

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

Scott Smentek
ASSISTANT VICE PRESIDENT

July 20, 2016

To: The Chief Executive Officer of Each State Member Bank Located in the Second Federal Reserve District

As part of the joint mailing with other supervisory agencies, state member banks received their Consolidated Report of Condition and Income (“Call Report”) materials for the June 30, 2016 report date from the Federal Financial Institutions Examinations Council (“FFIEC”).

Please plan to complete the preparation, editing, and review of your institution’s Call Report data and the submission of these data to the agencies’ Central Data Repository (CDR) as early as possible. Starting your preparation early will help you identify and resolve any edit exceptions before the submission deadline. If you later find that certain information needs to be revised, please make the appropriate changes to your Call Report data and promptly submit the revised data file to the CDR.

The Call Report forms for June 2016 are available on the Federal Financial Institutions Examination Council's (FFIEC) website (https://www.ffiec.gov/ffiec_report_forms.htm) and the Federal Deposit Insurance Corporation’s (FDIC) website (<https://www.fdic.gov/callreports>). Although this quarter’s Call Report does not include new or revised data items, institutions should note that the format of the fields for reporting dollar amounts, numbers, and dates in the sample Call Report forms has been revised. There is no update to the Call Report instruction book this quarter. Institutions should refer to the attached Supplemental Instructions for June 2016 for additional guidance on certain reporting issues. Report forms and instructional materials can be printed and downloaded from the FFIEC’s and the FDIC’s websites. Please notify the person responsible for preparing the Call Report at your institution about the electronic availability of the report forms and Supplemental Instructions for June 2016.

Report Submission

Except for certain institutions with foreign offices, your completed Call Report must be received by Saturday, July 30, 2016, in accordance with the filing requirements discussed below. *No extensions of time for submitting Call Report data are granted.* However, an institution with more than one foreign office, other than a “shell” branch or an International Banking Facility, is permitted an additional five calendar days to submit its Call Report data. Such an institution must electronically transmit its data to the CDR no later than Thursday, August 4, 2016. To be considered timely for electronic submissions, the report must pass FFIEC published validity edits

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and qualities edits, or where necessary, contain explanations for any quality edits that are not passed. Explanatory comments should be prepared consistent with the “Guidelines for Resolving Edits” that are published on the FFIEC’s website:

<https://www.ffiec.gov/find/documents/resolvingedits.pdf>

Please note that the timeliness of receipt of the Call Report will be monitored. Any report received at the CDR after 5:00 p.m. on July 30th (or after 5:00pm on August 4th for institutions with more than one foreign office, other than a “shell” branch or an International Banking Facility) will be considered late. The staff of this Bank will monitor whether banking organizations are meeting their basic reporting requirements through the use of validity edits.

Each institution must file its June 30, 2016, Call Report data in one of two ways:

- By using computer software to prepare and edit its report data and then electronically submitting the data directly to the CDR (<https://cdr.ffiec.gov/cdr/>) or
- By completing its report in paper form and arranging with a software vendor or another party to convert its paper report into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the institution’s Call Report data file to the CDR.

Upcoming 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

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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;

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- 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).

If there are any questions concerning this report, please contact Staff Director Kenneth Aberbach, at (212) 720-8234; Morgan Norful, at (212) 720-8055; Cheryl Skillman at (212) 720-8739; or Laura Stash at (212) 720-5581.

Sincerely,