DATE: April 12, 2021

TO: Eighth District Holding Companies

SUBJECT: Consolidated Financial Statements for Holding Companies (FR Y-9C) and Parent Company Only Financial Statements for Large Holding Companies (FR Y-9LP) as of March 31, 2021

The final reporting forms and instructions for the FR Y-9LP effective for March 31, 2021, are posted to the Board’s public Reporting Forms website. The final FR Y-9C forms and Supplemental Instructions, which provide guidance on accounting and reporting issues, effective for March 31, 2021, also are posted on the Board’s Reporting Forms webpage. Updates to the March FR Y-9C instructions will also be available soon on this webpage. Please note that the separate standalone COVID-19 related Supplemental Instructions previously provided for the FR Y-9C have been incorporated into the March 2021 instructions, as appropriate. The following sections provide an overview of the reporting changes for March 31, 2021.

**GAAP RELATED CHANGES**

On January 4, 2021, the Board published a final Federal Register notice¹ to revise the FR Y-9C forms and instructions to be consistent with changes to U.S. generally accepted accounting principles (GAAP). The revisions are effective March 31, 2021, and include changes related to: 1) provisions for credit losses on off-balance-sheet credit exposures, (2) expected recoveries of amounts previously charged off included within the allowances for credit losses, and 3) nonaccrual treatment of purchased credit-deteriorated assets. There are also revisions to the FR Y-9LP and FR Y-9SP forms to reflect changes on reporting of provisions for credit losses on off-balance-sheet credit exposures. There are two new FR Y-9C data items related to the GAAP changes: Schedule HI-B, Part II, Memorandum 7, “Provisions for credit losses on off-balance-sheet credit exposures” and Schedule HI-B, Part II, Memorandum 8, “Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment.”

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¹ 86 FR 92 (January 4, 2021)
REGULATION D RULEMAKING

The Board revised the FR Y-9C instructions to implement changes also published in the January 4, 2021, final Federal Register Notice. The changes which are effective March 31, 2021 clarify the reporting of savings deposits for institutions that have suspended the enforcement of the six-transfer limit rule on an account that meets the definition of a savings account. Furthermore, there are additional clarifications to the FR Y-9C instructions to clarify the differences between the definition of “savings account” in Regulation D versus these reports.

HOME EQUITY LINES OF CREDIT (HELOCs)

Effective March 31, 2021, the FR Y-9C forms and instructions for Schedule HC-C, Loans and Lease Financing Receivable were updated to implement changes published by the Board in a final Federal Register notice on April 1, 2020. A new line item, HC-C, Memorandum item 15, was added to the FR Y-9C report to collect the amount of HELOCs that have converted to non-revolving closed-end status that are included in item HC-C 1.c.(1), “Revolving, open-end loans secured by 1–4 family residential properties and extended under lines of credit.”

ASSET THRESHOLD RULEMAKING

As previously advised, the federal banking agencies recently issued an interim final rule (IFR) providing relief to financial institutions with under $10 billion in total assets as of December 31, 2019, by allowing them to calculate their asset size for applicable thresholds in certain rules during calendar years 2020 and 2021, based on the lower of total assets as of December 31, 2019, or as of the normal measurement date. In particular, the IFR adjusts the measurements dates for total asset thresholds that would trigger additional regulatory reporting requirements for the remainder of calendar years 2020 through the end of 2021. The IFR allows institutions that temporarily exceed the $10 billion total asset threshold to use the community bank leverage ratio framework, which is applicable to the FR Y-9C Schedule HC-R, from December 31, 2020, through December 31, 2021, provided they meet the other qualifying criteria for this framework. For each of these report dates, an institution would use the lesser of its total assets as of December 31, 2019, or as of the current quarter-end report date to determine whether it has met the $10 billion total asset threshold.

FR Y-9 REPORTS SUBMISSION

Holding companies filing the 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.

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 certain information

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2 85 FR 23445
3 85 FR 18230 (April 1, 2020)
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. The Reporting Central application can be accessed for additional information including an online resource center. If you have any questions regarding Reporting Central, please contact your Reporting and Reserves District Contact.

FR Y-9 REPORT CONFIDENTIAL REQUESTS

One aspect of the transition to Reporting Central necessitates the Federal Reserve to modify its internal procedures for handling confidentiality requests for those holding companies that submit data electronically. Generally, individual respondent data collected on the FR Y-9C, FR Y-9LP and the FR Y-9SP are made readily available on the National Information Center public website and the FR Y-9ES, FR Y-11/S and FR Y-12 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’s 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, and FR Y-12 forms was published in the Federal Register. The implementation date for the new confidentiality check box procedures has been determined and has been implemented for some reports (FR Y-9ES, FR Y-9SP, FR Y-12, and FR Y-7NS). For the March 31, 2021 as-of date, confidentiality check box procedures will be implemented for the FR Y-7N and FR 2886B. Institutions will be provided with ample notice to prepare for submission of the new confidentiality check box requirements.

As mentioned above, the Federal Reserve publishes holding company FR Y-9 report submitted data to the National Information Center. 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 holding company.

**DUE DATE**

The submission deadline for the March 31, 2021, FR Y-C and FR Y-9 LP reports is 5:00 p.m. on Monday, May 10, 2021, and Monday, May 17, 2021, respectively.

**ADDITIONAL INFORMATION**

Holding companies 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](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. Utilize the “Stay Connected” options to manage your subscription.

**ANALYSTS**

For any questions or problems, please contact one of the analysts listed below at 1-800-333-0810:

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