



Via Electronic Mail

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

Mr. Manuel E. Cabeza
Counsel
Attn: Comments, Room MB--3007
Federal Deposit Insurance Corporation
550 17th Street NW.
Washington, DC 20429

August 25, 2017

Re: Proposed Agency Information Collection Activities; Comment Request; Federal Register 29147; Joint Notice and Request for Comment; FFIEC 031, FFIEC 041, FFIEC 051

Ladies and Gentlemen:

Regions Bank¹ appreciates the opportunity to comment on the proposed revisions (the Proposal) to the Consolidated Reports of Condition and Income (Call Report). While we appreciate the agencies' initiatives to reduce burden associated with the Call Report, we recommend more time to evaluate the costs and benefits of the proposed revisions to the definition of "past due" for regulatory reporting purposes. However, if the agencies decide to move forward with this change, we request additional implementation time so that the changes can be executed in an accurate and well-controlled manner. We also request clarification on the classification of money market mutual funds, in light of the new standard addressing accounting for equity investments.

Further Analysis Should be Performed to Determine if the Current Definition of "Past Due" is in Need of Revision

We acknowledge that the Mortgage Bankers Association (MBA) method as described in the Proposal is used by mortgage data repositories, including credit bureaus. The current Call Report definition of past due is used not only for regulatory reporting, but in other areas,

¹ Regions Financial Corporation, with \$125 billion in assets, is one of that nation's largest full-service providers of consumer and commercial banking, wealth management, mortgage and insurance products and services. Regions serves customers across the South, Midwest, and Texas, and through its subsidiary, Regions Bank, operates approximately 1,500 banking offices and 1,900 ATMs. Additional information about Regions and its full line of products and services can be found at www.regions.com.

including financial reporting for investors and credit risk management purposes. We do not believe that users of this information are dissatisfied with current practices. In fact we believe that a change to the definition would generate unnecessary shifts in reported past dues leading to confusion among our stakeholders. We recommend the agencies perform further analysis of downstream impacts before any changes to the past due definition are adopted.

There Would Be Costs Associated with Revisions to the “Past Due” Definition

Although the MBA method is already being calculated, there would be a cost associated with mapping this calculation to financial reporting processes. Information may need to be sourced into reporting data warehouses, and the logic of underlying reports may need to be rewritten.

If the agencies adopt the Proposal, banks would most likely revise all reporting (including investor and credit risk management reporting) to reflect the change. There would be costs associated with making these changes, as well as communication and disclosure efforts.

Before any change is finalized, we recommend that further study be performed to understand the extent of these costs, and ensure that any benefits outweigh those costs.

Implementation of “Past Due Revision” Would Require More Time

The Proposal would take effect for the March 31, 2018 reporting period. As discussed above, infrastructure changes would be necessary. If the agencies decide to move forward with the change in definition, we request an additional time, at least 12 months, to ensure that the changes are made in a well-controlled manner. Many institutions have moratoriums on system/infrastructure/programming changes in the last quarter of the year, which further complicates the proposed March 31, 2018 implementation.

Request for Clarification of Money Market Mutual Funds

Money market mutual funds are currently reported in line 7 of Schedule RC-B (Securities). The Proposal aligns the Call Report with a new accounting standard for equity investments, which eliminates the concept of available-for-sale equity securities. Our assumption is that any position in these types of funds would be reported in Schedule RC-D (Trading). SEC rules allow for presentation as cash equivalents if appropriate criteria are met. If the agencies’ intent is to allow for similar classification of these types of funds as cash (i.e., Schedule RC-A), then we request that the instructions be clarified accordingly.

We thank you in advance for considering our views. If you have any questions about our comments or wish to discuss this matter further, please contact me at (205) 326-4972.

Sincerely,

Brad Kimbrough
Executive Vice President and Controller