



July 7, 2016

To the Chief Executive Officer of the Holding Company:

Enclosed is information for completing the following reports as of June 30, 2016. The forms and instructions are available on our www.frbsecurities.org/centralbank/reportingcentral/index.html website.

Holding companies (HCs) with consolidated total assets of \$1 billion or more, and smaller HCs that have elected to file, are required to submit:

- the Bank Holding Company Report of Insured Depository Institutions' Section 23A Transactions with Affiliates (**FR Y-8**).
- the Consolidated Financial Statements for Holding Companies (**FR Y-9C**);
- the Parent Company Only Financial Statements for Large Holding Companies (**FR Y-9LP**);

HCs with domestic nonbank subsidiaries that meet the quarterly reporting thresholds:

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

HCs with foreign nonbank subsidiaries that meet the quarterly reporting thresholds:

- the Financial Statements of Foreign Nonbank Subsidiaries of U.S. Banking Organizations (**FR 2314**);

HCs with equity investments in nonfinancial companies:

- the Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies (**FR Y-12**).

Supplemental Materials

Supplemental instructions concerning current accounting and reporting issues are provided in Attachment 1.

Summary of Form and Instruction Changes

The FR Y-9C, FR Y-9LP, FR Y-11 and FR 2314 report forms were updated to June 30, 2016. In addition, the FR Y-11, FR Y-12, and FR 2314 reporting forms were revised to eliminate the cells for the Bil|Mil|Thou dollar amount positions and to replace the dollar amount position labels, "Bil|Mil|Thou" with "Amount." There were no changes to the instructions for the FR Y-9C, FR Y-9LP, FR Y-9SP, FR Y-11, FR Y-12, or FR 2314. Finally, there were no changes to the FR Y-8 report form or instructions. Please see Attachment 2.

On June 1, 2016, the Federal Reserve Board approved the proposal to require U.S. intermediate holding companies (IHCs) of foreign banking organizations (FBOs) to file certain reports under the Federal Reserve's Regulation YY. Section 165 of the Dodd-Frank Act directs the Federal Reserve to

establish enhanced prudential standards for bank holding companies and FBOs with total consolidated assets of \$50 billion or more. As applicable, an IHC must begin filing certain regulatory reports beginning with the reporting period ending on September 30, 2016, and other reports beginning with the reporting period ending on December 31, 2016. Hence, IHCs are required to file the FR Y-9C, FR Y-9LP, FR Y-11, and the FR Y-12 beginning with the September 30, 2016 as of date.

On December 2, 2015, the Federal Reserve published a notice in the Federal Register requesting public comment for 60 days on the proposed revisions to the FR Y-9C. The comment period ended February 1, 2016. The proposed revisions included deletions of existing data items, increases in existing thresholds for certain data items, a number of instructional revisions and the addition of new and revised data items. HCs will be notified of the Federal Reserve's actions regarding the proposed FR Y-9C revisions, including their proposed effective dates.

Edit Changes

A summary listing of changes to the FR Y-9C data edits is provided in Attachment 3.

Electronic Reporting

The Federal Reserve System has replaced the Internet Electronic Submission (IESUB) application with Reporting Central (RC). All respondents are required to perform validation checks as part of the electronic submission process. Guidelines for resolving edits and an FAQ document are at www.frbservices.org/centralbank/reportingcentral/index.html.

FR Y-8: All HCs are required to submit the FR Y-8 reports electronically via RC. The FR Y-8 report data can be entered directly into RC.

FR Y-9C and FR Y-9LP: All HCs are required to submit the FR Y-9 reports electronically. HCs may enter the data directly into RC, develop the appropriate software for electronic file transfer submission, or contract with a software vendor that can provide the required software and services.

The RC data collection system will perform validity edits that must be resolved before the data can be accepted. However, explanations for quality edits for the FR Y-9 reports will no longer be accepted at the time of data submission. Instead, we will contact you to discuss data variances and quality issues. Additional information about RC, including an online resource center, is available at www.frbservices.org/centralbank/reportingcentral/index.html.

FRY11, FR2314, and FR Y-12: HCs may submit the FR Y-11, FR 2314, and FR Y-12 reports electronically or in paper. These reports can be entered directly into RC or submitted using the File Transfer option with either internally developed or vendor software. For institutions that do not choose to file the FR Y-11, FR2314, and/or FR Y-12 reports electronically, the Federal Reserve will continue to accept paper copy submissions.

HCs must maintain in their files a signed and attested printout of the data submitted. To fulfill this signature and attestation requirement, attach a signed copy of the cover page of each report form to the printout placed in your organization's files.

Additional information about [RC](#), including an online resource center, is available. This site also includes a list of vendors, further information about electronic submission, guidelines for resolving edits, and frequently asked questions.

An End User Authorization Contact at your organization must initiate changes to the roster of individuals authorized to submit reports electronically through RC. Please reach out to our Customer Contact Center at (888) 333-7010 for assistance with tokens and credentialing. Also, be sure to complete and send RC-1 forms to us at mpls.statistics@mpls.frb.org to process changes to the individuals who are responsible for submitting reports through RC.

Reporting Deadlines

Reports are due to the Federal Reserve Bank by the following dates. Extensions of time will not be granted. Not all reports are applicable to all HCs.

Monday, August 1	-	FR Y-8 “Bank Holding Company Report of Insured Depository Institutions’ Section 23A Transactions with Affiliates”
Tuesday, August 9	-	FR Y-9C “Consolidated Financial Statements for Holding Companies”
Monday, August 15	-	FR Y-9LP “Parent Company Only Financial Statements for Large Holding Companies”
Monday, August 15	-	FR Y-12 “Consolidated Holding Company Report of Equity Investments in Nonfinancial Companies”
Monday, August 29	-	FR Y-11 “Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies”
Monday, August 29	-	FR 2314 “Financial Statements of Foreign Nonbank Subsidiaries of U.S. Banking Organizations”

As always, if you complete the preparation, editing, and review of your reports before the submission deadlines, please file them immediately rather than waiting. Early submission provides additional time for your institution to become accustomed with the electronic submission process, and it aids the Reserve Bank in the review and analysis of the reports. If you later find that certain current-period information needs to be revised, please make the appropriate changes to your report and promptly submit the revised data.

Publication of Data

The Federal Reserve publishes FR Y-9 report submissions on a flow basis generally within 2 days following receipt (see www.ffiec.gov/nicpubweb/nicweb/nichome.aspx). Updates are run frequently to capture any revisions.

Current- and Prior-Period Revisions

Any revisions to these reports must be made in the same method as the originally filed reports.

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E-Mail Subscription Service

Ninth District HCs receive e-mail notifications of the quarterly reporting requirements. To make changes to the e-mail addresses or account contact information for your organization, e-mail us at mpls.statistics@mpls.frb.org, and we will make updates. The addresses and contacts you provide will be used solely for business purposes by this Reserve Bank.

Institutions may also subscribe to the [Federal Reserve Board e-mail notification service](#) to receive alerts regarding report form and instruction updates. These updates include changes related to proposed new and existing data collections and final reporting forms and instructions.

This letter and attachments are available at www.minneapolisfed.org/banking/for-banks/statistical-and-structure-reports/supervisory-reports. This website also includes information about what we do with your data and links to other useful sites. Please contact a Statistical and Structure Reporting analyst at (612) 204-6445 with questions about the contents of this letter. If you are calling from outside the Minneapolis/St. Paul metropolitan area, you may use our toll-free number, (888) 887-0926. You may also contact us by sending a message to mpls.statistics@mpls.frb.org.

Sincerely,

/s/

Rebecca S. Helfenstein
Manager
Statistical and Structure Reporting

Enclosures

- Attachment 1
- Attachment 2
- Attachment 3

ATTACHMENT 1 Supplemental Instructions

Reporting Exposures Hedged with Cleared Eligible Credit Derivatives in Schedule HC-R (added 8/12)

HCs 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 HC that is a clearing member HC or a clearing member client HC 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 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 all on-balance sheet assets 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 HC or clearing member client HC 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 HC 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 HC 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 HC would report \$4 in Column I–100% risk weight and \$196 in Column C–0% risk weight.

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 new ASU makes targeted improvements to U.S. generally accepted accounting principles (GAAP). It includes requiring a HC 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 HCs, 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 HCs 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 HCs 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 HC 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 a HC 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 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 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, HCs 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. HCs 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 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 HCs 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, HCs with a calendar year fiscal year that are public business entities were required to apply the ASU in their FR Y-9C beginning March 31, 2016. For HCs 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, HCs 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 HC 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 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 HC 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 HCs 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 HCs 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, HCs 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 HC chooses to early adopt ASU 2015-07 for financial reporting purposes, the HC 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 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 HC 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."

For all HCs, ASU 2015-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. . 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. A HC with a fiscal year other than a calendar year that did not early adopt ASU 2015-01 in 2015 is required to apply the ASU prospectively from the beginning of its fiscal year that begins in 2016.

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 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 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 HCs 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 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 were required to 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) were 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 -was permitted.

Entities could elect to apply the ASU on either a modified retrospective transition basis or a prospective transition basis. Under the less complex prospective transition method, the new guidance applies to all instances where a HC 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, a cumulative-effect adjustment is applied 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 to retained earnings as of the beginning of the period of adoption of this change in accounting principle is reported in Schedule HI-A, item 2. If the ASU has been adopted on a modified retrospective basis, assets reclassified from OREO to loans were to be measured at the carrying value of the real estate at the date of adoption while assets reclassified from loans to OREO were to 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 www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498

Other Reporting Matters

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

Secured Consumer Debt Discharged in a Chapter 7 Bankruptcy Order

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201512.pdf

True Up Liability under an FDIC Loss-Sharing Agreement

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201509.pdf

Purchased Loans Originated by Others

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201509.pdf

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

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201503.pdf

Indemnification Assets and Accounting Standards Update No. 2012-06

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf

Determining the Fair Value of Derivatives

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201406.pdf

Other- Than- Temporary Impairment

HCs 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 at 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 www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200909.pdf

Reporting Defined Benefit Postretirement Plans

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201306.pdf

Goodwill Impairment Testing

HCs 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

www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201303.pdf

Small Business Lending Fund

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201303.pdf

Treasury Department's Community Development Capital Initiative Program

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201209.pdf

Reporting Purchased Subordinated Securities in Schedule HC-S

HCs 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

www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201109.pdf

Consolidated Variable Interest Entities

HCs 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

HCs 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

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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201109.pdf

Extended Net Operating Loss Carryback Period

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_201012.pdf

FASB Interpretation No. 48 on Uncertain Tax Positions

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200912.pdf

Business Combinations and Noncontrolling (Minority) Interests

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200909.pdf

Fair Value Measurement and Fair Value Option

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200906.pdf

Accounting for Share-based Payments

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI_FRY9_200612.pdf

Tobacco Transition Payment Program

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI.FRY9.200606.pdf

Commitments to Originate and Sell Mortgage Loans

HCs 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 www.federalreserve.gov/reportforms/supplemental/SI.FRY9.200512.pdf

ATTACHMENT 2
Summary of Updates to the Report Forms and Instructions

FR Y-9C Report Form

- (1) *Page 1.* Revised the date of report to **June 30, 2016**.

FR Y-9C Report Instructions

None

FR Y-9LP Report Form

- (1) *Page 1.* Revised the date of report to **June 30, 2016**.

FR Y-9LP Report Instructions

None

FR Y-11 Report Form

- (1) *Page 1.* Revised the date of report to **June 30, 2016**.
- (2) The reporting form was revised to eliminate the cells for the Bil|Mil|Thou dollar amount positions and to replace the dollar amount position labels, “Bil|Mil|Thou” with “Amount”.

FR Y-11 Report Instructions

None

FR Y-12 Report Form

- (1) The reporting form was revised to eliminate the cells for the Bil|Mil|Thou dollar amount positions and to replace the dollar amount position labels, “Bil|Mil|Thou” with “Amount”.

FR Y-12 Report Instructions

None

FR 2314 Report Form

- (1) *Page 1.* Revised the date of report to **June 30, 2016**.
- (2) The reporting form was revised to eliminate the cells for the Bil|Mil|Thou dollar amount positions and to replace the dollar amount position labels, “Bil|Mil|Thou” with “Amount”.

FR 2314 Report Instructions

None

ATTACHMENT 3
Summary of Edit Changes

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
4/12/2016	Added	Quality	4126	HC-R(I)46a	BHCAH311
4/12/2016	Added	Quality	4131	HC-R(I)46a	BHCAH311
4/12/2016	Ended	Validity	5410	HC-R(I)47	BHCAH313
4/12/2016	Ended	Validity	5430	HC-R(I)48	BHCAH314
4/12/2016	Revised	Quality	4030	HC-R(I)7	BHCAP842
4/12/2016	Revised	Quality	4125	HC-R(I)46a	BHCAH311
4/12/2016	Revised	Validity	5325	HC-R(II)m4	BHCKS624
4/12/2016	Revised	Validity	5400	HC-R(I)47	BHCAH313
4/12/2016	Revised	Validity	5420	HC-R(I)48	BHCAH314