

Proposal: FR Y-14A/Q/M - Capital Assessment & Stress Testing (ICP #13-13; pub'd 6/25/13)  
Description: Request for comment on a proposal to extend, with revision, the Capital Assessments and Stress Testing (FR Y-14A/Q/M). Published 6/25/13

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Comment ID: 111338

From: Gaurav Sood

Proposal:

Subject: FR Y-14A/Q/M Capital Assessment & Stress Testing

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Comments:

Date: Jul 25, 2013

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Proposal: Agency Information Collection [ICP-201313]

Document ID: ICP-201313

Revision: 1

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Your comment: Hi In regards to the proposed changes regarding FR Y-14Q filing for the Q3 2013, we have the following questions: Schedule - Basel III 1. RWA Advanced - The the line item 'Change in Risk-Weighted Assets Due to Impact of Basel III Definition of Capital' has been removed in the proposed changes. It is unclear currently as to where these balances should now be reported? We suspect that it should be on the respective lines in the credit risk section of the report. For example, we have securitization exposures that were slotted on this line and I am guessing that now they would go to line 14? Can someone confirm our understanding or can recommend the solution. 2. RWA General - A new section is added here to capture detailed standardized calculations. However when we go through the instructions it says that the section does not need to be completed until the standardized approach gets finalized prior to 9/30/13. The final rule was just published and says that the standardized approach is not required until 1/1/15. Can someone confirm when we need to complete this section of the schedule? Schedule - PPNR 1. Line # 89 (A and B) - There is a bit of confusion around the revised description in line #89 (A and B) and the line titles. It would appear from the description that is provided that the regulators are looking for the correlation of repricing our new or roll-over CD volume to current market rates. Since we would reprice at 100% of the current market rate, our beta will be 1.00 and that's how we will be interpreting this going forward unless otherwise directed. The confusion comes from the line titles which call for a "curve" or "index". In previous quarters we interpreted this to be the curve from which we reprice new CD volumes and as such, we populated "3mo LIBOR" under both 89A and 89B. If there's any clarification to what the regulators are looking for here that would be helpful. We would appreciate if the above questions can be answered at the earliest, so that we can make the required changes. If you have any questions, please feel free to reach me at the contact information listed below.