



January 8, 2018

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attention: 1557-0319
400 7th Street SW
Suite 3E-218
Washington, DC 20219

Re: Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More Under the Dodd-Frank Wall Street Reform and Consumer Protection Act

Dear Sir or Madam:

The Financial Services Roundtable (FSR)¹ appreciates the opportunity to submit these comments to the Office of the Comptroller of the Currency (OCC) on the changes proposed by the OCC to the reporting templates associated with the annual company-run stress test required for national banks and federal savings associations with \$50 billion or more in total consolidated assets.²

Our comments are divided into two sections. The first section addresses timing for the effective date of changes in the reporting templates, and discusses the relationship between the reporting templates and technical instructions. The second section discusses the new changes proposed by the OCC.

I. General Comments on the Timing for Changes in Reporting Templates and Technical Instructions

The effective date for a change in an OCC reporting template and the Board's FR Y-14A schedules should be aligned.

FSR appreciates the OCC's efforts to ensure consistency between its reporting templates and the FR Y-14A templates used by the Board. This goal should include alignment of the effective date associated with any changes. Alignment of the effective date for changes in these

¹ The Financial Services Roundtable represents the largest banking and payment companies financing the American economy. Member companies participate through the Chief Executive Officer and other senior executives nominated by the CEO.

² 82 Fed. Reg. 51936 (Nov. 8, 2017).

reporting requirements enables covered institutions to respond to a change more efficiently, and reduces the potential for unnecessary and unwanted reporting errors.

There should be a minimum of six months between the publication of final changes to the reporting templates and the effective date of the changes.

The members of FSR and the OCC have a common interest in ensuring that the data submitted in connection with this reporting requirement is of high quality and accurate. Toward that end, we recommend that the OCC establish a minimum of six months between the finalization of any changes to the reporting templates, including all instructions, and the effective date of the changes. We have made the same recommendation to the Board.

The accuracy of data submissions is enhanced when covered institutions are able to establish governance structures, policies, processes and software systems for capturing, reviewing, validating, and then reporting the data. In most cases, a six-month period following the finalization of any changes in the reporting templates would allow covered institutions sufficient time to adhere to standard software development life cycles.³ In some cases, however, even longer compliance periods frames may be necessary. To be clear, in those cases in which the OCC is proposing to remove a reporting schedule, or sub-schedule, we have no objection to a shorter implementation period since the effect of the change would be to reduce a reporting burden.

The accuracy of data submissions can be jeopardized when covered institutions are required to submit data without sufficient lead time to make appropriate adjustments to systems, protocols, and procedures. In such cases, covered institutions must develop a "work-around" to existing systems or collect and manipulate the data manually. Such ad hoc, short-term fixes can pose problems for operational risk management and can impair the integrity of the data. A minimum period of six months between the issuance of a final rule and the effective date of the changes would avoid this problem. A six-month minimum implementation time also would help to ensure the quality of the data received by the OCC, while reducing the potential for inadvertent and unintentional filing problems.

The effective date for changes also should be aligned with the release of the technical instructions related to the changes.

The effective date for changes should be aligned with the release of the technical instructions related to any changes in the templates. Covered institutions cannot make the systems and process changes needed to comply with a change in a template until after all of the technical requirements are finalized. The technical instructions dictate the manner in which data is captured, transported, validated, and assessed. Therefore, the six-month period described above should start when both the final changes *and* the technical instructions have been published in final form. This timing also would give both covered institutions and the OCC the ability to reconcile any potential discrepancies between the templates and the technical instructions.

³ These cycles include writing requirements, establishing project timelines, updating coding, mapping, validation, scheduling releases to production, testing, and making adjustments to affected reporting structures.

Clarifying questions should be addressed before the effective date of a change.

We also recommend that changes to reporting templates not be effective until all questions surrounding the changes have been resolved. In other words, in setting the effective date for changes, the OCC should factor in time for resolving questions related to the changes. Unresolved questions complicate the reporting challenges for covered institutions and increase the risk of errors in data.

The technical instructions accompanying any proposed changes in the reporting templates should be subject to public notice and comment.

In addition to publishing proposed changes in the reporting templates for public comment, we urge the OCC to publish the technical instructions for public comment. We believe that publication of the technical instructions is consistent with the spirit of the Paperwork Reduction Act (PRA).

The PRA requires the OCC to publish a notice and specifically solicit comment to:

- Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhance the quality, utility, and clarity of the information to be collected; and
- Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.⁴

As noted above, the technical instructions contain critical information needed to evaluate the reporting templates. Therefore, without the simultaneous publication of the proposed changes and the technical instructions to the changes it is not possible to fully to assess the impact and burden of the proposed changes.

⁴ 5 C.F.R. § 1320.8(d)(1).

II. Comments on the Proposed Changes to the Reporting Templates

We support alignment of OCC Templates with Changes Proposed by the Federal Reserve Board

The OCC is proposing to modify its DFAST-14A reporting templates to mirror changes to the Federal Reserve Board's proposed changes to its FR Y-14A schedule. As noted above, FSR appreciates the OCC's efforts to ensure consistency between these reporting templates and the FR Y-14A form used by the Federal Reserve Board. Ensuring the consistency of reported data between the bank regulatory agencies has been and remains a high priority of the FSR. Thus, we support the changes in the reporting templates that would align with the recent changes to the FR Y-14A templates proposed by the Board.

We appreciate the proposed changes to the supplemental schedule, but continue question the need for this schedule.

We support the deletion of several items in the supplemental schedule, and the clarification that the schedule applies only to large, complex firms. However, we oppose the proposed elimination of the materiality thresholds for certain items. The elimination of these thresholds will increase the reporting burden for covered firms. Moreover, when the OCC introduced the supplemental schedule last year we noted that it is not consistent with the current FR Y-14A reporting requirements. We also noted that it presented some significant data collection challenges for covered firms. Furthermore, the Board's FRY-14A schedule already provides summarized versions of the data requested in the supplemental schedule. Therefore, it is not clear what additional supervisory purpose is served by this additional schedule. For these reasons we urge the OCC to eliminate this entire schedule.

We support the proposed changes for reporting by federal savings and loan holding companies.

The OCC is proposing to permit all federal savings associations to comply with simplified reporting requirements. We support this proposal.

Thank you for the opportunity to provide these comments. If you have any questions, please contact Robert Hatch at Robert.hatch@fsroundtable.org or 202-589-2429.

Respectfully submitted,

A handwritten signature in black ink that reads "Rich Foster". The signature is written in a cursive, slightly stylized font.

Richard Foster
Senior Vice President & Senior Counsel for Regulatory and Legal Affairs