new line item, Memorandum item 4 to Schedule IS-B, “Changes in Allowances for Credit Losses,” to capture the “Estimated amount of expected recoveries of amounts previously written off included within the ACL on loans and leases held for investment (included in item 6, column A, ‘Balance end of current

³ See 86 Fed. Reg 92 (Jan. 4, 2021).

period,' above).” These proposed revisions to the FR 2314 and FR Y-11 would be effective as of December 31, 2024, and would be consistent with revisions adopted⁴ for the FR Y-9C.

Troubled Debt Restructurings and Vintage Disclosures

On March 31, 2022, the FASB issued ASU 2022-02, “Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures” (ASU 2022-02), which eliminates the TDR recognition and measurement guidance for entities that have adopted⁵ ASU 2016-13. Instead of identifying and accounting for TDRs separately from other loan modifications, all loans modified from the beginning of the fiscal year in which the new standard is adopted by a holding company would be accounted for in accordance with ASC 310-20-35, “Receivables–Nonrefundable Fees and Other Costs – Subsequent Measurement”, as amended by ASU 2022-02. In addition, the new standard enhances financial statement disclosure requirements for certain loan modifications to borrowers experiencing financial difficulty. These disclosures include qualitative information regarding how initial modifications and subsequent performance of such modifications impact the allowance for credit losses.

Under ASU 2022-02, USBOs and HCs would only include loans that were modified to borrowers experiencing financial difficulty from the beginning of the fiscal year of adoption and in subsequent periods in their disclosures for financial statement purposes. TDRs or modifications made prior to the beginning of the fiscal year of adoption would not be included in these enhanced financial statement disclosures in the period of adoption or in any subsequent periods. Additionally, per ASU 2022-02, USBOs and HCs would not be required to use a discounted cash flow (DCF) approach to measure the allowance for credit loss on the modified loans. However, if a USBO or HC chooses to use a DCF approach, it would be required to use the post-modification expected interest rate to discount expected cash flows. Per ASC 326-20-35-5, “Investments – Financial Instruments–Credit Losses – Measured at Amortized Cost – Subsequent Measurement,” modified loans for which repayment is expected to be provided substantially through the operation or sale of the collateral when the borrower is experiencing financial difficulty would still be considered to be collateral-dependent. For regulatory reporting purposes, the allowance for credit losses for a collateral-dependent loan would continue to be measured using the fair value of collateral (less cost to sell, when appropriate), regardless of whether foreclosure is probable.

ASU 2022-02 was effective for all USBOs and HCs, as of December 31, 2023, and eliminates the recognition and measurement accounting guidance for TDRs. USBOs and HCs, with respect to their foreign and U.S nonbank subsidiaries, should no longer report TDRs on Schedule BS-A, Loans and Lease Financing Receivable. To be consistent with GAAP recognition and disclosure requirements, the Board proposes to revise the FR 2314 and FR Y-11 form and instructions to align with the definition of loan modifications to borrowers experiencing financial difficulty. Specifically, the Board is proposing to replace, as appropriate, references to “troubled debt restructurings” with “modifications to borrowers experiencing financial difficulty” in the FR 2314 and FR Y-11 forms and instructions. These changes would

⁴ See 86 Fed. Reg. 92 (Jan. 4, 2021).

⁵ ASU 2016-13 was effective for all USBOs and HCs as of December 31, 2023.

enable the Board to better understand the level of loan modification activity at holding companies. The Board would benefit from having reliable data about modification activity that is captured outside of the on-site examination process. This data would provide the Board with information to assess the loan quality and performance of modified loans.

The Board proposes to revise the FR 2314 and FR Y-11 reporting form and instructions as discussed in detail below:

Schedule BS-A, Loans and Lease Financing Receivables, item 7.d – USBOs and holding companies, with respect to their foreign and U.S nonbank subsidiaries, would continue to report detail on loan modifications to borrowers experiencing financial difficulty in Schedule BS-A, Loan and Lease Financing Receivables, item 7.d on the FR 2314 and FR Y-11. The modifications reported in item 7.d would need to meet the definition of “loan modifications to borrowers experiencing financial difficulty” as described in ASU 2022-02, which includes only those modifications which occurred in the previous 12 months.⁶ Loan modifications to borrowers experiencing financial difficulty include financing receivables that had been modified in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay or a term extension (or a combination thereof). The FR 2314 and FR Y-11 forms and instructions would be updated to include references to “loan modifications to borrowers experiencing financial difficulty” and remove references to the TDR framework.

These proposed items to the FR 2314 and FR Y-11 would be effective as of December 31, 2024, and are consistent with items currently proposed to be added to the FR Y-9C.⁷

Incorporate line items from the FR 2502q into the FR 2314

The FR 2502q collects data on the claims and liabilities with U.S.-resident and foreign-resident counterparties on the balance sheets of major foreign branches and large banking subsidiaries of U.S. head offices of bank holding companies, commercial banks and Edge and agreement corporations.⁸ For the reporting purposes of the FR 2502q, large foreign branches are currently defined as those that file the Foreign Branch Report of Condition (FFIEC 030; OMB No. 7100-0071) with total assets, Schedule BS, item 11, of \$2 billion or more. Large banking subsidiaries are defined as those that file the Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314; OMB No. 7100-0073) quarterly, have a banking charter, and have assets of \$2 billion or more *and* deposits of \$10 million or more, Schedule BS, item 10, and Schedule BS-M, item 6, respectively.

⁶ ASU 2022-02 requires disclosures on modifications to borrowers experiencing financial difficulty made “within the previous 12 months preceding the payment default when the debtor was experiencing financial difficulty at the time of the modification”. See ASC 310-10-50-44, “Receivables – Overall – Disclosure – Modifications to Debtors Experiencing Financial Difficulty.”

⁷ See [TBD].

⁸ Prior to 2015, the FR 2502q collected a full geographic distribution of claims and liabilities from these respondents. However, data on individual foreign counterparty countries became redundant with the expansion of other international data collections.

The Division of International Finance at the Board, along with other Federal government data users, such as the Bureau of Economic Analysis (BEA), a bureau of the Department of Commerce, have an interest in knowing the amounts of the claims and liabilities of U.S.-chartered banks with respect to residents of the U.S. The FR 2502q provides data about activities in foreign offices by location and type of offices that are unavailable from other reporting forms. For example, because banks' submissions that underlie the quarterly Federal Financial Institutions Examination Council (FFIEC) Country Exposure Report (FFIEC 009; OMB No. 7100-0035) are consolidated on a worldwide basis, they do not indicate which particular offices are involved in lending to or borrowing from U.S. or foreign residents. In addition, the BEA uses FR 2502q data from the Memoranda section on branches of U.S. banks in its estimates of the U.S. International Transactions Accounts and the International Investment Position.

Following a 2015 revision that substantially reduced the size of the FR 2502q report, the Board has assessed its use of the remaining data collected in the FR 2502q and has determined that the data could instead be effectively collected through the FR 2314 and FFIEC 030, and that doing so would reduce overall respondent burden. The Board proposes to add a new schedule with six new line items to the FR 2314 to collect the information currently collected by the FR 2502q. The title of the new schedule would be: "Schedule BS-Q, Due From, Due To, and Other.

Four of the new line items would provide a granular breakout of what is currently collected on Schedule BS, Balance sheet, line items 9 and 16. Two of the new line items would be new to the FR 2314 information collection. Specifically, the Board proposes to include the following line items in the new Schedule BS-Q, Due From, Due To, and Other:

- Item 1a: Balances due from related institutions in the U.S.
- Item 1b: Balances due from related institutions in foreign countries.
- Item 2a: Balances due to related institutions in the U.S.
- Item 2b: Balances due to related institutions in foreign countries.
- Item 3: Assets that are claims on U.S. addressees other than depository institutions.
- Item 4: Liabilities to U.S. addressees other than depository institutions.

The Board, Office of the Comptroller, and Federal Deposit Insurance Corporation proposed similar revisions to the FFIEC 030 in a separate notice⁹. If these revisions are adopted, the Board expects to discontinue the FR 2502q, effective as of June 30, 2024.

Clarification of Recordkeeping Requirements

The Board also proposes to modify and clarify the FR 2314 and FR Y-11 instructions to require paper and electronic filers to maintain in their files a physical or electronic scanned copy of the manually signed and attested FR 2314 and FR Y-11 submissions for a period of three years after submission. Currently, the instructions for the FR 2314 and FR Y-11 require respondents to maintain these records but do not specify the duration of the recordkeeping requirement. The proposed three-year retention period is consistent with requirements for many other Board reports and is an appropriate time to ensure that examiners have access to the

⁹ See 89 FR 3708 (January 19, 2024)

records during the period in which most issues regarding the reported information would likely arise.

Reassigning FR Y-7N & Y-7NS to OMB No.7100-0073

In 2002, the Federal Reserve revised the FR Y-7 and implemented the FR Y-7Q, FR Y-7N, and FR Y-7NS. Revisions to the FR Y-7 included: moving the risk-based capital reporting requirement to the FR Y-7Q and moving the data from U.S. nonbank subsidiaries held directly by a foreign parent to the FR Y-7N or FR Y-7NS. Currently, the FR Y-7N, 7NS, and 7Q share the same OMB Control No. (7100-0125). However, the FR Y-7N, Y-7NS, and Y-7Q have been extended with revision in unison, only 1 out of 12 proposals in the past 10 years. Typically, the FR Y-7N and Y-7NS are revised in tandem with the FR 2314 and FR Y-11 reports due to these reports collecting similar data, but from different respondents. Past proposed revisions to the FR Y-7Q typically only impacted the FR Y-7Q since there is not any similarity in the line items of the FR Y-7N and FR Y-7NS.

Therefore, following the completion of this clearance, forms FR Y-7N and Y-7NS will be reassigned to the OMB No. (7100-0073) for the FR 2314 and FR Y-11 reports. The FR Y-7Q will continue using its current OMB No. (7100-0125). Splitting the FR Y-7N and Y-7NS reports from the FR Y-7Q will assist the Board in being more efficient with clearing these information collections. This action will be made through a non-material change submission to the OMB.

Public Availability of Data

The data from the FR 2314 and FR Y-11 reports are not published routinely.

Legal Status

The proposed revisions to the FR 2314 and FR Y-11 series of reports do not implicate the existing legal authority to collect the relevant information. With respect to relevant holding companies, the FR 2314 and FR Y-11 series of reports are both authorized pursuant to section 5(c) of the Bank Holding Company Act¹⁰ (BHCs and IHCs); section 10(b)(2) of the Homeowners' Loan Act¹¹ (SLHCs); section 165 of the Dodd-Frank Act¹² (IHCs); and section 618 of the Dodd-Frank Act¹³ (securities holding companies). With respect to non-functionally regulated direct or indirect foreign subsidiaries of U.S. SMBs and Edge and agreement corporations, the FR 2314 series of reports is authorized by sections 9(6), 25(7), and 25A(17) of the Federal Reserve Act, respectively.¹⁴

The information collected through the FR 2314 and FR Y-11 series of reports is generally not considered confidential. However, to the extent particular data submitted by a covered institution is used by the Board to make discrete examination or other supervisory findings, such implicated data may be exempt from disclosure pursuant to exemption 8 of FOIA.¹⁵

¹⁰ 12 U.S.C. § 1844(c).

¹¹ 12 U.S.C. § 1467a(b)(2).

¹² 12 U.S.C. § 5365.

¹³ 12 U.S.C. § 1850a.

¹⁴ 12 U.S.C. §§ 324, 602, and 625.

¹⁵ 5 U.S.C. § 552(b)(8).

Additionally, to the extent that such information constitutes nonpublic commercial or financial information, which is both customarily and actually treated as private by the covered institution, the covered institution may request confidential treatment pursuant to exemption 4 of FOIA.¹⁶ Finally, to the extent that such information constitutes private, personal information, the covered institution may request confidential treatment on behalf of affected personnel pursuant to exemption 6 of FOIA, which covers personal information “the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.”¹⁷ Application of any of these FOIA exemptions would be done on a case-by-case basis depending on the particular circumstances.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On June 7, 2024, the Board published an initial notice in the *Federal Register* (89 FR 48639) requesting public comment for 60 days on the extension, with revision, of the FR 2314 and FR Y-11. The comment period for this notice will expire on August 6, 2024.

Estimate of Respondent Burden

As shown in the table below, the current estimated total annual burden for the FR 2314 and FR Y-11 reports is 28,024 hours and would increase to 31,820 hours with the proposed revisions. The estimated number of quarterly FR 2314 and FR Y-11 respondents is based on data submitted for the June 30, 2023, as-of date. The estimated number of annual FR 2314/2314S and FR Y-11/11S respondents is based on data submitted for the December 31, 2022, as-of date. These reporting and recordkeeping requirements represent less than 1 percent of the Board’s total paperwork burden.

	<i>Estimated number of respondents¹⁸</i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current Reporting				
FR 2314 (quarterly)	434	4	7.2	12,499
FR 2314 (annually)	223	1	7.2	1,606
FR 2314S	295	1	1.0	295
FR Y-11 (quarterly)	386	4	7.6	11,734

¹⁶ 5 U.S.C. § 552(b)(4).

¹⁷ 5 U.S.C. § 552(b)(6).

¹⁸ Of these respondents, 45 FR 2314 (quarterly), 82 FR Y-11 (quarterly), 152 FR 2314 (annual), 162 FR Y-11 (annual), 295 FR 2314S and 286 FR Y-11S 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>.

FR Y-11 (annually)	211	1	7.6	1,604
FR Y-11S	286	1	1	<u>286</u>
<i>Current Total</i>				28,024
<u>Proposed</u>				
Reporting				
FR 2314 (quarterly)	434	4	8.1	14,062
FR 2314 (annually)	223	1	7.9	1,762
FR 2314S	295	1	1.0	295
FR Y-11 (quarterly)	386	4	8.3	12,815
FR Y-11 (annually)	211	1	8.3	1,751
FR Y-11S	286	1	1.0	286
Recordkeeping				
FR 2314 (quarterly)	421	4	.2	337
FR 2314 (annually)	223	1	.2	45
FR 2314S	295	1	.2	59
FR Y-11 (quarterly)	386	4	.2	309
FR Y-11 (annually)	211	1	.2	42
FR Y-11S	286	1	.2	57
<i>Proposed Total</i>				31,820
<i>Change</i>				3,796

The estimated total annual cost to the public for these information collections is \$1,856,590 and would increase to \$2,108,075 with the proposed revisions.¹⁹

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 this FR 2314 and FR Y-11 reports is \$170,954.

¹⁹ 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 \$22, 45% Financial Managers at \$80, 15% Lawyers at \$79, and 10% Chief Executives at \$118). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2022, published April 25, 2023, <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

