



Upcoming Due Dates

(Not all reports are applicable to all BHCs)

FR Y-7Q	Due December 31, 2012
FR Y-9C	Due February 14, 2013
FR Y-9LP	Due February 14, 2013
FR Y-9SP	Due February 14, 2013
FR H-(b)11	Due February 14, 2013
FR Y-11	Due March 1, 2013
FR Y-11S	Due March 1, 2013
FR 2314	Due March 1, 2013

Structure Reports and SLHCs

As authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and pursuant to Regulation LL, the Federal Reserve will expand the entities that must submit structure reports to include savings-and-loan holding companies (SLHCs). These reports are the Report of Changes in Organizational Structure (FR Y-10) effective December 1, 2012, the Annual Report of Holding Companies (FR Y-6) and the Annual Report of Foreign Banking Organizations (FR Y-7). The reporting on the FR Y-6 and FR Y-7 is effective for those entities with fiscal year ends beginning December 31, 2012. If you should have any questions on these reports, please contact Terri Elzner at 214-922-6398..

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

Have an Nonbank Subsidiary?

The Federal Reserve requires a one-time verification by SLHCs to support the collection of non-bank subsidiaries that will file quarterly FR Y-11 or FR 2314 reports, as of March 31, 2013. Based on the reporting criteria below, SLHCs must submit the following verification information for each qualifying quarterly reporter to Dallas-NIC@dal.frb.org no later than December 8, 2012.

Name: Legal name of subsidiary nonbanking company

Physical Location: City, county, state/province, country and ZIP/postal code

Activity Code: Select a five- or six-digit North American Industry Classification System (NAICS) Activity Code from the U.S. Census Bureau's website: <http://www.census.gov/eos/www/naics/>. Provide a text description of an activity only if unable to identify a five- or six-digit NAICS code corresponding to the activity.

As a reminder to **all holding companies**, the Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11/FR Y-11S) must be filed either quarterly or annually by the top-tier holding company for each nonbank subsidiary that it owns or controls. Please review the following thresholds periodically to verify that your holding company files as required for its nonbank subsidiaries.

A top-tier holding company must file the FR Y-11 quarterly for each nonbank subsidiary that it owns or controls if the top-tier holding company files the FR Y-9C **and** the subsidiary meets **any** one of the following criteria:

- The total assets of the nonbank subsidiary are equal to or greater than \$1 billion;
- The nonbank subsidiary's off-balance-sheet activities are equal to or greater than \$5 billion;
- The nonbank subsidiary's equity capital is equal to or greater than 5 percent of the top-tier holding company's consolidated equity capital; or
- The nonbank subsidiary's consolidated operating revenue is equal to or greater than 5 percent of the top-tier holding company's consolidated operating revenue.

If the nonbank subsidiary does not meet the above FR Y-11 criteria but does meet the following criteria as of the report date, then the nonbank subsidiary must file the Abbreviated Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11S) on an annual basis:

- The nonbank subsidiary has total assets equal to or greater than \$50 million (but less than \$250 million), or
- The subsidiary's total assets are greater than 1 percent of the consolidated top-tier organization's total assets.

Additional information regarding the FR Y-11/FR Y-11S filing requirements, definitions and exemptions are available online at: <http://www.federalreserve.gov/reportforms>.

For the FR 2314 (Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations) reporting criteria, please refer to the FR 2314 General Instructions that can be found at: http://www.federalreserve.gov/reportforms/forms/FR_2314--FR_2314S20120630_i.pdf.

Submitting Reports Early!

We can't stress enough the importance of submitting your regulatory reports early. From time to time you may have need for a password reset, help with an edit or a data issue. Our IESUB support staff is ready to assist you with these types of issues, and 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 who no longer require access and check your own access to IESUB prior to submission as well. Our IESUB User Request Form can be found at http://www.frbervices.org/files/forms/reporting/iesub_user_request_form.pdf. Please fax the completed form to 214-922-5394 for processing.

Market Risk Capital Rule

To provide more transparency in regulatory reporting and more accurately assess the risk posed by complex financial products, the Federal Reserve Board of Governors recently approved a final rule to implement changes to the Market Risk Capital Rule. The Market Risk Capital Rule was put in place to better account for the inherent market risks of significant trading activities by banking organizations. The final rule will go into effect on January 1, 2013. The rule applies to bank holding companies and state chartered member banks of the Federal Reserve System.

The impetus for the changes to the Market Risk Capital Rule was to provide a more adequate standard to measure credit worthiness for debt and security positions. The final rule provides an alternative framework for assessing credit worthiness and mandates that regulators no longer rely on credit ratings firms. Recently, credit rating agencies have undergone scrutiny by various entities who believe the agencies misled financial institutions by inappropriately rating some very risky mortgage-related securities as low risk.

For more information on the Market Risk Capital Rule and the changes therein, please visit the sites below.

<http://www.gpo.gov/fdsys/pkg/FR-2012-08-30/html/2012-16759.htm>

<http://www.bis.org/publ/bcbs219.htm>

<http://www.federalreserve.gov/newsevents/press/bcreg/20120607b.htm>

The Supervisory Capital Assessment Program

On October 9, 2012, the Federal Reserve Board published a final rule that addresses stress testing requirements for certain bank holding companies, state member banks and savings-and-loan holding companies. The final rule revised portions of the Federal Reserve's notice of proposed rulemaking to implement the enhanced prudential standards and early remediation requirements established under Section 165 (i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The final rule under section 165 (i)(2) applies to any bank holding company with average total consolidated assets of greater than \$10 billion but less than \$50 billion, and any state member bank and savings-and-loan holding company that have average total consolidated assets of more than \$10 billion. Average total consolidated assets are based on the average of the total consolidated assets as reported on a holding company's four most recent Consolidated Financial Statement for Bank Holding Companies (FR Y-9C) or a state member bank's four most recent Consolidated Report of Condition and Income (Call Report). This final rule will also require bank holding companies, savings-and-loan holding companies and state member banks to begin publicly disclosing their fall 2014 stress test results in 2015.

Additional information is available online at:

<http://www.gpo.gov/fdsys/pkg/FR-2012-10-12/html/2012-24988.htm>

Did You Know?

For purposes of the FR Y-9 series of reports, savings-and-loan holding companies (SLHCs) are subject to the same reporting requirements as bank holding companies, unless otherwise noted in the instructions. All references to “bank holding company(s)” are inclusive of “savings-and-loan holding company(s)” unless otherwise noted. If you are a savings-and-loan holding company, be advised that the major differences are as follows:

- Under the Home Owners’ Loan Act (HOLA), SLHCs did not have regulatory capital requirements. The Board is currently working on establishing SLHC capital requirements; however, until they are established, SLHC respondents that file the FR Y-9C should leave items on Schedule HC-R blank.
- Additionally, based on current SLHC reporting requirements, SLHC respondents will not be required to report Schedule HC-L line items 7c1a through 7c2c, and Schedule HC-M line items 11, 17, and 18. SLHC respondents that file the FR Y-9C should leave these items blank.
- Regarding the FR Y-9LP, please be advised that SLHC respondents must leave Schedule PC-B line items 15.d. and 15.g. blank or an edit will be triggered.
- Additionally, based on current SLHC reporting requirements, SLHC respondents are not required to report information for FR Y-9SP Schedule SC-M line item 14, Schedule SC-M line item 17d, Schedule SC-M line item 17f, Schedule SC-M line item 18 or Schedule SC-M line item 19. SLHC respondents that file the FR Y-9SP should leave these items blank.

Your Regulatory Report Staff

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.

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