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December 20, 2007

Board of Governors of the  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Attention: Jennifer J. Johnson  
Secretary

Re: Financial Statements for Bank Holding Companies -  
Request for Comment - FR Y-9C Report

Ladies and Gentlemen:

The Clearing House Association L.L.C. ("The Clearing House"), an association of major commercial banks,<sup>1</sup> appreciates the opportunity to comment on the proposed revisions (the "proposal") to the Financial Statements for Bank Holding Companies (the "FR Y-9C Report") by the Board of Governors of the Federal Reserve System (the "Board"). Our comments on this proposal are presented below.

#### Proposed Revisions Related to 1-4 Family Residential Mortgage Loans

The Board has proposed a significant number of revisions to the FR Y-9C Report relating to 1-4 family residential mortgage loans. While The Clearing House understands the desire to obtain additional information about the mortgage lending business given the current environment and impact on bank holding companies throughout the industry, data for selected

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<sup>1</sup> The members of The Clearing House are: ABN AMRO Bank N.V.; Bank of America, National Association; The Bank of New York; Citibank, N.A.; Deutsche Bank Trust Company Americas; HSBC Bank USA, National Association; JPMorgan Chase Bank, National Association; UBS AG; U.S. Bank National Association; Wachovia Bank, National Association; and Wells Fargo Bank, National Association.

components may be difficult to obtain and ensure accuracy in the designated timeframe. To capture this information, our members will need additional time to work with their technology and infrastructure teams to arrange resources and programming to access the data for reporting purposes. Moreover, since the changes and instructions have not been finalized for the FR Y-9C Report, it is extremely difficult for our members to request that their information system departments begin implementing programming changes for these reports. With resources currently stretched for Basel II work efforts and year end system freezes, there is not adequate time from the final release of the FR Y-9C Report revisions to the implementation date. Therefore, The Clearing House recommends that the proposed revisions be phased-in for the items discussed below.

The Clearing House agrees that the proposed breakout of new memorandum items to schedule HC-C for the carrying amount (before any applicable allowance for loan and lease losses) of residential mortgages owned by the bank holding company and serviced by the bank holding company in process of foreclosure, and to schedule HC-S for the principal amount of residential mortgages owned by the bank holding company and serviced by the bank holding company in process of foreclosure may be helpful in providing insight into the pipeline and trend of foreclosures at bank holding companies. However, this information is not currently readily available. Therefore, we request that the implementation date of this particular proposal be delayed for an additional six months to allow sufficient time to identify and capture this data from existing systems.

In addition, obtaining the breakout of open end 1-4 family residential mortgages based on originations, purchases and sales of open-end mortgages (HC-P) would be particularly onerous to implement for the March 31, 2008 FR Y-9C Report. Although the base data already included in HC-P is available, it may take some time to identify and capture the unused balance of commitments on open-end loans in addition to the outstanding principal balance. Therefore, The Clearing House requests this proposal be delayed for an additional six months to allow sufficient time to capture the data correctly and make it available for reporting.

Also, capturing the principal balance of past due and nonaccrual loans in the fair value option book on the proposed Schedule HC-N may prove more challenging as the differentiation for the fair value option book may be indistinguishable from the general ledger and the past due indicators may systematically be available only in the risk systems. For this reason, The Clearing House requests this proposal also be delayed for an additional six months to allow time to capture the data correctly and make it available for reporting.

In addition, The Clearing House requests clarification on the terminology used for capturing the values. Typically, balances reported are outstanding book balances. Reference is made to capturing the principal balance of repurchases and indemnifications if there is a difference in the book value of a loan and the principal balance which is intended by the Board to be reported.

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Thank you for considering the concerns expressed in this letter. If you have any questions or are in need of any further information, please contact Norman R. Nelson at (212) 612-9205.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. Hunt", with a horizontal line extending from the bottom of the signature.

cc: Kenneth P. Lamar  
Federal Reserve Bank of New York