



Introduction

AnswerMine Group LLC ("AMG") submits the following comments in response to the comment request published in the Federal Register titled:

FEDERAL RESERVE SYSTEM
12 CFR Part 225
Capital Plans; Proposed Agency
Information Collection Activities:
Comment Request

Specifically, AMG will address the collection of data required by FR Y-14Q defined as granular data covering target BHCs' various asset classes within the Retail Risk Schedule for the reporting period. This data would be used to support supervisory stress test models and for continuous monitoring efforts, on a quarterly basis.

AMG Background

AMG is an Illinois based data-mining and analytical consulting company specializing in the discovery of subtle patterns in large data sets which can provide the basis for predicting future outcomes. It has 15 years of experience in appending individual credit bureau data to financial institution loan level data to uncover patterns in borrower behavior under varying scenarios. The company has developed the capability to process large data sets quickly at this granular level (for example, monthly and on a national scale) and provide a range of analytical outcomes for both tactical and strategic portfolio risk management strategies. This capability provides us with the ability to use granular record level data to expose the interaction of both weak and strong variables which dictate borrower reaction and, in turn, loan performance. This "bottom up" approach provides significant improvement over the limitations incumbent to a "top down" traditional approach which requires categories and segments to be set based on the analyst's bias and prior to comprehensive understanding of the issue being addressed. It is our experience that model performance is improved significantly working with individual credit data and loan level records.

ISSUE:

“Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve’s functions; including whether the information has practical utility”

COMMENT:

It is AMG’s experience and opinion that information outlined in the sample exhibits provided, while providing a sound starting point for analysis, is insufficient for the performance of the Federal Reserve’s functions as we understand them. First, the arbitrary segmentation of the data rolling up “like assets” into buckets will obfuscate the real drivers of performance both in a static scenario as well as an alternative “stress” scenario. By using segment data, the “consumer” will remain opaque to supervisors. In today’s environment, where asset values do not provide the same level of support in retail transactions, the loan performance risk lies in the individual borrower. Without the ability to analyze the data at the individual level, and in turn aggregating individual loan performance expectations, the function of evaluating capital adequacy is unnecessarily limited. Secondly, the reliance on FICO scores as a proxy for an individual’s credit evaluation has proven to be woefully inadequate throughout this current financial crisis, both at the outset and now ongoing. On the other hand, individual credit data (as opposed to single score) is very predictive of consumer behavior. By basing the data collection at the individual loan level, in combination with large data analytical engines, the FED will be able to more accurately capture the actual loan performance and better quantify the capital adequacy underpinning a target portfolio. The ability to collect and analyze the data at the individual level significantly enhances the utility of the data accumulated. At the loan level, the supervisor can adapt its focus as economic and business scenarios change without having to disrupt the regulated entity. By developing this ability the regulator can provide the oversight necessary to gain a forward looking analysis without imposing any undue burden on the market.

ISSUE:

"The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used"

COMMENT:

While the burden of proposed information collection will invariably differ from BHC to BHC, there is one common aspect for every institution. They have to aggregate the individual loan data to meet the segmentation requirements indicated in the examples. Not only is individual loan data simpler to produce, but any aggregation creates an additional burden on the individual institutions. It also creates an unnecessary limitation on the future utility of the data received by the supervisor. If well formatted loan level data is received, the ultimate burden to the respondent will be reduced in the event a different "look" is deemed necessary by the supervisor or analyst. The effort should be put into making the loan level data formatting consistent across the target BHC's. Once this is accomplished the data collection process would be optimized. Additionally, each bank has contracts with the credit bureaus for credit data other than FICO scores. Individual level data can be acquired under existing master service agreements, thereby reducing reliance on the FICO scores which may not support the assumptions

ISSUE:

"Ways to enhance the quality, utility, and clarity of the information to be collected"

COMMENT:

Currently, there is high availability of data, low cost of storage and low cost /high speed computing for analytics. Restricting data collection to arbitrary segments made up of individual records limits the potential interpretive value of the information. By limiting the input data in this way, using segments established by traditional industry bias unnecessarily limits the utility of the analysis, especially in the situation represented by this current financial crisis. The bottom line is that rolled up data (ostensibly for the purpose of ease of data management or to use yesterday's statistical tools) will reduce the effectiveness of the current analysis by reducing the ability to consider nuanced changes in the behavior of the borrowers. The aggregation of these changes will ultimately result in significant impact on an institution's overall current capital adequacy analysis and the anticipated capital needs in alternative stressed situations. Having data aggregated to meet today's needs will likely mean that the supervisor will not have the right data to anticipate

tomorrow's needs. Having loan level data allows the supervisor the flexibility to meet tomorrow's needs.

ISSUE:

"Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology"

COMMENT:

Information collection and ultimate utility must accommodate the needs of legacy systems in the target BHC community. It must be "light" on the existing IT resources to limit the impact of periodically providing usable data from the respondents. Complicating this issue is the need to accumulate data in a consistent format across the respondents so the supervisory authorities can get a systemic view of the data set and run alternative scenarios widely across regions and markets. This will be critical to meeting any meaning forward looking objectives of the new regulations.

Two approaches can be used to achieve these objectives: require the respondents to provide the data in a designated flat file format or accept an output file from a "standard" IT platform which can be transformed into a consistent usable flat file for further analysis. The second approach both reduces the burden on the respondents and puts the quality of the data in the purview of the analyst. Data control on input is critical to getting good results especially when manipulating large data sets from disparate sources. The use of granular credit data is not difficult because the BHC's all have data transfer relationships with the credit bureaus and protocols both in and out in their normal business. Piggy-backing on these contracts should not be operationally difficult or financially burdensome.

Needless to say the use of existing communication protocols and the use of generic file formats (txt, csv) which can be easily interpreted by inexpensive yet powerful computer applications are both available and recommended.

ISSUE:

"The effects on burden should the Federal Reserve decide to move from collecting segment-level data to collecting loan-level data for a select number of Retail Risk portfolios."

COMMENT:

Once a data collection template is decided upon most BHC's will have to spend resources to meet these requirement. Most likely this will require reversion back to loan-level data to aggregate up to the required segment level format. This process may or may not be difficult depending on the flexibility and capability of the institution's legacy systems architecture. Requiring loan-level data (in a ubiquitous flat file format) would certainly reduce the IT burden on the respondent. Using existing data transmission processes and tested FCRA compliant procedures the respondent will not be required to establish a FED specific task to meet unique requirements. Certain considerations may need to be made to accommodate file sizes and security issues. Given the current capabilities of computing power, cost effective storage and industry accepted data manipulation tools the FED analysts or third party contractors can efficiently adapt this record level data to provide both input in approved capital adequacy analyses such as stress test projects as well as to provide ad hoc analyses to address issues yet to be determined as more detailed supervision challenges evolve. This approach will permit the use of the data set by other analysts using other software applications and mathematical approaches other than regression from which significant benefits can be gained exploiting large data sets.

Respectfully submitted

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November 7, 2011

Via Electronic Mail

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: FR Y-14A and FR Y-14Q
Federal Reserve Board Docket No. 2011-22912

Dear Ms. Johnson:

American Express Company ("*American Express*") appreciates the opportunity to comment on the Request for Comments (the "*Comment Request*")¹ of the Board of Governors of the Federal Reserve System (the "*Federal Reserve*"), under delegated authority, relating to the collection of certain information on forms FR Y-14A and FR Y-14Q to support the Comprehensive Capital Analysis and Review ("*CCAR*") exercise, authorized under Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Comment Request invites comments on whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions, the accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, ways to enhance the quality, utility, and clarity of the information to be collected, and ways to minimize the burden of information collection on respondents.

¹ 76 Fed. Reg. 55288 (Sept. 7, 2011).

American Express has a long history as a financial institution; however, it has become a bank holding company under U.S. law only recently in September 2008. Unlike many other traditional bank holding companies, American Express is primarily engaged in the business of issuing credit and charge cards and prepaid products to a diverse group of retail consumers, small businesses and corporate clients, and operating a network to process transactions made by these customers using American Express products. We are a global company, present in over 130 markets, with 96 million cards in force and with a network of merchants that accept American Express cards world-wide. As one of the 19 largest domestic bank holdings companies ("*BHCs*"), American Express participated in the 2009 Supervisory Capital Assessment Program and the 2011 CCAR, and would be required to file the FR Y-14A and FR Y-14Q with the Federal Reserve.

We support the Federal Reserve's ongoing efforts to strengthen the banking sector in light of the recent global financial crisis. Generally, our response to the Comment Request focuses on a number of technical aspects relating to the information collected on the schedules to FR Y-14A and FR Y-14Q. We have organized our response to correspond with the Comment Request and will separately address each schedule for which we would like to provide comments.

I. General

The Comment Request states that the Federal Reserve expects to distribute FR Y-14A and FR Y-14Q schedules in late-November 2011 and to receive the completed data by early-January 2012, with respect to the FR Y-14A, and by mid-December 2011, with respect to the FR Y-14Q. We respectfully submit that the proposed timing does not allow sufficient time for reporting BHCs to prepare and submit the required schedules. We request that reporters be permitted to submit both the initial FR Y-14A and the initial FR Y-14Q by late-January 2012.

Additionally, we note that the Federal Reserve's proposed approach for submissions of capital plans generally would require a BHC to file its capital plan each year by January 5 and the Federal Reserve to provide the BHC an objection or notice of non-objection by March 15 of the same year.² We have previously requested that the deadline for capital plan submissions be moved forward to October 15 of each prior year, and the Federal Reserve non-objection deadline be moved forward to no later than February 1, as the proposed capital plan timeline would create difficulties for BHCs that wish to distribute capital, especially to effect share repurchases within the first quarter during the earnings "blackout" period.³ Accordingly, for *future* submissions of the FR Y-14A (and the capital plan), we respectfully request that the submission deadline be October 15.

II. Summary Schedule

A. Operational Risk Scenario Input Worksheet

The Operational Risk worksheets contained in the Summary schedule are intended to facilitate the assessment of operational risk of reporting BHCs. We believe the data requirements for the Operational Risk Scenario Inputs worksheet should be consistent with the methodology employed by the applicable BHC in its forecasting process. For example, the worksheet requires data input on external fraud forecast based on hypothetical "scenarios" on "frequency of events". This may not be meaningful if the forecast on external fraud related to credit cards is based on historical correlation between business volume, fraud loss rate and macroeconomic factors, without leveraging scenarios and without using frequency of fraud events.

² 76 Fed. Reg. 35351 (June 17, 2011).

³ See Comment Letter of American Express re: Proposed Rule: Capital Plans, Docket No. R-1425 (Aug. 3, 2011). Typically, the period between March 15–31 falls within an earnings "blackout" during which a publicly traded BHC will not be in the market to repurchase its shares because it is in possession of material, non-public information regarding its first-quarter financial results.

B. PPNR Metrics Worksheet

Please see our comment in Section IV.A below.

C. AFS & HTM Securities Worksheets

The AFS and HTM Securities worksheets collect information on available-for-sale and held-to-maturity securities. The fields relating to book yield and purchase yield are not mandatory, but are required to be completed on a best-efforts basis by reporting BHCs. However, the terms “book yield” and “purchase yield” are not defined. Please provide definitions of these terms to assist reporting BHCs in completing these fields and to enhance the quality, utility, and clarity of the information to be collected.

III. Retail Risk Schedule

A. US Bank Cards and Charge Card Schedule; US SME and Corporate Credit Card Schedule; International Credit Card Schedule

The Retail schedules collect information about the distribution of risk in retail portfolios across segments. We believe the information collected should remain, in all cases, at the segment level. Requiring information at the loan-level would require significant investment in regulatory data capabilities and impose significant process burden for BHCs subject to the proposed reports. American Express’s individual loans that would be required to be reported number in the tens of millions. We believe that loan-level data is not necessary for the proper performance of the Federal Reserve’s functions, and the benefits of collecting data at the loan level do not justify the burdens that would be imposed.

For accounts that have no credit limit, the above-referenced schedules require subject BHCs to report the “purchase or shadow limit.” We believe that this requirement and the data fields related to purchase or shadow limits should be removed as there are no industry-standard definitions of such limits. For example, a BHC’s real-time risk assessment of charge transactions may create dynamic purchase controls

without any fixed or communicated limits. Accordingly, the information collected will have no uniformity across BHCs subject to these reports and may have little utility.

We note that the above-referenced schedules request BHCs to report data segmented along various product types.⁴ We believe that product type categories should be expanded and aligned. For example, the International Credit Card schedule should include separate segments for Bank Cards and Charge Cards. Similarly, the US SME and Corporate Credit Card schedule product type categories should be further expanded to include separate segments for Bank Cards and Charge Cards within each existing product type category.

We note that certain data requirements under the US Bank Cards and Charge Card schedule and the US SME and Corporate Credit Card schedule differ. We believe the requirements should be aligned in cases where the particular type of data requested is the same. For example, the proposed draft schedules require a FICO segmentation. However, the US Bank Cards and Charge Card schedule requires the use of “Refreshed FICO” and the US SME and Corporate Credit Card schedule requires the use of “Origination FICO”. We believe Refreshed FICO should be used for both schedules as it is more relevant than Origination FICO for understanding risk trends in the portfolio.

Additionally, we note the International Credit Card schedule requests that BHCs segment their credit card portfolio by Original FICO, among other things. We believe that the FICO segmentation requirement should be removed from the International Credit Card schedule as credit bureau score availability varies greatly across international markets. Accordingly, this segmentation is not likely to produce quality or meaningful information.

⁴ The US Bank Cards and Charge Card schedule requires segmentation by (a) Bank Card and (b) Charge Card; the US SME and Corporate Credit Card schedule requires segmentation by (a) SME Card and (b) Corporate Credit Cards; and the International Credit Card schedule requires segmentation by (a) Bank Card and Charge Card and (b) Other.

The International Credit Card schedule requires BHCs to report total Unpaid Principal Balance (UPB) on the book for the segment being reported as of month-end under field "\$ Unpaid Principal Balance." We believe this requirement should be removed from the International Credit Card schedule as its historical time series are not readily available for many international markets. Instead, please consider using "\$ Total Unpaid Balance," which would include historical balances of both accrued interest and principal from prior periods.

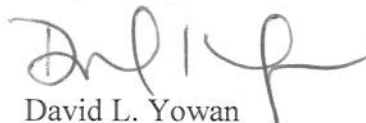
IV. PPNR Schedule

A. PPNR Metrics Worksheet

The Pre-Provision Net Revenue ("*PPNR*") Metrics worksheet provides information on certain metrics relevant for the assessment of various components of PPNR. We propose the elimination of data requirements related to the regional breakout of Net Revenues in the PPNR Metrics worksheet (lines 48-52). The breakout of the geographic regions⁵ in the worksheet is different from the ones used by American Express for internal forecasting and planning, and could vary widely across BHCs filing these forms. Accordingly, we have concerns regarding the utility of this information and, in light of the burdens imposed on reporting BHCs to produce the information, we do not believe its collection is justified.

Thank you for considering the views expressed in this letter. Should you have any questions, please contact me at 212-640-2396 or Juliana O'Reilly at 212-640-3532.

Respectfully submitted,



David L. Yowan
Executive Vice President & Corporate Treasurer

⁵ The relevant Geographic Regions are: APAC (Asia and Pacific region (including South Asia, Australia, and New Zealand)); EMEA (Europe, Middle East, and Africa); LatAm (Latin America, including Mexico); Canada; and Domestic.

Jennifer J. Johnson
November 7, 2011
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cc:

Office of Information and Regulatory Affairs
U.S. Office of Management and Budget
New Executive Office Building, Room 10235
725 17th Street, NW. Washington, DC 20503

Juliana S. O'Reilly (American Express)

From: John L. Daniels
Proposal: FR Y-14A and FR Y-14Q - Capital Assessments and Stress Testing (#11-18)
Subject: FRY 14A & FR Y-14Q

Comments:

In response to the proposed changes to the CRE Data Collection for the CCAR 2012 reporting requirement, we wish to submit the following comments:

- The reporting requirement changes were provided as part of an ALL Bank Call on October 11 (set on October 6). The OCC had previously committed to not make current quarter changes inside 45 days of quarter end. Because these changes were communicated on October 6 and discussed on the October 11 All Bank Call as being subject to further clarification, we propose that the submission date for 3Q11 OCC CRE Reporting be moved from November 15 to December 31, 2011. This will allow time to make the required data base structure changes to accommodate the changed data elements and the addition of Data Element #43.

- The requirement for Data Element #43 related to identifying "cross collateralized and / or cross defaulted" should be modified to be only "cross collateralized and cross defaulted". The FRB presentation to the ALL Bank Meeting confirmed that a facility could be cross defaulted without also being cross collateralized and that the inclusion of facilities that are cross defaulted only will skew the data since the collateral value should not be pooled.

- Additionally, the requirement for Data Element #43 states "This includes loans that have less than \$1 million committed". This is very problematic in that these facilities are not currently in the reporting population and will require significant data base structural changes to include in the population for purposes of identifying a very small volume of facilities. Furthermore, as discussed on the call, the population less than \$1 million is statistically insignificant to the point of the data collection. Accordingly, given its statistical irrelevance and the significant operational challenges presented by the request, we recommend excluding loans less than \$1 million from the reporting protocol.

John L. Daniels
Bank of America Merrill Lynch



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November 3, 2011

Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551

Re: Capital Assessments and Stress Testing
Proposed FR Y-14A and FR Y-14Q

Dear Ladies and Gentlemen:

The Independent Community Bankers of America (ICBA)¹ appreciates the opportunity to provide comments on the proposal to require the 19 largest bank holding companies that participated in 2009 Supervisory Capital Assessment Program exercise to provide financial and portfolio data to the Federal Reserve both quarterly and annually in support of the forward-looking Comprehensive Capital Analysis and Review (CCAR). The CCAR presents the opportunity for the Federal Reserve to conduct a prospective study of the internal capital planning and significant capital actions for these 19 largest domestic bank holding companies. The proposed reporting requirements would collect annual projections of financial statement data under baseline and stressed scenarios. The proposal would also require quarterly data on asset classes and bank revenues to support supervisory monitoring and capital adequacy for large bank holding companies. The quarterly collection activities would be used to assist in meeting the stress testing requirements for certain bank holding companies supervised by the Federal Reserve as imposed under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank).

¹ The Independent Community Bankers of America represents nearly 5,000 community banks of all sizes and charter types throughout the United States and is dedicated exclusively to representing the interests of the community banking industry and the communities and customers we serve. ICBA aggregates the power of its members to provide a voice for community banking interests in Washington, resources to enhance community bank education and marketability, and profitability options to help community banks compete in an ever-changing marketplace.

With nearly 5,000 members, representing more than 20,000 locations nationwide and employing nearly 300,000 Americans, ICBA members hold \$1 trillion in assets, \$800 billion in deposits, and \$700 billion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at www.icba.org.

Background

The information collection proposal implements quarterly and annual reporting requirements for the 19 largest domestic bank holding companies that participated in the 2009 Supervisory Capital Assessment Program exercise. The new reporting requirements are authorized by Dodd-Frank, which requires that the Federal Reserve ensure that certain bank holding companies and nonbank financial companies supervised by the Federal Reserve meet enhanced risk-based and leverage standards to mitigate risks to overall financial stability of the bank holding companies and the broader economy.

The annual collection reporting requirement consists of five schedules with supporting worksheets used to project regulatory capital ratios across a range of scenarios. The summary schedule requires income statement, balance sheet, and capital projections with accompanying worksheets to provide detail on specific risk metrics like capital adequacy and securities risk. Institutions would also be required to describe the methods used to generate the projections. The macro scenario schedule requires descriptions of the economic variables used in financial statement projections including details for both baseline and stressed scenarios. The counterparty credit risk schedule collects credit exposures for top counterparties. The Basel III schedule requires forecasts of Tier 1 common equity, Tier 1 capital, risk-weighted assets, and leverage exposures for the expected 2013 implementation deadline. The regulatory capital instruments schedule collects the contractual terms of all regulatory capital instruments to support future analysis for proposed capital actions.

The quarterly collection reporting requirement consists of seven schedules. The securities risk schedule collects summary and instrument-specific information on available-for-sale and held-to-maturity portfolios including face value, amortized cost, and fair value. The retail risk schedule looks at the distribution of retail risk to identify portfolio concentrations across retail portfolio categories like residential, credit card, auto, and other with further classifications in sub-categories. The pre-provision net revenue (PPNR) schedule would provide historical net interest income and expense data by business line. The wholesale risk schedule calls for wholesale loan portfolio data for corporate and commercial real estate loan portfolios to aid in developing stress test loss estimates. The trading schedule captures sensitivities of institution profit and loss to changes in equity prices, foreign exchange rates, interest rates, credit spreads, and commodity prices. The Basel III schedule would require actual capital balances instead of forecasts as required under the annual schedule. Finally, the regulatory capital instruments schedule would require the bank holding company to reconcile actual redemptions and issuances of specific instruments to projections in the annual schedule.

For annual reporting, the Federal Reserve would ask to receive most of the completed schedules in January 2012 with a September 30, 2011 reporting date. This pattern would continue for future annual schedules provided by bank holding companies. For quarterly reporting, the Federal Reserve would ask to receive most of the completed schedules in December 2011 with a

September 30, 2011 reporting date. Thereafter, quarterly schedules would be due 40 calendar days after the calendar quarter-end except for the December quarter-end, where the schedules would be due 45 calendar days after the calendar quarter-end.

ICBA's Comments

ICBA supports the proposal to require quarterly and annual reporting requirements for the 19 largest domestic bank holding companies that participated in the 2009 Supervisory Capital Assessment Program exercise. ICBA is encouraged by the depth of the required quarterly and annual reporting specifically with regard to the macro scenario schedule, which provides significant detail about the economic inputs used to generate projections of revenues, capital, and most importantly the potential for losses. Having the ability to project future capital deficiencies is instrumental in preserving the capital base for the largest and most complex bank holding companies because these institutions pose the greatest systemic risk to the overall banking sector. In the months and years prior to the destabilization of the financial markets, the largest domestic bank holding companies were distributing vital, loss-absorbing capital to shareholders while the potential for serious economic distress in the overall economy was definitely within the realm of possibility. A thorough, stressed, forward-looking analysis of the destabilizing impact of a prolonged economic downturn on capital for the largest financial institutions would have aided in curbing the erosion of the crucial capital buffers needed to absorb the elevated, widespread credit losses that would eventually follow.

ICBA also applauds the inclusion of the retail risk schedule and the wholesale risk schedule in the quarterly collection activities. Both schedules seek to capture risk concentrations of loans across key consumer and commercial segments for the largest bank holding companies. The ability of the Federal Reserve to identify highly concentrated loan portfolios is key to identifying elevated risk factors that may introduce or increase stress in a large bank holding company caused by negative macroeconomic factors. Additionally, the practice of capturing both borrower characteristics and collateral credit exposures further aids in modeling loan portfolio performance in stressed scenarios. ICBA believes that inclusion of well-purposed modeling techniques with inclusion of stressed economic scenarios is an extremely valuable tool in assessing the ability for the capital base to absorb loss in large bank holding companies.

The Federal Reserve should never consider imposing the CCAR quarterly and annual reporting requirements on smaller institutions like community banks. Due to their smaller size and less complex and interconnected lending activities, smaller institutions do not expose the banking sector to the systemic credit and trading losses that could result from the largest domestic bank holding companies in a prolonged economic downturn. Expanding the scope of participants required to complete the quarterly and annual reporting requirements beyond the large domestic bank holding companies to include smaller institutions would result in an increased regulatory burden for these institutions without any improvement in assessing capital adequacy as it relates to systemic risk in the banking sector.

ICBA appreciates the opportunity to comment on this proposal. If you have any questions or would like additional information, please do not hesitate to contact me at (202) 659-8111 or james.kendrick@icba.org.

Sincerely,

/s/

James Kendrick
Vice President, Accounting & Capital Policy



Ellen C. Koebler
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November 7, 2011

Ms. Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW.
Washington, DC 20551

Re: Regulation Y section 225.8(d)(3); Comments on the Federal Register Notice related to proposed FR Y-14A and FR Y-14Q

Ladies and Gentlemen:

SunTrust appreciates the opportunity to comment on the proposed amendments to Regulation Y that require large bank holding companies to submit annual quantitative projections of balance sheet, income, loss, and capital, as well as qualitative information on methodologies used. While SunTrust is supportive of the attempt to standardize the data collection process, we have several suggestions around operational aspects of these amendments that may improve both the accuracy of the underlying work and its benefit to the BHC's and various regulatory bodies that will rely on it. These suggestions are detailed below.

The comments are ordered with general comments concerning specifically the Federal Register Proposed Rules and the overall submission, followed by FR Y-14Q comments and clarifications, followed by FR Y-14A comments and clarifications.

Federal Register/Vol. 76, No. 173 General Comments

- 1) Materiality Threshold. For all other annual and quarterly schedules that would be subject to materiality thresholds, material portfolios would be defined as those with asset balances greater than \$5billion or asset balances relative to Tier 1 capital greater than 5 percent on average for the four quarters preceding the reporting period.

Comment: SunTrust requests consideration of modifying the language such that material portfolios would be defined as those with asset balances greater than \$5 billion and asset balances relative to Tier 1 capital greater than 5 percent on average for the four quarters preceding the reporting period. In addition, SunTrust recommends a defined process be created to request exemption of a

portfolio in the event an unusual event occurs such as an asset sale during the course of the CCAR preparation time frame.

2) Retail Historical Templates.

Comment: The 2011 retail historical schedules within the FR Y-14Q have been slightly modified regarding banding of risk attributes and other details from the 2010 retail historical schedules resulting in obsolescence of all of the work completed for the 2010 CCAR retail historical submissions for all institutions. SunTrust requests consideration of utilizing the same field bands of segmentation across all Retail Historical Templates in the 2011 FRY 14Q schedules as were used in the 2010 submission given the minimal differentiation versus the meaningful effort required to recreate.

3) FAQs Process for CCAR.

Comment: While SunTrust respects the burden of answering questions in a timely fashion during the comment period and the CCAR process, given the compressed time frame and more importantly the reliance of the schedules on one another where the inputs from one schedule must either reconcile or feed to another schedule, timely and accurate response on questions is critical. A meeting was held with the Federal Reserve and SunTrust on 10/21/11 where several technical questions regarding the templates were asked. It was expected that responses to these questions would be given via email. However, as of the writing of this comment letter no response has been received. Many of these questions have been included in this letter. The delay in getting the responses will make completion of the templates in the requested timeframe exceedingly difficult if not impossible. SunTrust encourages you to put meaningful effort into expediting question responses now and during the formal CCAR process.

FR Y-14Q Section: Commercial Real Estate Data Collection

Comment: Within FRY-14 Q Commercial Real Estate Data collection, fields #13 and #41 refer to only real estate collateral. In many cases, the bank has additional collateral such as securities that are also collateralizing the loan in question. SunTrust would like to point out that the true LTV to the bank will be overestimated in deals where the C&I cross collateral is not incorporated.

SunTrust believes that the inclusion of **cross defaulted** (as compared to cross collateralized) data in the Commercial Real Estate ("CRE") template is unnecessary and may in-fact hamper the reporting of meaningful and accurate data concerning the CRE risk. While firms have been providing quarterly detailed CRE data to the OCC for 2 years, they have not been required to provide details below \$1mm. For every loan under \$1mm, there is a significant and often manual exercise of going back to the original credit files and including data elements in some of these required fields. The proposal's new "cross-defaulted" requirement mandates BHCs report client exposures where there are two properties and there is cross-default language (which is customary for CRE lending). The inclusion of cross-defaulted properties will have a different impact than the inclusion of cross collateralized properties resulting in imperfect data given the different legal implications of these structures. In an effort to make this data collection most meaningful, SunTrust recommends either modifying from "cross-

collateralized and/or cross-defaulted" to "cross-collateralized and cross-defaulted" or simply "cross-collateralized".

FRY-14Q Section: First Mortgage Schedule

Comment: SunTrust recommends that a mechanism for accounting for missing segments within the history tables be established. The exclusion tables provided appear to account for only the current month. Absent this additional information, reconciliation with respect to Government guaranteed mortgage and other appropriately excluded portfolios could be misleading.

Clarification: In the field # of Subprime Accounts (C.2.), please define subprime. SunTrust recommends that the legacy definition of subprime of FICO<620 be used. In the field \$ Interim Charge-Offs (C.10.), SunTrust recommends that all valuation adjustments in addition to charge-offs be included to reconcile UPB to carrying value. Specifically, interim charge-offs and other accounting adjustments would be included in this field. Otherwise, please specify a field to include these adjustments to allow for reconciliation.

FRY-14Q Section: HELOC Schedule

Clarification: In the Field \$ Commitments (B.4.), please indicate for frozen lines, whether the UPB or \$0 should be used to populate the field.

FRY-14Q Section: US Bank Cards and Charge Card Schedule

Clarification: In the Field \$ Commitments (B.4.), please indicate for frozen lines, whether the UPB or \$0 should be used to populate the field. In the Field \$ O/S for 0% Utilization, SunTrust's would like clarification on the intent of this field and is uncertain as to how one could have positive outstandings with 0% utilization.

FRY-14Q Section: Student Loan Schedule

Comment: In the Field Origination Vintage (A.2.), SunTrust recommends providing segmentation bands similar to other schedules given the number of historical vintages. Similar to the other schedules, SunTrust recommends that an exclusion table be included for this section.

Clarification: In the Field \$ Outstanding New Originations (B.6.), SunTrust recommends that the definition be expanded to indicate if the field includes only originated loans or purchased loans as well. In the Field \$ CDR (B11-17), SunTrust notes that there are two mechanisms in the industry for use of CDR. One use is as a credit tool at time of origination and the other is as a 2-year lagged performance metric based on the Department of Education definition. Please clarify the definition of CDR preferred for this field.

FRY-14Q Section: Auto Loan Schedule

Clarification: In the field \$ Loss Mitigation (B.27.), SunTrust recommends that clarification be provided regarding what is to be included in this field. Specifically, are loans that have been refinanced at below-market-rate intended to be included? In other words is a loss mitigating re-finance considered loss mitigation activity or a new loan

origination for the purpose of this schedule?

FRY-14Q Section: PPNR Metrics Worksheet

Clarification: Please clarify the definition of market share with respect to the Investment Banking detail, lines 9-23. SunTrust recommends that if the same level of delineation is retained for the PPNR metrics sheet that placement of securitization and structuring metrics be defined. Please clarify with respect to Line #40 if the Wealth Management AUM is defined as Assets Under Management or Assets Under Administration.

FRY-14A Section: 2012 CCAR Summary Schedule VIII.B (Net Interest Income Worksheet) and 2012 CCAR Summary Schedule II.A (Income Statement Worksheet)

Comment: The proposal mandates that firms collect and provide data in two distinct formats: according to net-interest income and by business segment. Most institutions' systems are only configured to provide one in the natural course of business. As with CCAR 2010, we would recommend that the Board permit BHCs the flexibility to use the format most appropriate for their operations versus requiring both options be completed.

FRY-14A Section: 2012 CCAR Summary Schedule III.C. (Retail Repurchase Worksheet)

Comment: SunTrust would like to recommend that throughout this schedule that loans where servicing rights are no longer retained by SunTrust be excluded from these calculations. Worth noting is that the information required to make meaningful estimates for several of the fields is not available once servicing is sold. Creating estimates based on information related to the time of sale, will ultimately result in misleading estimates. Examples where data will be misrepresentative or unavailable include

- Net Credit Loss Realized to-date
- Estimated Lifetime Net Credit Losses
- Outstanding UPB & Delinquency Status in Tables A1, B1, C1, and D1

Clarification: For the field, Delinquency Status, please clarify whether the categories "Current, Previously Delinquent" and "Current and Modified" are mutually exclusive. In many cases modified loans were previously delinquent. For the field, Lifetime credit losses, please provide a detailed definition for the purpose of calculating this metric. For the field Vintage, please specify the definition as to vintage of sale or vintage of origination. With respect to the field Delinquency Status, Current Previously Delinquent, please clarify as to whether the terms "previously delinquent" and "past due" have the same meaning as the FFIEC Call Report Instructions, Schedule RC-N which states "Closed-end installment loans, amortizing loans secured by real estate, and any other loans and lease financing receivables with payments scheduled monthly are to be reported as past due when the borrower is in arrears two or more monthly payments."

If there are any questions regarding these comments, please contact Ellen Koebler, SVP SunTrust Banks, Inc., at 404.813.8071 or Ellen.Koebler@SunTrust.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "E. Koebler", followed by a long horizontal flourish.

Ellen C. Koebler

Copies to:

Richard Gilbert, FRB Atlanta

Frank Mayhew, FRB Atlanta

Jim Sproull, SunTrust Banks, Inc.

Jennifer Knight, SunTrust Banks, Inc.

Regions' Comments / Questions re: FR Y-14A

1. Basel III & Dodd-Frank Template – On the “Exceptions Bucket Calculation” tab the worksheet seems to require banks to net deferred tax liabilities associated with mortgage servicing rights against that asset. However in Paragraph 67 of Basel III: A global regulatory framework for more resilient banks and banking systems (December 2010; rev. June 2011) the guidance states; “With the exception of mortgage servicing rights, the full amount is to be deducted net of any associated deferred tax liability which would be extinguished if the intangible assets become impaired or derecognized under the relevant accounting standards.” This text seems to suggest that DTLs associated with MSR assets should not be netted against the MSR but rather are available to be netted against DTAs if netting is permitted based on the guidelines. Further, not all banks will have the same impact of netting MSRs with related DTLs. This methodology could increase capital for some banks and decrease capital for others, which does not appear to be equitable. Given the perceived discrepancy between the template and Paragraph 67 as well as the potential for disparate results, we believe banks should be allowed to exercise discretion with regard to where they net the DTL associated with MSR assets.
2. Summary Template – PPNR projections are requested on a business segment as well as a consolidated view. For Regions, the business segment view does not align with how management views firm results. As such, in order to create this view, Regions will have to develop a series of assumptions in order to populate the required fields. Regions is concerned that due to limited time to develop these assumptions, the results may lead to incorrect conclusions; this is particularly true for the adverse scenario forecasts. Given the business segment view does not align with internal views of PPNR forecasts, Regions requests that firms have the option of completing either the business segment view or the consolidated view.
3. Summary Template – Regions reports 1st Lien HELOCs with all other HELOCs as required by the FR Y-9C; however the template aggregates 1st and 2nd lien HELOCs under “Second/Junior Lien Mortgages.” Should banks report 1st Lien HELOCs under 1st Lien mortgages, or report 1st Lien HELOCs as Second/Junior Liens?
4. Summary Template – Large Commercial Credits, Small Business (Graded) and Small Business (Scored/Delinquency Managed) are not sufficiently defined within the template documentation. However, the definition of fields that correspond to the FR Y-9C schedules are well-established. Please provide more complete definitional guidelines for line items that do not correspond to reported categories on FR Y-9C schedules?
5. Summary Template – On the “PPNR Metrics Worksheet” the template requires a calculation for “Average Interest Rate Spread between Loan and Deposit Yields” for Treasury Services. Is the Federal Reserve looking for this measure to only be calculated for the Treasury Services business unit or is this intended to be a calculation for firm-wide loans and deposits? If this is isolated only for the Treasury Services business unit; what specifically is the Federal Reserve looking to measure here?

6. Summary Template – On the Balance Sheet Worksheet, should trading assets be reported in their non-netted form as per the FR Y-9C, or in the netted form as in GAAP financials?
7. Summary Template – Should Federal Reserve Stock be reported in Other Assets as per the FR Y-9C, or in Securities, as per GAAP?
8. Summary Template – On the “Retail Balance Projections” worksheet is the Federal Reserve looking for this worksheet to be a rollforward of balances? For lines of credit, should banks report the amount outstanding or the committed amount? If these schedules are intended to be a rollforward, should charge-offs be reported as paydowns? Is this schedule required even if there are no asset sales or purchases within the portfolios?
9. Summary Template – The distributed materials accompanying the September 19th industry call clearly state that only the 6 banks subject to the market shock exercise are required to complete the proposed CCR template. Are all banks required to complete the “Trading Worksheet” on the Summary template or is that limited to the same 6 banks?
10. The HELOC, HELOAN 2nd Lien, and First Mortgage schedules refer to a reporting period, first reporting period, and subsequent reporting periods for tables B and C. Could the Federal Reserve please clarify the definition of these periods? Specifically what time period should the variables in table B and table C cover for this submission? Our current interpretation is that table B should cover the period from Jan. 2007 thru Sep. 2011 and table C for only one month (Sep. 2011). Is this a correct interpretation?
11. The SAS variable name for the same variable is not consistent across the HELOC, HELOAN 2nd Lien, and First Mortgage schedules. For example, the variable “#Accts Ever Modified” has a SAS_variable name of “N_ACCT_MODIFIED” in the First Mortgage schedule, but is named “N_ACCTS_EVER_MODIFIED” in the HELOAN and HELOC schedules. Also the “\$Net charge off Reconciliation” variable does not have the same SAS variable name across all schedules. We would like to make these variable names consistent because some of these schedules have to be merged.
12. Auto Schedule – Regions participates in production flow purchases of automobile loans; however, these loans are not serviced by Regions. Should these balances be included in the Auto Loan Schedule?
13. Please clarify the definition of “Interim charge offs”. This variable is on table C of the HELOC, HELOAN 2nd Lien, and First Mortgage schedules. Instructions define this variable as “The total unpaid principal balance that has been charged off on loans in this segment thru the reporting month. Do not include charge offs associated with loans not reported in this reporting month because they have been fully charged off or otherwise liquidated”. Should this number be the partial write downs for the month? If so, this a subset of Contractual Charge offs since we include partial write downs in the Contractual charge off calculation.

14. HELOC Schedule – Summary variable B5 asks for \$ New Originations while B6 asks for \$ New Commitments. For HELOCS, would the Federal Reserve expect for these numbers to be the same? We typically use commitment amount for the new origination amount on lines of credit.
15. Corporate Loan Data Collection – The Technical Field Name is the same for Field #3 and for Field #16. Is the Federal Reserve aware of this and was this by design?

Kathleen Rogers
Executive Vice President

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612.303.4450
612.303.4827 fax

November 7, 2011

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

RE: U.S. Bancorp – 12 CFR Part 225 Capital Plans; Proposed Agency Information Collection Activities: Comment Request

U.S. Bancorp (“the Company”) has completed its review of the proposed rule supporting the new agency forms FR Y-14A and FR Y-14Q as requested by the Board of Governors of the Federal Reserve System (“the Federal Reserve”) on September 7, 2011 under 12 CFR Part 225 Capital Plans; Proposed Agency Information Collection Activities: Comment Request. The Company appreciates the opportunity to respond to the comment request and would like to specifically address the Federal Reserve’s request within the PPNR instructions for revenues based on its business line view and the request for cross-defaulted loans within the Commercial Real Estate template.

Business Line Revenue (PPNR instructions)

Certain business segment definitions reflected in the PPNR instructions for submission in the FR Y-14A and FR Y-14Q are inconsistent with the Company’s line of business definitions utilized for management oversight and reporting purposes. The inconsistencies are principally related to the request for customer demographic segmentation. For example, the Federal Reserve has defined a Commercial Lending business line to include lending revenues from medium sized entities, more specifically, entities with annual sales between \$10 million and \$2 billion. The Company’s current line of business segment designation does not apply this sales threshold. An example would be our Community Banking Division. This division is a geographic based business managing relationships that would be considered both medium sized commercial lending relationships as well as smaller business banking relationships. These smaller business relationships would fall into the Small Business Banking and Lending business line as defined by the Federal Reserve, however, the Company’s current reporting systems would not support this segregation.

Program changes would need to be implemented to report net interest income and non interest income based on the Federal Reserve business line definition and the Company would recommend that the

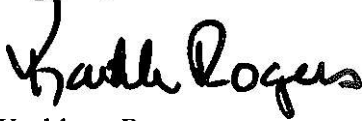
Federal Reserve considers a variation to the business line reporting segmentation that would align to the Company's existing management review and oversight. Detail supporting documentation would be included with the submission that would address any variations in the business line revenues as reported.

Cross-Defaulted Loans (Commercial Real Estate Template)

The Commercial Real Estate template requires reporting on cross-collateralized and cross-defaulted loans. Reporting of cross-defaulted loans brings into scope many loans that would not otherwise be reported in the submission as they may be less than \$1 million. Due to materiality, the Company recommends that cross defaulted loans are excluded from the data request.

Please feel free to contact me if you have any questions or need clarification.

Regards,



Kathleen Rogers
Executive Vice President

cc:

Andrew Cecere
U.S. Bancorp
Chief Financial Officer and Vice Chairman

OMB Desk Officer
Office of Information and Regulatory Affairs
U.S. Office of Management and Budget
New Executive Office Building, Room 10235
725 17th Street, NW
Washington, DC 20503

November 7, 2011

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, D.C. 20551

Re: FR Y-14A and FR Y-14Q (Capital Plans; Proposed Agency Information Collection Activities)

Dear Ms. Johnson:

The Clearing House Association L.L.C. (“**TCH**”), the American Bankers Association (“**ABA**”), The Financial Services Roundtable (the “**Roundtable**”) and the Securities Industry and Financial Markets Association (“**SIFMA**”) (together, the “**Associations**”)¹ appreciate the opportunity to comment on the proposed annual (the “**FR Y-14A**”) and quarterly (the “**FR Y-14Q**”) data schedules (hereinafter the “**proposals**” or “**schedules**”)² issued by the Board of Governors of the Federal Reserve System (the “**Board**”).

As the Associations stated in our August 5 letter addressing the broader capital planning notice of proposed rulemaking, there is significant merit to the comprehensive capital adequacy and risk review process envisioned by the Board. Such a comprehensive review, if constructed in a manner that meaningfully incorporates the capital planning processes of firms and respects the traditional role of corporate boards, will assist the Board in ascertaining the appropriateness of capital distributions. The Associations appreciate that the Board elected to publish the schedules for public comment and believe that much of the data sought are relevant to the capital distribution process. However, we have concerns with several components of the schedules, some of which relate to the substance of the data sought and some of which go to the need for further clarification. Part I of this letter addresses the substantive concerns of the Associations with the schedules and worksheets. Part II of the letter sets forth issues that require further clarification.

The Associations also note the existence of several broad concerns:

- As the Board is aware, the proposed capital planning process is, in general, far more comprehensive and detailed than the initial Comprehensive Capital Analysis and Review (the “**CCAR**” process). The Associations agree with the Board that a more robust process will clarify the capital adequacy and risk profiles of individual bank holding companies (“**BHCs**”). That said, the data the Board seeks to collect via the

¹ Full descriptions of the Associations are attached at Annex 1.

² 76 FR 55288 (September 7, 2011).

FR Y-14A and FR Y-14Q, as noted in Part I, differ from existing bank data. As firms transition to the new reporting process, the need for several important clarifications, discussed in Part II, has already arisen.

The Associations are deeply concerned with the anecdotal experiences of firms that indicate significant lag times in Board responses to technical questions seeking clarification. Such delays were a significant problem during the initial CCAR. During that process many firms reported delays of several weeks before answers to questions were provided, if at all. We urge the Board to clearly set forth a robust and transparent process for responding to inquiries in a timely manner and to begin this process today. Given the breadth of data sought in the proposals and the constraining timeframe for completing the templates, the Associations are concerned that the Board's data collection objectives will be undercut by firms not having ample time to know and understand what data is to be provided.

- In the initial stages of the capital planning process, both the Board and covered firms would benefit from enhanced flexibility. The Board's twin objectives of obtaining a detailed view of the risk profiles of firms and conducting horizontal comparisons of capital adequacy could be accomplished using data that exists today. Where possible, existing data and processes should be leveraged.
- It is evident that the data captured by the templates serves multiple purposes and provides varying types of supervisory information. While certain, core templates address capital adequacy, others are of a more general supervisory nature. Given the substantial amount of new data to be provided in these templates, the Associations believe the initial filing of supervisory templates should begin in the first quarter of 2012.
- The timing between the proposed late November 2011 receipt of final templates and required submission dates is extremely challenging particularly given the increased focus on reconciliation to the FRY9, continued requirement for several years of historical data, and the fact that there are multiple inconsistencies across templates that may or may not be resolved in the final templates, which could entail additional and significant efforts to comply by the reporting banks. The Associations urge the Board to recognize that the short time frame for completing the templates makes it challenging for some firms to comply. Some of the data sought is not currently captured by firms at the level of granularity envisioned by the proposals or in a format that easily translates to the provided templates. Incorporating thresholds – in areas where significantly more granularity is being requested than has historically been provided or where time consuming manual processes might be necessary to provide specific data elements – would significantly reduce the burden on firms while still permitting the Board to obtain a very comprehensive view-both immediately and going forward-of reporting firms. In addition, we note that the ability of firms to provide the data sought would be greatly enhanced if the Board elected to provide the supervisory scenario before the templates are finalized.

I. Substantive Concerns

The Associations' substantive concerns pertain to matters of timing, process and discrepancies between data sought and previous Board direction or existing firm practices.

- a. **The proposed Pre-provision Net Revenue ("PPNR") template, by mandating that firms report using both net-interest income and business segment bases, will result in filings that do not allow meaningful evaluation of a firm's results.**

The proposal mandates that any firm whose deposits comprise more than 1/3 of its total liabilities collect and provide data in two distinct formats: according to net-interest income³ and by specifically-defined business segment. For most firms, one format will not provide meaningful insights into how the business is managed. Additionally, for BHCs that manage their businesses with a different segmentation than the ones provided, restating data will require either the development of alternative funds-transfer pricing and equity allocation methodologies to support the new segments, which may be challenging, or rough translations from the existing management reporting, which may not provide meaningful results. We recommend that the Board permit BHCs the flexibility to use the format and business segment definition most appropriate for their operations, similar to the option provided by the Board in the last iteration of the CCAR.

Additionally, we do not believe that the granular detail required for every scenario in the PPNR Metrics worksheet is necessary for purposes of evaluating capital adequacy. We believe the following changes would provide the Board with relevant information, while reducing some of the burden on firms to produce data that is inconsistent with current budgeting and forecasting processes:

- a. Proposed: Average fee rate, deal volume, and market share for each Advisory, Equity Underwriting, Debt Underwriting and Corporate Lending.

Recommended: Average fee rate, deal volume, and market share for total IB fees

- b. Proposed: Compensation for Investment Banking and Sales and Trading

Recommended: Compensation for total Investment Bank

- c. Proposed: Commission and fees for Equities, Fixed Income and Commodities

Recommended: Either total markets or principal transaction revenue for Equities, Fixed Income and Commodities

- d. Proposed: Quarter end weighted average maturity of assets and liabilities by Y9C line item

Recommended: Non-critical requirement for 2012 submission

- b. **The "as of" date requirement relevant to trading and counterparty ("CCR") data is problematic and should be liberalized.**

³ The proposal compels BHCs to report net interest income two ways: at the corporate entity level and then at the business segment level. In addition, firms have to provide non-interest income at the business segment level. The concerns addressed in this part are specific to net interest income.

As explained in the proposals, the Board will provide an as-of date for data pertaining to trading and credit valuation adjustments (“CVA”) sometime after it has occurred. During the last year’s CCAR, BHCs were able to supply data from any day within one week of the promulgated as-of date in order to leverage existing risk reporting processes. The Associations believe that similar flexibility should exist in the forthcoming capital planning oversight framework. While it is unclear from the templates whether such flexibility is to exist, we strongly advocate for firms to be allowed to use the closest prior reporting date that is not a bank holiday. Such flexibility would recognize the realities of BHC data collection and storage capabilities, while also providing the level of granularity the Board appears to desire. It is impractical for firms to retain the granularity of data required to complete this submission for every day in case it might be the date chosen. While firms generate this data daily, it would require massive changes and investments to store and retain the information for the entire quarter.

c. The Associations are concerned with the requirement to name and quantify potential litigation exposures under a variety of stress conditions as mandated on the Operational Risk template.

Disclosing internal litigation exposure estimates, as sought in the Operational Risk template, could lead to inappropriate disclosures. The Associations request that the Board implement procedures to clarify that such internal litigation projections will be treated as confidential supervisory information and not made public. Because many firms do not internally classify potential litigation exposures using the same scenarios or methodology envisioned by the template, we note that any public disclosure could lead to inaccurate public conceptions of BHC litigation exposure.

d. The process of exempting firms from completing certain templates should be augmented to include qualitative factors in the materiality analysis, including the views of examiners-in-charge (“EICs”).

The Board has appropriately declined to require every BHC to complete each template. The Associations strongly support the inclusion of meaningful materiality thresholds in the data submission process. We are concerned, however, that limiting the materiality analysis to a simple numerical standard (*i.e.* portfolio asset balances greater than \$5 billion or asset balances relative to Tier 1 capital greater than 5 percent on average for the four quarters preceding the reporting quarter) will result in firms having to complete schedules that offer little insight into their capital adequacy or risk profiles. Absent change, it is clear many firms may end up having to invest significant time and resources to complete schedules that their examiners had deemed unnecessary during the initial CCAR exercise.

The Associations urge the Board to revise the exemption proposal by making it conjunctive, rather than disjunctive. That is, templates should only need to be completed if a portfolio meets both the \$5 billion and 5 percent of Tier 1 capital thresholds.

In addition, to we ask the Board to enhance the exemption standard by creating a process for firms to seek approval for exemptions based on qualitative factors beyond the \$5 billion or 5 percent of Tier 1 capital standard. For instance, there should be a process BHCs could use to obtain exemptions for portfolios that have been sold to third parties since the reporting date or those that are largely guaranteed by the United States government. We believe that such a process should permit firms to present the Board with qualitative reasons for exemptions, including the views of EICs.

- e. Because the Counterparty template requires firms to provide data according to normal margin period at risk and with a 10-day margin period at risk, the same level of granularity should not be required.**

According to recent information provided by the Board, the new Counterparty template requires BHCs to conduct data collection efforts under both with the normal Margin Period at Risk and with a 10-day Margin Period at Risk. In practice, this doubles the number of scenarios required from three to six. Given this decision, the Associations urge the Board to require only the use of the 10-day margin period for the Counterparty template data collection. Doing so would streamline the data collection process while focusing on the data the Board has sought to emphasize.

- f. The Associations believe that the inclusion of cross defaulted data in the Commercial Real Estate ("CRE") template is unnecessary and are concerned that the data sought may in fact lead to erroneous judgments concerning the CRE risk within firms.**

Although some firms have been providing quarterly detailed CRE data to the Office of the Comptroller of the Currency ("OCC") for two years, they have not been required to provide details for loans below \$1mm; indeed, they were only recently asked to move to \$1mm from the original \$10mm threshold. For every loan under \$1mm, there is a significant and often manual exercise of going back to the original credit files and including data elements in some of these required fields. The Associations are concerned that the proposal's new "cross-defaulted" requirement mandates BHCs report client exposures where there are two properties and there is cross-default language (which is customary for CRE lending). This requirement will bring a significant number of loans below \$1mm into scope and, combined with the manual nature of the data gathering process, will pose particular challenges for institutions given the extremely short time period for filing the completed templates.

We do not object to the reasonable expansion of reporting to include cross-collateralized loans under \$1mm. However, we believe it is very important for the Board to recognize that most BHCs will not be able to provide all 39 data elements sought. It would be more sensible to initially require that BHCs only provide information directly related to stress testing. Additionally, as noted above, BHCs should not initially be required to include cross-defaulted loans separate from those that are cross-collateralized, which would bring into scope a significant number of loans under \$1mm.

Moreover, the Associations are concerned that, without modification, the CRE information proposed to be collected may not give the Board an accurate picture of the risk of a firm's CRE portfolio. Even with the data proposed to be collected, it would not be possible for the Board to calculate debt service and debt service coverage for reported CRE loans, which are key elements of risk. Thus, it is very likely that CCAR modeling and stress testing could produce results at odds with internal ratings and the true risk of the loans. The Associations encourage the Board to review the results of any CRE stress testing with the relevant firm to inform the Board's conclusions.

- g. A minimum threshold should be incorporated into the Corporate template to obviate initial burdens firms will bear in gathering and organizing the necessary data.**

Some BHCs will be severely challenged to deliver every facility with all required (or optional) data elements in the Corporate template by mid December. It is challenging for some firms to transition from existing internal reporting systems to more granular reporting in a matter of weeks. The burden of completing the Corporate template is compounded for some firms because they source loans for HCC (FRY-9C) reporting mainly from the line item detail of their general ledger, not from Credit Systems. Some

banks are not currently able to provide each and every loan from their Credit Systems across all of the required (and optional) data elements.

We believe that the Board should be flexible in developing and implementing the initial Corporate template filing. Doing so will abet BHCs in providing relevant and high quality data in the proposed timeframe. The Associations recommend the Board include a minimum threshold (either a dollar amount, like \$1mm, or based on the size of the banks' portfolio) for Corporate data sought. For direct comparison, in the CRE reporting process, there was an original threshold of \$10mm that was lowered over time to \$1mm. Using a similar process with the Corporate template would allow BHCs to build the necessary reporting systems over time to provide the data the Board seeks.

II. Clarifications

a. Inconsistencies in the loan detail between the balance sheet and income statement sections of the annual templates need to be addressed.

There are inconsistencies in the loan detail between the balance sheet and income statement sections of the annual templates, as related to the additional breakout of owner occupied on the balance sheet only. Because the manner in which this inconsistency is addressed will impact the projections and will require considerable re-work, we respectfully request that the Board provide reporting banks guidance on how this inconsistency will be addressed prior to proposed release of the final templates in late November.

b. It is necessary for firms to know prior to the finalization of the templates if recorded investment data from the FRY-9C must be incorporated into the quarterly schedule data.

The quarterly templates ask for contractual balances with a requirement to tie to the FRY-9C, but recorded investment is the basis for the FRY-9C numbers. Due to the considerable weight placed on reconciliations in the new filing requirements, if the recorded investment data will be a requirement for the templates, knowing that change in advance of late November would be optimal for the reporting banks.

c. There is significant overlap between certain templates and submissions that large national banks must provide to other regulators.

The Associations note that in the credit card, mortgage, home equity, large corporate, and CRE contexts the Board is proposing to collect data that is already provided to other regulators (i.e. the OCC). Now that the Fed and OCC plan to enter into a data sharing agreement, we respectfully request that the Federal Reserve and the OCC work in a cooperative fashion to promptly resolve the differences between their respective, similar reporting requirements.

III. Conclusion

The Associations understand the Board's objectives in transitioning from an *ad-hoc* CCAR process to the permanent capital adequacy review structure the Board plans to institute. We urge the Board to consider the transition costs and burdens that will weigh on institutions as systems are constructed to track and report the data sought by the proposed FR Y 14-A and FR Y 14-Q templates.

* * *

Thank you for considering the concerns raised in this letter. We appreciate the opportunity to share our views and would be happy to discuss any of them further at your convenience. Given the rapidly approaching proposed submission dates and the significant effort involved in gathering the required data and populating the templates, it is critically important for the Board to respond to the Associations' proposals and recommendations in a timely manner.

If you have any questions, please contact Eli Peterson, Vice President and Regulatory Counsel, of TCH at (202) 649-4602 (email: eli.peterson@theclearinghouse.org); Hugh Carney, Senior Counsel II, of the ABA at (202) 663-5324 (e-mail: hcarney@aba.com); Rich Whiting, Executive Director and General Counsel, of the Roundtable at (202) 289-4322 (e-mail: rich@fsround.org); or Kenneth Bentsen, Executive Vice President, Public Policy and Advocacy, of SIFMA at (202) 962-7356 (e-mail: kbentsen@sifma.org).

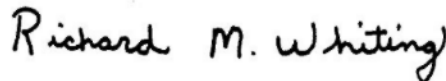
Respectfully submitted,



Eli K. Peterson
Vice President and Regulatory Counsel
The Clearing House Association L.L.C.



Hugh Carney
Senior Counsel II
American Bankers Association



Richard M. Whiting
Executive Director and General Counsel
The Financial Services Roundtable



Kenneth E. Bentsen, Jr.
Executive Vice President, Public Policy and Advocacy
Securities Industry and Financial Markets Association

cc: The Honorable Daniel K. Tarullo
Board of Governors of the Federal Reserve System

Mr. Arthur Lindo
Board of Governors of the Federal Reserve System

Ms. Lisa H. Ryu
Board of Governors of the Federal Reserve System

Mr. Thomas Boemio
Board of Governors of the Federal Reserve System

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The Associations

TCH is an association of major commercial banks. Established in 1853, TCH is the United States' oldest banking association and payments company. It is owned by the world's largest commercial banks, which collectively employ 1.4 million people in the United States and hold more than half of all U.S. deposits. TCH is a nonpartisan advocacy organization representing through regulatory comment letters, amicus briefs, and white papers the interests of its member banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated clearing-house, funds-transfer, and check-image payments made in the U.S. See TCH's web page at www.theclearinghouse.org.

The ABA represents banks of all sizes and charters and is the voice of the nation's \$13 trillion banking industry and its 2 million employees. The majority of ABA members are banks with less than \$165 million in assets. Learn more at www.aba.com.

The FSR is a national trade association of 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to America consumers and businesses. Roundtable member companies account directly for \$74.7 trillion in managed assets, \$11.1 trillion in revenue, and 2.3 million jobs.

SIFMA brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to develop policies and practices which strengthen financial markets and which encourage capital availability, job creation and economic growth while building trust and confidence in the financial industry. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association.

Capital One Financial Corporation comments on the new CCAR templates

Clarification requests:

Retail Balance projections tab:

1. Could the Federal Reserve provide a more detailed definition of Asset Purchases and Asset Sales line items particularly with respect to Credit Cards? For example should the BHC include portfolio acquisitions as Asset purchases and sale of charged off debt for Asset Sales for Credit Cards?
2. Could the Federal Reserve provide a more detailed definition of Asset Purchases and Asset Sales line items particularly with respect to Mortgages? For example, does 'Asset Sales' refer to or include Capital One originated and sold mortgages? Does 'Asset Purchases' include loans and other assets repurchased due to Rep and Warrant liabilities?
3. Could the Federal Reserve provide a mapping of how loan balances represented on Retail Balance Projections tab should tie with loan balance on Balance Sheet Worksheet tab? Is it understood that certain Y9C segments on Balance Sheet tab will not tie to Retail Balance segments due to the inclusion of Small Business and Commercial?

Credit Mark work sheet in the Summary template

1. Pertaining to the *Retail ASC 310-30 Worksheet*, is the 'ASC 310-30 Reserve' defined as any ALLL Reserve for 'ASC 310-30 Purchased Credit Impaired loans' that is held in addition to the 'credit mark for ASC 310-30 Purchased Credit Impaired loans' ?

Pre-Provision Net Revenue

1. For the Net Interest Income tab, are the BHCs expected to provide real or FTP based rates? If we need to report out real rates here, one point that is important to it will only be Interest Income for the assets and Interest Expense for Liabilities.

Rep & Warranty:

1. Can you please provide clarity on the meaning of "excluding upb exempted or settled" for the Outstanding UPB category?

Historical Data Templates:

1. Card Accounts in International Region - Domestic card accounts having an international address but there is no International region provided. We currently have them separate. Would the Federal Reserve prefer to have them merged into an existing region and or Keep them in a separate bucket? Either way we will provide clear documentation to provide transparency on the approach.
2. Partnership and Legacy Portfolios - Partnership data is only available at statement level whereas legacy data is at Month End level. We are planning to keep them separate given the DQ rates will be different. Should we add a new product segment called partnerships?
3. SBLOC and SB Loans - Currently we only have one product term in Federal Reserve template. The DQ rates and default definitions are different for the two portfolios. We are looking to report them separately because of the above reasons and create a new segment ID.

4. Recoveries Data for newly acquired portfolios - We are providing historical data for newly acquired partnership portfolio. Capital One is entitled to the recoveries revenues from charge-off accounts post acquisition only. Do we need to provide historical data to enable Federal Reserve's modeling of recoveries?

Comments on proposed templates:

1. For the PPNR template, Capital One and many other BHCs do not project income items in Y9C segments today. Translating existing management reporting into the Y9C segments will not result in perfect allocations and may result in unintuitive and potentially misleading answers since many of the underlying methodologies for funds transfer pricing and equity allocation that NII is sensitive to were developed for the management reporting segmentation. As a result we request the BHCs have the flexibility to provide NII in the segments used for management purposes or be able to provide a higher level segmentation as allowed in the alternative template in the previous CCAR and supplement that high level view with more detailed breakdowns appropriate for their specific business.
2. In providing data on the Rep & Warranty reserve liability is it important to realize that in many cases Capital One and other Bank Holding Companies also sold the servicing rights to the loans. In these cases the banks will not have access to detailed performance data and may have to provide estimates based on the best information available or for some metrics will not be able to provide reliable data at all. We would ask that the Federal Reserve provide the flexibility for BHCs to provide current performance data where available and only originations based data where the current performance data is not reasonably available.

November 7, 2011

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, D.C. 20551

OMB Desk Officer
Office of Information and Regulatory Affairs
U.S. Office of Management and Budget
New Executive Office Building, Room 10235
725 17th Street, N.W.
Washington, D.C. 20503

Re: Capital Plans – Proposed Agency Information Collection Activities (FR Y-14Q and FR Y-14A); FR Doc. 2011-22912

Dear Sir or Madam:

Morgan Stanley ("the Firm") appreciates the opportunity to comment on the notice of proposed rulemaking (the "**NPR**")¹ issued by the Board of Governors of the Federal Reserve System (the "**Board**") requiring large Bank Holding Companies ("BHCs") to submit quarterly and annually certain defined data schedules (the FR Y-14Q and the FR Y-14A) to the Federal Reserve in connection with the submission of a BHCs capital plan. We support sound capital planning and believe that many of the NPR's requirements are appropriate. However, we have concerns with several aspects of the NPR and the proposed FR Y-14Q and FR Y-14A data collection schedules as discussed below.

Comments were invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. Ways to enhance the quality, utility, and clarity of the information to be collected; and
- c. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

¹ 76 Fed. Reg 55288 - 55292 (September 7, 2011).

The Firm proposes comments on the following, as requested by the NPR:

A.) Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility

A.1) Retail Risk Templates - Domestic Other Consumer Schedule

The scope of the Domestic Other Consumer Schedule included in the FR Y-14Q is defined as all non-student, domestic loans reported in line items 6(b) and 6(d) on Schedule HC-C of the FR Y-9C. Within line 6(d), Other Consumer Loans, our BHC includes non-purpose Securities Based Lending ("SBL") to individuals. SBL in this context refers to loans secured by marketable securities pledged to the Firm. These loans are generally demand facilities and over-collateralized by the pledged securities. The overcollateralization amount is determined by the risk characteristics of the underlying security collateral (e.g. equities typically receive a larger haircut than corporate bonds). Collateral amounts are recalculated daily. Should the security collateral value decline below the required collateralization level, a collateral call will be made. As a result, losses on the product have been de-minimis. These SBL products are marketed only to customers of our retail broker-dealer.

We believe that populating the metrics required in Domestic Other Consumer Schedule to SBL books would not have practical utility, because these required metrics do not reflect the risk characteristics of these products due to their over-collateralization and daily margining.

We propose that SBL be excluded from the scope of the Domestic Other Consumer Schedule. This would be consistent with the treatment of SBL portfolios, such as loans for purchasing or carrying securities reported on in line item 9(b)(1) on Schedule HC-C of the FR Y-9C for which the FRB has not requested a detailed schedule in the FR Y-14Q.

A.2) PPNR Metrics Worksheet - Treasury Services

The PPNR Metrics Worksheet in the FR Y-14Q and the FR Y-14A requires a bank holding company ("BHC") to report the Average Interest Rate Spread Between Loan and Deposit Yields. Morgan Stanley uses multiple sources of funding to extend loans, and deposits comprise less than one third of the liabilities of Morgan Stanley as a whole. This interest rate spread might not have not really be indicative of the sort of pricing differential on a consolidated BHC reporting level on which the Board seems focused. Various line items on the PPNR Metrics Worksheet are only applicable to BHCs completing the Net Interest Income Worksheet, i.e. for BHCs where deposits comprise one third or more of total liabilities for any given reporting period. We recommend that the Average Interest Rate spread between Loan and Deposit Yields should only be required from BHCs completing the Net Interest Income Worksheet.

B.) Ways to enhance the quality, utility, and clarity of the information to be collected

B.1) Trading, PE and Other Fair Value Exposures Template

Morgan Stanley recommends that BHCs be provided the following options in filling out the Trading, PE and Other Fair Value Exposures Template to enhance the quality and utility of the information requested.

- (1) BHCs should be given the option to decompose certain risk exposures further or to provide additional details to ensure that distinct risk drivers are adequately identified.

For example, more granular asset type breakdown in the Securitized Products templates and additional second-order risk metrics in Corporate Credit templates may help identify different risk behavior.

(2) BHCs should be given the option to report risk exposure in ways consistent with BHCs' risk representation to ensure utility. For example, the current exposure template page for interest rate DV01 splits out exposure by curve. It is not clear how to distinguish between the directional and basis risks, and the sum of the two is not a meaningful risk measure. We propose allowing BHCs the option to use a base/basis curve methodology that matches how the risk is generally represented and understood.

B.2) Summary Schedule – Counterparty Risk Worksheet

The CVA template includes a line for "Trading IDR ("Incremental Default Risk") losses from securitized products". There are no further instructions associated with this item, although it is referred to on page 13 of the Summary Schedule Instructions as a subcategory of overall Trading IDR Losses. Trading IDR Losses are defined as additional losses incurred from default of underlying securities (obligors) in the trading book, beyond the MTM losses already captured by the MTM trading book shocks applied.

The scope and intention of the "Trading IDR losses from securitized products" line item is unclear. Morgan Stanley believes that this item is best interpreted as the marginal contribution to total Trading IDR losses from the correlation trading portfolio, defined to include all correlation trading products and their hedges. Reporting losses from securitized products excluding their hedges would not yield economically meaningful results since the correlation trading portfolio is typically extensively hedged.

Morgan Stanley does not believe that this line should include losses from Asset-Backed Securitized Products which typically have multiple-name underlying reference obligations (such as RMBS or CMBS). The dominant part of the risk in these products (when held in the trading book and marked to market) is general market risk, and is therefore fully captured as mark-to-market losses in the trading book loss template. This view is also reflected in Basel 2.5 and the NPR, neither of which seek to calculate an IDR measure for these products.

B.3) Comment and Question Period for FRB Prescribed Market Shock

This year the Federal Reserve has elected to prescribe risk factor shocks for the Supervisory Stress Scenario. The shocks will be provided in a template released toward the end of November. This represents a change from last year when firms derived shocks based on changes in risk factors experienced over the second half of 2008. In prior exercises, Morgan Stanley invested a significant amount of effort and discussion to arrive at what the appropriate set of shocks would be. We would likewise appreciate the opportunity to review and provide feedback on the supplied shocks for CCAR this year, with an opportunity for amendments if appropriate. Due to the fact that shocks cannot be disclosed until after the portfolio stress date has been communicated, this request may extend the turnaround time for firms participating in the CCAR exercise. However, we feel that including these steps in the process will ultimately improve the quality of information provided to the Federal Reserve.

C.) Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology

C.1) Due date for the FR Y-14A

The proposed rule states that the Federal Reserve expects to receive completed FR Y-14A templates by early-January 2012. For many BHCs this production schedule is suboptimal given the scheduling of Board meetings and fourth quarter earnings releases. We recommend that the timing of this submission be consistent with the BHC's production process for producing Board approved quarterly financial information, i.e. mid to late-January to increase efficiency and minimize the burden on BHCs.

In addition to the comments detailed above we also agree with and endorse the comments provided by The Clearing House Association L.L.C. , the American Bankers Association, The Financial Services Roundtable and the Securities Industry and Financial Markets Association on the proposed FR Y-14A and FR Y-14Q data schedules.

If you have any questions, or need further information, please contact Daniel Park, Managing Director of Morgan Stanley, at (212) 762-4338 (e-mail: Daniel.B.Park@morganstanley.com).

Respectfully submitted,

A handwritten signature in dark ink, appearing to be 'D. B. Park', with a long horizontal line extending to the right.

Daniel B. Park,
Managing Director

cc:

David Russo – Treasurer, Morgan Stanley



Mr. Patrick Loncar
Banking Supervision & Regulation
Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, CA 94105

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

November 7, 2011

Re: FR Y-14A and FR Y-14Q (Capital Plans; Proposed Agency Information Collection Activities)

Dear Mr. Loncar and Ms. Johnson:

Wells Fargo appreciates the opportunity to comment on the proposed FR Y-14A and FR Y-14Q data collection schedules that were outlined in the Federal Register, Vol. 76, No. 173 on September 7, 2011. The purpose of this document is to provide detailed feedback on the proposed schedules for your consideration. Overall, we believe there is significant merit to the comprehensive capital analysis and review process envisioned by the Board of Governors and we appreciate the opportunity to comment on the schedules. However, for the reasons discussed below, we have concerns with several components of the schedule, some of which are substantive in nature. We have categorized our feedback into two sections: comments and clarifications. Comments are those items we perceive to be of the highest priority. Clarifications are either items for which we would like clarification in order to complete the schedules properly or minor suggested changes to the documents themselves.

Section I: Comments

A. Common to both FR Y-14Q and FR Y-14A

1. Clarification of Confidentiality

A significant amount of the data provided in both the quarterly and annual schedules is of a confidential nature. It is our understanding that all elements of the FR Y-14Q, FR Y-14A and Comprehensive Capital Analysis and Review (CCAR) Capital Plan submission are for use by the Federal Reserve for internal purposes only and will not be shared more broadly. If this is not the case, we request the opportunity to identify data provided in specific sections that should remain private.



2. Pre Provision Net Revenue (PPNR) Schedules - Prescribed Business Segment View

a) Overall Comments

- The PPNR template, which is comprised of the PPNR Submission/Projections Worksheet, Net Interest Income Worksheet, and PPNR Metrics Worksheet, asks for new information related to the Balance Sheet, Net Interest Income, Non-Interest Income, and Metrics. Within the PPNR Schedule, the PPNR Submission/Projections and Metrics Worksheets are organized by standardized business segments, which are not currently mapped within our management reporting structure. We do not manage to these business segments and currently have neither processes nor infrastructure in place to report history (a new quarterly requirement) or provide projections (a new annual requirement) that line up with these defined views. To resolve this issue, we would need to create new allocation (funding, expenses, and capital) methodologies that work for both actuals and projections. It is unlikely these methodologies could be developed in the near-term in a way that would be meaningful to internal or external reviewers of the information and therefore would likely hinder the integrity, transparency, and reproducibility of the analysis. Last year, the business segment information was not required for the PPNR template, and in other materials we were permitted to explain our PPNR results within our own management reporting structure. Two mutually beneficial alternatives present themselves:
 - Postpone submission of the PPNR templates to allow time to develop a format and timeline that can produce more meaningful data that represents our business lines.
 - Complete the PPNR template using our Asset Liability Management and Management Reporting systems structure.

b) Detailed Comments on PPNR

- Comments for specific worksheets with the PPNR Template are outlined below.

PPNR Submission/Projections Worksheet

1) Net Interest Income Section

- Net Interest Income by Business Activity on the PPNR Submission/Projections Worksheet: New methodologies, including asset allocations, equity allocations, and funding assumptions to each business activity (e.g. Sales and Trading), would need to be created to populate this worksheet. Given a short timeframe, a rudimentary approach may be required, which may produce results that may not fully describe the profitability or risk of the activity.
- The predefined business line splits requested for the Net Interest Income forecast do not align with our standard hierarchy for the Asset Liability Management or Management Reporting. Last year, submission of Net Interest Income by these business unit splits was optional. In order to complete the Net Interest Income forecast in the proposed structure, we

would need to develop methodology and coordinate with product groups, which would be very time-consuming. Our concerns relate to each of items 1 – 10 under Net Interest Income by Business Segment. These lower level breakouts are not complete balanced balance sheet businesses with both assets and liabilities, so the Net Interest Income for these activities, without the creation of allocation methodologies, is not a meaningful measure within the Firm.

- The template requests history back to Q1 2009 for these same businesses. Because the template standard views do not align with our internal business line views, we would need to coordinate with product groups which would be very time intensive. It is also unclear whether any methodology employed could be translated equally to history and projections. This problem may require even further simplification of methodology which would call into question, as stated above, the integrity, transparency, and reproducibility of the reporting. We request that we be able to substitute our management reporting view for this section.

2) Non- Interest Income and Expense Section

- New methodologies would need to be developed for the Non-Interest Income and Expense portion of the worksheet. The P&L methodologies would need to be developed in tandem with the Balance Sheet and Net Interest Income methodologies. This additional coordination requires time to complete in an accurate, reproducible manner.
- Business segmentation for our Commercial/Wholesale Line of Business financials would need to be produced manually. Based on the standard business segment descriptions, many Commercial/Wholesale businesses would be assigned to Commercial Lending. For example, Treasury Services (line 18) is not managed as a separate business. Consequently, we would have to back out service charges and deposits from several businesses. This allocation process requires time to complete in an accurate, reproducible manner.

Net Interest Income Worksheet

- Several of the requirements (such as Trading Liabilities funding balances and rates (lines 25 & 31) and Subordinated Notes & TRUPS funding balances and rates (lines 26 & 32) are non-standard splits in our management reporting framework. Therefore, we will need to coordinate with several groups internally to obtain this information, which will require a significant amount of time.

PPNR Metrics Worksheet

- The Metrics worksheet requests information by business activity, geography, and in some cases loan type. Most of the metrics data in the



worksheet are not the same metrics that we use to manage our businesses, and it would require significant additional work to gather these metrics. Some of the historical data (especially 2009) may be difficult to obtain due to systems integration.

3. Trading and Counterparty Schedules - As-of Date and Related Issues

- The expectation for the FR Y-14Q trading data to be submitted in mid-December, with a still unknown as-of date, does not provide the BHC with an appropriate amount of time to adequately review the submission with the appropriate level of due diligence given the complexity and magnitude of the requirement. We therefore recommend the trading template be given an ample period of time for submission such as the 40 day requirement effective in 2012 in light of the logistics required to provide accurate reporting at such a granular level. To that end, we request the as-of date be released as soon as possible.
- The NPR indicates that “The as-of date for the Trading and CCR data would be during the 3rd or 4th quarter. The as-of date would be communicated to the BHCs after it had occurred but before year-end”. This results in a very large potential window from as-of date to notification date of up to 6 months, or about 130 business days. The format of the CCAR approach to trading and counterparty risks requires the reuse of significant volumes of trading data from the “as-of” date in a relatively short period of time. In order to maximize the ability of firms to provide timely and efficient responses, and minimize potential data storage and recovery burdens, we recommend the regulators establish a maximum period between the notification date and the as-of date, and that this period be no more than 10 business days. In addition, we recommend the regulators again permit some flexibility around the exact date used, as was allowed in the 2010-11 stress test.

4. Trading Schedules – Other Fair Value Assets

- There are multiple places in the proposed FR Y-14A/Q submissions that reference ‘Other Fair Value Exposures’. The first is in the ‘Trading, PE & Other Fair Value Exposures’ template in the FR Y-14Q. The second is in the ‘Trading, PE & Other Fair Value’ tab of the Summary Schedule in the FR Y-14A. We are requesting clarification of instruments expected to be included in the line item identified as ‘Other Fair Value Exposures’. Based on the Fair Value disclosure in our 10Q, our bank’s fair value assets consist of certain loans held for sale, all trading, all AFS, certain derivatives, some mortgage servicing rights, and other items. We are currently accounting for loans held for sale, trading, AFS, derivatives and mortgage servicing rights through other FR Y-14A/Q schedules. We request confirmation that fair value assets reported elsewhere such as those listed above should be excluded from items reported as ‘Other Fair Value Exposures’.
- Trading Schedule / ‘Other Fair Value Assets’ tabs – Similar to other tabs in this template such as ‘Private Equity’, we request an additional column be added with the heading ‘Unspecified’.

B. Comments Specific to FR Y-14Q

1. Securities Risk Schedule / Securities 1 – “Best efforts”

- This template includes several new fields that were not part of earlier quarterly submissions for our AFS portfolio. The instructions at the top of the schedule includes the following: “Book Yield, Purchase Price, Purchase Yield and Purchase Date fields (columns M, N, O and P) are to be completed on a best-efforts basis; all other fields, highlighted in gray, are mandatory.” We are requesting confirmation of the meaning of the phrase “best-efforts basis”. These fields are very difficult to populate and our interpretation is that they are optional.

2. Wholesale Risk Schedule / Corporate Loan

- The compressed timeframe to comply with the Corporate Loan Data Collection requirements is not adequate to accommodate a complete collection of some of the data fields. An extensive manual effort is necessary to populate a portion of the mandatory fields in order to produce a complete loan level submission in the requested format. In comparison, multiple quarters were given to complete the collection of required data elements on the commercial real estate portfolios. Given the manual effort to collect the missing data elements, we would support setting a facility threshold for this effort and establishing a phase-in approach over several quarters for the various data elements, focusing on the most critical data elements first.

3. Wholesale Risk Schedule / Corporate Real Estate

- The CRE template has several new fields related to cross-collateralization of loans. This information is generally not readily available and will require a manual effort to complete. Similar to the evolution of the CRE template, we request a phase-in approach for these new fields, allowing banks to initially focus on the loans with the highest impact.

Comments related to specific fields in the Corporate Real Estate template:

a) Field No. 10: Origination Date

- Description in guidance: *“Date the commitment to lend came into being for each CRE Loan. If the CRE Loan has been renewed/rewritten/amended use that date as the Origination Date (except for extension options that were at the sole discretion of the borrower). The date given here should match the date given in fields 12 and 13. The renewed/rewritten/amended date would include all credit actions that require bank approval and that change the contractual date of the obligation.”*
- Our bank will report according to the definition in the 9/30/2011 published guidance. This differs from an example presented on the 10/11/2011 CRE All



Bank conference call hosted by both the OCC and The Federal Reserve Bank of Chicago.

- In the case of loan A being cross-defaulted and cross-collateralized to other existing loans (B & C) subsequent to the origination of loan A, generally all the impacted loans (A, B & C) would have been modified at the same time to effectuate the cross. Therefore, the origination dates for all the loans would be updated to the date the cross was implemented.

b) Field Nos. 13 and 41: Value at Origination / Current Value

- Description in guidance: *"In the case where loans are cross-collateralized and/or cross-defaulted, please provide the sum of all property values, net of pari passu and superior liens not owned by the reporting institution."*
- Some calculated LTVs may be overstated for loans that contain non CRE as part of the collateral. The request for "sum of all property" is being interpreted as commercial real estate values only. This understanding was confirmed during the 10/11/2011 CRE All Bank conference call hosted by both the OCC and The Federal Reserve Bank of Chicago.
- Many of our loans are cross-defaulted. The pool of collateral is independent unless specifically identified as cross-collateralized. In the case where loans are cross-defaulted but are not cross-collateralized, to pool the collateral values would misstate the LTV by inaccurately representing the legal ability to pursue other collateral. We request that reference to cross-defaulted loans be removed from this requirement since it will result in misleading data.

c) Field 43: Cross-Collateralized Loan Numbers

- Description in guidance: *"Please enter the Loan Numbers (Field #1) for all the loans which are cross-collateralized and/or cross-defaulted. This includes loans that have less than \$1 million committed."*
- In general, this will be a manual effort to collect the data in the format requested. Current action plans to fully automate the CRE Data Collection effort will be reviewed and updated to address these changes, focusing on loans with the most material impact.
- The guidance does not provide clarity around how to treat different types of cross-collateralized loan structures. As an example, loan ABC may be crossed with loan XYZ, but XYZ may not be crossed with ABC. We request additional examples be provided to illustrate a wider range of possible scenarios.

C. Comments Specific to FR Y-14A

1. Counterparty Schedule – Number of Scenarios

- The addition of the “FR specification” for Expected Exposure (EE) appears to potentially double the number of scenarios that may need to be run for a firm that does not apply those Specifications in its normal day-to-day operations. EE and Maximum Potential Exposure (MPE) measures used by firms in their management of counterparty credit risk are often generated from complex and technology-intensive processes, changes to which can require significant and time-consuming efforts. Furthermore, unless firms fully adopt the FR Specification for their day-to-day activity, such changes would need to simultaneously permit more than one approach to the treatment of collateralized counterparty exposures, placing further strain on technical and counterparty resources. Any requirement to apply an FRB-specified approach to such a fundamental measure should only be phased-in after appropriate consultation and allow firms sufficient time to implement the necessary changes.

2. Summary Schedule / Income Statement Worksheet - ALLL vs. ACL

- Provisions represent the change in reserve balance over (reserve build) or under (reserve release) the chargeoff usage. We provide for the entire Allowance for Credit Loss (ACL) through the provision line item (not just the Allowance for Loan and Lease Losses or ALLL) in our normal practice. To be able to align historical and forecasted provision, we request to change the ALLL reference on the Income Statement Worksheet to an ACL reference. This allows us to align the provision to our current practice which is to provide for the ALLL and the Allowance for Unfunded Credit Commitments (AUCC). Specifically, in the ‘Income Statement Worksheet’, we request to change the following:

ALLOWANCE FOR LOAN and LEASE LOSSES to ALLOWANCE FOR CREDIT LOSS

Row 36: ALLL, prior quarter to ACL, prior quarter

Row 39: ALLL, current quarter to ACL, current quarter

3. Summary Schedule / Capital Worksheet - Deferred Tax Item

- The formula for Item 61 is currently Item 53 (net deferred tax asset) less Item 60. We believe the formula in Item 61 should be modified to include *either* Item 53 or Item 54 (whichever has a non-zero value in a given submission) *less* item 60. It is possible for a bank to have a net deferred tax liability, yet the formula in item 61 only accommodates a net deferred tax asset. A bank could have a deferred tax liability but still have a deferred tax asset that needs to be included in the formula for item 61. We ask that the formula be fixed in the final schedule.



4. Summary Schedule / Retail Repurchase Worksheet

Comments and clarifications related to specific fields in the Retail Repurchase Worksheet:

- a) We do not have visibility to losses realized by investors and are therefore unable to provide data in the fields 'Net Credit Loss Realized to-date' and 'Estimated Lifetime Net Credit Losses'. Please confirm this is acceptable; if not, please provide additional guidance about what is expected in these fields.
- b) We will measure the 'Repurchased UPB' field by the original Note Amount. Please advise if this is not acceptable. We would also like to clarify whether 'Repurchase UPB' is intended to only reflect actual "Repurchases" (brought on balance sheet) or if it should also include Make-Whole and Settlements (to then reflect all representation and warrant exposure).
- c) We would like to confirm that the 'Repurchase Loss-to-date' and 'Settlements/Make-Whole Payments' fields are mutually exclusive and that the sum of the two fields should equal Total Representation and Warrant Losses (though not captured in the template). We can provide the information as requested by individual vintage for most loans. We may not be able to retrieve to-date activity related to some of the older vintages displayed. We should have reasonable access to information needed to provide activity occurring over the past 5 years (since January 2006), but information before that date may not be available.

5. Summary Schedule / Securities Related Worksheets

Securities CUSIPs Worksheet

- The 'Securities CUSIPs Worksheet' instructs that "For each CUSIP that incurred losses, please state the CUSIP and the amount of loss projected (over the entire forecast horizon)...Total projected losses should reconcile to the total sum of projected losses provided in Securities Worksheets 1 and 2." We plan to include in this worksheet all CUSIPs that experience an actual OTTI loss in the P&L (i.e. credit loss portion). There are cases where a CUSIP may experience a non-credit loss but not result in credit OTTI loss. In these cases, and consistent with last year, we would not include them in these worksheets. Following are a few examples to help illustrate our intended approach:

Data Examples				Proposed Completion of 'Securities CUSIPs Worksheet' tab			
CUSIP	Book Value	Market Value	OTTI (P&L)	Include in worksheet?	Credit Loss Portion	Non-Credit Loss Portion	Total
1	100	105	0	No - No P&L loss	N/A	N/A	N/A
2	100	92	2	Yes	(2)	(6)	(8)
3	100	50	0	No - No P&L loss	N/A	N/A	N/A
4	100	30	20	Yes	(20)	(50)	(70)

The above approach was approved by the Fed during our November 4 meeting. If for some reason our understanding is inaccurate, please provide more specific guidance.

Income Statement Worksheet

- Item 27 (Other-than-temporary impairment – Available for Sale (AFS) Securities) currently pulls from the ‘Total OTTI’ column in the ‘Securities Worksheet 1’ tab. This column currently includes both credit losses (taken through P&L) as well as non-credit losses that do not impact P&L. Based on our discussion with the Fed on November 4, this field should only equal the credit loss portion of OTTI (taken through P&L). Therefore, the formula needs to be changed to pull from columns F, I, L, O, R, U, X, AA, and AD of the ‘Securities Worksheet 1’. Otherwise – if the current formula pulling both credit and non-credit losses is correct - please confirm that this total amount is not impacting net income and is on the ‘Income Statement Worksheet’ tab purely from an informational perspective.
- Item 47 (Realized Gains (Losses) on available-for-sale-securities) does not currently link to any of the Securities worksheets in the Summary Schedule. Based on our discussion with the Fed on November 4, only the 3Q11 cell should contain any gains/losses due to the sale of AFS securities; no sales should be assumed during the projections period. Therefore, our understanding is that this field for all the projection periods should tie to the ‘Securities Worksheet 1’ in the following columns: F, I, L, O, R, U, X, AA, and AD. Please inform if our understanding is correct.
- More detailed instructions for both item 27 and item 47 would be very helpful to ensure we are completing the schedule as expected.

Section II: Clarifications

A. Clarifications Specific to FR Y-14Q

1. PPNR Template

There are currently a couple of inconsistencies between the PPNR Instructions and Worksheets in the 14Q.

- a) PPNR Instructions for the ‘PPNR Submission Worksheet’ use ‘North America’ and ‘Other North American’ designations versus the actual worksheet, which uses ‘Domestic’ and ‘International’ designations. The annual PPNR template also uses the terms ‘Domestic’ and ‘International’, so we request that the instructions be changed to be consistent with the two data schedules.
- b) Item 1 in the ‘PPNR Metrics Worksheet’ is listed as “Credit Card Interchange Revenues - Gross (exclude charge cards)”. Please confirm that you intended to exclude charge cards instead of other items such as unsecured borrowing and debit cards. This seems inconsistent with Instructions for Item 1A in the ‘PPNR Submission Worksheet’, where “Credit Cards” is defined as “Credit and charge cards offered to retail customers. Exclude other unsecured borrowing and debit cards.”



- c) It would be helpful to include all relevant FR Y-9C references into the actual PPNR worksheets (similar to how the references are included in many tabs in the annual 'Summary Schedule'). For example, net interest income, noninterest income and noninterest expense all have ties to the FR Y-9C and are missing references.
- d) Item 24 in both the quarterly 'PPNR Submission Worksheet' and in the annual 'PPNR Projections Worksheet' is labeled 'Operational Risk Expense (links to Operational Risk Template)'. This makes sense for the annual template, but the quarterly template does not have a corresponding Operational Risk Template with historical values. Please advise if/how this field should be completed.

2. Corporate Loan Data Collection template

- a) If the value in Field #36 (Security) equals "unsecured", what is the appropriate value to be entered in Field #37 (Lien Positions)? The allowable values listed are limited to "Senior" and "Subordinate."
- b) The list of standard country codes on page 11 is incomplete. It only includes countries starting with A through M. For completeness, please add the rest of the list to this instruction.

3. Commercial Real Estate Data Collection template

- Similar to the Corporate Loan Data Collection template, the list of standard country codes on page 11 is incomplete. It only includes countries starting with A through M. For completeness, please add the rest of the list to this instruction

B. Clarifications Specific to FR Y-14A

1. Summary Schedule / Various Worksheets

- Many of the tabs already include a column for 3Q11 actuals to be populated. It would be helpful to add a similar column for 3Q actuals to the following worksheets: Retail Balance Projections, Retail Loss Projections, Projected Op Risk Losses, PPNR Projections Worksheet, PPNR NII Worksheet, and PPNR Metrics Worksheet.

2. Summary Schedule / Income Statement Worksheet

- In general, it appears that many more items than are indicated should tie to an FR Y-9C field (such as several of the 'Loan Losses' fields tying to schedule HI-B and ALLL fields tying to HI-B). Please add all other items that should have a direct tie to the FR Y-9C so we can make sure we are meeting expectations.
- We would welcome more guidance on Item 25 (Total Commitment and Contingent Losses). Please provide a definition and/or a tie to an FR Y-9C field that is appropriate.



3. Summary Schedule / Balance Sheet Worksheet

- The formula in Item 8 (HELOCs) is currently pulling from Item 2 (1st Lien HELOAN Balances) in the 'Retail Balance Projections'. It should instead pull from Item 4. Once that correction is made, the HELOAN balances will need to be included in a different line item in the Balance Sheet Worksheet.

4. Summary Schedule / Capital Worksheet

- The note for Item 4 should read "Must match item 54 on the Income Statement Worksheet =BHCT4340". It currently references item 53 instead of 54.

5. Summary Schedule / Retail Repurchase Worksheet

- The items in Tables D.1 and D.2 could be improved to include formulas to pull the data from Tables A, B and C instead of being cells requiring direct data input.

6. Summary Schedule / Retail ASC 310-30 Worksheet

- The instructions for this tab seem to focus on retail loans. Please confirm whether or not commercial PCI loans should be included in this tab as well.
- The Unpaid Principal Balance as requested is defined as "Total unpaid principal balance for ASC 310-03 Purchase Credit Impaired accounts on the balance sheet as of quarter-end." Please confirm whether you would like us to provide customer balance or net bank (book) balance in this field. Net bank (book) balance is what we typically show in our credit schedules to generate loss rates.

7. Summary Schedule / Historical Operational Risk Capital

- This tab requests data at the total firmwide level and at the unit-of-measure level. We would like to clarify whether this tab is intended to capture historical operational risk capital or historical operational risk losses for both firmwide and unit-of-measure data.

8. Summary Schedule / PPNR Projections Worksheet

- Item 24 (Operational Risk Expense) should have a formula pulling from the 'Projected Op Risk Losses' tab. Currently it references the connection, so the formula just needs to be added.

9. Summary Schedule / PPNR Net Interest Income Worksheet

- Item 37 should be 'Total Net Interest Income'. It currently has an error copied over from another worksheet and says 'Excludes Goodwill Impairment included in Item 32.'



We are appreciative of the FRB staff as they have been particularly helpful in addressing questions and concerns regarding the FR Y-14A and FR Y-14Q schedules. We recognize that the CCAR is a process of continual improvement, and we will continue exploring additional avenues for strengthening our program.

We will gladly make ourselves available for any further consultations and/or questions you have. Please contact David Mason at 415-396-0390 if we can assist you in any way.

Sincerely,

A handwritten signature in dark ink that reads "David T. Mason". The signature is written in a cursive style with a large, stylized "D" and "M".

David Mason
Head of Capital Management & Treasury Finance
Wells Fargo & Co.

October 28, 2011

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Reference FR Doc. 2011-22912 (FR Y-14A and FR Y-14Q)

Dear Ms. Johnson:

BB&T Corporation (BB&T) appreciates the opportunity to comment on the Federal Reserve Board's (FRB) proposed FR Y-14 data collection schedules.

BB&T supports the FRB's efforts to enhance the Comprehensive Capital Analysis and Review (CCAR) process to ensure that institutions have a robust, forward-looking capital planning process that accounts for their unique risks. We have several concerns with specific aspects of the proposal, which are listed below.

Proposed Implementation Timeframe Too Short

The proposed changes in data collection schedules are very detailed and require time-consuming analysis to accurately report the requested information. The proposed templates significantly increase the level of reporting from the previous CCAR exercise and the current quarterly reporting requirements.

Additionally, as the FRB is aware, the Dodd-Frank Wall Street Reform and Consumer Protection Act mandates more than 240 separate rulemakings over the next several years. As a result, institutions will need to devote significant additional resources to their compliance programs, and will continue to do so for the foreseeable future. Accordingly, and in order to provide sufficient time for institutions to make the extensive system and procedural changes needed to provide accurate and timely assessment calculation data, we urge the FRB to make the effective date for any new rules be at least six months following publication of the final rules.

Proposed Schedules Should Have More Materiality Rules for Business Segment Reporting

The proposed data collection schedules significantly increase the granularity of reported data without consistently considering the materiality of this information. Specifically, the proposed Pre-Provision Net Revenue (PPNR) worksheets request detailed metrics on business segments which may not represent a material portion of an institution's net revenues. The *PPNR Metrics* worksheet includes materiality rules for two business segments, International Retail and Small Business and Investment Services, but does not include materiality rules for other business segments. Thus, the proposed worksheets require time-consuming data collection and forecast analysis for immaterial business segments without providing meaningful insights into a bank holding company's operating performance.

Certain metrics are presently not forecasted at the requested level of granularity due to the metric's immaterial impact on profitability and capital. Thus, the proposed worksheets require the creation of new forecasting processes without enhancing the quality of forecasting outputs.

We strongly urge the FRB to apply materiality rules to all business segments, particularly on the *PPNR Metrics* worksheet.

Reporting Margin in Multiple Formats Does Not Generate Valuable Insights

The proposed Pre-Provision Net Revenue (PPNR) worksheets require two methods for reporting net interest income. *PPNR Net Interest Income* worksheet requires a net interest income breakdown by asset and liability class and *PPNR Projections* worksheet requires a breakdown by business segment. A robust forecasting and stress testing framework requires one approach, not two. The business segmentation approach is not consistent with how we presently manage our margin, which is by asset and liability class. Additionally, it is not consistent with any asset or liability classification currently reported in the FR Y-9C. Requiring both reporting approaches creates the burden of a second forecasting and reporting exercise without providing valuable insights to management. A single forecasting and reporting approach sufficiently facilitates decision-making by the board and senior management.

The previous CCAR exercise (2011) required institutions to submit either a *Standard PPNR Submission* or *Alternative PPNR Submission* worksheet. These two worksheets mirrored the proposed *PPNR Net Interest Income* and *PPNR Projections* worksheets, respectively. The proposed worksheets request a more granular view of net interest income than the previous worksheets.

We strongly urge the FRB to require submission of only the *PPNR Net Interest Income* or *PPNR Projections* worksheet so that institutions can report this information in a manner consistent with their internal reporting to the board and senior management or already agreed upon regulatory format.

Retail Balance Projection

The proposed *BHC Retail Balance Projections Submission* worksheet requires granular reporting of forecasted balance flows. While a robust forecasting process makes assumptions regarding balance flows, it does not necessitate reporting on the decomposition of the flows. The decomposition produces information at a level of detail which is not presently converted into a reportable format due the information's relative immateriality. The proposed schedules would require the creation of new processes which convert the most granular outputs of the forecasting model into reportable information. Thus, the proposal would require time-consuming efforts to create new reporting outputs from the forecasting models. The new outputs would not be used outside of the CCAR exercise because this detail of information is not required for any other internal and external reporting.

Loss of Information Fidelity

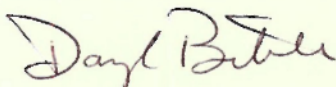
Banks build their simulation processes around the way the bank manages its business. When data is required to be sliced into pieces that are incongruent with the way the bank runs its business and thus, conducts its forecast, the bank is either required to prorate its results into reporting buckets to meet the template requests or to run multiple forecast processes which leads to producing results that cannot be benchmarked to the banks other information as it does not resemble the way the bank manages. Each additional slice of the data can lead to an additional loss of fidelity and, in the aggregate, could distort the results and conclusions developed from the horizontal review. We fully understand and support the FRB's request to have data provided in Call Report categories, but we strongly urge the FRB to reconsider the additional data slices proposed in the new templates.

FR Y-14Q Schedules Reporting Timeframe and Due Dates

The proposed FR Y-14Q schedules requests actual data starting in the first quarter of 2009. These schedules request the data in new formats which do not match the format of existing regulatory or GAAP reporting. The most notable example is the proposed PPNR worksheets. As a result, there could be data collection issues with creating new reports with three years worth of historical data. We urge the FRB to only require two years of actual history, dating back to 2010, for the first round of FR Y-14Q reporting. Additionally, we urge the FRB adjust the FR Y-14Q due dates so that institutions can utilize the completed FR Y9-C schedules when implementing the new FR Y-14Q reporting schedules.

Thank you for your consideration of our comments, and please feel free to contact me with any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daryl Bible". The signature is fluid and cursive, with the first name "Daryl" and last name "Bible" clearly distinguishable.

Daryl Bible
BB&T
Chief Financial Officer

From: Management Reporting & Financial Systems, Dennis J. O'Neill
Proposal: FR Y-14A and FR Y-14Q - Capital Assessments and Stress Testing (#11-18)
Subject: FRY 14A & FR Y-14Q

Comments:

To Whom it May Concern

We respectfully request that our bank not be identified with these comments.
Thank you.

Below is a summary of the comments that we would like to submit regarding the recent changes in the OCC / FR-Y 14Q CRE data file process:

1. The internal process developed within the bank to compile the OCC CRE data request would need to undergo significant programming modifications to comply with the revised definitions. There is a natural lead time in properly analyzing, designing, testing, and implementing these changes. The requirement to provide this additional information for the 9/30/11 reporting period within our current systematic process is not possible. Therefore, these new changes will require many hours of manual intervention to bypass the current process in place at the bank.
2. Existing systems will need to be evaluated to determine gaps in reporting given the new definitions and the additional data requirements.
3. There are constraints on budgeting and technology resources required to implement the changes, especially given the late time of year.
4. Regarding the Commercial Real Estate data collection, the Line Reported on FR Y-9C (field 4) relating to 6 "2746 (loans to finance CRE, but not secured by RE) is currently captured and submitted with the CRE data. Since these are normally C&I loans, are we to exclude from our Corporate Loan Data Collection submission?
5. Loans secured by farmland (HC-C 1b) are excluded from the Commercial Real Estate data collection and are not required in the Corporate Loan data collection. We currently exclude from our OCC CRE submission and are not planning on including on our Corporate Loan submission. Is this correct?

Thank you.

Dennis J. O'Neill
SVP Manager
Regulatory Reporting
Management Reporting & Financial Systems

Key Comment Letter
To Whom it May Concern

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