FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Pursuant to the Paperwork Reduction Act of 1995 and 5 CFR 1320.16, the Board of Governors of the Federal Reserve System (“Board”) is proposing new information collections for savings and loan holding companies (“SLHCs”). On July 21, 2011, the responsibility for supervision and regulation of SLHCs transferred from the Office of Thrift Supervision (“OTS”) to the Board pursuant to section 312 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”).

DATES: Comments must be submitted on or before November 1, 2011.

ADDRESSES: You may submit comments, identified by FR Y-6, FR Y-7, FR Y-9 reports, FR Y-11/11S, FR 2314/2314S, FR Y-8, FR Y-12/12A, FR Y-7Q, or FR Y-7N/NS, by any of the following methods:

- E-mail: regs.comments@federalreserve.gov. Include docket number in the subject line of the message.
- FAX: 202/452-3819 or 202/452-3102.
- Mail: Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board’s web site at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board’s Martin Building (20th and C Streets, N.W.) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters should send a copy of their comments to the OMB Desk Officer by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW., Washington, DC 20503 or by fax to 202-395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, once approved. These documents will also be made available on the Federal Reserve Board’s public website at: http://www.federalreserve.gov/boarddocs/reportforms/review.cfm or may be requested from the agency clearance officer, whose name appears below.
SUPPLEMENTARY INFORMATION:

Background. On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Request for comment on information collection proposals. The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected; and

d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

Proposal to revise under OMB delegated authority without extension the following reports.

Currently, the Board collects certain consolidated information from bank holding companies (“BHCs”) and qualifying FBOs (“foreign banking organizations”). These collections are itemized below. This proposal, as discussed in more detail below, would revise these reporting panels to include SLHCs in the same manner as BHCs.


*OMB control number:* 7100-0297.

*Frequency:* Annual.

*Reporters:* FR Y-6: Top-tier domestic BHCs; FR Y-7: FBOs.

*Estimated annual reporting hours:* FR Y-6: 28,796; FR Y-7: 713.

*Estimated average hours per response:* FR Y-6: 5.25 hours; FR Y-7: 3.75.

*Number of respondents:* FR Y-6: 5,485; FR Y-7: 190.

**General description of report:** These information collections are mandatory under the Federal Reserve Act, the Bank Holding Company Act (BHC Act), and the International Banking Act (12 U.S.C. 248(a)(1), 602, 611a, 1844(c)(1)(A), 3106(a), and 3108(a)), and Regulations K and Y (12 CFR 211.13(c), 225.5(b)). Individual respondent data are not considered confidential. However, respondents may request confidential treatment for any information that they believe is subject to an exemption from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. 552(b).

**Abstract:** The FR Y-6 is an annual information collection submitted by top-tier BHCs and nonqualifying FBOs. It collects financial data, an organization chart, verification of domestic branch data, and information about shareholders. The Federal Reserve uses the data to monitor holding company operations and determine holding company compliance with the provisions of the BHC Act and Regulation Y (12 CFR 225). The FR Y-7 is an annual information collection submitted by qualifying FBOs to update their financial and organizational information with the Federal Reserve. The Federal Reserve uses information to assess an FBO’s ability to be a continuing source of strength to its U.S. operations and to determine compliance with U.S. laws and regulations.


*OMB control number:* 7100-0128.

*Frequency:* Quarterly, semiannually, and annually.

*Reporters:* Bank holding companies.


*Estimated average hours per response:* FR Y-9C: 45.15; FR Y-9LP: 5.25; FR Y-9SP: 5.40; FR Y-9ES: 0.50; FR Y-9CS: 0.50.


**General description of report:** This information collection is mandatory (12 U.S.C. 1844(c)(1)(A)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6), and (b)(8) of FOIA (5 U.S.C. §§ 522(b)(4), (b)(6), and (b)(8)).
Abstract: The FR Y-9C and the FR Y-9LP are standardized financial statements for the consolidated BHC and its parent. The FR Y-9 family of reports historically has been, and continues to be, the primary source of financial information on BHCs between on-site inspections. Financial information from these reports is used to detect emerging financial problems, to review performance and conduct pre-inspection analysis, to monitor and evaluate capital adequacy, to evaluate BHC mergers and acquisitions, and to analyze a BHC’s overall financial condition to ensure safe and sound operations.

The FR Y-9C consists of standardized financial statements similar to the Federal Financial Institutions Examination Council (FFIEC) Consolidated Reports of Condition and Income (Call Reports) (FFIEC 031 & 041; OMB No. 7100-0036) filed by commercial banks. The FR Y-9C collects consolidated data from BHCs. The FR Y-9C is filed by top-tier BHCs with total consolidated assets of $500 million or more. (Under certain circumstances defined in the General Instructions, BHCs under $500 million may be required to file the FR Y-9C.)

The FR Y-9LP includes standardized financial statements filed quarterly on a parent company only basis from each BHC that files the FR Y-9C. In addition, for tiered BHCs, a separate FR Y-9LP must be filed for each lower tier BHC.

The FR Y-9SP is a parent company only financial statement filed by smaller BHCs. Respondents include BHCs with total consolidated assets of less than $500 million. This form is a simplified or abbreviated version of the more extensive parent company only financial statement for large BHCs (FR Y-9LP). This report is designed to obtain basic balance sheet and income information for the parent company, information on intangible assets, and information on intercompany transactions.

The FR Y-9ES collects financial information from Employee Stock Ownership Plans that are also BHCs on their benefit plan activities. It consists of four schedules: Statement of Changes in Net Assets Available for Benefits, Statement of Net Assets Available for Benefits, Memoranda, and Notes to the Financial Statements.

The FR Y-9CS is a supplemental report that may be utilized to collect additional information deemed to be critical and needed in an expedited manner from BHCs. The information is used to assess and monitor emerging issues related to BHCs. It is intended to supplement the FR Y-9 reports, which are used to monitor BHCs between on-site inspections. The data items of information included on the supplement may change as needed.


Agency form number: FR Y-11 and FR Y-11S.

OMB control number: 7100-0244.

Frequency: Quarterly and annually.

Reporters: Bank holding companies.


General description of report: This information collection is mandatory (12 U.S.C. §§ 1844(c)(1)(A)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6) and (b)(8) of FOIA [5 U.S.C. §§ 522(b)(4), (b)(6) and (b)(8)].

Abstract: The FR Y-11 reports collect financial information for individual non-functionally regulated U.S. nonbank subsidiaries of domestic BHCs. BHCs file the FR Y-11 on a quarterly or annual basis according to filing criteria. The FR Y-11 data are used with other BHC data to assess the condition of BHCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

The FR Y-11S is an abbreviated reporting form that collects four data items: net income, total assets, equity capital, and total off-balance-sheet data items. The FR Y-11S is filed annually, as of December 31, by top-tier BHCs for each individual nonbank subsidiary (that does not meet the criteria for filing the detailed report) with total assets of at least $50 million, but less than $250 million, or with total assets greater than 1 percent of the total consolidated assets of the top-tier organization.


Agency form number: FR 2314 and FR 2314S.

OMB control number: 7100-0073.

Frequency: Quarterly and annually.

Reporters: Foreign subsidiaries of U.S. state member banks, bank holding companies, and Edge or agreement corporations.

Estimated annual reporting hours: FR 2314 (quarterly): 19,483; FR 2314 (annual): 4,415; FR 2314S: 1,047.

Estimated average hours per response: FR 2314 (quarterly): 6.6; FR 2314 (annual): 6.6; FR 2314S: 1.0.

Number of respondents: FR 2314 (quarterly): 738; FR 2314 (annual): 669; FR 2314S: 1,047.

General description of report: This information collection is mandatory (12 U.S.C. §§ 324, 602, 625, and 1844(c)). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for the reporting information, in whole or in part, can be requested in accordance with the instructions to the form, pursuant to sections (b)(4), (b)(6) and (b)(8) of FOIA [5 U.S.C. §§ 522(b)(4), (b)(6) and (b)(8)].
**Abstract:** The FR 2314 reports collect financial information for non-functionally regulated direct or indirect foreign subsidiaries of U.S. state member banks (SMBs), Edge and agreement corporations, and BHCs. Parent organizations (SMBs, Edge and agreement corporations, or BHCs) file the FR 2314 on a quarterly or annual basis according to filing criteria. The FR 2314 data are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

The FR 2314S is an abbreviated reporting form that collects four data items: net income, total assets, equity capital, and total off-balance-sheet data items. The FR 2314S is filed annually, as of December 31, for each individual subsidiary (that does not meet the criteria for filing the detailed report) with assets of at least $50 million but less than $250 million, or with total assets greater than 1 percent of the total consolidated assets of the top-tier organization.

5. **Report title:** Bank Holding Company Report of Insured Depository Institutions’ Section 23A Transactions with Affiliates

*Agency form number:* FR Y-8

*OMB control number:* 7100-0126

*Frequency:* Quarterly

*Reporters:* Top-tier BHCs, including financial holding companies (FHCs), for all insured depository institutions that are owned by the BHC and by FBOs that directly own a U.S. subsidiary bank.

*Estimated annual reporting hours:* 56,001 hours

*Estimated average hours per response:* Institutions with covered transactions, 7.8 hours; Institutions without covered transactions, 1.0 hour.

*Number of respondents:* Institutions with covered transactions, 1,134; Institutions without covered transactions, 5,155.

*General description of report:* This information collection is mandatory (section 5(c) of the BHC Act (12 U.S.C. 1844(c)(1)(A)) and is given confidential treatment (5 U.S.C. 552(b)(4)).

**Abstract:** This reporting form collects information on transactions between an insured depository institution and its affiliates that are subject to section 23A of the Federal Reserve Act. The primary purpose of the data is to enhance the Federal Reserve's ability to monitor bank exposures to affiliates and to ensure banks’ compliance with section 23A of the Federal Reserve Act. Section 23A of the Federal Reserve Act is one of the most important statutes on limiting exposures to individual institutions and protecting against the expansion of the federal safety net.


*Agency form number:* FR Y-12 and FR Y-12A, respectively.
**General description of report:** This collection of information is mandatory pursuant to Section 5(c) of the BHC Act (12 U.S.C. 1844(c)(1(A)). The FR Y-12 data are not considered confidential. However, BHCs may request confidential treatment for any information that they believe is subject to an exemption from disclosure under FOIA, 5 U.S.C. § 552(b). The FR Y-12A data are considered confidential on the basis that disclosure of specific commercial or financial data relating to investments held for extended periods of time could result in substantial harm to the competitive position of the financial holding company pursuant to the FOIA (5 U.S.C. 552(b)(4) and (b)(8)).

**Abstract:** The FR Y-12 collects information from certain domestic BHCs on their equity investments in nonfinancial companies. Respondents report the FR Y-12 either quarterly or semi-annually based on reporting threshold criteria. The FR Y-12A is filed annually by institutions that hold merchant banking investments that are approaching the end of the holding period permissible under Regulation Y.


**Agency form number:** FR Y-7Q, FR Y-7N and FR Y-7NS, respectively.

**OMB control number:** 7100-0125.

**Frequency:** Quarterly and annually.

**Reporters:** Foreign bank organizations.

**Estimated annual reporting hours:** FR Y-7Q (quarterly): 315; FR Y-7Q (annual): 118; FR Y-7N (quarterly): 5,331; FR Y-7N (annual): 1,455; FR Y-7NS: 299.

**Estimated average hours per response:** FR Y-7Q (quarterly): 1.25; FR Y-7Q (annual): 1.0; FR Y-7N (quarterly): 6.8; FR Y-7N (annual): 6.8; FR Y-7NS: 1.0.


**General description of report:** The FR Y-7Q and FR Y-7N information collections are mandatory (12 U.S.C. 1844(c)(1)(A), 3106(c), and 3108). Confidential treatment is not routinely given to the data in these reports. However, confidential treatment for information, in whole or in part, on any of the reporting forms can be requested in accordance with the instructions to the form, pursuant to sections (b)(4) and (b)(6) of the Freedom of Information Act.

[5 U.S.C. 522(b)(4) and (b)(6)].
Abstract: The FR Y–7Q collects consolidated regulatory capital information from all FBOs either quarterly or annually. FBOs that have effectively elected to become FHCs file the FR Y–7Q quarterly. All other FBOs (those that have not elected to become FHCs) file the FR Y–7Q annually. The FR Y–7N collects financial information for nonfunctionally regulated U.S. nonbank subsidiaries held by FBOs other than through a U.S. BHC, U.S. FHC or U.S. bank. FBOs file the FR Y–7N on a quarterly or annual basis. The FR Y–7NS collect financial information for nonfunctionally regulated U.S. nonbank subsidiaries held by FBOs other than through a U.S. BHC, U.S. FHC, or U.S. bank. The FR Y–7NS is filed annually, as of December 31, by top-tier FBOs for each individual nonbank subsidiary (that does not meet the filing criteria for filing the detailed report) with total assets of at least $50 million, but less than $250 million.

Current Actions. The Dodd-Frank Act was enacted into law on July 21, 2010. Title III of the Dodd-Frank Act abolishes the OTS and transferred all former OTS authorities (including rulemaking) related to SLHCs to the Federal Reserve effective as of July 21, 2011. The Federal Reserve is responsible for the consolidated supervision of SLHCs beginning July 21, 2011.

Consolidated data currently collected from BHCs assist the Federal Reserve in the identification and evaluation of significant risks that may exist in a diversified holding company. The data also assist the Federal Reserve in determining whether an institution is in compliance with applicable laws and regulations. The Federal Reserve believes that it is important that any company that owns and operates a depository institution be held to appropriate standards of capitalization, liquidity, and risk management. Consequently, it is the Federal Reserve’s intention that, to the greatest extent possible, taking into account any unique characteristics of SLHCs and the requirements of the Home Owners’ Loan Act (HOLA), supervisory oversight of SLHCs should be carried out on a comprehensive consolidated basis, consistent with the Federal Reserve’s established approach regarding BHC supervision. The proposed revisions would provide data to analyze the overall financial condition of most SLHCs to ensure safe and sound operations.

On February 8, 2011, the Federal Reserve published in the Federal Register a notice of intent (NOI) to require SLHCs to submit the same reports as BHCs, beginning with the March 31, 2012, reporting period. The NOI stated that the Board would issue a formal proposed notice on information collection activities for SLHCs after the transfer date.

The comment period for the NOI ended on April 11, 2011, and the Federal Reserve received ten comment letters from five trade associations, two insurance companies, one law firm, one commercial company and one utility SLHC. Most respondents expressed concern with the implementation deadline of March 31, 2012, and requested a delay. All respondents stated concern with implementation cost and burden associated with creation of new systems, processes and internal controls. Some respondents that represented insurance companies or grandfathered unitary SLHCs currently engaged in commercial activities strongly encouraged the Federal Reserve to reconsider its proposal noting that a “one-size-fits-all” approach would be far more costly than the benefits derived. Insurance companies stated the requirement to file BHC reports, which are based on U.S. generally accepted accounting principles (GAAP),
would cause the creation of duplicative accounting systems due to state mandated requirements to compile financial statements using statutory accounting principles (SAP), especially for insurance companies that use SAP exclusively or use GAAP on a limited basis. Some respondents also noted that grandfathered unitary SLHCs are not subject to the same restrictive activities applicable to BHCs under the BHC Act and, therefore, they reasoned SLHCs should not file the FR Y-10, Report of Change in Organizational Structure (OMB No. 7100-0297), or at a minimum the activity codes should be modified. Lastly, a few respondents stated they prepare their financial statements on a basis different from a calendar year-end basis. They contend that imposing calendar year reporting would add complexity to their financial reporting infrastructure and asked for confidential treatment for a period of time.

After consideration of the comments received on the NOI, the Federal Reserve proposes to exempt a limited number of SLHCs from initial regulatory reporting using the Federal Reserve existing regulatory reports and providing a two year phase-in approach for regulatory reporting for all other SLHCs. The reporting panels for the above listed reports would be revised to include SLHCs.

The proposed revisions would provide data to analyze the overall financial condition of SLHCs to ensure safe and sound operations. Reporting requirements for BHCs would not be affected by this proposal. The Federal Reserve also proposes to revise other regulatory reports filed by BHCs to include SLHCs in the reporting panels going forward, as needed for supervisory purposes. No other revisions are proposed for these information collections.

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1 All SLHCs would continue to submit all currently required OTS reports, the Schedule HC – Thrift Holding Companies as part of the Thrift Financial Report (TFR) and the H-(b)11, through December 31, 2011, reporting period, using the existing processing, editing and validating system, which is the Electronic Filing System (EFS) established by the OTS. Effective for 2012, all SLHCs would still be required to report the HOLA H-(b)11 report (OTS Form H-(b)11; OMB No. 7100-0334) with the Federal Reserve. In addition, SLHCs that are initially exempt from reporting using the Federal Reserve’s regulatory reports would still be required to report Thrift Financial Report Schedule HC (OTS 1313; OMB No. 1557-0255) and the Federal Reserve’s FR Y-6 and FR Y-7 regulatory reports. Details about how SLHCs will submit TFR Schedule HC to the Federal Reserve effective for 2012 will be described in a separate notice in the Federal Register later this year. Additionally, the Federal Reserve will issue a transmittal letter later this year with information regarding the submission of the HOLA H-(b)11 report.

2 In addition, the Federal Reserve plans to issue a separate reporting proposal for the FR Y-10 report later in 2011 or early in 2012 that will address the Federal Reserve’s plans to collect organizational structure and activity information from SLHCs in order to populate its National Information Center (NIC) data base with a comprehensive list of subsidiaries and affiliates of each SLHC.
**Proposed Transition to BHC Reporting Forms**

After considering the comments received on the NOI, the Federal Reserve proposes to exclude certain SLHCs from reporting and allow phased-in reporting for most SLHCs as described below.

**Excluded SLHCs**

The Federal Reserve believes that there are a limited number of SLHCs where immediate transition to BHC regulatory reports is not appropriate. As a result, the Federal Reserve proposes to initially exempt SLHCs in either of the following categories from reporting using the Federal Reserve’s BHC reports:

- SLHCs that are exempt pursuant to section 10(c)(9)(C) of HOLA and whose savings association subsidiaries’ consolidated assets make up less than 5 percent of the total consolidated assets of the SLHC as of the quarter end prior to the reporting date quarter end; or
- SLHCs where the top-tier holding company is an insurance company that only prepares SAP financial statements.

Specifically, the Federal Reserve has concluded it is not reasonable at this time to require standardized regulatory reports from SLHCs that are exempt pursuant to section 10(c)(9)(C) of HOLA and whose savings association subsidiaries consolidated assets make up less than 5 percent of the total consolidated assets of the SLHC as of the quarter end prior to the reporting date quarter end. The Federal Reserve has identified a limited number of these companies that are either principally engaged in commercial activities (such as manufacturing or merchandizing) or are engaged in activities not specifically allowed by financial holding companies (such as real estate development). In many cases, applying bank-centric reporting to these disparate companies may provide little useful information to Federal Reserve analysts. For exempt SLHCs, the Federal Reserve would rely on reports provided to other regulators, such as the Securities and Exchange Commission (SEC), and supervisory information gathered by examiners from the parent organization. The Federal Reserve believes that it is prudent to re-evaluate reporting requirements for all SLHCs that are exempt pursuant to section 10(c)(9)(C) of HOLA after the Federal Reserve has more experience with supervision of these companies.

Additionally, the Federal Reserve believes that there would only be a limited number of SLHCs that are insurance companies that could not develop reporting systems to comply with the Federal Reserve’s existing reporting requirements within a reasonable period of time or without incurring inordinate expense. Currently, certain SLHCs where the top-tier holding company is an insurance company that is not a reporting company

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3 For example, the asset size test for the March 31, 2012 reporting period would be based on December 31, 2011, assets. The asset size test for June 30, 2012, would be based on March 31, 2012, assets.

4 These SLHCs are referred to as “grandfathered unitary savings and loan holding companies.”
with the SEC are not required to produce consolidated financial information. These SLHCs prepare financial statements using SAP. After considering comments received from these entities, the Federal Reserve believes that requiring these companies to quickly build a duplicate accounting system that is GAAP-based in order to produce reports in the required manner for the Federal Reserve is not justifiable at this time. Until the consolidated regulatory capital rules are finalized for SLHCs, the Federal Reserve would rely on supervisory information and the reports these companies submit to the state insurance regulators and the National Association of Insurance Commissioners (NAIC). The Federal Reserve will re-evaluate the regulatory reporting requirements for these institutions once the consolidated regulatory capital rules are finalized and may require GAAP-based reporting at that time.

The Federal Reserve believes that there may be a few SLHCs that do not meet the exemption criteria that nonetheless would be unreasonable to require standardized regulatory reporting beginning in March 2012. These SLHCs will be reviewed on a case-by-case basis to determine if they will be required to submit Federal Reserve regulatory reports. Conversely, other SLHCs who currently meet the exemption criteria will be reviewed on a case-by-case basis to determine if they should be required to submit Federal Reserve regulatory reports.

All exempt SLHCs would be required to continue to submit the existing Schedule HC, currently in the TFR, and the OTS Form H-(b)11 until further notice. All exempt SLHCs would also be required to file the FR Y-6 and FR Y-7 beginning with fiscal year ends beginning December 31, 2012.

All Other SLHCs

For all SLHCs that are not excluded from reporting, the Federal Reserve believes a phased-in approach should allow the SLHCs to develop reporting systems over a period of time and would reduce the risk of data quality concerns. The phase-in approach would take two years to implement and would begin no sooner than the March 31, 2012, reporting period, when savings associations are required to file the Call Report. Reporting requirements for BHCs would not be affected by this proposal. A detailed discussion follows.

During 2012, SLHCs that are not excluded above would be required to submit the FR Y-9 series of reports and one of two year-end annual reports (FR Y-6 or FR Y-7 reports). During 2013, these SLHCs would be required to submit all BHC regulatory reports that are applicable to the SLHC, depending on the size, complexity and nature of the holding company. All SLHCs submitting reports to the Federal Reserve would also continue to submit the Form H-(b)11 until further notice.

The Federal Reserve understands that SLHCs that are not exempt from activity limitations pursuant to section 10(c)(9)(C) of HOLA are typically traditional in the

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5 See footnote 1.

6 SLHCs that must file the FR Y-9C report would not be required to complete Schedule HC-R, Regulatory Capital, until consolidated regulatory capital requirements for SLHCs are established.
context of their structure and activities and are very similar to BHCs. As a result, the Federal Reserve believes that these SLHCs should be able to develop the appropriate reporting systems if they are given an adequate amount of time and the benefit of systematic development through a phased-in approach. These SLHCs may engage in substantial activities outside of operating savings associations but that are permissible for non-exempt SLHCs, such as broker-dealer services and insurance.

Although a number of comments were received from SLHCs that are also state-regulated insurance companies, the Federal Reserve believes that many of these SLHCs should be able to develop systems to comply with the Federal Reserve’s reporting requirements. If a SLHC, including state-regulated insurance companies, is a reporting company with the SEC, it is required to prepare GAAP-based financial statements and should be able to report to the Federal Reserve.

Board of Governors of the Federal Reserve System, August 22, 2011.

Robert deV. Frierson (signed)
Robert deV. Frierson,
Deputy Secretary of the Board.