CONSUMER BANKERS ASSOCIATION
The Voice of the Retail Banking Industry

December 3, 2019

Chief Counsel's Office
Office of the Comptroller of the Currency
Attention: 1557-0081 and 1557-0239
400 7th Street SW, Suite 3E-218
Washington, DC 20219

Manuel E. Cabeza, Counsel
Attn: Comments, Room MB-3128
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

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

RE: Agency Information Collection Activities; Proposals, Submissions, and Approvals - 84 FR 53227 Docket No. 2019-21659 (OCC -1557- 532280081 and 1557-0239)

Dear Chief Counsel, Mr. Cabeza, and Ms. Misback:

The Consumer Bankers Association ("CBA")[1] appreciates the opportunity to provide our comments in response to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System (collectively, "the agencies") proposal to revise and extend the Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031, FFIEC 041, and FFIEC 051) and the Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework (FFIEC 101) ("Proposal"). CBA strongly supports effective consumer protections and, specifically,

[1] The Consumer Bankers Association is the only national financial trade group focused exclusively on retail banking and personal financial services—banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation for its members. CBA members include the nation's largest bank holding companies as well as regional and super-community banks that collectively hold two-thirds of the total assets of depository institutions.

transparency. However, we have two primary concerns with the clarification to RC-C instructions (1c1, 1c2a, 1c2b) to state that revolving open-end lines of credit that have converted to non-revolving closed-end status should be reported as closed-end loans.

First, CBA believes comingling these items can distort performance trends. A key reason to report home equity lines of credit (HELOCs) in the repayment period is to understand performance. Relocating them into the 1-4 closed end group would only provide another set of misleading comparisons (i.e. a HELOC in repayment does not carry the same risk profile as an originally underwritten 1-4 closed end loan). Given the differences, we suggest the agencies segregate for a home equity closed-end call code to better understand performance. Further the proposed movement is problematic for understanding performance across the lifecycle of the loan in question. For example, you could have a loan that started its life in RC-C 1c1 and goes past due during the revolving period – but later charged off (and even recovered) in 1c2a/1c2b. This could lead to swings between categories in the various credit disclosures in the call report. While the change appears to be clarifying, you could distort the trends further, especially in quarters where material dollar amounts shift between reported line items.

Second, there is a lack of definitional alignment across reports. As an example: the FRY14 instructions clearly say the lien position is an origination attribute.[2] The Proposal calls for call report instructions that would have lenders changing call codes over the life of a loan, which would create great confusion for lenders.

We firmly believe the Proposal would distort the clarity of the call reports. Accordingly, we urge the agencies to reconsider the proposed changes.

CBA thanks you for your consideration and we appreciate the opportunity to share our comments.

Sincerely,

David Pommerehn
SVP, Associate General Counsel
Consumer Bankers Association

[2] Instructions for the Capital Assessments and Stress Testing information collection (Reporting Form FR Y-14M), page 7 - https://www.federalreserve.gov/reportforms/forms/FR_Y-14M20140930_f.pdf.