

# FEDERAL RESERVE BANK *of* NEW YORK

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**PATRICIA SELVAGGI**  
ASSISTANT VICE PRESIDENT

February 6, 2015

To: The Individuals Responsible for Preparing the Consolidated Financial Statements for Holding Companies (FR Y-9C) and the Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP) Located in the Second Federal Reserve District

Subject: Report Changes to the Financial Statements for Holding Companies (FR Y-9 Series)

I am writing to inform you that the Federal Reserve System (Board), under the Paperwork Reduction Act's (PRA) emergency review process, proposes to revise the following mandatory reports:

- (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);

On December 18, 2014, the President signed into law Public Law 113-250 (the "Act"), which directs the Board to propose revisions to the Small Bank Holding Company Policy Statement (Policy Statement) to raise the total consolidated asset limit in the Policy Statement from \$500 million to \$1 billion, and expand the scope of the Policy Statement to include savings and loan holding companies (SLHCs). In order to implement Congressional intent, on January 29, 2015, the Federal Reserve announced in a press release to finalize changes to the FR Y-9 reports effective in 2015. This press release describing the changes may be found on the Federal Reserve Board's web site at <http://www.federalreserve.gov/newsevents/press/bcreg/20150129b.htm>. The Interim Final Rule and the Notice of Proposed rulemaking were published in the Federal Register notice on February 3, 2015.<sup>1</sup>

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<sup>1</sup> The Interim Final Rule and the Notice of Proposed Rulemaking were published in the Federal Register Notice on 2/3/2015. See 80 FR 5666 and 5694.

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Due to the changes to the Policy Statement and capital regulations and consistent with the Federal Reserve's efforts to reduce burden on smaller institutions, the Board approved to (1) eliminate Schedule SC-R, Regulatory Capital, Part I, of the Parent Company Only Financial Statements for Small Holding Companies (FR Y-9SP) consistent with the changes made separately to the Board's regulatory capital requirements (Regulation Q); (2) increase the asset size threshold for filing the Consolidated Financial Statements for Holding Companies (FR Y-9C) and Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP) from \$500 million to \$1 billion in total consolidated assets (which would also effectively exempt holding companies with total consolidated assets of less than \$1 billion from reporting regulatory capital on Schedule HC-R, Regulatory Capital, Part I); (3) and increase the asset-size threshold for filing the FR Y-9SP from under \$500 million to under \$1 billion in total consolidated assets.

Effective immediately, Schedule SC-R, Regulatory Capital, Part I of the FR Y-9SP report has been eliminated. Therefore, consolidated regulatory capital will not be required for small SLHCs with consolidated assets less than \$1 billion. Also, holding companies (including SLHCs) with consolidated assets of less than \$1 billion and that (1) are not engaged in significant nonbanking activities either directly or through a nonbank subsidiary, (2) do not conduct significant off-balance sheet activities either directly or through a nonbank subsidiary (including securitization and asset management or administration), and (3) do not have a material amount of debt or equity securities outstanding (other than trust preferred securities) that are registered with the Securities and Exchange Commission (SEC) will no longer be required to file the FR Y-9C/LP report for the March 31, 2015, as of date, but will start filing on the FR Y-9SP report effective June 30, 2015. Holding companies (including SLHCs), with consolidated assets greater than \$1 billion will continue filing the FR Y-9C/LP report, including the revised regulatory capital schedules effective March 31, 2015.

As before, the Reserve Bank with whom the reporting holding company files its reports may require that a holding company with total consolidated assets of less than \$1 billion submit the FR Y-9C and the FR Y-9LP reports to meet supervisory needs even if they do not meet the three criteria mentioned above. In addition, any holding company that is not subject to the Federal Reserve's Capital Adequacy Guidelines, but nonetheless elects to comply with the guidelines, are required to file a complete FR Y-9C and FR Y-9LP report, and generally would not be permitted to revert back to filing the FR Y-9SP report in any subsequent periods. Also, institutions have the option to file the more detailed FR Y-9C and FR Y-9LP report even though their consolidated assets are less than \$1 billion.

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If you have any questions or would like additional information, please contact Cheryl Skillman, Staff Director in the Liquidity, Capital and Funding, at (212) 720-8739.

Sincerely,

Patricia Selvaggi  
Assistant Vice President