

# Board of Governors of the Federal Reserve System

## Supplemental Instructions

### June 2022 FR Y-9C Materials

There are no new FR Y-9C data items in the report forms this quarter. A new topic, “Securities and Exchange Commission Staff Accounting Bulletin No. 121,” has been added to the Supplemental Instructions to provide guidance to institutions that have determined that it is appropriate to apply Securities and Exchange Commission Staff Accounting Bulletin No. 121 (SAB 121) regarding the accounting for entities that have obligations to safeguard crypto-assets held for their platform users.

Technical clarifications have also been made to the FR Y-9C Report instructions with regard to:

- Brokered deposits in the FR Y-9C Glossary.
- Standardized Approach for Counterparty Credit Risk for Schedule HC-R, Regulatory Capital, Part II – Risk Weighted Assets, memoranda item 3, “Notional principal amounts of centrally cleared derivative contracts.”
- Structured financial products that are guaranteed by U.S. government agencies such as K-Deals and Q-Deals issued by Federal Home Loan Mortgage Corporation or Freddie Mac for Schedule HC-B, Securities, item 5.b, “Structured financial products” should have corresponding reporting in HC-B, Securities, Memoranda item 6g.

## **Securities and Exchange Commission Staff Accounting Bulletin No. 121**

On March 31, 2022, the SEC released SAB 121 to express SEC staff views regarding the accounting for entities that have obligations to safeguard crypto-assets held for their platform users. SAB 121 provides that an entity, including a financial institution, should present a liability on its balance sheet to reflect its obligation to safeguard the crypto-assets held for its platform users at the fair value of the crypto-assets. The entity should also recognize a corresponding asset on its balance sheet measured at the fair value of the crypto-assets held for its platform users.

The agencies are still reviewing the implications of SAB 121. A Holding Company that determines that it is appropriate for it to apply SAB 121 for SEC or other financial reporting purposes should complete its Form 990 Report consistent with the classification determination made for SEC or other financial reporting purposes. For example, a Holding Company that has concluded that a SAB 121 crypto safeguarding asset should be recorded on its balance sheet as “other assets” would include the asset in the relevant regulatory reporting schedules as “other assets”. If the reported item requires a concise caption on a schedule and a preprinted caption has not been provided, an institution can write in a caption that best describes the item (e.g. “SAB 121 custody activity”). Holding Companies may provide details in the Notes to the Balance Sheet schedule indicating that SAB 121 was implemented and the value of the associated asset and liability.

A Holding Company that intends to apply SAB 121 for SEC or other financial reporting purposes should discuss any questions regarding SAB 121 with its primary federal regulator.

## **Accounting for Loan Modifications to Borrowers Experiencing Financial Difficulties**

In March 2022, the FASB issued ASU No. 2022-02, “Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures,” which amended ASC Topic 326, Financial Instruments – Credit Losses. This guidance, once effective, will eliminate the recognition and measurement accounting guidance for Troubled Debt Restructurings (TDRs) by creditors in Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. Consistent with the accounting for other loan modifications under ASC Section 310-20-35, Subsequent Measurement, under ASU 2022-02, an institution would evaluate whether the modification to a borrower experiencing financial difficulty represents a new loan or a continuation of an existing loan.

Prior to the adoption of ASU 2022-02, Holding Companies must recognize and disclose modified loans where the institution has granted a concession, for economic or legal reasons, related to the borrower’s financial difficulty as TDRs. Holding Companies report loans identified as TDRs on Schedule HC-C, Part I, Loans and Leases, if the loan is performing in accordance with its modified terms or Schedule HC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, if the loan is not performing in accordance with its modified terms.

For all Holding Companies that have adopted ASC Topic 326, ASU 2022-02 is effective for fiscal years beginning after December 15, 2022, including interim reporting periods within those fiscal years. For Holding Companies that have not yet adopted the amendments in ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, the effective dates for this ASU would be the same as the effective dates in ASU 2016-13. Early application of the new standard is permitted for all Holding Companies, provided that a Holding Company has adopted ASU 2016-13.

### Reporting for Early Adopters

If a Holding Company chooses to early adopt the new standard for financial reporting purposes during 2022, the Holding Company should implement the new standard in its FR Y-9C Report for the same quarter-end report date.

These Holding Companies would report all loan modifications to borrowers experiencing financial difficulties as defined by ASU 2022-02 prospectively from the beginning of the fiscal year of adoption.

For FR Y-9C Report purposes, all loans modified since adoption of the new standard to borrowers experiencing financial difficulty as defined by ASU 2022-02 that are performing in accordance with their modified terms would be reported on Schedule HC-C, Part I, Memorandum items 1.a. through 1.g. If a loan is not performing in accordance with its modified terms, it would be reported on Schedule HC-N, Memorandum items 1.a through 1.g.

These Holding Companies have an option to apply a modified retrospective transition method for the elimination of the TDR recognition and measurement guidance. The option to apply a modified retrospective transition method would result in a cumulative effect adjustment to retained earnings in the period of adoption. The cumulative-effect adjustment to Holding Company equity capital for this change in accounting principle should be reported in Schedule HI-A, Cumulative effect of changes in accounting principles, item 2, and disclosed in the Notes to the Income Statement (Other) with a write-in descriptor indicating ASU 2022-02. Holding Companies that early adopt ASU 2022-02 that do not apply the modified retrospective method in the calendar year ending December 31, 2022, may provide a statement in the Notes to the Balance Sheet indicating the quarter in which ASU 2022-02 was adopted.

For additional information on ASU 2022-02, institutions should refer to the FASB's website at: [Accounting Standards Updates Issued \(fasb.org\)](https://www.fasb.org/Accounting-Standards-Updates-Issued), which includes a link to the accounting standard update.

The agencies plan to revise the FR Y-9C forms and instructions to replace the current TDR terminology with updated language from ASU 2022-02 for the first quarter of 2023.

### **Reference Rate Reform**

In March 2020, the FASB issued ASU No. 2020-04, “Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting.” The ASU states that “[r]eference rates such as the London Interbank Offered Rate (LIBOR) are widely used in a broad range of financial instruments and other agreements. Regulators and market participants in various jurisdictions have undertaken efforts, generally referred to as reference rate reform, to eliminate certain reference rates and introduce new reference rates that are based on a larger and more liquid population of observable transactions. As a result of this initiative, certain widely used reference rates such as LIBOR are expected to be discontinued.”

The ASU provides optional expedients for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. In particular, the expedients in the ASU are available to be elected by all institutions, subject to meeting certain criteria, for contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform.

With respect to contracts, the ASU applies to contract modifications that replace a reference rate affected by reference rate reform (including rates referenced in fallback provisions) and contemporaneous modifications of other contract terms related to the replacement of the reference rate (including contract modifications to add or change fallback provisions). The ASU provides optional expedients for applying ASC in the following areas:

- ASC Topics 310, Receivables, and 470, Debt: Modifications of contracts within the scope of these topics should be accounted for by prospectively adjusting the effective interest rate.
- ASC Topics 840, Leases, and 842, Leases: Modifications of contracts within the scope of these topics should be accounted for as a continuation of the existing contracts with no reassessments of the lease classification and the discount rate (for example, the incremental borrowing rate) or remeasurements of lease payments that otherwise would be required under these topics for modifications not accounted for as separate contracts.
- ASC Subtopic 815-15, Derivatives and Hedging—Embedded Derivatives: Modifications of contracts do not require an entity to reassess its original conclusion about whether that contract contains an embedded derivative that is clearly and closely related to the economic characteristics and risks of the host contract under this subtopic.

For other topics in the ASC, the ASU states a general principle that permits an institution to consider contract modifications due to reference rate reform to be an event that does not require contract remeasurement at the modification date or reassessment of a previous accounting determination. When elected, an institution must apply the optional expedients for contract modifications consistently for all eligible contracts or eligible transactions within the relevant ASC topic that contains the guidance that otherwise would be required to be applied.

In addition, the ASU provides exceptions to the guidance in Topic 815, Derivatives and Hedging, related to changes to the critical terms of a hedging relationship due to reference rate reform. The ASU includes examples of changes to these terms that should not result in the de-designation of the hedging relationship if certain criteria are met. The ASU also provides optional expedients

for fair value hedging relationships, cash flow hedging relationships, and net investment hedging relationships for which the component excluded from the assessment of hedge effectiveness is affected by reference rate reform. If certain criteria are met, other optional expedients apply to cash flow hedging relationships affected by reference rate reform and to fair value hedging relationships for which the derivative designated as the hedging instrument is affected by reference rate reform. The optional expedients for hedging relationships may be elected on an individual hedging relationship basis.

Finally, the ASU permits institutions to make a one-time election to sell, transfer, or both sell and transfer held-to-maturity debt securities that reference a rate affected by reference rate reform and were classified as held-to-maturity before January 1, 2020.

The ASU is effective for all institutions as of March 12, 2020, through December 31, 2022. For additional information, institutions should refer to ASU 2020-04, which is available at: [Accounting Standards Updates Issued \(fasb.org\)](https://www.fasb.org/Accounting-Standards-Updates-Issued).

## Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, “Measurement of Credit Losses on Financial Instruments,” which introduces CECL for estimating allowances for credit losses. Under CECL, an allowance for credit losses is a valuation account, measured as the difference between the financial assets’ amortized cost basis and the net amount expected to be collected on the financial assets (i.e., lifetime credit losses). To estimate expected credit losses under CECL, holding companies will use a broader range of data than under existing U.S. GAAP. These data include information about past events, current conditions, and reasonable and supportable forecasts relevant to assessing the collectability of the cash flows of financial assets.

The ASU is applicable to all financial instruments measured at amortized cost (including loans held for investment and held-to-maturity debt securities, as well as trade receivables, reinsurance recoverables and receivables that relate to repurchase agreements and securities lending agreements) a lessor’s net investments in leases, and off-balance-sheet credit exposures not accounted for as insurance, including loan commitments, standby letters of credit, and financial guarantees. The new standard does not apply to trading assets, loans held for sale, financial assets for which the fair value option has been elected, or loans and receivables between entities under common control.

The ASU also modifies the treatment of credit impairment on available-for-sale (AFS) debt securities. Under the new standard, holding companies will recognize a credit loss on an AFS debt security through an allowance for credit losses, rather than the current practice required by U.S. GAAP of write-downs of individual securities for other-than-temporary impairment.

On November 15, 2019, the FASB issued ASU No. 2019-10 to defer the effective dates of ASU 2016-13 for certain holding companies. Under this ASU, for holding companies that are SEC filers, except those that are “smaller reporting companies” as defined in the SEC’s rules, ASU 2016-13 continues to be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, i.e., January 1, 2020, for such entities with calendar year fiscal years. For all other holding companies, including those SEC filers that are eligible to be smaller reporting holding companies, ASU 2016-13 now will take effect for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years, i.e., January 1, 2023, for such entities with calendar year fiscal years. For all holding companies, early application of the new credit losses standard is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

Holding companies must apply ASU 2016-13 for FR Y-9C purposes in accordance with the effective dates set forth in the ASU, as amended in November 2019. A holding company that early adopts ASU 2016-13 for U.S. GAAP financial reporting purposes should also early adopt the ASU in the same period for FR Y-9 purposes.

For additional information, holding companies should refer to the agencies’ [Interagency Policy Statement on Allowances for Credit Losses](#), which was published on June 1, 2020. Since the

issuance of ASU 2016-13, the FASB has published the following amendments to the new credit losses accounting standard:

- ASU 2018-19, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176171644373&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176171644373&acceptedDisclaimer=true);
- ASU 2019-04, “Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176172541591&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176172541591&acceptedDisclaimer=true);
- ASU 2019-05, “Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176172668879&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176172668879&acceptedDisclaimer=true);
- ASU 2019-10, “Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176173775344&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176173775344&acceptedDisclaimer=true); and
- ASU 2019-11, “Codification Improvements to Topic 326, Financial Instruments – Credit Losses,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176173831330&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176173831330&acceptedDisclaimer=true)
- ASU 2020-03, “Codification Improvements to Financial Instruments,” available at [https://www.fasb.org/jsp/FASB/Document\\_C/DocumentPage?cid=1176174290619&acceptedDisclaimer=true](https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176174290619&acceptedDisclaimer=true).

### **Accounting for Hedging Activities**

In August 2017, the FASB issued ASU No. 2017-12, “Targeted Improvements to Accounting for Hedging Activities.” This ASU amends ASC Topic 815, Derivatives and Hedging, to “better align an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results.” For institutions that are public business entities (PBE), as defined under U.S. GAAP, ASU 2017-12 is currently in effect.

On November 15, 2019, the FASB issued ASU 2019-10 to defer the effective date of ASU 2017-12 by one year for institutions that are not PBEs (i.e., that are private companies).

As amended by ASU 2019-10, ASU 2017-12 is now effective for these entities for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021.

On March 28, 2022, the FASB issued ASU No. 2022-01, “Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method.” This ASU expands the current single-layer

method that was one of the major provisions of ASU 2017-12 and allows for multiple hedged layers of a single closed portfolio. To reflect that expansion, the last-of-layer method is renamed the portfolio layer method.

Additionally, the ASU:

- Expands the scope of the portfolio layer method to include nonprepayable assets
- Specifies eligible hedging instruments in a single-layer hedge
- Provides additional guidance on the accounting for and disclosure of hedge basis adjustments under the portfolio layer method
- Specifies how hedge basis adjustments should be considered when determining credit losses for the assets included in the closed portfolio.

The ASU applies to all entities that elect to apply the portfolio layer method of hedge accounting. For public business entities, the ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within those fiscal years. Early adoption is permitted.

Institutions that early adopted this standard for the March 31, 2022, report date, would include portfolio layer related fair value hedge basis adjustments (FVHBA) in Schedule HC-C, Part I, item 11, “LESS: Any unearned income on loans reflected in items 1-9 above”. Institutions would report amounts for portfolio layer FVHBAs on AFS debt securities only on Schedule HC-B, Securities, in item 6.a, column C, “Available-for-sale: Amortized Cost.” Institutions that early adopted ASU 2022-01 for the March 31, 2022, report date, may provide in the optional narrative the amount related to portfolio layer FVHBAs on AFS debt securities included in Schedule HC-B, Securities, in item 6.a.

For additional information on ASU 2022-01, institutions should refer to the FASB’s website at: <https://www.fasb.org/page/PageContent?pageId=/standards/accounting-standards-updates-issued.html> which includes a link to the accounting standard update.

The FR Y-9C Report instructions, including the Glossary entry for “Derivative Contracts,” will be revised to conform to the ASU at a future date.

### **Accounting for Leases**

In February 2016, the FASB issued ASU No. 2016-02, “Leases,” which added ASC Topic 842, Leases. Once effective, this guidance, as amended by certain subsequent ASUs, supersedes ASC Topic 840, Leases.

Topic 842 does not fundamentally change lessor accounting; however, it aligns terminology between lessee and lessor accounting and brings key aspects of lessor accounting into alignment

with the FASB's revenue recognition standard. As a result, the classification difference between direct financing leases and sales-type leases for lessors moves from a risk-and-rewards principle to a transfer of control principle. Additionally, there is no longer a distinction in the treatment of real estate and non-real estate leases by lessors.

The most significant change that Topic 842 makes is to lessee accounting. Under existing accounting standards, 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. The lease term generally includes the noncancellable period of a lease as well as purchase options and renewal options reasonably certain to be exercised by the lessee, renewal options controlled by the lessor, and any other economic incentive for the lessee to extend the lease. An economic incentive may include a related-party commitment. When preparing to implement Topic 842, lessees will need to analyze their existing lease contracts to determine the entries to record on adoption of this new standard.

For a sale-leaseback transaction to qualify for sales treatment, Topic 842 requires certain criteria within Topic 606 to be met. Topic 606 focuses on the transfer of control of the leased asset from the seller/lessee to the buyer/lessor. A sale-leaseback transaction that does not transfer control is accounted for as a financing arrangement. For a transaction currently accounted for as a sale-leaseback under existing GAAP, an entity is not required to reassess whether the transaction would have qualified as a sale and a leaseback under Topic 842 when it adopts the new standard.

Leases classified as leveraged leases prior to the adoption of Topic 842 may continue to be accounted for under Topic 840 unless subsequently modified. Topic 842 eliminates leveraged lease accounting for leases that commence after a holding company adopts the new accounting standard.

For holding companies that are public business entities, as defined under U.S. GAAP, ASU 2016-02 is currently in effect. For holding companies that are not public business entities (i.e., that are private companies), ASU 2016-02, as amended in 2019, was scheduled to take effect for fiscal years beginning after December 15, 2020, and interim reporting periods within fiscal years beginning after December 15, 2021. However, to provide immediate, near-term relief because of the significant business disruptions caused by the COVID-19 pandemic, the FASB issued ASU No. 2020-05, "Effective Dates for Certain Entities," on June 3, 2020, to defer, for one year, the required effective date of the new lease accounting standard for entities not yet required to adopt ASU 2016-02. As a result, ASU 2016-02 will now take effect for institutions that are private companies for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. Early application of ASU 2016-02 continues to be permitted. A holding company that early adopts the new standard must apply it in its entirety

to all lease-related transactions. If a holding company chooses to early adopt the new standard for financial reporting purposes, the holding company should implement the new standard in its FR Y-9C report for the same quarter-end report date.

Under ASU 2016-02, a holding company must apply the new leases standard on a modified retrospective basis for financial reporting purposes. Under the modified retrospective method, a holding company should apply the leases standard and the related cumulative-effect adjustments to affected accounts existing as of the beginning of the earliest period presented in the financial statements. However, as explained in the “Changes in accounting principles” section of the Glossary entry for “Accounting Changes” in the FR Y-9C instructions, when a new accounting standard (such as the leases standard) requires the use of a retrospective application method, holding companies should instead report the cumulative effect of adopting the new standard on the amount of retained earnings at the beginning of the year in which the new standard is first adopted for FR Y-9C purposes (net of applicable income taxes, if any) as a direct adjustment to equity capital in the FR Y-9C. For the adoption of the new leases standard, the cumulative-effect adjustment to bank equity capital for this change in accounting principle should be reported in Schedule HI-A, item 2. In July 2018, the FASB issued ASU 2018-11, “Targeted Improvements,” which provides an additional and “optional transition method” for comparative reporting purposes at adoption of the new leases standard. Under this optional transition method, a holding company initially applies the new leases standard at the adoption date (e.g., January 1, 2022, for a private holding company with a calendar year fiscal year) and, for FR Y-9C purposes, the holding company should recognize and report a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption consistent with the Glossary instructions described above.

For FR Y-9C purposes, all ROU assets for operating leases and finance leases, including ROU assets for operating leases recorded upon adoption of ASU 2016-02, should be reflected in Schedule HC, item 6, “Premises and fixed assets.”

Holding companies that have adopted ASU 2016-02 should report the lease liability for operating leases on the FR Y-9C balance sheet in Schedule HC, item 20, “Other liabilities.” In Schedule HC- G, Other Liabilities, operating lease liabilities should be reported in item 4, “All other liabilities.”

For an operating lease, a lessee should report a single lease cost for the lease in the FR Y-9C income statement, calculated so that the cost of the lease is allocated over the lease term on a generally straight-line basis, in Schedule HI, item 7.b, “Expenses of premises and fixed assets.” For a finance lease, a lessee should report interest expense on the lease liability separately from the amortization expense on the ROU asset. The interest expense should be reported on HI in item 2.c, “Interest on trading liabilities and other borrowed money,” on the FR Y-9C. The amortization expense should be reported on Schedule HI in item 7.b, “Expenses of premises and fixed assets.”

To the extent an ROU asset arises due to a lessee’s lease of a tangible asset (e.g., building or equipment), the ROU asset should be treated as a tangible asset not subject to deduction from

regulatory capital. Except for a holding company that has a community bank leverage ratio framework election in effect, an ROU asset not subject to deduction must be risk weighted at 100 percent in accordance with Board's regulatory capital rules and included in a lessee holding company's calculations of total risk-weighted assets. In addition, an ROU asset must be included in a lessee holding company's total assets for leverage capital purposes.

For additional information on ASU 2016-02, holding companies should refer to the FASB's website at <https://www.fasb.org/leases>, which includes a link to the lease accounting standard and subsequent amendments to this standard. Holding companies may also refer to the Glossary entry for "Lease Accounting" in the FR Y-9C instructions, which was updated as of September 30, 2020 in response to the changes in the accounting for leases summarized above.

### **Other Reporting Matters**

For the following topics, holding companies should continue to follow the guidance in the specified FR Y-9C Supplemental Instructions:

#### **U.S. Department of the Treasury Emergency Capital Investment Program**

Holding companies should continue to follow the guidance for U.S. Department of the Treasury Emergency Capital Investment Program that was included in the FR Y-9C Supplemental Instructions for March 31, 2015. These instructions can be accessed via the Federal Reserve's Web site.

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_202112.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_202112.pdf))

#### **True Up Liability under an FDIC Loss-Sharing Agreement**

Holding companies should continue to follow the guidance for True up liability under an FDIC loss-sharing agreement that was included in the FR Y-9C Supplemental Instructions for September 30, 2015. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201509.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201509.pdf))

#### **Troubled Debt Restructurings, Current Market Interest Rates, and ASU No. 2011-02**

Holding companies should continue to follow the guidance for troubled debt restructurings that was included in the FR Y-9C Supplemental Instructions for March 31, 2015. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201503.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201503.pdf))

#### **Indemnification Assets and Accounting Standards Update No. 2012-06**

Holding companies should continue to follow the guidance for indemnification assets that was included in the FR Y-9C Supplemental Instructions for June 30, 2014. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201406.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf))

#### **Determining the Fair Value of Derivatives**

Holding companies should continue to follow the guidance in determining the fair value of

derivatives that was included in the FR Y-9C Supplemental Instructions for June 30, 2014. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201406.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf))

### **Small Business Lending Fund**

Holding companies should continue to follow the guidance regarding reporting related to the U.S. Treasury Department's Small Business Lending Fund (SBLF) that was included in the FR Y-9C Supplemental Instructions for March 31, 2013. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201303.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201303.pdf)).

### **Reporting Purchased Subordinated Securities in Schedule HC-S**

Holding companies should continue to follow the guidance on reporting purchased subordinated securities in Schedule HC-S that was included in the FR Y-9C Supplemental Instructions for September 30, 2011. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201109.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201109.pdf)).

### **Treasury Department's Capital Purchase Program**

Holding companies should continue to follow the guidance on accounting and reporting for the U.S. Treasury Department's Capital Purchase Program (CPP) under the Troubled Asset Relief Program mandated by the Emergency Economic Stabilization Act of 2008 that was included in the FR Y-9C Supplemental Instructions for September 30, 2011. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_201109.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201109.pdf)).

### **Accounting for Share-based Payments**

Holding companies should continue to follow the guidance on accounting for share-based payments under FASB Statement No. 123 (Revised 2004), *Share-Based Payment* (FAS 123(R)), that was included in the FR Y-9C Supplemental Instructions for December 31, 2006. These instructions can be accessed via the Federal Reserve's Web site

([http://www.federalreserve.gov/reportforms/supplemental/SI\\_FRY9\\_200612.pdf](http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200612.pdf)).

### **Commitments to Originate and Sell Mortgage Loans**

Holding companies should continue to follow the guidance provided on this subject in the FR Y-9C Supplemental Instructions provided for December 31, 2005. These Supplemental Instructions can be accessed via the Federal Reserve's Web site

(<http://www.federalreserve.gov/reportforms/supplemental/SI.FRY9.200512.pdf>).