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Financial Institution Letter

FIL-44-2016
July 1, 2016

DEPOSITORY INSTITUTION REPORTS

TO: CHIEF EXECUTIVE OFFICER (also of interest to Chief Financial Officer)
SUBJECT: Revisions to the Consolidated Reports of Condition and Income (Call Report)

The Federal Financial Institutions Examination Council (FFIEC) has approved revisions to the Call Report that will take effect September 30, 2016, and March 31, 2017. These Call Report revisions were proposed by the three federal banking agencies, under the auspices of the FFIEC, in September 2015 (see [FIL-39-2015](#), dated September 18, 2015). The proposed revisions included certain burden-reducing changes, several new and revised Call Report data items, and a number of instructional clarifications. After considering the comments received on the proposal, the FFIEC and the agencies are proceeding with most of the proposed reporting changes, with some modifications. The U.S. Office of Management and Budget must approve the revisions to the Call Report before they can be implemented.

The Call Report revisions proposed in September 2015 that the FFIEC and the agencies have now finalized, as outlined below, are part of an initiative launched by the FFIEC in December 2014 to identify potential opportunities to reduce burden associated with Call Report requirements for community banks. The FFIEC undertook this initiative in response to industry concerns about the cost and burden arising from the Call Report preparation process. As another element of this initiative, the FFIEC and the agencies have considered options for a streamlined, less burdensome Call Report for eligible small institutions. The FFIEC and agencies anticipate publishing a proposal later this year that would meaningfully expand the burden-reducing changes to the Call Report beyond those included in the September 2015 proposal.

The Call Report changes that would take effect September 30, 2016, are summarized as follows:

- Deletions of certain existing data items pertaining to troubled debt restructurings from Schedule RC-C, Part I, Loans and Leases, and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets; loans covered by FDIC loss-sharing agreements from Schedule RC-M, Memoranda, and Schedule RC-N; and unused commitments to asset-backed commercial paper conduits with an original maturity of one year or less in Schedule RC-R, Part II, Risk-Weighted Assets;
- Increases in existing reporting thresholds for certain data items in Schedule RI-E, Explanations; Schedule RC-D, Trading Assets and Liabilities; Schedule RC-F, Other Assets; Schedule RC-G, Other Liabilities; and Schedule RC-Q, Assets and Liabilities Measured at Fair Value on a Recurring Basis; and the establishment of a reporting

threshold for certain data items in Schedule RC-S, Servicing, Securitization, and Asset Sale Activities;

- An instructional revision addressing the reporting of the custodial bank deduction in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments;
- New and revised data items and information of general applicability, including:
 - Adding contact information for the reporting institution's Chief Executive Officer;
 - Reporting the Legal Entity Identifier (LEI) for the reporting institution on the Call Report cover page if the institution has an LEI;
 - Creating additional preprinted captions for itemizing and describing components of certain items that exceed reporting thresholds in Schedules RC-F and RI-E; and
 - Eliminating the concept of extraordinary items and revising affected data items in Schedules RI, Income Statement, and Schedule RI-E; and
- New and revised data items of limited applicability, including:
 - Adding a new item on "dually payable" deposits in foreign branches of U.S. banks to Schedule RC-O on the FFIEC 031 report; and
 - Revising the information reported about the supplementary leverage ratio by advanced approaches institutions in Schedule RC-R, Part I, Regulatory Capital Components and Ratios.

The following Call Report revisions would take effect March 31, 2017:

- Deletions of certain existing Memorandum items pertaining to other-than-temporary impairments from Schedule RI;
- An instructional revision addressing the reporting of net gains (losses) and other-than-temporary impairments on equity securities that do not have readily determinable fair values in Schedule RI;
- New and revised data items of general applicability, including:
 - Increasing the time deposit size threshold used to report certain deposit information from \$100,000 to \$250,000 in Schedule RC-E, Deposit Liabilities; Schedule RI; and Schedule RC-K, Quarterly Averages;
 - Revising the statements used to describe the level of external auditing work performed for the reporting institution during the preceding year in an existing Memorandum item reported annually as of each March 31 in Schedule RC, Balance Sheet; and
- New and revised data items of limited applicability, including:

- Moving the existing Memorandum items for the fair value and unpaid principal balance of loans (not held for trading) measured under a fair value option from Schedule RC-C, Part I, to Schedule RC-Q; and
- Revising the information reported in Schedule RI by certain institutions with total assets of \$100 billion or more on the impact on trading revenues of changes in credit and debit valuation adjustments and adding a new item for gross trading revenue.

The agencies are not proceeding with a proposed instructional clarification addressing the reporting in the Call Report of securities for which a fair value option is elected for measurement purposes and a related revision to the data reported on certain securities measured under a fair value option in Schedule RC-Q. The agencies also are not implementing a proposed instructional clarification regarding the reporting of home equity lines of credit that convert from revolving to non-revolving status in Schedule RC-C, Part I, and certain other schedules.

To assist you in preparing for the changes to the Call Report, drafts of the revised Call Report schedules and draft instructions for the reporting changes are available on the FFIEC's website (https://www.ffiec.gov/ffiec_report_forms.htm).

Please forward this letter to the person responsible for preparing Call Reports at your institution. For further information about the proposed reporting revisions, state member banks should contact their Federal Reserve District Bank. National banks, savings associations, and FDIC-supervised banks should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or by email at insurance-research@fdic.gov.

Judith E. Dupre'
Executive Secretary

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