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Proposed FR Y-14 changes,  
new data requirements and  
reporting guidance

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Center for  
**Regulatory  
Strategy**  
**US**



The Federal Reserve Board of Governors (FRB) proposed changes to the Capital Assessment and Stress Testing Reports (FR Y-14A, FR Y-14Q, FR Y-14M) on June 21, 2024.<sup>1</sup> These revisions are significant and cover (i) implementing updated financial accounting standards; (ii) collecting more granular information on lending to non-depository financial institutions (NDFIs); (iii) improving the timeliness and coverage of counterparty credit risk data; (iv) removing data fields deemed no longer necessary; and (v) making other minor revisions and instructional clarifications, including further aligning the instructions with other regulatory reports. The proposal also incorporates several clarifications, including incorporating frequently asked questions (FAQs). The proposed effective date of these revisions is September 30, 2024, for the FR Y-14Q/M reports and December 31, 2024, for the FR Y-14A report.

In addition, the FRB has asked for any outstanding questions on these reports to be submitted as part of the comment period that runs through August 20, 2024. Any previously unanswered questions that are not submitted as part of this process will be

retired from the FRB FAQs system. In this notice, the FRB also noted that it is changing the submission platform for supporting documentation.

The changes are proposed for each report, although not all schedules are affected. The revisions fall into three categories:

1. New requirements (including ones that are a result of accounting changes);
2. Clarification/instructional changes; and
3. Elimination of obsolete items.

The most affected reporting changes were increases in the data requirements for counterparty exposures, wholesale loans, and adoption of new financial accounting standards data. Below is a summary of the substantive changes by report and schedule.

# Global Market Shock (GMS) and other general changes

To increase the range of risks the FRB is exploring, the FRB is expanding risk identification beyond the current GMS framework<sup>2</sup> by requiring firms to submit relevant data with respect to all market shocks that the FRB may conduct each year, including any exploratory market shocks. In the proposal, the FRB notes that it is estimating two market shocks annually; however, it will not be limited to the two-shock estimate.

In addition, all references to the London Interbank Offered Rate (LIBOR) were removed or replaced, and the definition of “international credit card loans” is being revised from borrower location to office location of the loans.



# FR Y-14Q

## Retail Schedule (Schedule A)

### New or revised requirements

- Revising the requirement for firms to begin filing Schedule A, to provide historical reports only for the five years preceding the first quarter that the firm is subject to reporting.
- Clarifying that on Schedule A only loans held in foreign offices should be reported on the international sub-schedules, and adding United States to Region 1 for all international retail sub-schedules.

### Clarifications/instructions changes

- Clarifying the reporting of managed owner-occupied nonfarm nonresidential (NFNR) loan on the FR Y-14Q by aligning the reporting definitions with the FR Y-9C.

## Securities Schedule (Schedule B)

### New or revised requirements

- Revising Schedule B.2 (Investment Securities with Designated Accounting Hedges), item 4 (Market Value) by replacing amortized cost with market value.
- Revising Schedule B.2, item 15 (Hedge Designation) to reflect the updated accounting standard for portfolio layer method of hedge accounting.

### Removal of items

- Removing item 11 (Hedged Cash Flow) from Schedule B.

## Trading Schedule (Schedule F)

### New or revised requirements

- Adding "Small Business Investment Company (SBIC) Interests" as an industry group to capture funded and unfunded equity interests.

## Wholesale Schedule (Schedule H)

### New or revised requirements

- Requiring NDFI exposures now be reported in fields 52 through 82 (Obligor Financial Data Section) on Schedule H.1 (Corporate Loan Data).
- Adding a "NDFI Entity Type" field to Schedule H.1 for firms to specify the NDFI type (e.g., credit fund, broker-dealer, special purpose entity) to which the facility was extended.
- Adding three new fields on Schedule H.1 to capture if the obligor is controlled by a financial sponsor and, if so, that financial sponsor's legal name and legal entity identifier.
- Adding 12 additional response options to field item 36 (Security Type) covering known collateral types, and adding an "Other Security Type" field to capture the full range of collateral types to Schedule H.1 item 36.
- Adding five fields to Schedule H.1 and Schedule H.2 (Commercial and Real Estate Data) to capture the facility's fee structure.
- Adding a field to Schedule H.1 to capture if a loan covenant exists, whether the covenant has been violated and, if so, whether the agreement has been amended.
- Adding a new item to Schedule H.1, "Amortization," which will have the identical definition of the same item reported in Schedule H.2.
- Adding a new field to Schedule H.1 and Schedule H.2 to capture loans modified as loan modifications to borrowers experiencing financial difficulty (LMBEFDs) for firms that have adopted Accounting Standards Update (ASU) 2016-13 (Financial Instruments-Credit Losses).<sup>3</sup>
- Revising the instructions of item 93 (Collateral Market Value) on Schedule H.1 to require the reporting of collateral valuations for all facilities with commitments based on collateral.

### Clarifications/instructions changes

- Replacing Troubled Debt Restructurings (TDRs) with LMBEFDs on Schedule H.2, item 10 (Origination Date).

### Removal of items

- Removing item 43 (Interest Income) from Schedule H.1.
- Removing item 49 (TDRs) from Schedule H.2.



## Counterparty Schedule (Schedule L)

### New or revised requirements

- Requiring an additional unstressed Schedule L submission as of the last calendar day of the fourth quarter and due 52 days after the quarter end.
- Revising the threshold for Schedule L to be inclusive of all firms subject to Category I standards.<sup>4</sup>
- Requiring the reporting of Schedule L.5 Derivatives and Securities Financing Transaction (SFT) under the firm-generated stress scenario. This revision would require a new ranking methodology on Schedule L.5 and the reporting of the related exposures on sub-schedules (L.5.2–L.5.4).
- Requiring that the Credit Valuation Adjustment (CVA) sensitivities on Schedule L.4 (Aggregate and Top 10 CVA Sensitivities by Risk Factor) must be reported using FRB specifications, thereby increasing consistency of reporting across firms.

### Clarifications/instructions changes

- Clarifying that the “Non-Cash Collateral Type” field pertains to both SFTs and derivatives on Schedule L.5.1.
- Clarifying that when a netting agreement covers both fair value and accrual SFTs a firm should combine both types of SFTs for purposes of reporting Net Credit Exposure (CE) and CVA metrics in Schedule L.
- Clarifying that firms should use the International Swaps and Derivatives Association’s publication of the 2013 Standard Credit Support Annex (SCSA) for the basis of classifying derivatives as SCSA, and use old CSA for agreements made prior to this publication when reporting this field on Schedule L.5.1.

### Removal of items

- Removing six items from Schedule L.5.1:
  1. Threshold Counterparty (CP),
  2. Threshold bank holding company (BHC) or intermediate holding company (IHC) or savings and loan holding company (SLHC),
  3. Minimum Transfer Amount CP,
  4. Minimum Transfer Amount BHC or IHC or SLHC ,
  5. Credit default swap (CDS) Reference Entity Type, and
  6. 5-year CDS Spread (bp).
- Removing the item “Downgrade Trigger Modeled?” on Schedule L.1.a and L.1.b.

## Balance Schedules (Schedule M)

### New or revised requirements

- Creating a new sub-schedule to collect data on loans and leases covered by shared-loss agreements with the Federal Deposit Insurance Corporation (FDIC).
- Adding a line item to Schedule M.2 (FR Y-9C Reconciliation) for scored owner-occupied NFNR loans.



# FR Y-14M

## Removal of items

- Removing the TDR fields from the FR Y-14M.

## Domestic First Lien Closed End 1-4 Family Residential Loan Data Dictionary Schedule (Schedule A)

### New or revised requirements

- Adding new field to each Schedule A.1 (Loan Level Table) to capture LMBEFDs for firms that have adopted ASU 2016-13.
- Adding three fields to Schedule A.2 (Portfolio Level Table), "Total Debt from Loans Involuntarily Terminated," "Total Net Recoveries," and "Total Credit Enhancements Received." These fields would be identical fields reported on Schedule A.1.

## Domestic Home Equity Loan and Home Equity Line Dictionary Schedule (Schedule B)

### New or revised requirements

- Adding new field to each Schedule B.1 (Loan Level Table) to capture LMBEFDs for firms that have adopted ASU 2016-13.
- Expanding reporting requirements item 59 (Principal Deferred) on Schedule B.1 to include loans deferred due to loss mitigation activities.

## Removal of items

- Removing item 90 (Other Modification Type) from Schedule B.1.

## Domestic Credit Card Data Collection Data Dictionary Schedule (Schedule D)

### New or revised requirements

- Including loans issued by domestic offices to international customers on Schedule D.

- Formalizing the current supplemental collection by requiring the reporting of all revenue and loss sharing agreements (RLSAs) on FR Y-14M, Schedule D. This revision would require firms to report all accounts that are a part of any RLSA on Schedule D.1 (Loan Level Table), line item 70 (Loss Share).
- Adding two line items to Schedule D.2 (Portfolio Level Data) to collect the dollar amount received or credited for credit losses associated with RLSAs.

## Removal of items

- Removing the following three items from Schedule D.1:
  1. Behavioral Scores,
  2. Behavioral Scores Name Version, and
  3. Date Co-Borrowers Was Added.





# FR Y-14A

## Removal of items

- Removing the “Collection of Supplemental CECL Information” from FR Y-14A.

## New or revised requirements

### Summary Schedule (Schedule A)

- Requiring firms to report the Comprehensive Capital Analysis and Review (CCAR) submissions of Schedule A, inclusive of capital actions for which the firm expects to request prior approval for “maximum payouts.”
- Aligning the reporting of charge-off with the FR Y-9C item 114a (Total Net Charge-off During the Quarter on Loans and Leases) on the Schedule A.1.a (Income Statement) by reporting this item gross of write-downs and making item 114 (Total Net Charge-off During the Quarter) to the total of the components, 114a-d.
- Revising item 36 (Provisions for Unfunded Off-Balance Sheet Credit Exposures) on Schedule A.7.a (Pre-Provision Net Revenue (PPNR), PPNR Projection Sub-Schedule) to reference the definition to the definition for this same item on the FR Y-9C (Schedule HI-B, Part II, item M7).

## Removal of items

- Removing item 56 (Unrealized Gains on Available-for-Sale [AFS] Preferred Stock Classified as an Equity Security Under Generally Accepted Accounting Principles [GAAP] and AFS Equity Securities Included in Tier 2 Capital) from Schedule A.1.d (Capital).



# Next steps

Affected firms should consider carefully reviewing the draft form and instructions to determine any data gaps. Firms should also review any outstanding questions they may have with the FRB and, if needed, include these questions in a comment letter. The proposed effective date of September 30, 2024, is relatively short and may require firms to apply interim steps to meet the proposed compliance period. Firms should ensure the proper level of controls are in place to mitigate data risk and have a plan to strategically close any gaps.



# Contacts

## **Courtney Davis**

Principal  
Deloitte & Touche LLP  
[coudavis@deloitte.com](mailto:coudavis@deloitte.com)

## **Krishna Blanchard**

Principal  
Deloitte & Touche LLP  
[kblanchard@deloitte.com](mailto:kblanchard@deloitte.com)

## **Ken Lamar**

Independent Senior Advisor to Deloitte & Touche LLP  
[kelamar@deloitte.com](mailto:kelamar@deloitte.com)

## **Deloitte Center for Regulatory Strategy**

### **Irena Gecas-McCarthy**

FSI Director, Deloitte Center for Regulatory Strategy, US  
Principal  
Deloitte & Touche LLP  
[igecasmccarthy@deloitte.com](mailto:igecasmccarthy@deloitte.com)

### **Aaron Salerno**

Manager  
Deloitte Services LP  
[asalerno@deloitte.com](mailto:asalerno@deloitte.com)

### **Kyle Cooke**

Manager  
Deloitte Services LP  
[kycooke@deloitte.com](mailto:kycooke@deloitte.com)

# Endnotes

1. Federal Reserve Board of Governors (FRB), "[Proposed Agency Information Collection Activities; Comment Request](#)," Federal Register (89 FR 52042), June 21, 2024.
2. See FRB, [2024 Federal Reserve Stress Test Results](#), June 2024.
3. Financial Accounting Standards Board (FASB), [Accounting Standards Update No. 2016-13](#), June 2016.
4. Category I applies to US global systemically important banks (GSIBs) and their depository institution subsidiaries. See FRB, "[Federal Reserve Board finalizes rules that tailor its regulations for domestic and foreign banks to more closely match their risk profiles](#)," press release, October 10, 2019.

# Center for Regulatory Strategy US

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