BANK POLICY INSTITUTE

September 26, 2019

Via Electronic Mail

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: FR Y-14A/Q/M CECL-Related Proposal (OMB Control Number 7100-0341)

Ladies and Gentlemen:

The Bank Policy Institute[1] welcomes the opportunity to comment on the July 2019 proposal[2] by the Board of Governors of the Federal Reserve System to revise the FR Y-14A/Q/M reports in order to address the implementation of the current expected credit loss methodology ("**CECL**").[3] As we have previously noted, CECL is widely recognized as a major change in accounting standards that will have a significant impact on the banking industry.[4] Accordingly, we support the Federal Reserve's efforts to revise the reporting requirements of the FR Y-14 series of reports to reflect the implementation of CECL, which will replace the existing incurred-loss methodology for establishing credit loss allowances under U.S. GAAP for many firms beginning in January 2020. In this letter we provide a number of recommendations that would improve the FR Y-14 series of reports and the stress-testing framework to which those reports relate as the Federal Reserve addresses the implementation of CECL.

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1 The Bank Policy Institute is a nonpartisan public policy, research and advocacy group, representing the nation's leading banks and their customers. Our members include universal banks, regional banks and the major foreign banks doing business in the United States. Collectively, they employ almost 2 million Americans, make nearly half of the nation's small business loans, and are an engine for financial innovation and economic growth.

2 84 Fed. Reg. 37285 (July 31, 2019).

3 FASB, *Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments (Topic 326) ASU No. 2016-13* (June 2016) ("**ASU 2016-13**"), *available at* https://asc.fasb.org/imageRoot/39/84156639.pdf.

4 *See* BPI, *Comment Letter re: Regulatory Capital Rules: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rules and Conforming Amendments to Other Regulations (Docket ID OCC–2018–0009 and RIN1557–AE32; FRB Docket No. R–1605 and RIN 7100 AF–04; FDIC RIN 3064–AE74)*, July 13, 2018, *available at* https://bpi.com/wp-content/uploads/2018/07/BPI-CECL-Comment-Letter-Final.pdf.

Most firms are required to incorporate CECL into their own stress-test projections beginning with the 2020 stress-testing cycle. The Federal Reserve is expected to incorporate CECL into its supervisory stress tests beginning with the 2022 stress-testing cycle. Given the different timelines for incorporating CECL into company-run and supervisory stress tests, the Federal Reserve should provide additional information on how it will address disclosure, including of DFAST and CCAR results, and obtain additional information on the impact of CECL on stress tests during the 2020 and 2021 stress-testing cycles.

In December 2018, the Federal Reserve revised its stress-testing rules to require firms that have adopted CECL to incorporate CECL into their stress-test projections beginning with the cycle coinciding with the firm's first full year of adoption.[5] As a result, firms that are "SEC filers" under U.S. GAAP will adopt CECL beginning in 2020 and must incorporate CECL into their projections for the 2020 stress-testing cycle. In December 2018, the Federal Reserve also announced that it would collect information on the range of practices used to incorporate CECL into stress testing but that firms would not receive supervisory findings through the CCAR qualitative assessment on their stress-test projections incorporating CECL any earlier than 2022.[6] The Federal Reserve's announcement further noted that the Federal Reserve intends to maintain its current approach for calculating allowances on loans in its supervisory stress tests for the 2020 and 2021 stress-testing cycles.[7] The Federal Reserve explained that it would maintain its current approach in order to have an opportunity to "gather additional information on the impact of CECL" and "evaluate appropriate future enhancements to [its current framework] as best practices for implementing CECL are developed."[8] The Federal Reserve added that maintaining its current framework "will largely offset any impact in the supervisory stress test that may result from the expected increase in the allowances under the CECL standard."[9]

We support the approach of postponing the incorporation of CECL into the supervisory stress tests until the effects of CECL on firms' credit loss allowances are better known and understood. We are, however, concerned that the variations among the methodologies used by firms that will have adopted CECL and the methodology adopted by the Federal Reserve (for the 2020 and 2021 stress-testing cycles) will present a number of challenges for both participating firms and other stakeholders – including members of the public – when the results are to be analyzed. The fundamental inconsistency in approach between how the Federal Reserve and participating firms will calculate credit loss allowances over the projection horizon will present challenges in comparing the risk profiles and capital planning capabilities of firms. Stakeholders may have difficulty evaluating and understanding firms' stress-test disclosures and the Federal Reserve's DFAST and CCAR results because of the different methodologies used among firms and by the Federal Reserve. To avoid potential confusion for stakeholders, the Federal Reserve should explain in its DFAST and CCAR results publications that its projections for the supervisory severely adverse scenario are not comparable to firms' projections for the same scenario because of the fundamentally different methodologies used by the Federal Reserve and firms to project credit loss allowances, and that firms' own projections may not be comparable to one another's because of

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5 *See* Federal Reserve, OCC, FDIC, *Regulatory Capital Rule: Implementation and Transition of the Current Expected Credit Losses Methodology for Allowances and Related Adjustments to the Regulatory Capital Rule and Conforming Amendments to Other Regulations*, 84 Fed. Reg. 4222, 4230-31 (Feb. 14, 2019).

6 *See* Federal Reserve, *Statement on the Current Expected Credit Loss Methodology (CECL) and Stress Testing*, Dec. 21, 2018, *available at* https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20181221b1.pdf.

7 *See id*.

8 *Id*.

9 *Id*.

differences in how they incorporated CECL into their projection methodologies. To further promote clear communication to stakeholders and stakeholders' understanding of the stress test results, the Federal Reserve should provide template disclosure that firms could include in their own DFAST disclosures explaining that their projections may not be comparable to those of other firms and are not comparable to those of the Federal Reserve because of methodological differences relating to the projections of credit loss allowances.

We also support the Federal Reserve's objective of obtaining information on how firms incorporate CECL into their company-run stress tests before developing its framework for incorporating CECL into its supervisory stress tests. As a general matter, CECL is expected to have three types of effects in the context of stress testing: (i) the "day 1" impact upon adoption to existing portfolios in business-as-usual circumstances, (ii) the stressed impact on existing portfolios and (iii) the stressed impact on newly originated exposures during the stress-test horizon. The proposal would introduce a new schedule for the FR Y-14A: the Collection of Supplemental CECL Information, which would require firms to report information relating to the impact of the adoption of CECL if they have elected to apply the CECL transition provisions under the regulatory capital rules – that is, historical information about the "day 1" impact of adopting CECL in business-as-usual circumstances.[10] The new Collection of Supplemental CECL Information schedule would not require reporting of information on the stressed impact of CECL on either existing portfolios or on newly originated exposures during the stress-test horizon. Accordingly, we are concerned that the proposed new schedule would not provide the Federal Reserve with the insight it is seeking into the stressed impacts of CECL since these potential losses are important components of overall CECL loss estimates.

The Federal Reserve should explain when and how it intends to obtain additional information from firms on the stressed impacts of CECL and provide for notice-and-comment on its approach for doing so. Providing this explanation and seeking comment would promote the transparency and effectiveness of the Federal Reserve's stress-testing program. Firms participating in CCAR and other stakeholders would be able to assess and provide feedback on the Federal Reserve's process for developing an approach to incorporating CECL into supervisory stress tests and, by extension, CCAR. Stakeholders would also be able to provide recommendations on what information would be most useful, as well as how the Federal Reserve could obtain information in a more efficient manner and with appropriate implementation timelines for reporting firms. In this regard, we note that any requirement that firms prepare and submit additional information in order for the Federal Reserve to understand the stressed impacts of CECL should be subject to a separate notice-and-comment process in accordance with the Paperwork Reduction Act. The preparation of such information would present operational challenges and necessitate an implementation timeline commencing well in advance of the April 5, 2020 deadline for the upcoming annual FR Y-14A submission.[11]

As reflected in CCAR Q&A GEN0207,[12] firms have been concerned that they may be required to produce additional information in order to demonstrate how their projections incorporating CECL differ from what the projections would have been under the incurred-loss methodology, even if the firms intend to retire their incurred-loss models upon adoption of CECL and do not intend to maintain parallel processes. Requiring firms to provide estimates about projections under the incurred-loss methodology

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10 84 Fed. Reg. at 37289-90.

11 Please see our comment letter on the non-CECL-related changes to the FR Y-14 reports for a discussion of the Paperwork Reduction Act and considerations relating to appropriate implementation timelines.

12 *See* Federal Reserve, *Comprehensive Capital and Analysis Review and Dodd-Frank Act Stress Tests: Questions and Answers GEN0207*, August, 2019, *available at* https://www.federalreserve.gov/publications/files/CCAR-QAs.pdf.

would not provide the Federal Reserve with useful information because the estimates would be of lower quality than other information submitted to the Federal Reserve and the quality would likely diminish over time following firms' retirement of their incurred-loss models. Moreover, preventing firms from retiring their incurred-loss models and requiring firms to maintain parallel processes in order to provide the Federal Reserve with information about the variance between projections reflecting CECL and the incurred-loss methodology would impose undue burdens on firms. We would welcome the opportunity to work with the Federal Reserve to develop an efficient, robust and informative approach for the Federal Reserve to gain insight into the stressed impacts of CECL.

Finally, in light of implementation and submission timelines, the Federal Reserve should provide that the CECL-related information in a firm's first three FR Y-14M reports reflecting the adoption of CECL may be provided on a best-efforts basis. The proposal provides that firms would generally reflect the adoption of CECL in data reported on the FR Y-14 reports with as-of dates following the start of the firm's fiscal year and the adoption of CECL.[13] Accordingly, for a firm that adopts CECL on January 1, 2020, the FR Y-14M reports with January 31, February 28, and March 31, 2020 as-of dates would reflect CECL. Each report would, however, be submitted before the submission deadlines for other reports first reflecting CECL, including the first quarter FR Y-9C, FR Y-14Q and, for an SEC filer, Form 10-Q. Indeed, the first two 2020 FR Y-14M reports must be submitted before the end of the firm's first quarter following adoption of CECL. A best efforts submission for the new CECL-related information would appropriately reflect the earlier submission deadlines for the FR Y-14M compared to other reports and the shorter implementation timeline for the first three FR Y-14M submissions resulting from those earlier deadlines.

In addition, technical matters relating to the proposal are addressed in Annex A of this letter.

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BPI appreciates the opportunity to comment on the proposal. If you have any questions, please contact the undersigned by phone at 646.736.3958 or by email at David.Wagner@bpi.com.

Respectfully submitted,

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[13] 84 Fed. Reg. at 37287.

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Annex A: Technical Matters

I. The Federal Reserve should clarify various aspects of the proposed new Collection of Supplemental CECL Information schedule and provide additional information on how firms should prepare the schedule.

- The draft of the schedule has only one column, which states at the top "Actual in $Millions as of date." Based on the proposed instructions for the schedule regarding line items 2a, 2b, 2c, 2d and 2e, which provide that firms should provide information "for each period in which the institution applies the transition provisions," it is not clear whether a firm should present (i) the transitional amount recognized in the numerator of the firm's capital ratios for each period in the projection horizon (i.e., PQ1 through PQ9), or (ii) the total day-1 impact that will be recognized and phased-in over multiple years (which extends beyond the nine quarters in the projection horizon). The Federal Reserve should clarify how firms should present information in the Collection of Supplemental CECL Information schedule: on a quarter-by-quarter over the course of the projection horizon, or on an actual and cumulative basis as of the reporting date. We recommend that the basis of presentation be specified in the reporting instructions. In addition, if firms should report information on a quarter-by-quarter basis over the course of the projection horizon, we recommend that either the heading be revised to be "Actual in $Millions as of applicable date during the projection horizon" or the schedule be revised to include additional columns (i.e., separate columns for each projection period). If, however, firms should report information as the total day-1 impact that will be phased in over a period of years, we recommend that the heading should be changed to "Effect of changes in accounting principles."

- The Federal Reserve should also provide a description of the relationship between each line item on the proposed schedule and other sub-schedules, including the A.1.a income statement and A.1.d capital sub-schedules of the FR Y-14A. The proposed revisions to the instructions for the A.1.d sub-schedule note, under select line items, that firms that have adopted CECL and elected to apply the CECL transition provisions should include the applicable portion of the CECL transition amount in the applicable line item. Cross references between the instructions for the A.1.d sub-schedule and the proposed Collection of Supplemental CECL Information schedule would facilitate firms' consistent preparation of the FR Y-14A report.

- In the draft instructions for the proposed new Collection of Supplemental CECL Information schedule, the opening paragraph for Line 6 Total Allowances for Credit Losses has cross references to lines 5, 5a, 5b and 5c that appear inaccurate and should be updated to refer to lines 6, 6a, 6b and 6c.

II. The Federal Reserve should update references to the latest adoption date of CECL by non-SEC filers.

- On August 15, 2019, the FASB issued a proposed ASU to amend its CECL standard to provide that all entities that are not "SEC filers" under U.S. GAAP would be required to adopt CECL for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years (i.e., beginning with the first quarter of 2023, for a calendar-year company).[1] The proposal notes in various places that CECL will be implemented through

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[1] FASB, *Proposed Accounting Standards Update – Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic), and Leases (Topic 842) – Effective Dates (August 15, 2019)*, *available at*

2022, with some changes to the FR Y-14 series of reports to take effect by March 31, 2022, at the latest, as that is intended to reflect the time at which CECL will be fully adopted by all FR Y-14 filers. In light of the FASB's proposal, it is anticipated that CECL will not be fully adopted until the first quarter of 2023. Accordingly, the Federal Reserve should revise the proposal to reflect the anticipated change in effective dates for non-SEC filers.

III. The Federal Reserve should clarify where and how provisions on securities purchased under agreements to resell and other assets should be reported in the income statement on the A.1a income statement sub-schedule of the FR Y-14A.

- The A.1a income statement sub-schedule of the FR Y-14A does not have a line item for provisions on securities purchased under agreements to resell and other assets. Accordingly, the Federal Reserve should revise the FR Y-14A instructions to address where and how provisions on securities purchased under agreements to resell and other assets should be reported.

IV. The Federal Reserve should revise the FR Y-14A/Q reporting instructions to reflect the treatment under CECL of off-balance-sheet exposures that are unconditionally cancellable.

- According to the proposal, "[t]he exclusion of unconditionally cancellable commitments from the allowance for credit losses assessment on off-balance sheet credit exposures requires clarification to applicable reporting instructions."[2] Based on our review of the proposed revisions to the FR Y-14A/Q instructions, there do not appear to have been any proposed changes relating to the treatment of unconditionally cancellable commitments under CECL. The Federal Reserve should revise the proposed instructions in order to implement the clarification described in the Federal Register release for the proposal.

V. The Federal Reserve should specify whether write-offs should be reported in the new field on Schedule B.1 of the FR Y-14Q on a quarter-to-date, year-to-date, or lifetime-to-date basis.

- The proposal would introduce a new reporting item for write-offs on the Schedule B.1 of the FR Y-14Q. The proposed instructions state that firms should "[r]eport any writeoffs on this security during the quarter." The Federal Reserve should specify how firms should report the write-offs, that is, whether the write-offs should be reported on a quarter-to-date, year-to-date, or lifetime-to-date basis.

VI. The Federal Reserve should specify whether trade-lot-level reporting on Schedule B of the FR Y-14Q with respect to available-for-sale ("AFS") and held-to-maturity ("HTM") debt securities will change for firms that have adopted CECL.

- The instructions for Schedule B of the FR Y-14Q require firms to report information about AFS and HTM debt securities on separate rows and by trade lot if the same security was acquired in different periods. The Federal Reserve should specify whether reporting on a trade-lot level will continue to apply to firms that have adopted CECL if they calculate their

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https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176173176157&acceptedDisclaimer=true.

[2] 84 Fed. Reg. at 37287.

credit loss allowances for AFS debt securities on a security-level basis or for HTM debt securities on either a security-level or pool-level basis.

VII. The Federal Reserve should revise the proposed instructions for line item 129 on sub-schedule A.1.b of the FR Y-14A so total assets on sub-schedule A.1.b will represent total assets as defined for purposes of Schedule HC of the FR Y-9C.

- ➢ The revised instructions for line item 129 on sub-schedule A.1.b of the FR Y-14A would not require firms to include projected amounts for line items 8 and 9 of Schedule HC of the FR Y-9C and would remove the requirement to subtract line item 126 on sub-schedule A.1.b of the FR Y-14A. As a result of these changes, total assets as reported on line item 131 of sub-schedule A.1.b of the FR Y-14A would not represent a firm's total assets as defined for purposes line item 12 of Schedule HC of the FR Y-9C. The Federal Reserve should revise the proposed instructions for sub-schedule A.1.b so that total assets for purposes of line item 131 of that sub-schedule aligns with total assets for purposes of Schedule HC of the FR Y-9C.

VIII. The Federal Reserve should clarify various aspects of the proposed revisions to sub-schedule A.1.d of the FR Y-14A.

- ➢ For line item 54 (Allowance for loan and lease losses includable in tier 2 capital), the proposed instructions states that firms that have adopted CECL "should report the adjusted allowances for credit loss [("AACL")] on loans and leases, as defined in the regulatory capital rule". The regulatory capital rule provides that, for a firm that has adopted CECL, adjusted allowances for credit loss ("**AACL**") is eligible for inclusion in a firm's tier 2 capital, subject to different limitations and requirements depending on whether the firm is calculating its tier 2 capital for purposes of standardized or advanced approaches capital ratios. AACL includes allowances related to financial assets, except for allowances for purchased credit deteriorated ("**PCD**") assets and AFS debt securities. Accordingly, allowances for securities purchased under agreements to resell and other assets are included in AACL. The Federal Reserve should revise the proposed instructions for line item 54 to clarify that allowances for securities purchased under agreements to resell and other assets are included in AACL and, therefore, eligible for inclusion in tier 2 capital.

- ➢ The regulatory capital rule provides that AACL eligible for inclusion in a firm's tier 2 capital does not include allowances reflecting credit losses on PCD assets. AACL for PCD assets is not a separate and reportable line item on the draft A.1.a income statement, A.1.b balance sheet, A.2.a retail balance or loss-projection sub-schedules. In addition, as mentioned in Annex A—Item I above, it is also not clear if line item 4 of the Collection of Supplemental CECL Information schedule is reportable for all quarters of the projection horizon. The Federal Reserve should confirm that firms will not be required to provide information on AACL for PCD assets through a supplemental request for purposes of the Federal Reserve's supervisory stress tests and the Federal Reserve's projections of regulatory capital ratios.

- ➢ Section 301(c)(2)(i) of the regulatory capital rule provides that an advanced approaches firm that elects to use the CECL transition provision must increase its total leverage exposure for purposes of the supplementary leverage ratio by the applicable percentage of its CECL transitional amount. The proposed instructions do not address whether line item 96 – Supplementary leverage ratio exposure – should include the applicable portion of the CECL transitional amount in this item. We recommend that the Federal Reserve clarify that the supplementary leverage ratio exposure reported in this line item should include the applicable CECL transitional amount.

IX. The Federal Reserve should clarify various aspects of the proposed new sub-schedule A.3.g of the FR Y-14A.

- The draft of the sub-schedule has a column that states at the top "Total Allowance for Credit Loss (MM/DD/YYYY)". Based on the proposed instructions for the sub-schedule, which provide that "[t]he 'Total Allowance for Credit Loss' column is the total allowance for AFS securities –as of the end of the prior quarter", it is not clear whether a firm should present the total allowance (i) as of the end of the prior quarter (i.e., PQ0-1), (ii) as of the report date (i.e., PQ0), or (iii) as of the end of the prior quarter for each forecasting period (i.e., PQ1 through PQ9). The Federal Reserve should clarify how firms should present the Total Allowance for Credit Loss on the sub-schedule.

- The draft of the sub-schedule has the column "Expected Loss" for each of the forecasting periods (i.e., PQ1 through PQ9). The Federal Reserve should specify in greater detail what the balance should consist of and list the corresponding line in the FR Y-9C Schedule HI-B Part II, if applicable. The instructions should also make clear how the columns "Expected Loss" and "Provision for Credit Loss" are different from each other.

X. The Federal Reserve should clarify if there is a clear linkage between the provision for credit losses on held-to-maturity debt securities and available-for-sale debt securities on the A.1.a income statement sub-schedule of the FR Y-14A and the proposed A.3.f and A.3.g sub-schedules of the FR Y-14A.

- The Federal Reserve should clarify in the instructions for the FR Y-14A if the proposed new line items 91b and 91c on the A.1.a income statement sub-schedule must equal to the sum of the total Provision for Credit Loss reported on the proposed new A.3.f and A.3.g sub-schedules.

XI. The Federal Reserve should clarify how capital ratios should be reported on a "fully phased-in basis" for purposes of Schedule D of the FR Y-14Q.

- The instructions to Schedule D of the FR Y-14Q state that firms must reflect capital ratios "on a fully phased-in basis for the reporting quarter." In July 2019, the Federal Reserve, the OCC and the FDIC finalized the simplifications proposal and, effective April 1, 2020, rescinded the 2017 transitional provisions that were extended at their 2017 levels for non-advanced approaches firms.[3] The proposed revisions to the FR Y-14Q instructions relating to the CECL proposal delete the reference to the continued application of the 2017 transitional provisions, but the other set of proposed revisions to the FR Y-14Q did not delete that reference. The other set of proposed revisions did, however, delete the reference to reporting capital ratios "on a fully phased-in basis". Accordingly, it is not clear what firms – in particular non-advanced approaches firms – are expected to report on Schedule D of the

3 *See* Federal Reserve, OCC, FDIC, *Regulatory Capital Rule: Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996*, 84 Fed. Reg. 35324, 35243 (July 22, 2019). On September 17, 2019, the FDIC adopted an interagency final rule, to be adopted by the Federal Reserve and OCC, permitting non-advanced approaches firms to apply the revisions in the simplifications proposal beginning January 1, 2020 instead of April 1, 2020.

FR Y-14Q given the ambiguous reference to "on a fully phased-in basis" and the conflicting versions of Schedule D revisions released in connection with the two proposals.

XII. The Federal Reserve should provide additional information on how certain commitments should be reported on Schedule H of the FR Y-14Q.

- The description of Field No. 24 (Committed Exposure Global) on Schedule H of the FR Y-14Q would be revised to state that firms should "[r]eport the total commitment amount as the sum of loan and lease financing receivables recorded in FR Y-9C, Schedule HC-C (reported in Field 25) and any unused portion of the commitment recorded in Schedules HC-F, HC-G, and HC-L." It is unclear what firms are expected to report. Accordingly, we recommend that the Federal Reserve clarify the types of unused graded loan commitments that should be reported instead of referencing other fields or reporting form schedules.

XIII. The Federal Reserve should address proposed new fields that have the same numbering in the non-CECL-related and CECL-related proposals.

- In the separate proposed instructions for the FR Y-14Q Schedules H1 and H2 released in connection with the non-CECL-related and CECL-related proposed revisions, the instructions have overlapping field numbers: both sets of proposed instructions introduce new – and different – fields numbered 102, 103 and 104 on the Schedule H1 and 63, 64 and 65 of the Schedule H2.

- If the Federal Reserve finalizes the proposals concurrently, there should be only one version of each field number (e.g., there should be only one new field numbered 102). Accordingly, in that case, there should be new fields numbered 102, 103, 104, 105 (as numbered in the non-CECL-related proposal), as well as new fields numbered 106, 107 and 108 (reflecting proposed fields numbered 102, 103 and 104 in the CECL-related proposal).

- If the Federal Reserve finalizes the proposals consecutively, the Federal Reserve should add the new fields at the end of the schedule when the second proposal is finalized (e.g., if fields 102, 103, 104 and 105 are introduced first because the non-CECL-related schedule is finalized first, the Federal Reserve should add new fields as items numbered 106, 107 and 108 when it finalizes the CECL-related proposal). The Federal Reserve should add the new fields sequentially, instead of re-designated the field numbers adopted when the first proposal is finalized. Re-designating fields would create inconsistencies between historical and current reporting. Accordingly, adding the new fields sequentially would mitigate the risk of operational challenges resulting from such inconsistencies.

XIV. The Federal Reserve should address other conflicting changes in the non-CECL-related and CECL-related proposals.

- In the separately proposed revisions to the instructions for the FR Y-14M Schedules released in connection with the non-CECL-related and CECL-related proposals, the instructions present conflicting revisions: for line item 119 Loss/Write-down Amount in Schedule A1 and line item 93 Loss/Write-down Amount in Schedule B1, the non-CECL-related proposal would retire the line items, but the CECL-related proposal would retain and revise the line items. The Federal Reserve should clarify the interplay between the conflicting revisions when it finalizes the proposals.

XV. The Federal Reserve should remove proposed fields No. 102/63 (ASC326-20) and No. 103/64 (Purchased Credit Deteriorated Noncredit Discount) from Schedules H.1/H.2 of the FR Y-14Q.

- Proposed fields No. 102/63 (ASC326-20) and No. 103/64 (Purchased Credit Deteriorated Noncredit Discount) on Schedule H.1/H.2, respectively, of the FR Y-14Q would be added and state that firms should "Provide at the credit facility level if available, otherwise report a pro-rated allocation from the collective (pool) basis." It is unclear what basis should be used for the proposed allocation. We are concerned that without a prescribed allocation methodology that methods used across firms could vary broadly and be inconsistent, thus weakening comparability and diminishing any perceived value to the Federal Reserve. Accordingly, we recommend that the Federal Reserve remove this proposed requirement as firms do not see added value in reporting this information at the facility level. Should the proposed requirement become final, we urge the Federal Reserve to prescribe a clear allocation methodology and explain the benefit to be derived from facility-level reporting.