FR Y-6 - Annual Report of Holding Companies

The FR Y-6, Annual Report of Holding Companies, report is due by 5:00 p.m. on Monday, March 30, 2020, for holding companies with a fiscal year ending December 31st. The report must be submitted electronically through the Reporting Central application or through U.S. mail or a third-party carrier. It is strongly encouraged that you take advantage of the benefits of electronic submission, as it creates efficiencies for report submission and any necessary revisions. If there are individuals within your organization who will need access to the Reporting Central application, please visit the Reporting Central Application Setup page for instructions and links to the forms and steps that must be completed. For assistance with setting up access to the Reporting Central application via the FedLine Web® Solution, contact the Federal Reserve’s Customer Contact Center (CCC) at (888) 333-7010.

Guidance related to the new FR Y-6 File Naming Functionality in Reporting Central can be found on page 29 of the Reporting Central External User Guide.

If you have questions regarding the application setup process, please contact Kristina Bailey or Lila Carrera.

Reserve Requirements of Depository Institutions

The Board of Governors of the Federal Reserve System (Board) is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2020. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2020 at $16.9 million (up from $16.3 million in 2019). This amount is known as the reserve requirement exemption amount. The Regulation D amendments also set the amount of net transaction accounts at each depository institution (over the reserve requirement exemption amount) that is subject to a three percent reserve requirement in 2020 at $127.5 million (up from $124.2 million in 2019). This amount is known as the low reserve tranche. The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act. The Board is also announcing changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports.

The new low reserve tranche and reserve requirement exemption amounts will apply to the fourteen-day reserve maintenance period that begins January 16, 2020. For depository institutions that report deposit data weekly, this maintenance period corresponds to the fourteen-day computation period that begins December 17, 2019. For depository institutions that report deposit data quarterly, this maintenance period corresponds to the seven-day computation period that begins December 17, 2019. The new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2020.

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Click here to review the final rule that is effective December 26, 2019.
FR Y-12A Electronic Filing Option

Financial Holding Companies eligible to file the FR Y-12A, Annual Report of Merchant Banking Investments Held for an Extended Period, can do so electronically beginning with the December 31, 2019 as-of date. An institution that wishes to continue sending in paper reports may do so.

Respondents will be able to submit FR Y-12A through the Reporting Central application. If there are individuals within your organization who will need access to the Reporting Central application, please visit the Reporting Central Application Setup page for instructions and links to the forms and steps that must be completed. For assistance with setting up access to the Reporting Central application via the FedLine Web® Solution, contact the Federal Reserve’s Customer Contact Center (CCC) at (888) 333-7010.

FedLine® Solutions provide organizations with direct access to Federal Reserve Bank Services critical payment and information services and applications, including Reporting Central. Organizations access the Reporting Central application via the FedLine Web® Solution to submit report data and access electronic reporting applications, report forms and instructions. Please note that while the Federal Reserve Banks embed security within FedLine® Solutions, your organization plays a vital role in safeguarding the information and transactions you submit or receive over FedLine®. We are reminding you that when sending data to or receiving data from a Reserve Bank by means of a FedLine® connection, whether directly or through an affiliate or other service provider, your organization agrees to the provisions of the Federal Reserve Banks’ Operating Circular 5 (OC 5) and the applicable Certification Practice Statement (CPS), which require compliance with the Federal Reserve Banks’ security procedures, operating instructions, guidelines and specifications applicable to FedLine® connections.

Please note that the Federal Reserve Bank of Cleveland is designated as your contact for this report. Please contact your local Reporting Central District Contact with questions regarding electronic submission of financial data and reporting instructions. Additional information about the Reporting Central application, including an online resource center, is available at the following link.

If you have questions regarding the FR Y-12A, please contact Kristina Bailey or Marie Budhan.
Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations

The Board of Governors of the Federal Reserve System (Board) is adopting a final rule that establishes risk-based categories for determining prudential standards for large U.S. banking organizations and foreign banking organizations, consistent with section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), and with the Home Owners' Loan Act. The final rule amends certain prudential standards, including standards relating to liquidity, risk management, stress testing, and single-counterparty credit limits, to reflect the risk profile of banking organizations under each category; applies prudential standards to certain large savings and loan holding companies using the same categories; makes corresponding changes to reporting forms; and makes additional modifications to the Board's company-run stress test and supervisory stress test rules, consistent with section 401 of EGRRCPA. In addition, the Board and the Federal Deposit Insurance Corporation (FDIC) are separately adopting a final rule that amends the resolution planning requirements under section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act using a risk-based category framework that is consistent with the framework described in this final rule.

Click here to review the final rule that is effective December 31, 2019.

Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements

The Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC) (together, the agencies) are adopting a final rule to revise the criteria for determining the applicability of regulatory capital and liquidity requirements for large U.S. banking organizations and the U.S. intermediate holding companies of certain foreign banking organizations. The final rule establishes four risk-based categories for determining the applicability of requirements under the agencies' regulatory capital rule and liquidity coverage ratio (LCR) rule. Under the final rule, such requirements increase in stringency based on measures of size, cross-jurisdictional activity, weighted short-term wholesale funding, nonbank assets, and off-balance sheet exposure. The final rule applies tailored regulatory capital and liquidity requirements to depository institution holding companies and U.S. intermediate holding companies with $100 billion or more in total consolidated assets as well as to certain depository institutions.

Click here to review the final rule that is effective December 31, 2019.
Appraisals for Higher-Priced Mortgage Loans Exemption Threshold

The Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), and the Bureau of Consumer Financial Protection (Bureau) are finalizing amendments to the official interpretations for their regulations that implement section 129H of the Truth in Lending Act (TILA). Section 129H of TILA establishes special appraisal requirements for “higher-risk mortgages,” termed “higher-priced mortgage loans” or “HPMLs” in the agencies’ regulations.

The Board, the OCC, the Bureau, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), and the Federal Housing Finance Agency (FHFA) (collectively, the agencies) issued joint final rules implementing these requirements, effective January 18, 2014. The agencies’ rules exempted, among other loan types, transactions of $25,000 or less, and required that this loan amount be adjusted annually based on any annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). If there is no annual percentage increase in the CPI-W, the Board, the OCC, and the Bureau will not adjust this exemption threshold from the prior year. However, in years following a year in which the exemption threshold was not adjusted, the threshold is calculated by applying the annual percentage increase in the CPI-W to the dollar amount that would have resulted, after rounding, if the decreases and any subsequent increases in the CPI-W had been taken into account. Based on the CPI-W in effect as of June 1, 2019, the exemption threshold will increase from $26,700 to $27,200, effective January 1, 2020.

Click here to review the final rule that will be effective on January 1, 2020.

Agencies Finalize Changes to Simplify Volcker Rule

Five federal financial regulatory agencies (the Board of Governors of the Federal Reserve System (Board), the Commodity Futures Trading Commission, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Securities and Exchange Commission) are adopting amendments to the regulations implementing section 13 of the Bank Holding Company Act. Section 13 contains certain restrictions on the ability of a banking entity and nonbank financial company supervised by the Board to engage in proprietary trading and have certain interests in, or relationships with, a hedge fund or private equity fund. These final amendments are intended to provide banking entities with clarity about what activities are prohibited and to improve supervision and implementation of section 13.

Click here to review the rules and effective dates. Banking entities must comply with the final amendments by January 1, 2021.
Proposed Rule on Interagency Policy Statement on Allowance for Credit Losses

The Board of Governors of the Federal Reserve System (Board), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), (collectively, the banking agencies), and the National Credit Union Administration (collectively, the agencies) are inviting public comment on a proposed interagency policy statement on allowances for credit losses (ACLs). The agencies are issuing this proposed interagency policy statement in response to changes to U.S. generally accepted accounting principles (GAAP) as promulgated by the Financial Accounting Standards Board (FASB) in Accounting Standards Update (ASU) 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments and subsequent amendments issued since June 2016. These updates are codified in Accounting Standards Codification (ASC) Topic 326, Financial Instruments—Credit Losses (FASB ASC Topic 326).

Click here to review the proposal and submit comments by December 16, 2019.

Board of Governors Press Releases

The Board of Governors of the Federal Reserve System (Board) issues press releases to distribute Monetary Policy, Banking and Consumer Regulatory Policy, and Other Announcements. On November 19, 2019, press releases were issued by the Federal bank regulatory agencies to issue the final rule on treatment of high volatility commercial real estate, to finalize changes to supplementary leverage ratio as required by Economic Growth, Regulatory Relief, and Consumer Protection Act, and to finalize the rule to update calculation of counterparty credit risk for derivative contracts.

Click here to access the Board’s press releases and to register to receive alerts.

Ask the Fed®

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Ask the Fed® is an educational program that provides critical information on recent financial and regulatory developments. The target audience consists of senior officials of bank and holding companies and their financial institution subsidiaries as well as state bank commissioners and state banking organizations.

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