

Via Electronic Submission

July 27, 2017

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue N.W.
Washington, DC 20551

Re: Agency Information Collection Activities; Comment Request; Financial Statements for Holding Companies FR Y-9C

File Number: FR Doc. 2017-15045

Dear Ms. Misback:

The American Bankers Association,¹ appreciates the opportunity to comment on the proposed revisions to the form FR Y-9C. On a quarterly basis, holding companies (HCs) are required to file standardized financial statements through the FR Y-9C with the Federal Reserve under the Bank Holding Company Act of 1956. Under the proposal, the Federal Reserve would implement a number of revisions to the FR Y-9C reporting requirements, most of which are consistent with changes proposed by the Federal Financial Institutions Examination Council (FFIEC) to the Call Report.²

We commend the Federal Reserve for recognizing the importance of aligning the FR Y-9C with the Call Report. While we support the proposed changes, we are concerned about the proposed timing of implementation and the lack of ongoing synchronization with the FFIEC's initiative to revise the Call Reports. Not aligning the reports will create confusion as banking organizations will have to maintain separate, duplicative reporting systems until such time as the reporting can be aligned. Additionally, the lack of alignment will undermine current efforts being made under the FFIEC's initiative to reduce bank administrative burdens.

So far in 2017, the FFIEC has finalized one round of changes, which were reflected in the March 2017 Call Report. The FFIEC recently proposed additional changes to be implemented in the

¹ *The American Bankers Association is the voice of the nation's \$17 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$13 trillion in deposits and extend more than \$9 trillion in loans.*

² 81 Fed. Reg. 54190 (August 15, 2016).

March 2018 Call Report.³ It is our understanding that there may be a third round of changes proposed later this year. We strongly urge the Federal Reserve to align FR Y-9C revisions with the FFEIC's timeframe by incorporating all three rounds of Call Report changes into the March 31, 2018, FR Y-9C.

The need to harmonize reporting is particularly important in light of the kinds of changes proposed to the Call Report, including a revision to the definition of "past due" and changes to the way unrealized gains and losses on equity investments would be reported. We intend to submit detailed comments on the Call Report Proposal. One comment we expect to make that is important to call to your attention now is that these proposed Call Report changes could have downstream impacts on the financial data required under Generally Accepted Accounting Principles and disclosed to the Securities and Exchange Commission (SEC). We believe it will be confusing for investors and other users of bank financial data if a banking organization's balance sheet, as reported in the FR Y-9C, does not match up to those of the Call Report or 10K/Q.

Given the complexity of banking organization reporting requirements, including those required by the SEC of public companies, and of systems necessary to do such reporting, we encourage the Federal Reserve to work with the banking industry to ensure that necessary changes are implemented efficiently without unnecessary inconsistencies that could cause confusion to users of the financial information and burden to reporting entities. If you have any questions about these comments, please contact Alison Touhey at (202) 663-5182 or atouhey@aba.com.

Sincerely,

A handwritten signature in dark ink, appearing to read "Alison T.", with a stylized flourish at the end.

Alison Touhey
Senior Regulatory Advisor

³ 82 Fed. Reg. 29147 (June 27, 2017).