



# statistics | news

## REGULATORY REPORTING

### Upcoming Due Dates

(Not all reports are applicable to all HCs)

FFIEC 031/041	Due October 30, 2014
FFIEC 002	Due October 30, 2014
FR Y-8	Due October 30, 2014
FR Y-9C	Due November 10, 2014
FR Y-12	Due November 14, 2014
FFIEC 019	Due November 14, 2014
FFIEC 030	Due November 14, 2014
FR Y-9LP	Due November 14, 2014
FR Y-11	Due December 1, 2014
FR 2314	Due December 1, 2014
FR Y-7Q	Due December 29, 2014

### Electronic Reports Submission (IESUB)

From time to time you may need a password reset or help with an edit or a data issue. Our IESUB support staff is ready to assist you with these types of issues; submitting your report early will give you the extra time you may need. Planning ahead, especially if you are a new user, could save you time and unwanted aggravation.

As a reminder, please notify us if you have staff that no longer require access, and check your own access to IESUB prior to submission as well. A copy of our IESUB User Request Form can be found by following the link below. Once completed, please fax the form to 214-922-5394 for processing.

[http://www.frbervices.org/files/forms/reporting/iesub\\_user\\_request\\_form.pdf](http://www.frbervices.org/files/forms/reporting/iesub_user_request_form.pdf)

### Have an Article Idea?

The *Regulatory Reporting Newsletter* is brought to you by the Regulatory Reporting Team at the Federal Reserve Bank of Dallas. This newsletter was designed to provide you with information on reporting issues and regulatory report changes. If you have suggestions on topics you would like to have addressed in the *Regulatory Reporting Newsletter*, please send your suggestions to: [BHCReports@dal.frb.org](mailto:BHCReports@dal.frb.org)

## Reporting Central

The Federal Reserve System is in the midst of a multiyear project of replacing the Internet Electronic Submission (IESUB) application with a new reporting application, Reporting Central. Effective with the September 30, 2014, report date, the FR Y-11 report will be available for electronic data submission via Reporting Central only (i.e., IESUB can no longer be used). For institutions that do not choose to file this report electronically, the Federal Reserve will continue to accept paper copy submissions. For institutions that submit these reports electronically, they must maintain in their files a signed printout of the data submitted. Additional information about the Reporting Central application, including an online resource center, is available at: <http://www.frbervices.org/centralbank/reportingcentral/index.html>.

The FR Y-9C and the FR Y-9LP reports will be transitioned to Reporting Central at a later date. Until this transition is completed, you may continue to submit these reports through IESUB.

## What are the Effects of the Dodd-Frank Act on CLO Investments?

The Dodd-Frank Act has brought about many changes. One change is the addition of a new section 13 to the Bank Holding Company Act of 1956. This section generally prohibits banking entities from engaging in proprietary trading and from acquiring/retaining an ownership interest in, sponsoring or having relationships with a hedge fund or private equity fund. Concern has arisen regarding the final rule that would mandate divestiture by banking entities of ownership interests in collateralized loan obligations vehicles (CLOs). CLOs are securitization vehicles backed primarily by commercial loans.

The Board has extended the conformance period until July 21, 2015. One issue that has been brought to its attention is that CLOs may hold or have the right to acquire a certain amount of nonconforming nonloan assets such as debt securities. The new conformance period will now give banking entities a period to adapt its ownership interest and sponsorship of covered funds that are CLOs.

At the end of the conformance period, banking entities will be required to deduct their CLO investments from their tier 1 capital. In the interim, CLO investments currently aren't required to be removed from a banking entity's tier 1 capital. Also during the interim, inclusion of ownership interest in CLOs for purpose of determining compliance with the investment limits is not required.

Additional information is available online at: <http://www.federalreserve.gov/newsevents/press/bcreg/bcreg20140407a1.pdf>

## Amendment to Information Security Standards

As of July 31, 2014, the amendment to Title 12 in the Code of Federal Regulations Chapter II Parts 208 and 225 ruled by the Board of Governors of the Federal Reserve System took effect. The amendments related to the sections that define what constitutes a customer and a customer relationship, and nonpublic financial information. Title 12 CFR Chapter II outlines the regulations to be followed by the Federal Reserve System under the Banks and Banking system chapter. Part 208, or Regulation H, governs requirements for state member banks and state banks applying for admission to membership into the Federal Reserve System under section 9 of the Federal Reserve Act. The purpose of Part 225, or Regulation Y, is to regulate the acquisition of control of banks by companies and individuals, define and regulate the nonbanking activities in which bank holding companies and foreign banking organizations with the United States operations may engage and set forth procedures for securing approval for these transactions and activities.

For Regulation H, the amendments were in Appendix D-2 Section I.C.2.d for a change in the definition for customer and customer relationship from §216.3(h) to §1016.3(i) and in Appendix D-2 Section I.C.2.e for a change in the definition for nonpublic financial information from §216.3(n) to §1016.3(p). The same definition changes were made to Regulation Y in Appendix F, Section I.C.2.b and Section I.C.2.c respectively.

The definition for customer and customer relationship was broad in §216.3(h), including all financial institutions. In §1016.3(i), the definition was branched into three parts: financial institutions, covered entities subject to Federal Trade Commission (FTC) enforcement jurisdiction and credit unions. The definition for financial institutions remained the same; the changes were seen in the other two branches. For covered entities subject to FTC enforcement jurisdiction, the additions included more specific criteria in order to be classified as a “continuing relationship.” The criteria includes customers who became clients for tax preparation purposes or credit counseling services; received career counseling services while seeking employment with a financial institution or while currently employed by a financial institution; are obligated on an account purchased by the financial institution from another financial institution; obtained real estate settlement services; or have a loan for which the financial institution owns the servicing rights. Additions to “no continuing” relationships were also made. Those include customers who obtain a one-time personal or real property appraisal service or purchase checks for a personal checking account.

The section for credit unions was an addition to the previous definition. For “continuing relationships,” the criteria include customers who are members as defined in the credit union’s bylaws; are nonmembers who have a share, share draft or credit card account jointly with a member; are nonmembers who have loans that the credit union services; are nonmembers with an account in a low-income credit union; or are nonmembers with an account in a federally-insured, state-chartered credit union pursuant to state law. For “no continuing relationships,” it includes customers who only obtain services in isolated transactions, or the credit union sells their loan and does not retain the rights to service the loan.

The definition for nonpublic financial information in §216.3(n) remained the same in itself; however, the change was seen in the definition for personally identifiable financial information in §1016.3(p). The amendment includes details to include services provided by credit unions such as a credit union membership.

For more information, please visit: <http://www.gpo.gov/fdsys/pkg/FR-2014-07-01/html/2014-15292.htm>

### Time-Saving Tips!

During our report review process, we noticed a few of our holding companies were making reporting errors in common. To save us both time and effort, here are a few that we thought were worth mentioning:

- FR Y-9C, Schedule HI line item 2.e.—Interest on any reportable notes payable to unconsolidated special purpose entities that issue trust preferred securities (included in Schedule HC, item 19(b), “Subordinated notes payable to unconsolidated trusts issuing trust preferred securities, and trust preferred securities issued by consolidated special purpose entities”) is reportable on this line item.
- FR Y-9C, Schedule HC-M line item 11—If your holding company has submitted all changes in investments and activities have been reported on an FR Y-10 “Report of Changes in Organizational Structure” or had no changes to report, please respond with a yes.
- FR Y-9C, Schedule HC-M line item 23.b.—Federal Home Loan Bank advances are considered secured borrowings and should be included in this line item.
- FR Y-9LP, Schedule PI Memoranda line item 4—This line item is a year-to-date line item that ties to the Income Statement. If interest due to the special purpose subsidiary that issued trust preferred securities was deferred in prior years, do not report that prior year deferred interest on this line item.

### Report Analysts

You may also wish to visit our website at <http://dallasfed.org/banking/regulatory> for electronic versions of our *Regulatory Reporting Newsletter* as well as the contact names, phone numbers and email addresses of our staff.

#### Report Analysts

Mario Hernandez, Statistics Officer  
214-922-5399

[Mario.Hernandez@dal.frb.org](mailto:Mario.Hernandez@dal.frb.org)

Claudia Martinez, Team Lead  
214-922-6313

[Claudia.Martinez@dal.frb.org](mailto:Claudia.Martinez@dal.frb.org)

Brian Bull  
214-922-5433

[Brian.R.Bull@dal.frb.org](mailto:Brian.R.Bull@dal.frb.org)

James Carroll  
214-922-5758

[James.P.Carroll@dal.frb.org](mailto:James.P.Carroll@dal.frb.org)

Phyllis Conway  
214-922-5481

[Phyllis.Conway@dal.frb.org](mailto:Phyllis.Conway@dal.frb.org)

Maria DeSantiago  
214-922-6312

[Maria.DeSantiago@dal.frb.org](mailto:Maria.DeSantiago@dal.frb.org)

Angelica Fast  
214-922-6585

[Angelica.Fast@dal.frb.org](mailto:Angelica.Fast@dal.frb.org)

Judy Jolley  
214-922-5420

[Judy.Jolley@dal.frb.org](mailto:Judy.Jolley@dal.frb.org)

Linzi Mathew  
214-922-5421

[Linzi.Mathew@dal.frb.org](mailto:Linzi.Mathew@dal.frb.org)

#### Technical Support

##### Reporting Central

Daion Christenson  
214-922-5423

[Daion.Christenson@dal.frb.org](mailto:Daion.Christenson@dal.frb.org)

Dianna Elzner  
214-922-5424

[Dianna.Elzner@dal.frb.org](mailto:Dianna.Elzner@dal.frb.org)

##### IESUB

Barbara Askew  
214-922-6309

[Barbara.Askew@dal.frb.org](mailto:Barbara.Askew@dal.frb.org)

Anita Lott  
214-922-6320

[Anita.Lott@dal.frb.org](mailto:Anita.Lott@dal.frb.org)

##### Statistics Toll-Free Phone Number

800-411-5429

##### Fax Numbers

214-922-5394

214-922-5395

214-922-5345