

THE FINANCIAL SERVICES ROUNDTABLE
Financing America's Economy



February 19, 2013

Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Secretary Frierson:

The American Bankers Association,¹ The Financial Services Roundtable², and The Clearing House Association, L.L.C.³ (together, the “Associations”) appreciate the opportunity to comment on the revisions to the proposed annual (the “FR Y-14A”), quarterly (the “FR Y-14Q”), and monthly (the “FR Y-14M”) data schedules (hereinafter the “Proposals” or “schedules”) issued by the Board of Governors of the Federal Reserve System (the “Board” or the “Federal Reserve”).

The Proposals revise the FR Y-14M schedules and modify the frequency for certain FR Y-14A and FR Y-14Q schedules, effective March 31, 2013. Revisions to the FR Y-14M schedules include: (1) adding data items to all three loan- and portfolio-level collections and the address matching collection; (2) clarifying several data items currently collected; and (3) deleting data items that are no longer needed.

¹ The American Bankers Association represents banks of all sizes and charters and is the voice for the nation’s \$14 trillion banking industry and its 2 million employees. Learn more at www.aba.com.

² The Financial Services Roundtable represents 100 integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO. Roundtable member companies provide fuel for America’s economic engine, accounting directly for \$98.4 trillion in managed assets, \$1.1 trillion in revenue, and 2.4 million jobs.

³ Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world’s largest commercial banks, which collectively employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner 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 The Clearing House’s web page at www.theclearinghouse.org.

The data gathered in these reporting schedules are used to assess the capital adequacy of large banks using forward-looking projections of revenue and losses, to support supervisory stress test models and continuous monitoring efforts, as well as to inform the Board's operational decision-making as it continues to implement the Dodd-Frank Wall Street Reform and Consumer Protection Act.

There is significant merit to the supervisory and company-run stress testing process established by the Board and other agencies. The Associations appreciate that the Board continues to publish the schedules for public comment and believe that much of the data sought is relevant to the stress testing process. We have concerns with several components of the schedules, some of which relate to the importance of the data sought and some of which require further clarification. Part I of this letter addresses the Associations' substantive concerns with the schedules and worksheets, including the requirements for extensive supporting documentation to be filed in connection with the mid-year company-run stress test. Part II of this letter discusses broad concerns regarding the data collection process. Appendices A and B of the letter set forth issues that require further clarification.

PART I: Issues with specific schedules.

The Board should only require material changes to supporting documents for the proposed mid-year submission.

The FR Y-14A Summary template's supporting documentation currently proposed for the mid-year submission (July 5) mirrors the requirements for the annual submission due on January 5 of each year. The currently required supporting documentation associated with the January 5 annual submission considerably expands the time and resources needed to complete the submission of banks' reporting templates to the Board, since the pages within the supporting documentation can number in the thousands. Supporting documentation general requirements set forth within the annual submission include descriptions of methodologies for internal stress testing, translation of macroeconomic factors into projections, statistical methods utilized, model descriptions and validation information, judgment used within the forecast, risk measurement practices, model risk management policy, assumptions used to derive loss estimates, internal governance around models and methodologies, and model validation review process.

Furthermore, additional supporting documentation requirements are detailed for individual worksheets within the Summary template. This set of documents submitted by banks is supplementary to banks' internal stress testing processes and is prepared and provided as required for the benefit of the Board for effective supervisory review and assessment of the internal stress testing process. We believe requesting this volume of data every 6 months is excessive.

To alleviate the resource strains upon banks for the mid-year stress testing submission and ensure that banks can appropriately concentrate resources on developing effective stress testing processes and ultimately, prudent risk management, supporting documentation requirements should not be as extensive as that required for the annual submission. Instead, only material changes from the year-end FR Y-14A submission (a 6-month period) should be required.

The Board should develop an abbreviated mid-year submission template.

The Board's proposed revisions to the FR Y-14A would change the reporting frequency of certain schedules from annual to semi-annual. Specifically, the proposed changes would require that institutions submit the Summary and Macro Scenario schedules to the FR Y-14A to the Board by July 5 of each calendar year based on data as of March 31 of the same calendar year.⁴ The FR Y-14A Summary schedule is a comprehensive data set request for each scenario, requiring banks to create a template for forecasted data at both granular and segmented levels while mapping its internal systems to FR Y-9 reporting codes. While the Associations appreciate that the mid-year stress test submission would be limited to a subset of the schedules required for the annual submission of the FR Y-14A, the burden associated with preparing the mid-year submission nonetheless remains substantial.

The Associations believe that increasing the frequency of even a limited number of FR Y-14A schedules is not necessary for a bank's company-run stress test. Instead of increasing the frequency of certain existing FR Y-14A schedules, the Associations request that the Board develop the mid-year FR Y-14A Summary schedule as an abbreviated version of the annual template, due to the banks having submitted a complete version only 6 months before. If significant changes occur within the economy, financial system, or a particular bank that would necessitate a full version of the FR Y-14A Summary template to assess systemic, idiosyncratic, or other significant risks within the bank, the Federal Reserve could still reserve the option to ask a bank to submit the complete version of the FR Y-14A Summary template at mid-year.

Requested data that require outside parties to provide the data to the banks should be reported on a best efforts basis.

Many of the data items requested by the Board are not currently captured in bank reporting systems or even a bank's paper loan files. Retrieving these data items would require banks request data from outside parties not obligated to provide the data. For example, the proposed FR Y-14M requests "performance status" of a senior lien if the respondent services the junior lien and the status of the junior lien if the respondent services the senior lien. However, many respondents will not be able to provide accurate data without estimates from companies like Equifax. Similarly, the Board also requests that banks provide the reason for a mortgage default. Identifying a specific reason for a default may require discussion with the borrower who may, or may not, be willing to discuss candidly the reasons for their default. As a result, we respectfully request that the Board apply a best efforts standard for all data items that can only be gathered through interaction with individuals or companies unaffiliated with the bank.

Field elements for existing data items should not change.

In amending the FR Y-14 it is important for the Board to maintain the currently assigned field element numbers. Changing the element numbers would impact most existing FAQs which

⁴ The Associations note that the Federal Register document only requires banks to submit the Summary and Macro Scenario schedules. However, the general instructions state "[a]ll FR Y - 14A schedules are required to be reported by all BHCs with the exception of the CCR schedule, the Trading and CCR worksheets of the Summary schedule, and Historical Capital worksheets of the Operational Risk schedule." The Associations believe the Federal Register document correctly reflects the Board's intent and have commented accordingly.

reference specific field numbers. We respectfully request that data items that are removed should be left blank rather than renumbering the entire schedule.

Data consistency features built into the FR Y-14A templates should be revised to allow a reasonable variance.

Certain efforts by the Federal Reserve to build data consistency and integrity features into the reporting templates of the FR-Y14A have the unintended result of complicating the finalization of those templates. For instance, the Balance Sheet and Capital Worksheets to the FR Y-14A Summary Schedule incorporate “logic tests” to ensure consistency by verifying that ending equity, as forecasted on the balance sheet, ties to the equity figures used within the capital calculations. The template instructions require that, before submission, all such logic test fields indicate a value of “TRUE.” In the current version of the FR-Y14A, these logic fields are coded as “absolutes,” meaning that the figures being compared for data consistency purposes must match precisely.

Applying these absolute logic tests to data within templates designed to be shown to the nearest \$1 million results in banks spending significant time addressing (by re-inputting figures rounded to the nearest \$1 million) to “clear” logic fields returning a “FALSE” value. This issue most often occurs in situations involving underlying models, the forecasted results of which are automatically downloaded into the templates. Such models may produce “exact” projected figures, whereas other models may produce data already rounded to the closest \$1 million. For the example used, whereas the system populating the balance sheet worksheet may produce an unrounded equity figure, the capital worksheet may be prepared with all figures already rounded to the nearest \$1 million. As a result, the related logic fields will return a “FALSE” indication, and the submission therefore cannot be finalized until manpower is expended to “override” the more exact unrounded figures. Given the number of scenarios, templates, and line items associated with the entire CCAR and stress testing submission process, time required to be expended by banks in this regard can be substantial and could be eliminated easily by the Board.

The Associations therefore recommend that the Federal Reserve revise these logic fields to allow for variances up to and including \$1 million in either direction before the logic test yields a “FALSE” indicator. Incorporating this allowed “variance” in these logic fields would have no effect on flagging issues that could impact the consistency or accuracy of the CCAR templates. However, it would allow each institution’s staff to focus their resources on the more critical aspects of the submission.

PART II: Broad concerns about the FR Y-14 process.

The Board should slow the pace of change of the FR Y-14 data requests.

For the last four years, large bank holding companies have been subject to significant and changing data requirements. In 2012 alone the Board revised the FR Y-14 requirements four times. It has been a challenging task for institutions to continually develop new systems to meet the Board’s changing requirements. The Associations also note that the continual changes to the data request, which provide little time for banks to develop new or reprogram existing systems, increase the risk of errors as well as diminish the resources available to effect systems changes

responsive to changing customer needs. We respectfully request that the Board slow the pace of change so that existing systems can be used.

The Board should provide banks sufficient time to develop systems to capture the data.

The Proposals revise the existing FR Y-14 information collection to expand the number of data collection items previously collected and increasing the frequency for certain FR Y-14A and FR Y-14Q schedules. The proposed information collection would become effective March 31, 2013. Respondent banks will need to develop internal processes and procedures, hire or repurpose staff and expertise, and develop appropriate systems in order to be able to comply fully with the requirements of the Proposals. We respectfully request that the Board give additional consideration to the implementation timing of their requests and institutions' ability to provide the data. Assuming that the reporting schedules are finalized approximately 30 days after the comment period closes, banks will have only approximately 15 days to develop their systems to capture the March month end data. We believe this timing will not give institutions adequate time to implement properly the required systems changes. Moreover, the proposed timeframe would not allow for an FAQ process which would clarify much of the uncertainty surrounding some of the data items (see appendices for questions). Given the substantial amount of new data to be provided in the Proposals, the Associations believe the effective date of the Proposals should be delayed until at least June 30, 2013.

Should the Board intend to provide feedback to banks on the mid-year submission, feedback should be given through the normal supervisory process in a timely manner.

Applicable institutions have been submitting the annual data submission (FR Y-14A) for several years as part of the capital plan rule. The mid-year submission, however, is not part of the capital plan rule so there is uncertainty as to how the Board will review the submission and provide feedback. Even though the mid-year submission is distinct from the capital plan rule, if the Board intends to review and provide feedback on the submission as part of its supervisory process, examiners should provide feedback in a reasonable amount of time (such as 45 days) from submission. The Associations note that even if there is a timely turnaround on feedback, given the short amount of time between the mid-year filing and commencement of the CCAR/stress testing process, it may be very difficult for banks to incorporate supervisory feedback in the next annual stress test cycle.

The Board should provide "edit checks" in a more timely fashion.

During the first submission of the FR Y-14M, schedules, some banks did not receive the list of edit checks from the Board until 2 weeks before the submissions were due. This created substantial additional burden as systems were reworked. We urge the Board to provide "edit checks" at least six weeks prior to submission.

Prior to finalizing the schedules, the Board should conduct a thorough cost-benefit analysis, and every effort should be made to eliminate duplicative reporting.

It is unclear whether there will be a material increase in precision in the Board's loss forecasts as a result of the expanded data request given the lack of transparency in the models used by the Board during the 2013 supervisory stress testing process. The Associations also note that the significant and continual changes to the data requests, which require significant lead time for banks to develop new data tracking systems, increase the risk of errors. The Associations believe that a thorough cost-benefit analysis that takes into account the factors noted above will demonstrate that the substantial burden and costs to banks to implement the new reporting requirements outweigh the benefits.

The Associations also believe that greater alignment of overlapping and otherwise similar reporting requirements among the banking agencies is necessary. In many cases, banks are required to prepare and submit similar reports to multiple agencies that nonetheless vary enough, in the format of the data, to result in significant duplication of effort. For example, while the data required under the Federal Reserve's FR-Y14M Retail Credit Card, First Mortgage, and Home Equity schedules and the OCC's Mortgage Metrics, Loan Level and Portfolio Level Home Equity Data, and Credit Card Metrics collections are very similar, the format of those reporting requirements varies to the degree that significant additional time and resources must be devoted to fulfill the separate reporting requirements.

* * * *

Thank you for considering the concerns raised in this letter. We appreciate the opportunity to share our views and would be happy to discuss 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, we would appreciate receiving guidance on these matters at the Board's earliest convenience.

If you have any questions, please contact Hugh C. Carney, Senior Counsel at ABA at (202) 663-5324 (e-mail: hcarney@aba.com); David Wagner of The Clearing House at (212) 613 9883 (email: David.Wagner@theclearinghouse.org); or Richard Foster, Senior Counsel of the Roundtable at (202) 589-2424 (e-mail: richard.foster@fsround.org).

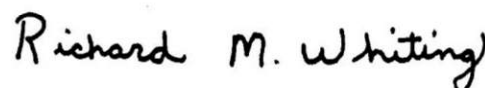
Sincerely,



Hugh C. Carney
Senior Counsel II



David Wagner
Executive Managing Director &
Head of Finance Affairs



Richard M. Whiting
Executive Director & General
Counsel

Appendix A: General requests for clarification.

The Board should immediately clarify if historical data is required for the new data items.

During the 2011 data collection exercise, CCAR banks were required to provide historical data as part of their initial submission. The Proposal makes no mention of historical data being required for the new data elements. This has led to confusion within the industry and made it difficult to allocate resources appropriately. We urge the Board to immediately clarify whether banks are expected to provide historical data as part of the revised submissions.

The Board should immediately clarify what value should be entered in data fields relevant to loan modifications if the loan has not been modified.

The proposed revisions to the FRY 14-M include fields relevant to modifications. The instructions are not clear about what values, if any, should be entered into these fields if no loan modification has occurred.

The Board should clarify how to report recently converted REO.

For the proposed enhancements to the Home Equity template and First Lien templates, banks are being requested to report on REO properties. When a loan is converted into REO, how should institutions populate the loan related fields such as "Interest Only in the reporting month" or "Bankruptcy in current month" for REO properties?

Appendix B: Specific requests for clarification.

FR Y 14-M Card

Metric #	Metric Name	Questions/Requests For Clarification
2	Customer ID	Implementation of a specific customer algorithm is high impact. Please provide more detail as to what algorithm the Board is thinking about (data elements needed, plug & play version or need each BHC to provide their own coding, etc)? Ability to implement will rely on the complexity of the algorithm. From a data reporting consistency perspective, this can potentially lead to data inconsistencies between OCC and Board reporting. If we change our source to align this field with the Real Estate submission will problems arise for the Board when trying to do historical trending or matching to the OCC submission data? Will resubmissions or a historical look-up table be required?
8	Product Type	Not clear on Co-brand vs Affinity. Some banks have been categorizing Cobrand only if there is a Retail store relationship. Is this correct?
28	Multiple Banking Relationships	Does this need to use the algorithm described in Customer ID field? Since the algorithm is not applied internally to all other portfolios, it will be very complex and require significant effort and time for IT to implement this. We also have concerns about certain contractual concerns if banks can implement across different portfolios.
29	Multiple Credit Card Relationships	
30	Joint Account	The list does not seem mutually exclusive (joint account can overlap with authorized user). This speaks to granularity lower than account level and doesn't make sense. The Board needs to clarify a hierarchy if the feed stays at account level. Board also needs to clarify how to report if an account has a co-borrower and multiple authorized users.
35	Interest Income	<p>Description states: "Report total interest accrued on credit card receivables for the month, less any interest waived or reversed as uncollectible or any amount added to a contra-asset account for uncollectible interest that the bank BHC maintains and reports separately from the ALLL. Do not include fee income in this category."</p> <p>Accrued interest is often unavailable if not billed. Does the Board intend this to be interest charged?</p>

Metric #	Metric Name	Questions/Requests For Clarification
36-38	Multiple	Description does not specify the time frame: Cycle to date, year to date, or like to date?
38	Original FICO Score for the primary account holder	Application FICO version has changed overtime. FICO versions for older historical accounts may be difficult/impossible to track down. The Board should clarify how to proceed.
43	Fee Income-Other Fee Income	Can Board clarify the difference with item 45 "Non Interest Income"? BHCs may not qualify 'other' fees the same. Can Board provide a specific list of which 'other' fees should be included in each field?
44	Current Credit limit	Should banks use Relationship Credit Limit for Commercial accounts?
45	All Other Non-Interest Income	Can Board clarify the difference with item 43 "Other Fee Income"? BHCs may not qualify 'other' fees the same. Can Board provide a specific list of which 'other' fees should be included in each field?
46	Taxes	Can Board clarify taxes on what? Pre-tax contribution?
52	Total Past Due	Information will be identical to field # 49 unless account is OL, is it intended?
58	Month-end Account Status -Active	Would charge-offs now be considered 2-Closed? In original FRB version of this field they were considered "active" if they had monetary activity (which they typically would have).
59	Month-end Account Status - Closed	How can charge-offs be considered 1-closed at request of borrower? They would always be in 4 charged off account is closed account. In what category would modifications fall?
61	Charge-off Reason	Since this is account level data, are banks only looking for identity fraud charge off and not include lost & stolen? Lost/stolen fraud would bring in additional granularity. Could theoretically have credit charge-off (values 1-5) from true cardholder plus a 6 due to lost-stolen fraud.
62	GrossCharge-offAmount-CurrentMonth	Since this is only the amount that goes against allowance, fees and interest are already excluded from this amount. Can the FRB please provide clarity around the difference between this and Field 111?
63	Recovery Amount – Current Month	If a bank is not able to get account level recovery on acquired accounts, should banks leave blank in that case?
79	Account Billing Address – CensusTract	Many banks do not capture this in house, is the Board or Argus going to provide a mapping?
82	Maximum APR	Does this refer to purchase APR or cash advance APR?

Metric #	Metric Name	Questions/Requests For Clarification
83	Look Back Period	Please clarify what is meant by “look back.” Is it the lead time/notification period given to the customer prior to raising their rate? Or does it refer to a situation where the rate has already been raised, and then the bank reviews the history of the account to see if the conditions that caused the rate increase still exist (the “look back” being the historical period that is reviewed)?
83	Look Back Period	What is "change date"? Many banks do not capture this in house.
84	Rate Reset Frequency	If there is no set timeframe for resetting the rate, how should the BHC report this field? For example, if the rate is based on a 3-month LIBOR but there is no reset schedule, should the Rate Reset Frequency value be 3 (every 3 months) or 6 (others)?
84	Rate Reset Frequency	Is this correlated with # 80 (reset of index for variable rates)?
85	Promotional APR	Is there a hierarchy of promo types if more than one exists (purchase APR, BT, deferred interest)? If account has a deferred interest promo, should banks report the rate at which interest may be accruing?
86	Cash APR	Is this cash APR (no BT/Access) even if no cash balances exist?
93	Fees Incurred - Late	<p>Definition inconsistent with OCC metric "Fees Incurred – report the dollar amount of fees posted during the current month’s cycle for each category below. Report amounts net of reversals or waivers."</p> <p>Board does not specify the time frame, Board needs to clarify on cycle to date, year to date, or life to date.</p>
94	Fees Incurred - Over Limit	
95	Fees Incurred - NSF	
96	Fees Incurred - Cash Advance	
97	Fees Incurred – Monthly/Annual	
98	Fees Incurred - Debt Suspension	
99	Fees Incurred - Balance Transfer	
100	Fees Incurred - Other	
103	Cycle-end Account Status - Active	Would charge-offs now be considered 2-Closed? In original Board version of this field they were considered "active" if they had monetary activity (which they typically would have).
104	Cycle-end Account Status - Closed	How can charge-offs be considered 1-closed at request of borrower? They would always be in 4 charged off account is closed account.

Metric #	Metric Name	Questions/Requests For Clarification
108	Workout Program Performance Status	How should the BHC respond if it is unable to distinguish between value 2 (Active and Non-Performing) and 3 (Broken)?
111	PrincipalCharge-offAmount–CurrentMonth	Can the FRB please provide clarity on the difference between this and Field 62?
112	Fraud in the current month	Does this include lost/stolen fraud after the new replacement has occurred? Does Board intend to include card compromise and fraud applications as well?
113	Original Credit Score Name/Version	Can banks leave null or is there an unknown value?
116	Credit Limit Type	Should banks use Relationship Credit Limit for Commercial accounts?
117	Credit Line Change Type	May not be obtainable or very complex to determine in most cases.
118	Co-Borrower ID	How to determine which authorized user ID to report if there are multiple? Does co-borrower ID follow the same logic as Customer ID? Meaning, if there is a co-borrower on a Credit Card and that individual also has a Mortgage, should the co-borrower ID on the Credit Card submission be the same as the Customer ID on the 1st Lien submission? What if an account has a Co-borrower and multiple authorized users?
121	Trade Key	Can FRB provide more detail as to what algorithm they are thinking about (data elements needed, plug & play version or need each BHC to provide their own coding, etc)? Ability to implement will rely on the complexity of the algorithm

FR Y 14-M Mortgage (First and Home Equity)

Metric #	Metric Name	Questions/Requests For Clarification
FL#90	Other Modification Action Type	For the proposed enhancements to the First Lien template, if the loan record has not been modified (i.e. FL#74=0), do we populate field FL#90 as NULL?
HE#90	Unpaid Principal Balance	For the proposed enhancements to the Home Equity template, for field HE #90, Unpaid Principal Balance (UPB) (Net), does Net UPB equal the Book Value on regulatory filings? Also, will PCI Loans include ASC-310-30 marks in this field?
HE #97	Performance of First Lien	For the proposed enhancements to the Home Equity template, for field HE #97 - Performance of First Lien, if the first lien is not held by the bank, should the code be "U"?
FL#98	Interest Rate Reduced	For the proposed enhancements to the First Lien template, what is the difference between field FL # 98 (Interest Rate Reduced) and field FL # 99 (Interest Rate Frozen)? Can an example please be provided to illustrate this difference?
FL#99	Interest Rate Frozen	
FL#98-108	Multiple	For the proposed enhancements to the First Lien template, if the loan record has not been modified (i.e. #74=0), is it expected that we populate these fields as NULL?
FL#107	Escrow Amount Before Modification	For the proposed enhancements to the First Lien template, is field FL#107 looking for the Escrow portion of the monthly payment or the full Escrow balance?
FL#108	Escrow Amount After Modification	For the proposed enhancements to the First Lien template, is field FL#108 looking for the Escrow portion of the monthly payment or the full Escrow balance?
FL #109	Alternative Home Liquidation Loss Mitigation Date	For the proposed enhancements to the First Lien template, for field FL #109 are Short Sale/Deed in Lieu considered "Traditional" or "Alternative"? They are all currently coded in field FL #77 as Traditional and not Alternative
FL#110	Alternative Home Retention Loss Mitigation Date	For the proposed enhancements to the First Lien template, if alternative loss mitigation does not apply on the record do we code field FL#110 as NULL?

Metric #	Metric Name	Questions/Requests For Clarification
FL#111 and HE#88	Original Property Value	For the proposed enhancements to the Home Equity template and First Lien templates, there are three more allowed values for field HE#88 (7, 8 & 9) than there are for field FL#111. Is it anticipated that the same allowed values would be available for use on the FL template?
FL#112	Reason for Default	What is the Board's definition of default? Is this after a certain amount of days past due? If so, what is the number of days?
FL#115	Escrow Amount Current	For the proposed enhancements to the First Lien template, what is the appropriate value in field FL#115 for non-escrow loans, NULL or zero?
FL #116 and HE#88	Escrow Amount at Origination	For the proposed enhancements to the Home Equity template and First Lien templates, what is the appropriate value in fields HE#85 and FL#116 for non-escrow loans, NULL or zero?
FL #122	Loss/Write down Date	For the proposed enhancements to the First Lien template, for field FL #122 what is the appropriate value if there have been multiple write-downs?
FL#122 and HE#95	Loss/Write down Date	For the proposed enhancements to the Home Equity template and First Lien templates, is the month of write-down sufficient or is the specific date of write-down within the relevant month required for fields HE#95 and FL#?
HE#100	Total Debt at Time of Involuntary Termination	If an account has taken a partial write-down prior to termination, would this be subtracted from the unpaid principal balance?
HE#101	Net Recovery Amount	Do you want cumulative recovery amount for each account, or just the amount recovered on an account each month? For second liens, it states to record the amount recovered on the loan. Should banks assume that this means the amount recovered at the time of the property sale? Alternatively, does this include recoveries on second liens that may occur after the sale of the property?
FL#123 and HE#102	Sales Price of Property	For the proposed enhancements to the Home Equity template and First Lien templates, should BHCs report "Actual" Sale Price or Sale Price after fees in fields FL#123 and HE#102?
FL #124	Performance of Junior Lien(s),	For the proposed enhancements to the First Lien template, for field FL #124 if the junior lien is not held by the institution, should the code be 4?
FL#120 & HE#99	Entity Serviced	Would the Entity serviced be at the BHC level, or segmented out by the entities within the BHC?

Metric #	Metric Name	Questions/Requests For Clarification
FL#129 & HE#106	Basel II - PD	The definitions requests the value as it relates to the BASEL II segment. By providing the segment level value, without the Basel II categorization, it will not allow the FRB to replicate our capital results. Is this an issue? Would you like the floored or unfloored PD? The annual CCAR process requires a 9 quarter horizon, our PD only covers 12 months - is this an issue?
FL#130 & HE#107	Basel II - LGD	The definitions requests the value as it relates to the BASEL II segment. By providing the segment level value, without the Basel II categorization, it will not allow the Board to replicate our capital results. Is this an issue? Would you like the floored or unfloored LGD? In addition, do you need the LGD information to be inclusive or exclusive of ELAO?
FL#131 & HE#108	Basel II - ELGD	The definitions requests the value as it relates to the BASEL II segment. By providing the segment level value, without the Basel II categorization, it will not allow the Board to replicate our capital results. Is this an issue? In addition, do you need the ELGD information to be inclusive or exclusive of ELAO?
FL#132 & HE#109	Basel II - EAD	The definitions requests the value as it relates to the BASEL II segment. By providing the segment level value, without the Basel II categorization, it will not allow the FRB to replicate our capital results. Is this an issue?
FL#133	Entity Type	Would the Entity serviced be at the BHC level, or segmented out by the entities within the BHC?

February 18, 2013

Mr. Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: Comments on the Federal Register Notice related to proposed revisions to FR Y-14A/Q/M
Federal Register / Vol. 77, No. 245 / Thursday, December 20, 2012
FR Y-14A/Q/M; OMB No. 7100-0341

Dear Mr. Frierson,

Ally appreciates the opportunity to comment on the proposed changes to the FR Y-14A/Q/M. While Ally is supportive of the attempt to standardize and refine the data collection process, we have several comments and requests for clarification to changes proposed. These suggestions are detailed below.

Proposed Revisions to the FR Y-14M

Ally requests additional clarification around the following proposed additions to the FRY-14M:

First Lien

- 1. Interest Rate Reduced – This appears to be equivalent to field 71 in the Home Equity data collection of the FR Y-14M. However, the Home Equity definition refers to modification. Are these two fields intended to be the same?
- 16. Third Party Sale Flag – Could clarification be provided on whether this identifies only loans sold? How should conveyed loans be handled for this field?
- 18. Escrow Amount Current – Could clarification be provided on whether this is the amount due scheduled in the current payment or the total amount due including any delinquent amounts?
- 19. Escrow Amount at Origination – Could clarification be provided on whether this is the original amount required at time of origination (i.e. four months of taxes and two months of insurance premium), or the amount included in the first payment?
- 23. Entity Serviced – What values should be used if the facility falls under more than one? In the proposed changes documentation the Summary (pages before page 1 of data dictionary) contains a different definition than the data dictionary.
- 24. Loss/Write down Amount – Please provide clarification on whether these amounts should include accounting adjustments to fair market value.
- 25. Loss/Write down Date – If multiple dates exist for the given month or across multiple months, which date should be reported?
- 26. Sales Price of Property – Sale prices are only available on REO liquidations. Sale prices are not available for Third Party Sales or Short Payoffs as Ally only records the proceeds amount. Additionally, once the property is sold should Charge-offs be set to zero for the given month?
- 28. Ever 90+ Days Past Due in the Past 12 months – Please provide clarification on which delinquency method should be used. MBA or OTS?
- 32. Basel II – Probability of Default (PD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 33. Basel II – Loss Given Default (LGD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 34. Basel II – Expected Loss Given Default (EGLD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 35. Basel II – Exposure at Default (EAD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?

- 36. Entity Type – How should non-portfolio loans be reported (serviced loans not owned by the Bank)?
- 40. Product Type Origination – Are there similar ranges for the ARM terms as specified for the FIXED? For example, ARM reset of 18 to 30 months are ARM 2(value of 4).

Home Equity

- 1. Escrow Amount at Origination – Could clarification be provided on whether this is the original amount required at time of origination (i.e. four months of taxes and two months of insurance premium), or the amount included in the first payment?
- 2. Accrual Status – Should this field be included in the request for First Lien?
- 8. Third Party Sale Flag – Could clarification be provided on whether this identifies only loans sold? How should conveyed loans be handled for this field?
- 10. Loss/Write Down Amount – Please provide clarification on whether these amounts should include accounting adjustments to fair market value.
- 11. Loss/Write Down Date – If multiple dates exist for the given month or across multiple months, which date should be reported?
- 12. Unpaid Principal Balance (UPB) – Should this field be included in the request for First Lien?
- 14. Ever 90+ DPD in the Past 12 months – Please provide clarification on which delinquency method to use. MBA or OTS?
- 15. Entity Serviced – What values should be used if the facility falls under more than one?
- 22. Basel II – Probability of Default (PD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 23. Basel II – Loss Given Default (LGD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 24. Basel II – Expected Loss Given Default (EGLD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 25. Basel II – Exposure at Default (EAD) – How should this field be populated for loans in an MSR portfolio? Does this apply to owned loans only (HFI/HFS)?
- 28. Principal Balance – UPB – In the proposed changes documentation the Summary (pages before page 1 of data dictionary) has this field listed but detail does not. How is this different than field 44, Principal Balance?

Sincerely,

Jacob I. Stone

CC:
Joe Stout, Ally Financial



Federal Reserve Board (FR Y-14M) Questions/Comments on the Proposed Credit Card Schedule Revision

Account Level		
Field ID	Field Name	Comments & Questions
2	Customer ID	<p>A) If no changes are made to this field, should BHC's follow the original definition?</p> <p>B) If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
3	BHC ID	<p>A) Should the data format for this field be changed to N10 in order to be consistent with the definition of RSSD ID for all Federal data submissions?</p> <p>B) If the name of this field is changed to the proposed name, will the MDRM Mnemonic value for this field change as well?</p>
5	State	If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months? For example, the value 'Non US' in December 2012 data would have the same definition as the value 'NU' in March 2013 data. This would affect the Board's ability to conduct trended analysis
6	Zip Code	Can the Board please clarify what is meant by 'Date Format' in the definition?
18	Cycle Ending Balances Mix - Promotional	If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
26	Account Origination Date	If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
28	Multiple Banking Relationships	If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months? For example, the value '1' in December 2012 data would not have the same definition as the value '1' in March 2013 data. This would affect the Board's ability to conduct trended analysis.

30	Joint Account	If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months? For example, the value '1' in December 2012 data would not have the same definition as the value '1' in March 2013 data. This would affect the Board's ability to conduct trended analysis.
34	Income Source at Origination	For credit card type as Business or Corporate, the Income Source may not always fit under 'Household' or 'Individual'. An example could be Business Revenue. Can the Board add additional value that is applicable to Business and Corporate Cards (like a Value of 'Other')
36	Updated Income Source	For credit card type as Business or Corporate, the Income Source may not always fit under 'Household' or 'Individual'. An example could be Business Revenue. Can the Board add additional value that is applicable to Business and Corporate Cards (like a Value of 'Other')
58	Month-end Account Status - Active	<p>A) If the change to the definition of the field is implemented, would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months? For example, the value '0' in December 2012 data would not have the same definition as the value '0' in March 2013 data. This would affect the Board's ability to conduct trended analysis.</p> <p>B) Should charged-off accounts be reported with a value of '2 - Account is closed/not open' even if it has had activity in the last 12 months?</p> <p>C) If the name of this field is changed to the proposed name, will the MDRM Mnemonic value for this field change as well?</p>
59	Month-end Account Status - Closed	Should charged-off accounts be flagged as '1' or as '4'?
61	Charge-off Reason	<p>A) If an account is charged-off due to Fraud in the current month, and is reinstated in the next month, how should the BHC report this account?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
76	Corporate ID	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?

77	Account Billing Address - Street Address	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
78	Account Billing Address - City	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
79	Account Billing Address - Census Tract	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
80	Variable Rate Index	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
81	Variable Rate Margin	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
82	Maximum APR	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
83	Look Back Period	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
84	Rate Reset Frequency	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
85	Promotional APR	<p>A) How should multiple promotional rates be handled? For example, a BT promotion with one APR and a purchases promotion with a different APR.</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
86	Cash APR	<p>A) How should multiple promotional rates be handled? For example, a BT promotion with one APR and a purchases promotion with a different APR.</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
87	Loss Share ID	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
88	Loss Share Rate	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?

89	Other Credits	<p>A) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p> <p>B) Which transactions categories (like rebates, fraud balances, etc.) should be included in this field?</p>
90	Cycles Past Due at Cycle Date	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
91	Cycles Past Due at Month-End	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
92	Finance Charge	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
93	Fees Incurred - Late	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
94	Fees Incurred - Over Limit	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
95	Fees Incurred - NSF	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
96	Fees Incurred - Cash Advance	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
97	Fees Incurred - Monthly/Annual	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
98	Fees Incurred - Debt Suspension	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
99	Fees Incurred - Balance Transfer	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
100	Fees Incurred - Other	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
101	Debt Suspension / Cancellation Program Enrollment	<p>A) In order to keep consistent with other flag values for 'Yes' and 'No' in this schedule, should the values for this field also be '1=Yes' and '0=No'?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>

102	Debt Suspension / Cancellation Program Active	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
103	Cycle-end Account Status - Active	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
104	Cycle-end Account Status - Closed	<p>A) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p> <p>B) Should charged-off accounts be flagged as '1' or as '4'?</p> <p>C) How does the Board define 'in collections' from option 4? How many days delinquent should be considered in collections?</p>
105	Skip-a-payment	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
106	Credit Card Workout Program	<p>A) If a BHC does not offer a workout program, should the BHC report as '0'?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
107	Workout Program Type	<p>A) If a BHC does not offer a workout program, how should the BHC report this field?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
108	Workout Program Performance Status	<p>A) If a BHC does not offer a workout program, how should the BHC report this field?</p> <p>B) If an account is flagged as '2 - Active and non-performing', how long should this account remain '2' if it does not remain non-performing for the duration of the program?</p> <p>C) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>

109	Settlement Portion Forgiven	<p>A) If a BHC does not offer a workout program, how should the BHC report this field?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
110	Customer Service Re-age Date	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
111	Principal Charge off Amount - Current Month	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
112	Fraud in the current month	<p>A) Should accounts which have been charged-off due to fraud be included here?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
113	Original Credit Score Name / Version	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
114	Refreshed Credit Score Name / Version	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
115	Behavioral Score Name / Version	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
116	Credit Limit Type	<p>A) Should this be 'NULL' if the BHC reports a credit limit in field 44 that is not a 'purchase' or 'shadow' limit?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
117	Credit Line Change Type	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
118	Co-Borrower ID	<p>A) Should the definition of this field be changed to not include authorized users?</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>

119	Date Co-Borrower Was Added	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
120	Entity Type	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?

Portfolio Level		
Field ID	Field Name	Comments & Questions
28	Interest Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
29	Total Non-Interest Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
30	Total Non-Interest Expense - Interchange Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
31	Total Non-Interest Expense - Rewards/Rebates Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
32	Total Non-Interest Expense - Collections Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
33	Total Non-Interest Expense - Fraud Expense	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
34	Total Non-Interest Expense - All Other Expenses	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
35	Interest Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
36	Fee Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
37	Fee Income - Late Fee Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
38	Fee Income - Over Limit Fee Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
39	Fee Income - Balance Transfer Fee	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?

40	Fee Income - Convenience Check Fee	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
41	Fee Income - Cash Advance Fee	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
42	Fee Income - NSF Fee	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
43	Fee Income - Other Fee Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
44	Interchange Income	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?
45	All Other Non-Interest Income	<p>A) Based on the guidelines by FFIEC for the Call Report submissions, gain or loss of a portfolio sale should be reported under Other Non-Interest Income and not ExtraOrdinary Items. In the FRB definitions this is to be reported under ExtraOrdinary Items. Should the BHC's report the gain/loss of portfolio sale under ExtraOrdinary Items or All Other Non-Interest Income</p> <p>B) Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?</p>
46	Taxes	Would the BHCs be required to submit a backfill to reflect the revision for the June 2012 – February 2013 reporting months?

February 19, 2013

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Daryl N. Bibie
Senior Executive Vice President &
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Mr. Robert deV. Frierson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Notice of Proposed Rulemaking on
Capital Assessment and Stress Testing Information Collection
OMB Control Number: 7100-0341

Dear Mr. Frierson:

BB&T Corporation ("BB&T") appreciates the opportunity to comment on the proposed rule regarding capital assessment and stress testing information collection ("Proposal") published in the Federal Register on December 20, 2012. The Proposal would require large banking organizations with total consolidated assets of more than \$50 billion to submit additional information on FR Y-14Q/M form and to submit FR Y-14A forms semi-annually.

BB&T Corporation (NYSE: BBT) is one of the largest financial services holding companies in the U.S. with \$183.9 billion in assets and market capitalization of \$20.4 billion, as of December 31, 2012. Based in Winston-Salem, N.C., the company operates approximately 1,830 financial centers in 12 states and Washington, D.C., and offers a full range of consumer and commercial banking, securities brokerage, asset management, mortgage and insurance products and services. A Fortune 500 company, BB&T is consistently recognized for outstanding client satisfaction by J.D. Power and Associates, the U.S. Small Business Administration, Greenwich Associates and others.

BB&T believes large banking organizations should have a robust, forward-looking capital planning process that accounts for their unique risks, including regular, meaningful stress testing. The rules developed to achieve this important policy objective should be efficient and practical. While BB&T supports the Federal Reserve Board's ("FRB") overall objectives in issuing the Proposal, we have a number of concerns which are summarized below:

- Continual change in reporting requirements
- Forms lack consistent, comprehensive and detailed instructions
- FR Y-14M Residential Loan Schedules reporting for commercial-purpose loans
- Reporting should be focused on linking risk to capital institution viability
- FR Y-14M reporting deadlines for quarter-end reporting
- FR Y-14A reporting for baseline scenario
- FR Y-14 and FR Y-9C reporting are duplicative

I. Continual Change in Reporting Requirements

The FRB formalized the FR Y-14A/Q templates for Comprehensive Capital Analysis and Review (“CCAR”) 2012. The FR Y-14A templates replaced the CCAR 2011 templates and increased the granularity of reporting stress test results. The FR Y-14Q templates were a new regulatory reporting requirement implemented in 2011. The FRB revised the FR Y-14Q/M reporting three times in the past four quarters, including this Proposal. Each change was implemented less than one month after the comment period ended. This constant state of change does not permit respondents sufficient time to develop well-controlled reporting environments for the FR Y-14A/Q/M processes.

A. Forms Should Remain Unchanged for Period to Permit Stabilization

Constant changes to reporting requirements are distracting banking organizations from responsibly improving the capital assessment models and reporting process. Stable reporting requirements will permit banking organizations to achieve greater progress towards robust capital assessment processes. We encourage the FRB to limit future changes to FR Y-14A/Q/M reporting to one time per year and to not make any further changes before CCAR 2014.

B. Continually Changing Process Requires Greater Coordination Between FRB and Bank Holding Companies (“BHCs”)

The FR Y-14Q/M loan data collection schedules currently contain 454 unique fields. This Proposal adds 134 new fields, increasing the total unique fields to 589. Large banking organizations typically engage in multiple lines of business and, therefore, may have to report loan data from multiple source systems. The result is thousands of unique reporting fields for a single quarter’s submissions.

The ease of implementation varies across the numerous fields. The Proposed data fields may require collecting data from multiple sources. BHCs may need to change data capture, data management, and reporting processes to meet the proposed requirements. The continual change to the reporting requirements compounds the extent of implementation efforts.

BHCs are not only responding to new requirements from the Proposal, but also diligently responding to continual revisions to the reporting instructions. As the FRB clarifies reporting expectations through new instructions and the frequently asked questions (“FAQ”) process, companies must reassess and modify processes to assure their reporting processes align with the latest instructions.

The continually changing process requires a more coordinated effort between the FRB and BHCs to implement and stabilize FR Y-14Q/M loan data collection processes. We urge the FRB to provide guidance on the prioritization of data elements so process enhancements are implemented in a manner which aligns BHCs’ efforts with FRB

priorities. The guidance could group data elements in priority order (e.g., higher or lower importance) to conceal the identity of fields used in the FRB CCAR models.

II. Forms Lack Consistent, Comprehensive, and Detailed Instructions

A. Instructions Should Be More Comprehensive and Detailed

Detailed and inclusive instructions for completing FR Y-14A/Q/M schedules are necessary for accurate, complete, and timely responses, as well as consistency of responses among reporting institutions. The FRB provides relatively brief instructions for the FR Y-14A/Q/M schedules. The FR Y-14A schedules have 80 pages of instruction, largely focused on documentation requirements. By comparison, the well established FR Y-9C reporting has 515 pages of instructions. The lack of instructions yielded significant industry confusion which prompted the FRB to issue lengthy FAQs to clarify the requirements. The Proposal introduced several new fields with single sentence definitions, which do not always clearly convey reporting expectations. Clear and complete instructions for completing the data collection schedules would benefit both the FRB and the industry by reducing inefficiencies, minimizing resubmissions of reports, and increasing the accuracy and consistency among responses of the information submitted.

We recommend the FRB provide more comprehensive instructions for the FR Y-14A/Q/M schedules. When instructions change, the FRB should release a redline copy of the new instructions so changes are clearly identified. If new or revised instructions are released shortly before the submission date, the FRB should extend the deadline for submitting the report or make it applicable to the subsequent submission to allow banking organizations sufficient time to comply with the new requirements.

B. FAQ Process Should Have Consistent Instructions and Shorter Response Times

The lack of comprehensive and detailed instructions necessitates a strong FAQ process. However, the FAQ process is currently inadequate because it results in material instruction changes close to reporting deadlines; features lengthy response times (2-3 weeks); and does not completely answer many questions. Questions submitted at least two weeks before reporting deadlines occasionally go unanswered until after the reporting deadline. The FAQ responses often provide inconsistent guidance, either from previous instructions or other FAQ responses. The current process occurs only through limited electronic means, precluding the opportunity to have detailed discussions around complex questions that would result in consistent, timely, and complete responses.

We encourage the FRB to consider making the following enhancements to the FAQ process:

- Provide clarification in FAQ responses without materially altering the instructions. If instructions need changing, the changes should be effective for the next reporting period.
- Use a secured website to track submission of and responses to questions so banking holding companies can verify receipt and status of questions.
- Improve the turnaround time for responses. The short time period for reporting deadlines necessitates greater responsiveness.
- Freeze the FAQ process at least ten business days before FR Y-14Q/M submission deadlines and at least fifteen business days before FR Y-14A submission deadlines. Questions asked at least five business days before the freeze date should be answered before the freeze date. If FAQ answers are released shortly before the submission date, the FRB should make the guidance effective for the next reporting deadline to allow banking organizations sufficient time to comply with the new requirements.
- Convene regular teleconference meetings between banks and the FRB during reporting timeframes. These calls will help address complex questions in a more complete and detailed manner. This enhancement could reduce the number of questions and reduce confusion regarding answers. The responses could be emailed to all banks after the conference call.

C. Certain Loan Data Fields Require Additional Reporting Options

Certain loan data fields lack sufficient discrete reporting options. As a result, multiple loans may be reported with “other” or missing values. Some examples on the FR Y-14M loan data collection schedules include:

- Product Type (First Lien Closed-End 1-4 Family Residential Loan: Field 19) – Ten-year amortization term with a fixed rate loan should be an option.
- ARM Index (First Lien Closed-End 1-4 Family Residential Loan: Field 32) (Home Equity Loan and Line: Field 29) – WSJ Prime Rate should be an option.
- First Payment Date (Home Equity Loan and Line: Field 3) – an option should exist for home equity lines with a \$0 balance and no draws.

The FRB should consider adding more options to the aforementioned fields and other fields which often receive “other” or missing values. The FRB should ensure the new fields have sufficient reporting options to minimize the occurrence of “other” or missing values.

D. Instructions Should Cover Data Limitations Assumed Through Acquisitions

Many reporting fields ask for data at the time of origination. Examples include original interest rate, original loan-to-value, and original FICO. The Proposal adds fields for original property valuation method. If a BHC acquires an institution without experience at FR Y-14Q/M reporting, then the acquired institution may not have these fields in their loan systems. These fields will not convert over during systems conversion and the banking holding company will not have valid data to report. The current reporting instructions do not provide guidance for unavailable data on acquired loans.

We encourage the FRB to provide guidance for reporting original values on acquired loans. The guidance could provide for reporting the value available on or soon after the acquisition date instead of origination date. Additionally, we urge the FRB to remove the original property valuation method from the proposed FR Y-14M Domestic First Lien Closed-End 1-4 Family Residential Loan Schedule. The loan data collection schedules should generally have fewer data fields requiring data as of origination.

III. FR Y-14M Reporting for Commercial-Purpose Loans Secured by 1-4 Family Residential Real Estate

The FR Y-14M Domestic First Lien Closed-End 1-4 Family Residential Loan and Home Equity Loan and Line schedules (collectively the “FR Y-14M Residential Loan Schedules”) include loans secured by 1-4 family residential real estate. This schedule asks for FICO scores and other fields obtained for underwriting decisions primarily based on an individual. However, collateral does not necessarily determine the basis for underwriting. Some loans secured by 1-4 family residential real estate are commercial-purpose loans with commercial risk grades or scores. These loans may be investor properties secured by non-owner occupied 1-4 family residential real estate. Small businesses may also have loans with guarantees secured by the owner’s home; the business would be the basis for the underwriting decision.

The data fields on the FR Y-14M Residential Loan Schedules do not adequately represent commercial-purpose loans. FICO score data is not the basis of underwriting decisions; may not be available in all cases, especially if the loan does not have a guarantor; and is not an accurate indicator of default risk. Commercial risk grades or scores may consider FICO scores, but also factor in other underwriting considerations resulting in a more robust and accurate indicator of default risk.

The Proposal increases the number of reporting elements for FR Y-14M Residential Loan Schedules. Increasing the number of reporting elements for commercial-purpose loans secured by 1-4 family residential properties adds little to no value when these loans are not attributed to the appropriate data collection schedule.

We urge the FRB to create new instructions for reporting commercial-purpose loans secured by 1-4 family residential properties. Commercial-purpose loans are defined as graded or scored loans not solely underwritten on the basis of individual cash flows and FICO scores. The FRB should consider the following changes to the FR Y-14M Residential Loan Schedules:

- Add a flag for commercial-purpose loans on these schedules so they can be modeled separately using commercial risk grades and scores instead of FICO scores.
- Replace the Current FICO field with two fields:
 - A risk grade type field with FICO score, commercial risk grade, and other internal risk score as reporting options
 - A risk score/grade field
- FICO score should be required only for loans which are not commercial purpose.
- Identify certain fields, such as the original FICO score, which do not make sense for commercial-purpose loans. These fields should be eliminated or made optional for commercial-purpose loans.

The FR Y-14A Summary schedule's Income Statement, Balance Sheet, and Retail Balance and Loss Projections worksheets should be changed such that closed-end loans secured by first liens on 1-4 family residential properties are segmented between commercial and non-commercial purpose instead of First Mortgage and First HELOAN.

IV. Reporting Should Be Focused on Linking Risk to Capital and Institution Viability

The Proposal increases the granularity of data reported on FR Y-14M forms and is intended to facilitate regulatory assessments of capital adequacy. It is unclear whether increasing the number of reporting items will materially enhance capital assessments and stress test modeling. The reporting requirements appear to have advanced beyond the linkage of risk to capital and an organization's viability. Once beyond the linkage of risk to capital and viability, the increased reporting does not add value. The Proposal is likely to result in an extensive and unnecessarily burdensome regulatory reporting exercise, providing ineffectual data for the use of bank management and distracting banking organizations from proactive risk management activities and enhancement of stress testing models and processes.

V. FR Y-14M Reporting Deadlines for Quarter-End Reporting

The FR Y-14M reporting schedules are due by the 30th calendar day after the last business day of the preceding calendar month. However, FR Y-14Q and FR Y-9C reporting schedules are due by the 45th and 40th calendar days after quarter-end for the first and other quarters, respectively. The FR Y-14M reporting schedules have elements which should reconcile with the FR Y-9C and aggregate with FR Y-14Q reporting elements to reconcile with the FR Y-9C. Thus, BHCs would benefit from synchronized reporting deadlines.

This Proposal adds 134 reporting elements to the FR Y-14M schedule. These elements may not all come from the same data source and can require additional time to compile and consolidate. Therefore, banking organizations would benefit from additional implementation time during the first reporting period, March 2013.

The FRB should consider changing the FR Y-14M reporting deadline to the 45th, 40th, 40th, and 40th calendar day after quarter-end for December, March, June, and September, respectively so the deadline aligns with the FR Y-14Q and FR Y-9C.

VI. FR Y-14A Reporting for Baseline Scenario

The CCAR Summary instructions, issued November 9, 2012, state, “A BHC may use the same scenarios as the FRB baseline scenario if the BHC believes the FRB baseline scenario appropriately represents their view of the most likely outlook for the risk factors salient to the BHC.” The FRB’s Policy Statement, issued November 15, 2012, on the Scenario Design Framework states, “The baseline scenario will be developed around a macroeconomic projection that captures the prevailing views of private-sector forecasters (e.g., Blue Chip Consensus Forecasts and the Survey of Professional Forecasters)...” Thus, it is reasonable to expect BHCs to use the FRB baseline scenario for the BHC baseline scenario.

On November 11, 2012 the FRB issued instructions stating the FR Y-14A Summary schedule’s “Balance Sheet should tie to the DFAST capital worksheet for the supervisory scenarios and the CCAR capital worksheet for the BHC scenarios.” The instructions also require BHCs to file a separate BHC baseline and Supervisory baseline FR Y-14A Summary schedule, even if it uses the FRB baseline scenario for the BHC scenario. Thus, the same scenario has to be reported twice with different edit checks for the Balance on each filing. The inconsistent edit checks create additional work and require additional process controls. The baseline scenarios are primarily used to evaluate planned capital actions over the forecast horizon. The planned capital actions are reported on the CCAR capital worksheet for the baseline scenarios.

The FRB should consider implementing the following instructions for reporting the baseline scenario if the BHC selects the Supervisory baseline scenario as the BHC baseline scenario during CCAR:

- A single FR Y-14A Summary schedule should be submitted for the baseline scenario and the Supervisory baseline should be selected as the scenario on the FR Y-14A Summary schedule’s cover page. The CCAR and Dodd-Frank Act Stress Test (“DFAST”) capital worksheets should both be completed in this schedule.
- The Balance Sheet should tie to the CCAR capital worksheet for the BHC and Supervisory baseline scenarios. The Balance Sheet could tie to the DFAST capital worksheet for the Supervisory adverse and severely adverse scenarios.

The Balance Sheet should continue to tie to the CCAR capital worksheet for BHC stress scenario(s).

VII. FR Y-14 and FR Y-9C Reporting are Duplicative

The Proposal increases the frequency of FR Y-14A reporting for large BHCs (\$50 billion or more in total consolidated assets) to semi-annual. The FR Y-14A schedule includes an income statement, balance sheet, capital worksheet, and securities schedule. The FR Y-14Q reporting already includes pre-provision net revenue ("PPNR") schedules. The FR Y-14 reporting format is more granular than the FR Y-9C reporting format. The FR Y-9C is due on the same day as the FR Y-14Q and it also has an income statement (HI), balance sheet (HC), capital worksheets (HI-A and HC-R), and securities schedule (HC-B). It does not make sense to have duplicative reporting requirements in different formats, especially with the FR Y-14A reporting twice per year.

The FRB should consider changing reporting requirements for large BHCs to minimize the duplication between FR Y-9C and FR Y-14A/Q reporting. The FRB should also consider changing the FR Y-14Q/M reporting deadlines to be five days after the FR Y-9C deadline to provide more time for performing reconciliations between the different reporting formats.

VIII. Conclusion

In closing, while BB&T supports the overall objectives of this Proposal, we request the FRB consider the suggestions and alternatives presented herein, which we believe will help ensure these objectives are achieved. Thank you for the opportunity to comment on this important Proposal and for your consideration of BB&T's comments.

Sincerely,



Daryl Bible
BB&T
Chief Financial Officer

Proposal: FR Y-14AQM-Capital Assessment & Stress Testing (ICP #12-22; pub'd 12/20/12)
Description: Proposal to revise the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M).

Comment ID: 110965
From: Chase Mortgage Banking, Chase Mortgage Banking, Gustavo Ortiz
Proposal:
Subject: FY Y-14AQM Capital Assessments and Stress Testing

Comments:

For the new FR Y-14M schedule requirements, we have questions for the below fields. Can you please provide guidance as to how the below fields should be reported:

Field Name

1st lien/HE

Clarification Required

Alternative Home Liquidation Loss Mitigation Date

1st lien

Clarification on 'executed' - Does this mean the date when the program was set up or when it was completed?

Alternative Home Retention Loss Mitigation Date

1st lien

Clarification on 'executed' - Does this mean the date when the program was set up or when it was completed?

Entity Serviced

Both

Is it related to Fannie/Freddie or Investors? Accounting, finance related? Seeking further clarification

Entity Type

Both

Is it related to Fannie/Freddie or Investors? Accounting, finance related? Seeking further clarification

Thank you,
Gustavo Ortiz
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Proposal: FR Y-14AQM-Capital Assessment & Stress Testing (ICP #12-22; pub'd 12/20/12)
Description: Proposal to revise the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M).

Comment ID: 110962

From: Discover, Discover, Sara Birtch

Proposal:

Subject: FY Y-14AQM Capital Assessments and Stress Testing

Comments:

Please find below questions we have regarding the proposed FR Y-14M changes to the Credit Card portfolio. Any guidance you may be able to provide would be greatly appreciated.

When will we be provided the algorithms needed to populate the following fields:

#2 Customer ID

#76 Corporate ID

#121 Trade Key

#118 Co-borrower ID

Field #42 (Behavioral Score) currently has the required format of N(10,6).

Are negative values allowed?

Field #59 (Month End Account Status - Closed) -

How should we treat charged-off accounts? Would they be considered '1' (yes, closed at request of the borrower. Include charge-off account in this category) or '4' (No. The account is not closed but is in charge off or collection stage)?

How should we define "in collections" from option 4? How many days delinquent would be considered in collections?

Field #85 (Promotional APR) - there are instances where a cardmember will have multiple rates. How should we handle this? Should we use the weighted average balance APR? If so, then the rates will change month over month as the balance mix changes.

Field #86 (Cash APR) - similar to question 4: There are instances where a cardmember may have multiple rates. How should we handle this?

Field #103 (Cycle End Account Status - Active) - if an account does not cycle in the current month, should we report as Null? The other option would be to report the month end account status for accounts that do not cycle, but that is already reported in field #58 (Month End Account Status - Active).

Field #118 (Co-borrower ID) - How should we report if we have both a co-borrower on an account as well as an Authorized user? How do we determine which authorized user to report if there are multiple on an account?

Field #28 (Multiple Banking Relationships) - Should this be based on the algorithm of the Customer ID field or should we use internal identifiers?

Thank you!

Sara Birtch | Discover

Project Manager, Corporate Finance & Consolidations

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From: LPS Applied Analytics, Briana Reinking
Proposal: FR Y-14AQM-Capital Assessment & Stress Testing (ICP #12-22; pub'd 12/20/12)
Subject: FY Y-14AQM Capital Assessments and Stress Testing

Comments:

Hello,

We have the following questions and comments on the proposed changes to the First Lien and Home Equity FR Y-14M Schedules.

1) FRB has proposed that field numbers 79, 86, 88 be removed from the First Lien file layout. LPS requests that the field positions be retained in the file layout and noted as retired, reserved, or another designation that the data no longer needs to be submitted. The current field numbers and field positions are heavily integrated into both BHC and LPS processes, so this would ensure that the file layout is consistent for both the banks as they create the files and LPS as it processes the files. BHCs frequently resubmit files so this would also ensure that the same field positions would apply regardless of the data month.

2) The Detailed Description for the Loan Number fields for both the First Lien and Home Equity Schedules now states that it is required that the BHC use the same loan number for the OCC and FR Y-14M data schedules. Several BHCs are currently submitting different loan numbers for these submissions. Is there a process the BHCs should follow for changing the loan number reported in the FRB file to be the same as the OCC file? For example, is a one-time supplemental mapping file needed that contains the old loan number and the associated new loan number? Or if the BHC is unable to change the loan number, would they be required to submit a supplemental file every month?

Thank you and please let me know if you need further detail.

Briana Reinking
LPS Applied Analytics

Proposal: FR Y-14AQM-Capital Assessment & Stress Testing (ICP #12-22; pub'd 12/20/12)
Description: Proposal to revise the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M).

Comment ID: 110958
From: PNC Financial Services, PNC Financial Services, Janet Spofford
Proposal:
Subject: FY Y-14AQM Capital Assessments and Stress Testing

Comments:

Hello, I sent this item previously in the list of questions we had but I wanted to specifically call out the definition of gross charge off that PNC is using to report in the portfolio portion of the Credit Card submission to the FRB.

Just for clarification...PNC includes the unallocated provisions amount into this field as there is no specific field to hold that information. We report the same figure to the OCC. Is this correct?

In addition the gross charge-off number includes purification numbers (removal of interest and fees for charged off accounts), settlements, revenue reversals. Is that your expectation as well?

Please let me know if you need further clarification of these questions.

Thank you.

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Account:		
Field Name	Field Number	Definition
Customer ID	2	The CustomerID will be a unique identifier for the borrower. Complete this field using the algorithm provided the Federal Reserve Board or its agent For Business Card/Corporate Card customers, if the billing is at the consumer level, report the same customer id as the personal cards. If the billing is only at the corporate level, report blank. Note: This ID should consistent across Y-14M First Lien, Home Equity, and Credit Card Data submissions.
Basel II - ELGD	73	Report the Basel II Expected Loss Given Default parameter for the account. More specifically, report the ELGD associated to the account's corresponding Basel II segment. For example, a ninety percent expected loss given default should be reported as 0.9
Basel II - EAD	74	Report the Basel II \$ Exposure at Default for the account. More specifically, report the EAD associated to the account's corresponding Basel II segment. In particular, for open-ended exposures assign to all the accounts in a particular Basel II segment the corresponding LEQ, CCF, or related parameters, associated with that segment. After the corresponding parameter is assigned to each account, calculate the account EAD and report this as the variable value.
Corporate ID	76	A unique identifier that will be the same for the same corporation from month to month. The Aggregator will recommend a best practice for the identification or generation of this identifier and the safeguarding of account privacy information. For noncorporate card, report blank.
Promotional APR	85	Report the APR for the balance under promotion
Other Credits	89	Report the dollar amount of all credits (other than cardholder payments) received during the current month's cycle. Also, exclude fee reversals or waivers (they will be accounted for in the "Fees Incurred" line item).
Fraud in the current month	112	Report whether the account was frozen due to potential fraud or closed for cause at the conclusion of a fraud investigation in the current reporting month. 1 - Yes 2 - No
Entity Type	120	Report the entity that owns the reported loan. 1 = National Bank 2 = State Member Bank 3 = Nonmember Bank 4 = State Credit Union 5 = Federal Credit Union 6 = Non-bank Subsidiary 0 = Other
Trade Key	121	Report the trade key of the Customer using the algorithm provided by the Federal Reserve Board or its agent.
Portfolio:		

Managed Gross Charge-offs for the current month	13	Report the dollar amount of gross charge-offs recognized in the reporting month for the entire managed portfolio (including, the total amount of any write-downs, fee waivers or reversal of loan interest and fees on the credit card receivables).
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Questions/Comments
When will the algorithm be available?
ELGD - is this a bank optional field? Not sure what the definition is on this field.
EAD will be calculated quarterly so will be the same for all of the months within the quarter.
Is this for the RSSD of the corporate cards? N/A in this submission. Need to verify with Argus. PNC needs to ask the FRB on this one.
Which one should we use in a case where there are multiple APRs for
Is it possible to get a list of transaction types expected for this? Would it include, for example, returns put on a credit card?
We are reporting fraud - in multiple months - not just within the month the fraud occurred. Is this correct?
Not sure of who the 'entity' refers to? Is this referring to PNC? Or is it referring to Corporations (we don't report corporate cards in our Credit Card submission)
Are we doing the same trade key algorithm as for OCC?

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Description: Proposal to revise the Capital Assessments and Stress Testing information collection (FR Y-14A/Q/M).

Comment ID: 110959
From: PNC Financial Services, PNC Financial Services, Janet Spofford
Proposal:
Subject: FY Y-14AQM Capital Assessments and Stress Testing

Comments:

We have the following question on field 79 of the Credit Card Account submission:

We do not carry census tract in the billing address for credit cards. We have a zip code which we will attempt to map to the correct census tract. However, there instances of multiple tracts per zip code...in that case we are selecting the first tract to at least populate the field. If this is incorrect, please tell us the best way to report.

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Just for clarification...PNC includes the unallocation provisions amount into this field as there is no specific field to hold that information. We report the same figure to the OCC. Is this correct?

In addition the gross charge-off number includes purification numbers (removal of interest and fees for charged off accounts), settlements, revenue reversals.

Sovereign Bank

02/12/2013

The recently proposed Y14M revisions for as-of March 31 2013 include two new fields - 'Customer ID' and 'Co-borrower ID' - that, according to the proposal, are to be generated by an algorithm "provided by the FRB or its agent". When and how will you be providing us with this algorithm?

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Capital Planning / Treasury

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