

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

SCOTT SMENTEK
ASSISTANT VICE PRESIDENT

January 10, 2017

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 December 31, 2016

The following report forms and instructions for the December 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) Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP);
- (4) The Financial Statements for Employee Stock Ownership Plan Holding Companies (FR Y-9ES);
- (5) The Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11);
- (6) The Abbreviated Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies (FR Y-11S);
- (7) The Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12);
- (8) The Annual Report of Merchant Banking Investments Held for an Extended Period (FR Y-12A);
- (9) The Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314); and
- (10) The Abbreviated Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314S).

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On September 8, 2016, the Federal Reserve published a *final* notice in the *Federal Register*¹ for the FR Y-9C revisions originally proposed on December 2, 2015.²

The reporting dates on the cover pages of the FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-11/S, FR Y-12/A, and the FR 2314/S forms have been changed to December 31, 2016. No other changes have been made to these reporting forms.

Effective March 31, 2017, the FR Y-9C report form and instructions will be updated to:

- (1) Eliminate Schedule HI, Memorandum items 17(a) and 17(b), on other-than-temporary impairments;³
- (2) Update the instructions on HI 5(k) to clarify reporting of Net Gains (Losses) on Sales of, and Other-Than-Temporary Impairments on, Equity Securities That Do Not Have Readily Determinable Fair Values and update the report form caption to remove the parenthetical “(excluding securities)” and add in its place clarifying language in a footnote;
- (3) Increase the time deposit size threshold from \$100,000 to \$250,000 in Schedules HC-E and HI;
- (4) Move the Memorandum items in Schedule HC-C, on the fair value and unpaid principal balance of fair value option loans to Schedule HC Q;

Holding companies filing FR Y-9 reports (FR Y-9C, FR Y-9LP, FR Y-9SP, and the FR Y-9ES) 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.

For institutions that submit the FR Y-11/S and FR 2314/S 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

¹ 81 FR 62129 (September 8, 2016)

² 80 FR 75457 (December 2, 2015).

³ Institutions would continue to complete Schedule HI, Memorandum item 17(c), on net impairment losses recognized in earnings.

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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.frbervices.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, FR Y-9LP and FR Y-9SP are made readily available on the National Information Center public website (<http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx>) and the FR Y-9ES, the FR Y-11/S, and the FR 2314/S 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 Y-9SP, FR Y-9ES, FR Y-11/S, FR Y-12/A and FR 2314/S forms was published in the Federal Register.⁴ The implementation date for the new confidentiality check box procedures has not been determined. Institutions will be provided with ample notice so that they may prepare for submission of the new confidentiality check box requirements.

⁴ 80 FR 52282 (August 28, 2015)

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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:** Supplemental instructions for Debt Issuance Costs, Accounting for Subsequent Restructuring of a Troubled Debt Restructuring, Reporting Certain Government-Guaranteed Mortgage Loans upon Foreclosure and Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure were removed and incorporated into the FR Y-9C glossary and instructions. Extraordinary Items was removed from the Supplemental Instructions because the FR Y-9C revisions applicable to this topic took effect September 2016. Attachment 2 includes updates to report forms for the December 31, 2016, report date. There were no new edits or significant changes to the instructions for these reports.

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

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-9SP, FR Y-9ES, FR Y-11, FR Y-11S, FR Y-12, FR Y-12A, FR 2314, and the FR 2314S are available on the Federal Reserve Board's web site at <http://www.federalreserve.gov/apps/reportforms/default.aspx> under "Reporting Forms."

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Questions regarding these reports should be addressed Kenneth Aberbach, Director, at (212) 720-8234, Morgan Norful, Director, at (212) 720-8055, Cheryl Skillman, Director, at (212) 720-8739 or Laura Stash, Director, at (212) 720-5581.

Questions regarding the capital adequacy guidelines should be directed to Emily Yang in the Supervision Policy & Strategy Group at (212) 720-2734.

Sincerely,

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ATTACHMENT 1

Supplemental Instructions**Reports Submission**

The submission deadline for all **FR Y-9C**, **FR Y-9LP** and **FR Y-9SP** filers is Tuesday, February 14, 2017. Any **FR Y-9C**, **FR Y-9LP** or **FR Y-9SP** reports received after 5:00 p.m. on February 14, 2017, will be considered late. The submission deadline for the **FR Y-9ES** is Monday, July 31, 2017. Any **FR Y-9ES** reports received after 5:00 p.m. by July 31, 2017, will be considered late unless postmarked by July 28, 2017, or sent by overnight service by July 30, 2017. The submission deadline for the **FR Y-12** is Tuesday, February 14, 2017. Any **FR Y-12** reports received after 5:00 p.m. by February 14, 2017, will be considered late unless postmarked by February 11, 2017, or sent by overnight service by February 13, 2017. The submission deadline for the **FR Y-12A** is Wednesday, February 15, 2017. Any **FR Y-12A** reports received after 5:00 p.m. by February 15, 2017, will be considered late unless postmarked by February 12, 2017, or sent by overnight service by February 14, 2017. The submission deadline for the **FR Y-11** and **FR Y-11S** is Wednesday, March 1, 2017. Any **FR Y-11** or **FR Y-11S** report received after 5:00 p.m. by March 1, 2017, will be considered late, unless postmarked by February 26, 2017, or sent by overnight service by February 28, 2017. The submission deadline for the **FR Y-2314** and **FR 2314S** is Wednesday, March 1, 2017. Any **FR Y-2314** or **FR 2314S** reports received after 5:00 p.m. by March 1, 2017, will be considered late, unless postmarked by February 26, 2017, or sent by overnight service by February 28, 2017.

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**

Reporting Exposures Hedged with Cleared Eligible Credit Derivatives in Schedule HC-R

Holding companies are able to obtain full or partial protection for (i.e., “hedge”) on-balance sheet assets or off-balance sheet items using credit derivatives that are cleared through a central counterparty (CCP) or a qualified central counterparty (QCCP). In some cases, a cleared credit derivative used for this purpose meets the definition of an eligible credit derivative in section .2 of the regulatory capital rules. In these cases, under section .36 of the regulatory capital rules, a holding company that is a clearing member holding company or a clearing member client holding company may recognize the credit risk mitigation benefits of the eligible credit derivative. More specifically, the risk weight of the underlying exposure (e.g., 20 percent, 50 percent, and 100 percent) may be replaced with the risk weight of the protection provider on the cleared credit derivative if the derivative is an eligible credit derivative, is cleared through a CCP or a QCCP, and meets the applicable requirements under sections .35 and .36 of the regulatory capital rules. The risk weight for an eligible credit derivative cleared through a QCCP is 2 percent or

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4 percent, based on conditions set forth in the rules. In addition, the coverage amount provided by an eligible credit derivative must be adjusted downward under certain conditions as described in section .36 of the regulatory capital rules.

However, on Schedule HC-R, Part II, the 2 percent and 4 percent risk-weight columns are shaded for most on-and off balance sheet items. Therefore, the protected exposure amounts and credit equivalent amounts cannot be reported in these risk-weight categories. If a clearing member holding company or clearing member client holding company has obtained full or partial protection for an on-balance sheet asset or off-balance sheet item using a cleared eligible credit derivative cleared through a QCCP, the holding company may, but is not required, to recognize the benefits of this eligible credit derivative in determining the risk-weighted asset amount for the hedged exposure in Schedule HC-R, Part II. As a practical expedient for an on-balance sheet asset or an off-balance sheet item, the reporting holding company should first multiply the exposure amount or the credit equivalent amount covered by the eligible credit derivative by the risk weight applicable to the cleared eligible credit derivative (i.e., 2 percent or 4 percent, as appropriate under the regulatory capital rules) and report the product in Column I, the 100 percent risk-weight category. Second, the difference between the covered exposure amount and the product reported in Column I should be reported in Column C, the zero percent risk-weight category. Any amount of the exposure that is not covered by the eligible credit derivative should be reported in the column corresponding to the risk weight of the underlying exposure. For example, for an asset with a \$200 exposure amount fully covered by an eligible credit derivative cleared through a QCCP that qualifies for a 2 percent risk weight, the holding company would report \$4 in Column I–100% risk weight and \$196 in Column C–0% risk weight.

The Federal Reserve will modify Schedule HC-R, Part II, effective March 31, 2017, to open the 2 percent and 4 percent risk-weight columns. This will enable holding companies to report protected exposure amounts and credit equivalent amounts in the appropriate risk-weight categories, thereby eliminating the need for holding companies to use the practical expedient described above.

The regulatory capital rules may be found at [12 CFR Part 217](#) for holding companies.

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 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.

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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

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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 acquiree 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>.

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

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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 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 were required to 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>.

Other Reporting Matters

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

Debt Issuance Cost

Holding companies should continue to follow the guidance for Debt Issuance Cost that was included in the FR Y-9C Supplemental Instructions for September 2016. These instructions can be accessed via the Federal Reserve's website (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201609.pdf)

Accounting for Subsequent Restructuring of a Troubled Debt Restructuring

Holding companies should continue to follow the guidance for Accounting for Subsequent Restructuring of a Troubled Debt Restructuring that was included in the FR Y-9C Supplemental Instructions for September 2016. These instructions can be accessed via the Federal Reserve's website (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201609.pdf)

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

Holding companies should continue to follow the guidance for Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans Upon a Foreclosure that was included in the FR Y-9C Supplemental Instructions for September 2016. These instructions can be accessed via the Federal Reserve's website (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201609.pdf)

Reporting Certain Government-Guaranteed Mortgage Loans upon Foreclosure

Holding companies should continue to follow the guidance for Reporting Certain Government-Guaranteed Mortgage Loans upon Foreclosure that was included in the FR Y-9C Supplemental Instructions for September 2016. These instructions can be accessed via the Federal Reserve's website (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201609.pdf)

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)

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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)

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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).

Treasury Department's Community Development Capital Initiative Program

Holding companies should continue to follow the guidance regarding reporting related to the Treasury Department's Community Development Capital Initiative Program that was included in the FR Y-9C Supplemental Instructions for September 30, 2012. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201209.pdf).

Reporting Purchased Subordinated Securities in Schedule HC-S

Holding companies should continue to follow the guidance on reporting purchased subordinated securities in Schedule HC-S 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).

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).

Treasury Department's Capital Purchase Program

Holding companies should continue to follow the guidance on accounting and reporting for the U.S. Treasury Department's Capital Purchase Program (CPP) under the Troubled Asset Relief Program mandated by the Emergency Economic Stabilization Act of 2008 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).

Accounting Standards Codification

A description of the adoption of FASB Statement No. 168, "The FASB Accounting Standards CodificationTM and the Hierarchy of Generally Accepted Accounting Principles" 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).

Extended Net Operating Loss Carryback Period

Holding companies should continue to follow the guidance on accounting for the extended net operating loss carryback period under the Worker, Homeownership, and Business Assistance Act of 2009, that was included in the FR Y-9C Supplemental Instructions for December 31, 2010. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201012.pdf).

FASB Interpretation No. 48 on Uncertain Tax Positions

Holding companies should continue to follow the guidance on accounting for uncertain tax positions under FASB Interpretation No. 48 that was included in the FR Y-9C Supplemental Instructions for December 31, 2009. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200912.pdf).

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Business Combinations and Noncontrolling (Minority) Interests

Holding companies should continue to follow the guidance on accounting for business combinations and noncontrolling (minority) interests under FASB Statements Nos. 141(R) and 160 that was included in the FR Y-9C Supplemental Instructions for September 30, 2009. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200909.pdf).

Fair Value Measurement and Fair Value Option

Holding companies should continue to follow the guidance on fair value measurements under FASB Statement No. 157, *Fair Value Measurements*, and the guidance on implementing the fair value option under FASB Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, that was included in the FR Y-9C Supplemental Instructions for June 30, 2009. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200906.pdf).

Accounting for Share-based Payments

Holding companies should continue to follow the guidance on accounting for share-based payments under FASB Statement No. 123 (Revised 2004), *Share-Based Payment* (FAS 123(R)), that was included in the FR Y-9C Supplemental Instructions for December 31, 2006. These instructions can be accessed via the Federal Reserve's Web site (http://www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200612.pdf).

Tobacco Transition Payment Program

Holding companies should continue to follow guidance on the tobacco buyout program included in the FR Y-9C Supplemental Instructions for June 30, 2006, which can be accessed via the Federal Reserve's Web site

(<http://www.federalreserve.gov/reportforms/supplemental/SI.FRY9.200606.pdf>).

Commitments to Originate and Sell Mortgage Loans

Holding companies should continue to follow the guidance provided on this subject in the FR Y-9C Supplemental Instructions provided for December 31, 2005. These Supplemental Instructions can be accessed via the Federal Reserve's Web site (<http://www.federalreserve.gov/reportforms/supplemental/SI.FRY9.200512.pdf>).

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ATTACHMENT 2

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

Report Form

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

Instructions

None

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

Report Form

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

Instructions

None

Revisions to the FR Y-9SP for December 31, 2016

Report Form

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None

Revisions to the FR Y-11/S for December 31, 2016

Report Form

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Instructions

None

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Revisions to the FR Y-2314/S for December 31, 2016

Report Form

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

Instructions

None