Via Electronic Submission

October 16, 2015

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

Re: Comment Request on Banking Organization Systemic Risk Report Proposed Changes

Dear Mr. deV. Frierson:

Regions appreciates the opportunity to comment on the proposed revisions to reporting form FR Y-15, *Banking Organization Systemic Risk Report* (the FR Y-15). Regions has separately participated in the drafting and submission of a letter by the American Bankers Association (ABA) commenting on the proposed revisions. Regions supports all the recommendations made in the ABA comment letter. Regions is submitting this comment letter to further emphasize certain information in the ABA comment letter and to highlight the impact the proposed changes will have on the Regions reporting department and data providers throughout the organization.

The most significant proposed revisions to the FR Y-15 involve changing the reporting frequency from annually to quarterly and adding a new schedule for Short-term Wholesale Funding. For reasons outlined below, Regions believes the proposed revisions will cause an undue reporting burden for banks below the Global Systemically Important Banks (GSIB) level.

Implementation Schedule

Like many banks below the GSIB level, Regions has a heavy regulatory reporting burden that requires data providers and the reporting teams to prepare and complete numerous filings in the same time window. In addition to the more mature processes surrounding the Call Report, FR Y-9C, and SEC Forms 10K/10Q, regional banks are in the process of building out or strengthening control structures governing data validation and delivery for the Supplemental Leverage Ratio (SLR), the Liquidity Coverage Ratio (LCR), and Basel III Regulatory Capital Disclosures. The proposed changes to the FR Y-15 would add many new data elements and an entirely new schedule (Schedule G Short-term Wholesale Funding) with an effective reporting date of December 31, 2015.

Regions does not believe this short implementation window gives regional banks sufficient time to develop reliable and validated data sources, particularly given a comment period that extends into mid-October 2015. Many of the new and existing data elements are calibrated towards larger GSIB banks, which will require regional banks to build processes that are not as pertinent to their institution and are not reported via any other avenue. While some of the proposed changes to the FR Y-15 strive to align reporting requirements with other filings, some of those processes (such as the changes being implemented by the FFIEC) are not yet complete themselves. These proposed changes would have to be implemented during the reporting department's most heavily burdened time of the year when the year-end filings are due. This very short window to implement the changes (whenever the final ruling is released) will severely inhibit the ability of the reporting department and the data providers to properly follow established change control and governance procedures.

Request:

Regions requests that consideration be given to extending the effective reporting date until at least December 31, 2016. This will allow for the processes that the FR Y-15 is trying to align with to be finalized or mature themselves. This will also allow banks to move beyond their heaviest reporting time of the year and dedicate more time and resources to adhering to proper change control methodology. The Federal Reserve has followed a phased implementation in the past, including recently with the GSIB surcharge being phased in beginning on January 1, 2016 with full implementation on January 1, 2019.

Scope of the FR Y-15

Regions recognizes the need for the Federal Reserve to be able to identify GSIBs in the United States and to monitor systemic risk overall but believes the scope of the FR Y-15 is overly broad, particularly for regional banks. The 8 financial institutions currently designated as GSIBs have an average total asset size of $1.3 trillion. The FR Y-15 reporting requirements are being applied to institutions with $50 billion or more in assets. The risk profiles of regional banks are vastly different than the profiles of the GSIB institutions, and by virtue of their size and complexity the failure of any particular regional bank would be much less dramatic on the US and global financial systems than the failure of a GSIB.

Furthermore, it is our opinion that it is unlikely for any current non-GSIB institution to be able to generate sufficient organic growth to reach the GSIB threshold. This opinion is drawn in part from a white paper published by the Board of Governors of the Federal Reserve on July 20, 2015 entitled, "Calibrating the GSIB Surcharge". Under both Method 1 and Method 2 of the surcharge calculation, there is a significant gap between the 8th and final GSIB institution and the next highest scoring institution. A merger between super regionals would be the most likely scenario for the designation of a new GSIB, and under that scenario various regulators would be able to scrutinize the potential deal and determine the systemic effects. This scrutiny would minimize the need for the Federal Reserve to collect certain data elements on a routine basis.

Regional banks do not (and cannot) have the same economies of scale present in their regulatory reporting departments that the GSIB institutions have, particularly for data elements that do not apply to them (such as the GSIB surcharge calculations). Requiring regional banks to collect and validate data elements that do not apply to them will cause unnecessary resource constraints.

Request:

Regions requests that consideration be given to increasing the reporting requirement threshold for certain data elements such as the GSIB surcharge calculations from institutions with $50 billion or greater in total assets to institutions with $300 billion or greater (which is the total asset size of the smallest current GSIB). This will help alleviate the reporting burden for smaller institutions who are not subject to GSIB requirements (besides the associated requests in the FR Y-15) while still allowing the Federal Reserve to have visibility into the institutions who have a larger impact on financial systems.

Frequency of the FR Y-15

Regions recognizes and agrees that most of the information collected on the FR Y-15 is beneficial on an annual basis. The proposed change in frequency from annually to quarterly will greatly increase the regulatory reporting burden without providing much additional benefit to the Federal Reserve. The systemic footprint of a non-GSIB institution does not normally change significantly on a quarterly basis. As noted above, any proposed merger would receive regulatory scrutiny, providing the needed visibility into potential systemic impact. Additionally, there are other reporting mechanisms in place that can provide similar insight into systemic impact, such as the Comprehensive Capital Analysis and Review (CCAR) process, the Dodd-Frank Act Stress Tests (DFAST), and FDIC Resolution Planning.

Request:

Regions requests that the frequency of the FR Y-15 report be maintained on an annual basis rather than moving to quarterly. Alternatively, consideration could be given to staggering the due dates of the schedules so that banks are not overly burdened collecting and validating data for every schedule each quarter while still allowing the Federal Reserve to have visibility more frequently than a year end only basis.

Confidentiality

Regions is concerned with what information is publically available on the FR Y-15. Currently, the FR Y-15 filings are publically available on the FFIEC website. The source information for the newly proposed Schedule G is the 2052 report. The information in the 2052 report is treated as confidential, and Regions believes this should be consistently applied to Schedule G as well. The public introduction of new data elements could have unintended consequences, particularly when rushed in with a tight implementation window where fully developed change control procedures cannot be implemented.

Request:

Regions requests that consideration be given to matching the confidentiality granted to similar data elements from other filings. Alternatively, a threshold for making the information publically available could be explored.

Conclusion

Again, we appreciate the opportunity to comment on the proposed changes before their implementation. Because of the potential issues noted above related to the tight implementation window, the scope and applicability of the FR Y-15, the frequency of the filing, and the confidentiality concerns, we respectfully request that the Federal Reserve evaluate the alternatives proposed. Regions believes these alternatives will help relieve some of the regulatory burden currently in place without inhibiting the Federal Reserve's ability to have a view of the interconnectedness of financial institutions and their systemic impact.

If you have any questions regarding the content of this letter or would like additional information, please do not hesitate to contact me at (205) 261-4357.

Sincerely,

Regions Bank

Karin Allen

By: Karin Allen

Its: Director of External Reporting