



Winter 2022

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### Review FR Y-8 Reportable Transactions

Institutions should periodically review their covered transactions with affiliates for FR Y-8, *Holding Company Report of Insured Depository Institutions' Section 23A Transactions with Affiliates*, reporting applicability. Insured depository institutions must report all covered transactions that are subject to section 23A. If your institution is already reporting covered transactions on the FR Y-8 or you'd like to learn more about reportable transactions, affiliates, and reporting exemptions, please see the [report instructions](#).

Contact [Sabrina Fernandez](#) with any questions.

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### Review FR Y-12A Reporting Requirements

The FR Y-12A, *Annual Report of Merchant Banking Investments Held for an Extended Period* is used to monitor merchant banking investments made by a financial holding company (FHC) that are approaching or have exceeded the end of the relevant 10- or 15-year holding period. An FHC must file an FR Y-12A report for a merchant banking investment if, as of December 31, the FHC has owned, controlled, or held an investment under the Merchant Banking Authority for a period that exceeds the "applicable reporting period" for the investment.

The applicable reporting period for a merchant banking investment is as follows:

- 13 years: For a merchant banking investment that is made in, or held through, a private equity fund
- 8 years: For all other merchant banking investments

The applicable reporting period for a merchant banking investment is less than the permissible holding period for the investment. This is to allow the Federal Reserve to monitor investments that are approaching the end of the holding period generally permitted under Regulation Y.

The FR Y-12A, as of December 31, 2022, must be submitted by February 15, 2023. The [report](#) can be submitted electronically via Reporting Central, or an FHC may submit the original report plus one copy via U.S. Mail or a third-party carrier to the Federal Reserve Bank of Cleveland. The report instructions can be found [here](#).

Contact [Kristina Bailey](#) with any questions.

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### Federal Reserve Board Announces Annual Indexing of Reserve Requirement Exemption Amount and Low Reserve Tranche for 2023

The Federal Reserve Board announced technical details related to reserve requirements for depository institutions. The annual indexation and publication of these amounts are required by law and does not indicate a change in depository institutions' reserve requirements, which will remain zero.

If reserve requirement ratios were not zero, these amounts would be used to determine the different ranges of reserve requirement ratios that could apply, depending on the amount of transaction account balances at a depository institution. The reserve requirement exemption amount will be set at \$36.1 million, up from \$32.4 million in 2022, and the low reserve tranche will be set at \$691.7 million, up from \$640.6 million in 2022. The adjustments to both of these amounts are derived using formulas specified in the Federal Reserve Act.

The adjustments will apply beginning January 1, 2023.

Click [here](#) to review the press release.

Additional details can be found in the *Federal Register Notice*.

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### Federal Reserve Supervision and Regulation Report

The Federal Reserve Board publishes its semiannual *Supervision and Regulation Report* to inform the public of current banking conditions and provide transparency about supervisory and regulatory policies and actions.

The most recent report, published November 2022, focuses on developments in three areas:

1. "Banking System Conditions" provides an overview of current financial conditions in the banking sector. In the first half of 2022, financial conditions remained sound. Almost all banks reported capital above regulatory minimums, liquidity remained ample, and loan delinquencies were historically low. Credit risk, however, has increased. Banks have increased credit loss provisions in anticipation of future loan deterioration.
2. "Regulatory Developments" provides an overview of the Federal Reserve's recent regulatory policy work
3. "Supervisory Developments" provides an overview of the Federal Reserve's supervisory programs and priorities. In addition to heightening its focus on financial risks, the Federal Reserve is continuing to closely assess firm responses to outstanding supervisory issues. This report also describes differences in supervisory approaches used at financial institutions of different asset sizes and levels of complexity.

Access the [Federal Reserve Supervision and Regulation Report](#).

## Proposal to Publish Periodic List of Depository Institutions with Access to Federal Reserve Accounts

The Federal Reserve Board invited public comment on a proposal to publish a periodic list of depository institutions that have access to Federal Reserve accounts—often referred to as "master accounts"—and payment services. The proposal would result in a transparent and accessible source of this information for the public.

In [August](#), the Board adopted final guidelines that establish a transparent, risk-based, and consistent set of factors for Reserve Banks to use in reviewing requests to access these accounts and payment services.

"The proposal will enhance transparency to the public by periodically publishing a comprehensive list of financial institutions that have access to Federal Reserve accounts and payment services," said Vice Chair Lael Brainard. "I look forward to getting feedback on this proposal for enhanced transparency."

Click [here](#) to review the press release.

Additional details can be found in the *Federal Register Notice*.

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## Financial Stability Report

The *Financial Stability Report* summarizes the Federal Reserve Board's framework for assessing the resilience of the U.S. financial system and presents the Board's current assessment. By publishing this report, the Board intends to promote public understanding and increase transparency and accountability for the Federal Reserve's views on financial stability.

Access the [Financial Stability Report](#) published in November 2022.

Read the [statement by Vice Chair Lael Brainard](#).

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## FR 2028D - Compilation of Small Business Lending

The latest release of the [Small Business Lending Survey \(FR 2028D\)](#) data compilation is available.

The *Small Business Lending Survey* is a quarterly collection of quantitative and qualitative information that is used to understand credit market conditions for bank lending to small businesses. Small businesses are critical for employment and economic growth at the local, regional, and national levels. The survey captures information about small business lending and how it changes from quarter to quarter that is not otherwise available. The panel consists of 398 domestically chartered commercial banks that are stratified by outstanding small commercial and industrial loans. The survey is administered and managed by the Federal Reserve Bank of Kansas City.

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## What is Inflation?

The Federal Reserve Bank of Cleveland has created a [Center for Inflation Research](#), which provides valuable resources to "Get Started" with basic inflation concepts or "Get Technical" with a more detailed discussion of inflation-related topics. Resources cover what inflation means, how inflation is measured, the Fed's role in price stability, and terms such as price indexes, underlying inflation, stagflation, and the Phillips curve.

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## Ask the Fed®

Ask the Fed® is an educational program that provides critical information on recent financial and regulatory developments. The target audience is senior officials of banks, bank holding companies and their financial institution subsidiaries, and state bank commissioners. Recent Ask the Fed® sessions have focused on Federal Reserve programs about inflation's impact on commercial real estate, the utilization of instant payments with [FedNow](#), and an economic update.

Access the [Ask the Fed® registration page](#) and log in to register for upcoming sessions or to view prior sessions.

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