FEDERAL RESERVE BANK of NEW YORK

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PATRICIA SELVAGGI
ASSISTANT VICE PRESIDENT

April 11, 2016

To: **The Individuals Responsible for Preparing the Consolidated Financial Statements for Holding Companies (FR Y-9C) Located in the Second Federal Reserve District**

Subject: Holding Companies (HCs) Reporting Requirements for March 31, 2016

The following report forms and instructions for the March 31, 2016 reporting date have been posted to the Federal Reserve Board's website at: http://www.federalreserve.gov/apps/reportforms/default.aspx under "Reporting Forms":

(1) Consolidated Financial Statements for Holding Companies (FR Y-9C);

(2) Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP);

(3) Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11);

(4) Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314); and

(5) Consolidated HC Report of Equity Investments in Nonfinancial Companies (FR Y-12)

The FR Y-9C reporting form was revised to include a footnote on Schedule HC-R part I (items 41, 42, 43, 44, and 46) to instruct holding companies to report capital ratios and the capital buffer items as a percentage rounded to four decimal places beginning in March 31, 2016. The FR Y-9C instructions have been modified to:

(1) Address the above mentioned reporting form change to provide guidance on calculating these ratios and related items particularly for the items that will be reported for the first time as of March 31, 2016: the buffers, eligible retained income, and distributions and discretionary bonus payments during the quarter;

(2) Incorporate guidance on private company accounting for goodwill and on the acceptability of using private company accounting alternatives;

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(3) Add new Glossary entries, Public Business Entity and Private Company;

(4) Add footnote to Schedule HC-R Part II line item 4(a), Residential Mortgage Exposures, to provide a definition for "statutory multifamily mortgage";

(5) Add clarifying language in the instructions and Glossary on "transactions between entities under common control" in a business combination and

(6) Make a few minor technical corrections.

The reporting date on the cover page of the FR Y-9C, FR Y-9LP, FR 2314 and the FR Y11 forms have been changed to March 31, 2016. There are no other changes have been made to these reporting forms and instructions FR Y-9LP, FR Y-12, FR 2314 or FR Y-11 instructions. The revised instruction (data edits) pages for the FR Y-9C have vertical black lines in the margins to annotate revisions.

Note: The new confidentiality check box procedures will not be implemented as of March 31, 2016, as originally planned. Institutions will be provided with ample notice once the new implementation date has been determined so that they may prepare for submission of the new confidentiality check box requirements. Also, there is a new Supplemental Instructions- Classification and Measurement of Financial Instruments Fair Value Option Liabilities (ASU) No. 2016-01.

On December 2, 2015, the Federal Reserve requested comment on proposed revisions to the FR Y-9C report[1] which were to take effect March 31, 2016. The comment period ended February 1, 2016. With the Federal Reserve continuing its evaluation of the proposed changes based on the comments received and to provide time for holding companies to prepare for the proposed revisions, the Federal Reserve is deferring the effective date of the changes until no earlier than September 30, 2016. Holding companies will be notified of the Federal Reserve's actions regarding the proposed FR Y-9C revisions, including their proposed effective dates.

Holding companies filing FR Y-9C and FR Y-9LP reports are required to submit each report electronically. Holding companies must maintain in their files a manually signed and attested printout of the data submitted. The cover page of the Reserve Bank supplied report forms should be used to fulfill the signature and attestation requirement and this page should be attached to the printout placed in the bank holding company's files.

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[1] 80 FR 75459 (December 2, 2015)

For institutions that submit the FR Y-11 and FR 2314 reports electronically, a manually signed and attested printout of the data submitted must be maintained in their files. For institutions that do not choose to file this report electronically, the Federal Reserve will continue to accept paper copy submissions.

If you complete the preparation, editing, and review of your report(s) before the submission deadline, please file the report(s) immediately rather than waiting. Early submission provides for additional time for your institution to become accustomed with the new enhanced electronic submission process, and aids the Federal Reserve in the editing, review, and analysis of the reports. If you later find that certain information needs to be revised, please make the appropriate changes to your report and promptly submit the revised data.

The Federal Reserve developed Reporting Central to enhance the overall reporting functionality of the Federal Reserve Banks' data collection and processing activities. These enhancements will allow for a more secure, technically advanced, and efficient system that will encompass a single point of entry for electronic submission and file uploads. Financial and nonfinancial institutions will access Reporting Central via the FedLine® Web Access Solutions site to submit reports and gain access to electronic reporting applications, report forms, and instructions. Additional information about the Reporting Central application, including an online resource center, is available at: http://www.frbservices.org/centralbank/reportingcentral/index.html. If you have any questions regarding Reporting Central, please contact your Reporting and Reserves District Contact.

One aspect of the transition to Reporting Central necessitates the Federal Reserve to modify its internal procedures for handling confidentiality requests for those institutions that submit data electronically. Generally, individual respondent data collected on the FR Y-9C and the FR Y-9LP are made readily available on the National Information Center public website (http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx) FR 2314 and the FR Y-11 reports are available to the public upon request on an individual basis. All data are published, with the exception of items deemed confidential per the report's instructions, unless the individual holding company from which the data were collected has been granted confidential treatment or has a request pending. A holding company may request confidential treatment for the entire report or for specific items on the report. To better facilitate confidentiality requests and ensure the data are properly handled during the review of the request, the Federal Reserve strongly encourages institutions that are of the opinion that disclosure of certain commercial or financial information in the report would likely result in substantial harm to its (or its subsidiaries') competitive position or that disclosure of the submitted personal information would result in unwarranted invasion of personal privacy to:

(1) notify their Reserve Bank of their intent to request confidential treatment in advance of the written request and
(2) send the confidentiality request in writing prior to data submission.

For institutions that do not submit data electronically, written requests for confidentiality may be provided concurrently with the paper submission of the report.

For more information on confidentiality requests, please see the specific report General Instructions. **Note:** The information referenced above pertains to the existing manual process for submitting confidentiality requests. The final notice to add the confidentiality check box to the front page of the FR Y-9C, FR Y-9LP, FR 2314 and FR Y-11 forms was published in the Federal Register.[2] However, the new confidentiality check box procedures will not be implemented as of March 31, 2016, as originally planned. Institutions will be provided with ample notice once the new implementation date has been determined so that they may prepare for submission of the new confidentiality check box requirements.

The Federal Reserve publishes holding company FR Y-9 report submissions on the internet at http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx. Data is published on a flow basis within two days following receipt of a submission from the holding company, and updates are run nightly to capture any revisions subsequently submitted by the reporting institutions.

Institutions may subscribe to the Federal Reserve Board e-mail notification service to receive alerts regarding report form and instruction updates at: http://www.federalreserve.gov/reportforms/whats-new.htm. These updates include changes related to proposed new and existing data collections and final reporting forms and instructions.

Supplemental instructions concerning current accounting and reporting issues affecting the FR Y-9C series of reports are provided in Attachment 1. Note: There is a new update, Classification and Measurement of Financial Instruments Fair Value Option Liabilities (ASU) No. 2016-01. Attachment 2 includes significant updates to the report form and instructions for the FR Y-9C for March 31, 2016, report date. A summary listing of changes to the FR Y-9C data edits are provided in a separate document.

Subscription Service

We offer a subscription service, which enables you to receive recent news and updates on our reporting forms and instructions and upcoming events. You can sign up for this service at the following website: http://service.govdelivery.com/service/subscribe.html?code=USFRBNEWYORK_8.

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[2] 80 FR 52282 (August 28, 2015)

Institutions may subscribe to the Federal Reserve Board e-mail notification service to receive alerts regarding report form and instruction updates at: http://www.federalreserve.gov/reportforms/whats-new.htm. These updates include changes related to proposed new and existing data collections and final reporting forms and instructions.

Website

Report forms and instructions for the FR Y-9C, FR Y-9LP, FR Y-11, FR 2314 and the FR Y-12 are available on the Federal Reserve Board's web site at http://www.federalreserve.gov/apps/reportforms/default.aspx under "Reporting Forms."

Questions regarding these reports should be addressed Kenneth Aberbach, Director, at (212) 720-8234, Morgan Norful, Director, at (212) 720-8055, or Laura Stash, Director, at (212) 720-5581.

Questions regarding the capital adequacy guidelines should be directed to Scott Nagel in the Accounting and Capital Policy Department at (212) 720-1803.

Sincerely,

ATTACHMENT 1

Supplemental Instructions

Reports Submission

The submission deadline for all **FR Y-9C** filers is Tuesday, May 10, 2016. Any **FR Y-9C** reports received after 5:00 p.m. on May 10, 2016 will be considered late. The submission deadline for the **FR Y-9LP** is Monday, May 16, 2016. Any **FR Y-9LP** reports received after 5:00 p.m. by May 16, 2016 will be considered late. The submission deadline for the **FR Y-12** is Monday, May 16, 2016. Any **FR Y-12** reports received after 5:00 p.m. by May 16, 2016 will be considered late unless postmarked by May 12, 2016 or sent by overnight service by May 15, 2016. The submission deadline for the **FR Y-11** and **FR 2314** are Tuesday, May 31, 2016. Any **FR Y-11** and **FR 2314** reports received after 5:00 p.m. by May 31, 2016 will be considered late unless postmarked by May 26, 2016 or sent by overnight service by May 29, 2016.

Submission of initial data via facsimile, even if prior to this deadline does not constitute an official filing. In view of this, please be sure that completed reports are submitted on time to:

Federal Reserve Bank of New York
Data and Statistics Function
Administrative Support Staff
33 Liberty Street, 4th Floor
New York, N.Y. 10045

Supplemental Instructions:

Classification and Measurement of Financial Instruments: Fair Value Option Liabilities

On January 5, 2016, the Financial Accounting Standards Board (FASB) completed its Classification and Measurement of Financial Instruments project by issuing Accounting Standards Update (ASU) No. 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities.

This new ASU makes targeted improvements to U.S. generally accepted accounting principles (GAAP). It includes requiring a holding company to present separately in other comprehensive income (OCI) the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk (own credit risk) when the institution has elected to measure the liability at fair value in accordance with the fair value option for financial instruments.

Prior to the new ASU, U.S. GAAP required institutions to report the entire change in fair value of such an instrument in earnings. The effect of a change in an entity's own credit risk for other financial liabilities measured at fair value, including derivatives, will continue to be reported in net income.

The change due to own credit risk, as described above, is the difference between the total change in fair value and the amount resulting from a change in a base market rate (e.g., a risk-free interest rate). An institution may use another method that it believes results in a faithful measurement of the fair value change attributable to instrument-specific credit risk. However, it will have to apply the method consistently to each financial liability from period to period.

For public business entities, as defined under U.S. GAAP, the ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For all other holding companies, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early application of the ASU is permitted for all holding companies that are not public business entities as of the fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Additionally, early application of the provisions regarding the presentation in OCI of changes due to own credit risk, as described above, is permitted for all holding companies for financial statements of fiscal years or interim periods that have not yet been issued or made available for issuance, and in the same period for FR Y-9C Report purposes.

When a holding company with a calendar year fiscal year adopts ASU 2016-01, the accumulated gains and losses as of the beginning of the fiscal year due to changes in the instrument-specific credit risk of fair value option liabilities, net of tax effect, are reclassified from Schedule HC, item 26(a), "Retained earnings," to Schedule HC, item 26(b), "Accumulated other comprehensive income" (AOCI). If holding company with a calendar year fiscal year chooses to early apply the ASU's provisions for fair value option liabilities in an interim period after the first interim period of its fiscal year, any unrealized gains and losses due to changes in own credit risk and the related tax effects recognized in the Call FR Y-9C Report income statement during the interim period(s) before the interim period of adoption should be reclassified from Schedule RI, item 5(l), "Other noninterest income," and Schedule HI, item 9, "Applicable income taxes," to Schedule HI-A, item 12, "Other comprehensive income," with a corresponding reclassification from Schedule HC, item 26(a) to Schedule HC, item 26(b).

Additionally, for purposes of reporting on Schedule HC-R, Part I, institutions should report in item 10(a), "Less: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk," the amount included in AOCI attributable to changes in the fair value of fair value option liabilities that are due to changes in the institution's own credit risk. Institutions should note that this AOCI amount is included in the amount reported in Schedule HC-R, Part I, item 3, "Accumulated other comprehensive income (AOCI)."

For additional information, institutions should refer to ASU 2016-01, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Accounting for Measurement-Period Adjustments Related to a Business Combination

In September 2015, FASB issued Accounting Standards Update ASU No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments." Under Accounting Standards Codification Topic 805, Business Combinations (formerly FASB Statement No. 141(R), "Business Combinations"), if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer reports provisional amounts in its financial statements for the items for which the accounting is incomplete. During the measurement period, the acquirer is required to adjust the provisional amounts recognized at the acquisition date, with a corresponding adjustment to goodwill, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. At present under Topic 805, an acquirer is required to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect the new information. To simplify the accounting for the adjustments made to provisional amounts, ASU 2015-16 eliminates the requirement to retrospectively account for the adjustments. Accordingly, the ASU amends Topic 805 to require an acquirer to recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which adjustment amounts are determined. Under the ASU, the acquirer also must recognize in the financial statements for the same reporting period the effect on earnings, if any, resulting from the adjustments to the provisional amounts as if the accounting for the business combination had been completed as of the acquisition date.

In general, the measurement period in a business combination is the period after the acquisition date during which the acquirer may adjust provisional amounts reported for identifiable assets acquired, liabilities assumed, and consideration transferred for the acquire for which the initial accounting for the business combination is incomplete at the end of the reporting period in which the combination occurs. Topic 805 provides additional guidance on the measurement period, which shall not exceed one year from the acquisition date, and adjustments to provisional amounts during this period.

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2015-16 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For institutions that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The ASU's amendments to Topic 805 should be applied prospectively to adjustments to provisional amounts that occur after the effective date of the ASU. Thus, holding companies with a calendar year fiscal year that are public business entities must apply the ASU to any adjustments to provisional amounts that occur after January 1, 2016, beginning with their FR Y-9C report for March 31, 2016. Holding companies with a calendar year fiscal year that are private companies must apply the ASU to any FR Y-9C Reports for December 31, 2017. Early application of ASU 2015-16 is permitted in FR Y-9C reports that have not been submitted.

For additional information, institutions should refer to ASU 2015-16, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Debt Issuance Cost

In April 2015 FASB issued ASU No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs." This ASU requires debt issuance costs to be recognized as a direct deduction from the face amount of the related debt liability, similar to debt discounts. The ASU is limited to the presentation of debt issuance costs; therefore, the recognition and measurement guidance for such costs is unaffected. At present, Accounting Standards Codification (ASC) Subtopic 835-30, Interest − Imputation of Interest, requires debt issuance costs to be reported on the balance sheet as an asset (i.e., a deferred charge). As a result, for FRY-9C purposes, the costs of issuing debt have been reported, net of accumulated amortization, in Schedule HC-F, item 6, "All other assets," and Schedule HC, item 11, "Other assets."

For holding companies that are public business entities, as defined under U.S. GAAP, ASU 2015-03 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. For example, holding companies with a calendar year fiscal year that are public business entities must begin to apply the ASU in their FR Y-9C for March 31, 2016. For holding companies that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2015, and interim periods within fiscal years beginning after December 15, 2016. Thus, holding companies with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2016, and subsequent quarterly FR Y-9C reports. Early adoption of the guidance in ASU 2015-03 is permitted.

After a holding company adopts ASU 2015-03, any transaction in which debt issuance costs were incurred and classified as deferred charges in "Other assets" before the adoption of the ASU should be reported as a direct deduction from the carrying amount of the related debt liability and included in the appropriate balance sheet category of liabilities in FR Y-9C Schedule HC, e.g., item 16, "Other borrowed money," or item 19.a, "Subordinated notes and debentures." However, the guidance in ASU 2015-03 does not address the presentation or subsequent measurement of debt issuance costs related to line-of-credit arrangements. Accordingly, the Federal Reserve would not object to an institution deferring and presenting debt issuance costs as an "Other asset" and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are any outstanding borrowings on the line-of-credit arrangement.

For additional information, institutions should refer to ASU 2015-03, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share

In May 2015, the FASB issued ASU No. 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)." This ASU removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value (NAV) per share (or its equivalent) practical expedient described in ASC Topic 820, Fair Value Measurement (formerly FASB Statement No. 157, "Fair Value Measurements"). It also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the NAV per share practical expedient, regardless of whether the expedient has been applied. Rather, the ASU limits those disclosures to investments for which the entity has elected to measure fair value using the NAV per share practical expedient to help users of its financial statements understand the nature and risks of the investments and whether the investments, if sold, are probable of being sold at amounts different from their NAV per share (or its equivalent). In addition, although the investments are not categorized within the fair value hierarchy, the ASU requires a reporting entity to disclose the amount of investments for which fair value is measured using the NAV per share practical expedient to permit reconciliation of the fair value of investments included in the fair value hierarchy to the line items presented in the statement of financial position.

ASC Topic 820 currently permits a reporting entity, as a practical expedient, to measure the fair value of certain investments in investment companies and real estate funds using the NAV per share of the investment. In contrast to other investments within the fair value hierarchy, which are categorized on the basis of the observability of the significant inputs in the fair value measurement, investments valued using the NAV per share practical expedient currently are categorized on the basis of whether the investment is redeemable with the investee at NAV on the measurement date, never redeemable with the investee at NAV, or redeemable with the investee at NAV at a future date.

The criteria for categorizing investments in the fair value hierarchy that are measured using the NAV per share practical expedient do not consider the observability of inputs and are therefore inconsistent with the overarching intent of the fair value hierarchy. By removing the requirement to include investments measured using the NAV per share practical expedient within the fair value hierarchy, ASU 2015-07 ensures that all investments within the hierarchy are categorized using a consistent approach. Investments that calculate NAV per share, but for which the practical expedient is not applied, must continue to be included in the fair value hierarchy.

For FR Y-9C purposes, the issuance of ASU 2015-07 means that an institution that has adopted the ASU and elects to measure the fair value of an investment that meets criteria specified in Topic 820 using the NAV per share practical expedient should continue to report the investment's fair value in the appropriate asset item in column A of Schedule HC-Q, Assets and Liabilities Measured at Fair Value on a Recurring Basis. However, the institution should exclude the investment from the Level 1, 2, and 3 disclosures in in columns C, D, and E of Schedule HC-Q and it should instead report the fair value measured using the NAV per share practical expedient in column B along with the netting adjustments currently reported in column B. In contrast, if the holding company does not elect to measure an investment that meets criteria specified in Topic 820 using the NAV practical expedient, it must disclose in column C, D, or E of Schedule HC-Q, as appropriate, the level within the fair value hierarchy within which its fair value measurement in its entirety falls based on the lowest level input that is significant to the fair value measurement in its entirety.

ASU 2015-07 is effective for holding companies that are public business entities, as defined under U.S. GAAP for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their FR Y-9C reports beginning March 31, 2016. For holding companies that are not public business entities (i.e., that are private companies), the ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Accordingly, holding companies with a calendar year fiscal year that are private companies must apply the ASU in their FR Y-9C reports beginning March 31, 2017. Earlier application is permitted. If a holding company chooses to early adopt ASU 2015-07 for financial reporting purposes, the holding company may implement the provisions of the ASU in the manner described above in its FR Y-9C report for the same quarter-end report date. However, prior FR Y-9C reports should not be amended.

For additional information, institutions should refer to ASU 2015-07, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Extraordinary Items

In January 2015, the FASB issued ASU No. 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items." This ASU eliminates from U.S. GAAP the concept of extraordinary items. Until the effective date of ASU-01, ASC Subtopic 225-20, Income Statement – Extraordinary and Unusual Items (formerly Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations"), requires an entity to separately classify, present, and disclose extraordinary events and transactions. An event or transaction is presumed to be an ordinary and usual activity of the reporting entity unless evidence clearly supports its classification as an extraordinary item. For holding company purposes, until the effective date of ASU 2015-01, if an event or transaction currently meets the criteria for extraordinary classification, an institution must segregate the extraordinary item from the results of its ordinary operations and report the extraordinary item in its income statement in Schedule HI, item 11, "Extraordinary items and other adjustments, net of income taxes."

ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Thus, for example, institutions with a calendar year fiscal year must begin to apply the ASU in their FR Y-9C report for March 31, 2016. Early adoption of ASU 2015-01 is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. For FR Y-9C report purposes, an institution with a calendar year fiscal year must apply the ASU prospectively, that is, in general, to events or transactions occurring on or after January 1, 2016. However, an institution with a fiscal year other than a calendar year may elect to apply ASU 2015-01 prospectively or, alternatively, it may elect to apply the ASU retrospectively to all prior calendar quarters included in the institution's year-to-date holding company income statement that includes the beginning of the fiscal year of adoption.

After an institution adopts ASU 2015-01, any event or transaction that would have met the criteria for extraordinary classification before the adoption of the ASU should no longer be reported in the FR Y-9C report, HI, item 11. Instead, such an event or transaction should be reported in the FR Y-9C report Schedule HI, item 5.l, "Other noninterest income," or item 7.d, "Other noninterest expense," as appropriate, unless the event or transaction would otherwise be reportable in another item of Schedule HI. In addition, consistent with ASU 2015-01, the agencies plan to remove the term "extraordinary items" from, and revise the caption for, Schedule HI, item 11. In addition, consistent with ASU 2015-01, the agencies plan to remove references to the term "extraordinary items" from, and revise the captions for, Schedule HI, item 8,10,11, HI memo item 2 and 8 and items 8 and 11 on the Notes to the Income Statement-Predecessor Financial Items.

For additional information, institutions should refer to ASU 2015-01, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Supplementary Leverage Ratio for Advanced Approaches Institutions

Item 45 of Schedule HC-R, Part I, Regulatory Capital Components and Ratios, applies to the reporting of the supplementary leverage ratio (SLR) by advanced approaches institutions. In the FR Y-9C report form and instructions for report dates before March 31, 2015, the caption for item 45 and the instructions for this item both indicated that, in the first quarter of 2015, advanced approaches institutions should begin to report their SLR as calculated for purposes of Schedule A, item 98, of the FFIEC 101, Regulatory Capital Reporting for Institutions Subject to the Advanced Capital Adequacy Framework.

However, because of amendments to the banking agencies' regulatory capital rules in 2014 that revised certain aspects of the SLR, the Federal Reserve has proposed to revise the reporting of SLR data in Schedule HC-R, Part I. This proposed revision will take effect no earlier than September 30, 2016. Accordingly, the reporting of the SLR in item 45 of Schedule HC-R, Part I, has been deferred until the proposed SLR revisions take effect.

Accounting for a Subsequent Restructuring of a Troubled Debt Restructuring

When a loan has previously been modified in a troubled debt restructuring (TDR), the lending institution and the borrower may subsequently enter into another restructuring agreement. The facts and circumstances of each subsequent restructuring of a TDR loan should be carefully evaluated to determine the appropriate accounting by the institution under U.S. generally accepted accounting principles. Under certain circumstances it may be acceptable not to account for the subsequently restructured loan as a TDR. The federal financial institution regulatory agencies will not object to an institution no longer treating such a loan as a TDR if at the time of the subsequent restructuring the borrower is not experiencing financial difficulties and, under the terms of the subsequent restructuring agreement, no concession has been granted by the institution to the borrower. To meet these conditions for removing the TDR designation, the subsequent restructuring agreement must specify market terms, including a contractual interest rate not less than a market interest rate for new debt with similar credit risk characteristics and other terms no less favorable to the institution than those it would offer for such new debt. When assessing whether a concession has been granted by the institution, the Federal Reserve considers any principal forgiveness on a cumulative basis to be a continuing concession. When determining whether the borrower is experiencing financial difficulties, the institution's assessment of the borrower's financial condition and prospects for repayment after the restructuring should be supported by a current, well-documented credit evaluation performed at the time of the restructuring.

If at the time of the subsequent restructuring the institution appropriately demonstrates that a loan meets the conditions discussed above, the impairment on the loan need no longer be measured as a TDR in accordance with ASC Subtopic 310-10, Receivables – Overall (formerly FASB Statement No.114), and the loan need no longer be disclosed as a TDR in the FR- Y9C report, except as noted below. Accordingly, going forward, loan impairment should be measured under ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5). Even though the loan need no longer be measured for impairment as a TDR or disclosed as a TDR, the recorded investment in the loan should not change at the time of the subsequent restructuring (unless cash is advanced or received). In this regard, when there have been charge-offs prior to the subsequent restructuring, consistent with longstanding FR Y-9C instructions, no recoveries should be recognized until collections on amounts previously charged off have been received. Similarly, if interest payments were applied to the recorded investment in the TDR loan prior to the subsequent restructuring, the application of these payments to the recorded investment should not be reversed nor reported as interest income at the time of the subsequent restructuring.

If the TDR designation is removed from a loan that meets the conditions discussed above and the loan is later modified in a TDR or individually evaluated and determined to be impaired, then the impairment on the loan should be measured under ASC Subtopic 310-10 and, if appropriate, the loan should be disclosed as a TDR.

For a subsequently restructured TDR loan on which there was principal forgiveness and therefore does not meet the conditions discussed above, the impairment on the loan should continue to be measured as a TDR. However, if the subsequent restructuring agreement specifies a contractual interest rate that, at the time of the subsequent restructuring, is not less than a market interest rate for new debt with similar credit risk characteristics and the loan is performing in compliance with its modified terms after the subsequent restructuring, the loan need not continue to be reported as a TDR in Schedule HC-C, Memorandum item 1, in calendar years after the year in which the subsequent restructuring took place. To be considered in compliance with its modified terms, a loan that is a TDR must be in accrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms.

Reporting Certain Government-Guaranteed Mortgage Loans upon Foreclosure

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-14, "Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure," to address diversity in practice for how government-guaranteed mortgage loans are recorded upon foreclosure. The ASU updates guidance contained in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended), because U.S. generally accepted accounting principles (GAAP) previously did not provide specific guidance on how to categorize or measure foreclosed mortgage loans that are government guaranteed. The ASU clarifies the conditions under which a creditor must derecognize a government-guaranteed mortgage loan and recognize a separate "other receivable" upon foreclosure (that is, when a creditor receives physical possession of real estate property collateralizing a mortgage loan in accordance with the guidance in ASC Subtopic 310-40). Under the guidance, institutions should derecognize a mortgage loan and record a separate other receivable upon foreclosure of the real estate collateral if the following conditions are met:

- The loan has a government guarantee that is not separable from the loan before foreclosure.
- At the time of foreclosure, the institution has the intent to convey the property to the guarantor and make a claim on the guarantee and it has the ability to recover under that claim.
- At the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed (that is, the real estate property has been appraised for purposes of the claim and thus the institution is not exposed to changes in the fair value of the property).

This guidance is applicable to fully and partially government-guaranteed mortgage loans provided the three conditions identified above have been met. In such situations, upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor. This other receivable should be reported in

Schedule HC-F, item 6, “All other assets”. Any interest income earned on the other receivable would be reported in Schedule HI, item 1.g, “Other interest income.” Other real estate owned would not be recognized by the institution.

For holding companies that are public business entities, as defined under U.S. GAAP, ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their FR Y-9C reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-14 until annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly FR Y-9C reports. Earlier adoption of the guidance in ASU 2014-14 was permitted if the institution had already adopted the amendments in ASU No. 2014-04, “Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure” (which is discussed in the following section of these Supplemental Instructions).

Entities can elect to apply ASU 2014-14 on either a modified retrospective transition basis or a prospective transition basis. However, institutions must use the method of transition that is elected for ASU 2014-04 (that is, either modified retrospective or prospective). Applying ASU 2014-14 on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to foreclosures of real estate property collateralizing certain government-guaranteed mortgage loans (based on the criteria described above) that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to affected accounts existing as of the beginning of the annual period for which the ASU is adopted. The cumulative-effect adjustment for this change in accounting principle should be reported in Schedule HI-A, item 2.

For additional information, institutions should refer to ASU 2014-14, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon a Foreclosure

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-04, “Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon Foreclosure” to address diversity in practice for when certain loan receivables should be derecognized and the real estate recognized. The ASU updated guidance contained in Accounting Standards Codification Subtopic 310-40, Receivables - Troubled Debt Restructurings by Creditors.

Under prior accounting guidance, all loan receivables were reclassified to other real estate owned (OREO) when the institution, as creditor, obtained physical possession of the property, regardless of whether formal foreclosure proceedings had taken place. The new ASU clarifies when a creditor is considered to have received physical possession (resulting from an in-substance repossession or foreclosure) of residential real estate collateralizing a consumer mortgage loan. Under the new guidance, physical possession for these residential real estate properties is considered to have occurred and a loan receivable would be reclassified to OREO only upon:

- The institution obtaining legal title through foreclosure even if the borrower has redemption rights whereby it can legally reclaim the real estate for a period of time, or
- Completion of a deed-in-lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the institution to satisfy the loan.

Loans secured by real estate other than consumer mortgage loans collateralized by residential real estate should continue to be reclassified to OREO when the institution has received physical possession of a borrower's assets, regardless of whether formal foreclosure proceedings take place.

For institutions that are public business entities, as defined under U.S. GAAP, ASU 2014-04 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their FR Y-9C reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-04 until annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly FR Y-9C reports. Earlier adoption of the guidance in ASU 2014-04 is permitted.

Entities can elect to apply the ASU on either a modified retrospective transition basis or a prospective transition basis. Applying the ASU on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to all instances where it receives physical possession of residential real estate property collateralizing consumer mortgage loans that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to residential consumer mortgage loans and OREO existing as of the beginning of the annual period for which the ASU is effective. The cumulative-effect adjustment for this change in accounting principle should be reported in Schedule HI-A, item 2. As a result of adopting the ASU on a modified retrospective basis, assets reclassified from OREO to loans should be measured at the carrying value of the real estate at the date of adoption while assets reclassified from loans to OREO

should be measured at the lower of the net amount of the loan receivable or the OREO property's fair value less costs to sell at the time of adoption.
For additional information, institutions should refer to ASU 2014-04, which is available at http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498.

Other Reporting Matters

For the following topics, holding companies should continue to follow the guidance in the specified FR Y-9C Supplemental Instructions:

Secured Consumer Debt Discharged in a Chapter 7 Bankruptcy Order

Holding companies should continue to follow the guidance for Secured Consumer Debt Discharged in a Chapter 7 Bankruptcy Order that was included in the FR Y-9C Supplemental Instructions for December, 2015. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201512.pdf.

True Up Liability under an FDIC Loss-Sharing Agreement

Holding companies should continue to follow the guidance for True up liability under an FDIC loss-sharing agreement that was included in the FR Y-9C Supplemental Instructions for September, 2015. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201509.pdf).

Purchased Loans Originated by Others

Holding companies should continue to follow the guidance for purchased loans originated by others that was included in the FR Y-9C Supplemental Instructions for September, 2015. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201509.pdf).

Troubled Debt Restructurings, Current Market Interest Rates, and ASU No. 2011-02

Holding companies should continue to follow the guidance for troubled debt restructurings that was included in the FR Y-9C Supplemental Instructions for March 31, 2015. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201503.pdf).

Indemnification Assets and Accounting Standards Update No. 2012-06

Holding companies should continue to follow the guidance for indemnification assets that was included in the FR Y-9C Supplemental Instructions for June 30, 2014. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf).

Determining the Fair Value of Derivatives

Holding companies should continue to follow the guidance in determining the fair value of derivatives that was included in the FR Y-9C Supplemental Instructions for June 30, 2014. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf.

Other- Than- Temporary Impairment

Holding companies should continue to follow the guidance on reporting other-than- temporary-impairment that was included in the FR Y-9C Supplemental Instructions for June 30, 2014. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf

Deposit Insurance Assessments

The FDIC collects institutions' regular deposit insurance assessments in arrears each quarter. Accordingly, each institution should record the estimated expense for its deposit insurance assessment for the first quarter of 2014, which will be payable to the FDIC on June 30, 2014, through a charge to expense during the first quarter and a corresponding credit to an accrued expense payable. The year-to-date deposit insurance assessment expense for 2014 should be reported in Schedule HI, item 7.d, "Other noninterest expense."

For further guidance on reporting regular quarterly deposit insurance assessments, refer to the Call Report Supplemental Instructions for September 30, 2009, at http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200909.pdf .

Reporting Defined Benefit Postretirement Plans

Holding companies should continue to follow the guidance regarding the reporting of defined benefit postretirement plans that was included in the FR Y-9C Supplemental Instructions for June 30, 2013. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201306.pdf).

Goodwill Impairment Testing

Holding companies should continue to follow the guidance regarding reporting related to goodwill impairment testing that was included in the FR Y-9C Supplemental Instructions for March 31, 2013. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201303.pdf).

Small Business Lending Fund

Holding companies should continue to follow the guidance regarding reporting related to the U.S. Treasury Department's Small Business Lending Fund (SBLF) that was included in the FR Y-9C Supplemental Instructions for March 31, 2013. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201303.pdf).

Consolidated Variable Interest Entities

Holding companies should continue to follow the guidance on reporting and accounting for consolidated variable interest entities that was included in the FR Y-9C Supplemental Instructions for September 30, 2011. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201109.pdf).

ATTACHMENT 2

Revisions to the FR Y-9C for March 31, 2016

Report Form

(1) Page 1. Revised the date of report to **March 31, 2016.**
(2) Page 48. Added footnote to instruct holding companies to report both the capital ratios and the capital buffer items as a percentage rounded to four decimal places beginning in March 31, 2016.

Instructions

(1) General Instructions were revised to incorporate guidance on the acceptability of using private company accounting alternatives.

(2) Schedule HI and Schedule HI-A 10 were revised to incorporate guidance on transactions between entities under common control" in a business combination.

(3) Schedule HI, item 7(c) (1) and Schedule HC, item 10(a). Added guidance on accounting for goodwill impairment for private companies.

(4) Schedule HI Memo item 1, added guidance on how to report net recoveries.

(5) Schedule HI-B, General Instructions, added guidance on reporting charge-offs and recoveries in a business combination.

(6) Schedule HC-B, item 4b, added guidance on how to report single family rentals.

(7) Schedule HC-K, General Instructions, added guidance on how to report quarterly averages in a business combination.

(8) Schedule HC-R, Part I items 41, 42, 43, 44 and 46. Added language to instruct holding companies to report capital ratios and buffers to four decimal places.

(9) Schedule HC-R, Part I items 46, 47 and 48. Added guidance on reporting buffers, eligible retained income and distributions and discretionary bonus payments during the quarter.

(10) Schedule HC-R, Part II line item 4(a). Added a footnote to provide a definition for "statutory multifamily mortgage.

(11) Added new Glossary entries for Public Business Entity and Private Company and added language throughout the glossary to incorporate accounting guidance for private company alternative reporting (Goodwill and Identifiable Intangible Assets).

Revisions to the FR Y-9LP for March 31, 2016

Report Form

(1) Page 1. Revised the date of report to **March 31, 2016.**

Instructions

None

Revisions to the FR Y-11 and FR 2314 for March 31, 2016

Report Form

(1) Page 1. Revised the date of report to **March 31, 2016.**

Instructions

None

Revisions to the FR Y-12 for March 31, 2016

Instructions

None

Report Form

None

Summary of Edit Changes- FR Y-9C Checklists
Effective as-of March 31, 2016

FR Y-9C (most recent changes listed first by type of change, edit type, edit number)						
Date of	Type of	Affected Edit Information				Comments
Change	Change	Type	Number	Target Item	MDRM	
2/12/16	Added	Quality	4125	HC-R(I)46a	BHCAH311	
2/12/16	Added	Quality	4130	HC-R(I)46a	BHCAH311	
2/12/16	Added	Quality	4135	HC-R(I)46a	BHCAH311	
2/12/16	Added	Quality	4140	HC-R(I)46b	BHCAH312	
2/12/16	Added	Quality	8200	HC-R(II)25D	BHCKS569	
2/12/16	Added	Quality	8210	HC-R(II)25F	BHCKS571	
2/12/16	Added	Quality	8220	HC-R(II)25H	BHCKG636	
2/12/16	Added	Quality	8230	HC-R(II)25J	BHCKS572	
2/12/16	Added	Quality	8240	HC-R(II)25N	BHCKS576	
2/12/16	Added	Quality	8250	HC-R(II)25P	BHCKS578	
2/12/16	Added	Validity	5322	HC-R(I)43b	BHCW7205	
2/12/16	Added	Validity	5400	HC-R(I)47	BHCAH313	
2/12/16	Added	Validity	5410	HC-R(I)47	BHCAH313	
2/12/16	Added	Validity	5420	HC-R(I)48	BHCAH314	
2/12/16	Added	Validity	5430	HC-R(I)48	BHCAH314	
2/12/16	Ended	Quality	6925	HC-R(II)12A	BHCKD991	
2/12/16	Revised	Quality	4035	HC-R(I)9b	BHCAP845	
2/12/16	Revised	Quality	4038	HC-R(I)9f	BHCAP849	
2/12/16	Revised	Quality	6902	HC-R(II)2bB	BHCKS403	
2/12/16	Revised	Quality	6947	HC-R(II)2bB	BHCKS402	
2/12/16	Revised	Quality	7059	HC-R(II)26	BHCKS580	
2/12/16	Revised	Quality	7069	HC-R(II)M2cB	BHCKS589	
2/12/16	Revised	Quality	7083	HC-R(II)M2dA	BHCKS591	
2/12/16	Revised	Quality	7084	HC-R(II)M2dB	BHCKS592	
2/12/16	Revised	Intraseries	6545	HC-M15	BHCKB569	
12/21/15	Added	Quality	7046	HC-R(II)25E	BHCKS570	
12/21/15	Added	Quality	7048	HC-R(II)25G	BHCKG635	
12/21/15	Added	Quality	7051	HC-R(II)25L	BHCKS574	
12/21/15	Added	Quality	7052	HC-R(II)25M	BHCKS575	
12/21/15	Added	Quality	7054	HC-R(II)25O	BHCKS577	
12/21/15	Added	Quality	7056	HC-R(II)25Q	BHCKS579	
12/21/15	Added	Quality	7058	HC-R(II)26	BHCKS580	
12/21/15	Added	Quality	9550	HC-R(II)4dC	BHCKS433	
12/21/15	Ended	Quality	4037	HC-R(I)9f	BHCAP849	
12/21/15	Ended	Quality	7010	HC-R(II)4dC	BHCKS433	
12/21/15	Ended	Validity	4292	HC-R(II)25D	BHCKS569	
12/21/15	Ended	Validity	4294	HC-R(II)25E	BHCKS570	
12/21/15	Ended	Validity	4296	HC-R(II)25F	BHCKS571	
12/21/15	Ended	Validity	4300	HC-R(II)25G	BHCKG635	
12/21/15	Ended	Validity	4310	HC-R(II)25H	BHCKG636	
12/21/15	Ended	Validity	4321	HC-R(II)25J	BHCKS572	
12/21/15	Ended	Validity	4323	HC-R(II)25L	BHCKS574	
12/21/15	Ended	Validity	4324	HC-R(II)25M	BHCKS575	
12/21/15	Ended	Validity	4325	HC-R(II)25N	BHCKS576	
12/21/15	Ended	Validity	4326	HC-R(II)25O	BHCKS577	
12/21/15	Ended	Validity	4327	HC-R(II)25P	BHCKS578	
12/21/15	Ended	Validity	4328	HC-R(II)25Q	BHCKS579	
12/21/15	Revised	Quality	4031	HC-R(I)9a	BHCAP844	
12/21/15	Revised	Quality	4033	HC-R(I)9b	BHCAP845	
12/21/15	Revised	Quality	4034	HC-R(I)9b	BHCAP845	
12/21/15	Revised	Quality	4036	HC-R(I)9e	BHCAP848	
12/21/15	Revised	Quality	5788	HC-26b	BHCKB530	
12/21/15	Revised	Quality	5789	HC-26b	BHCKB530	