



December 9, 2013

Communications Division
Office of the Comptroller of the Currency
Mailstop 2-3, Attention: 1557-NEW
400 7th Street SW
Washington, D.C. 20219

Re: Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act (OMB control number 1557-NEW)

Dear Sir or Madam:

The Clearing House Association L.L.C. (“The Clearing House”)¹ appreciates the opportunity to comment on the revisions to the above-referenced information collection (the “Proposal”)² related to the Dodd-Frank Wall Street Reform and Consumer Protection Act’s (“Dodd-Frank”)³ Section 165(i)(2), specifically relating to the Dodd-Frank Act Company-Run Stress Test for institutions with total consolidated assets over \$50 Billion (“DFAST-14A”). While The Clearing House supports the OCC’s efforts to revise the DFAST-14A reporting templates to remain consistent with those of the Board of Governors of the Federal Reserve System’s FR Y-14A reporting templates⁴, we note several instances below where the *Dodd-Frank Act Stress Testing (DFAST) Reporting Instructions* (the “Draft Instructions”) and the *DFAST-14A Summary Schedule* (the “Draft DFAST-14A Template”) are not consistent and respectfully submit

¹ Established in 1853, The Clearing House is the oldest banking association and payments company in the U.S. It is owned by the world’s largest commercial banks, which collectively employ over 2 million people and hold more than half of all U.S. deposits. The Clearing House Association L.L.C. is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the U.S. See The Clearing House’s web page at www.theclearinghouse.org.

² 78 F.R. 67,218 (November 8, 2013).

³ Public Law 111-203, 124 Stat. 1376, July 2010.

⁴ Copies of the FR Y-14A Capital Assessments and Stress Testing Forms can be found at <http://www.federalreserve.gov/apps/reportforms/reportdetail.aspx?sOoYJ+5BzDa2AwLR/gLe5DPHQFttug/4>.

these comments in an effort to support greater consistency between the Draft DFAST-14A Template and the FR Y-14A reporting templates.⁵

The items we have identified are listed below in the order in which they appear in the Draft DFAST-14A Template, with the title of each section representing the corresponding tab in the Draft DFAST-14A Template.

1. Income Statement Worksheet

- a. The Draft Instructions state that item 138 should be “Provisions during the quarter” (p. 22), while the Draft DFAST-14A Template lists item 138 as “Banks should not report changes in value of the MSR asset or hedges within the trading book.” The Draft DFAST-14A Template should conform to the Draft Instructions.

2. Balance Sheet Worksheet

- a. The Call Report reference (rcfdb592 or aabj189) in the “notes” for item 36 cross-references to “other additions to tier 1 capital.” The Draft Instructions (p. 26) do not indicate that item 36 is defined in the Call Report so we believe this note should be removed.
- b. The Call Report reference (rcfd1292 + rcf1296 + rcfj454) in the “notes” for item 47 is incorrect. Specifically, “rcfd1292 and rcf1296” do not cross-reference Call Report, Schedule RC-C, items 2.a. and 2.b. as the Draft Instructions (p. 27) indicate they should.
- c. The Call Report reference (rcdb529) in the “notes” for item 111 should be revised to include HFS (held for sale) loans as the Draft Instructions (p. 32) indicate. The Call Report reference in the “notes” should be “Item 51 less items 109 and 110 = rcfdb529 + rcf5369.”
- d. The “note” for item 130 is missing. The note should read “Sum of items 118 – 122, 126 and 129” to match the formula for this item in the shaded cell in the Draft DFAST-14A Template.
- e. The Draft Instructions state that item 135 should be “Federal Funds Purchased and Repurchase Agreements” (p. 34), while the Draft DFAST-14A Template lists item 135 as “Federal funds purchased and securities sold under agreements to repurchase.” The Draft DFAST-14A Template should conform to the Draft Instructions.
- f. The Call Report reference for item 138 should be changed from “rcfd4062” (as it appears in the Draft D-FAST 14A Template) to “rcfd3200.”
- g. The Call Report reference for item 140 should be changed from “rcon2930” (as it appears in the Draft DFAST-14A Template) to “rcfd2930.”

⁵ Copies of the instructions and templates referenced in this comment letter can be found on the OCC’s Web site under News and Issuances (<http://www.occ.treas.gov/tools-forms/forms/bank-operations/stress-test-reporting.html>).

- h. The Call Report reference for item 141 should be changed from “rconb557” (as it appears in the Draft DFAST-14A Template) to “rcfdb557.”
- i. The Call Report reference for item 143 should be changed from “rcfd3283” (as it appears in the Draft DFAST-14A Template) to “rcfd3838.”

3. Capital – DFAST

- a. The Call Report reference for item 23 should be changed to “rcfdb589.”
- b. Item 28, “Subtotal”, is included in the Draft Instructions (p. 45) but was removed from the Draft DFAST-14A Template.
- c. The calculation for item 113 “15% common equity tier 1 deduction threshold” is inconsistent with the “Regulatory Capital Transitions Schedule” calculation; they do not reconcile net of transition adjustments. This item should conform to the calculation of Item 15 in the “Exceptions Bucket Calculator Worksheet” in the “DFAST-14A Regulatory Capital Transitions Schedule”.
- d. The Draft Instructions state that item 117 should be a “shaded cell” (the sum of items 59, 60, 61 and 68) (p. 68), while the Draft DFAST-14A Template includes item 117 as a non-shaded cell. The cells for item 117 should contain the appropriate formula.
- e. The Draft Instructions list items 118-121 under “Total Assets for the Leverage Ratio” (p. 68), while in the Draft DFAST-14A Template this designation is replaced with “Net income (loss) attributable to Bank.” The Draft DFAST-14A Template should conform to the Draft Instructions.
- f. The Draft Instructions list items 122-142 under “Regulatory Capital and Ratios” (p. 68), while in the Draft DFAST-14A Template this designation is replaced with “Banks should not report changes in value of the MSR asset or hedges within the trading book.” The Draft DFAST-14A Template should conform to the Draft Instructions.
- g. “Schedule RC-R – Memoranda” (cell B188) in the Draft DFAST-14A Template should be removed.
- h. There is a missing Call Report reference for item 155 (“Net deferred tax liabilities”) in the Draft DFAST-14A Template. The “notes” should cross-reference “rcfd3049.”

4. General RWA

- a. The Draft Instructions state that item 19 should be “Cash items in the process of collection” while the Draft DFAST-14A Template lists item 19 as “Schedule RC-R (or FFIEC 101 Schedule A for advanced approaches that exit parallel run only) per general risk-based capital rules and 72 Federal Register 69288 (December 7, 2007).” The Draft DFAST-14A Template should conform to the Draft Instructions.

5. PPNR Projections Worksheet

- a. Footnotes 15 (“Net income (loss) attributable to Bank and minority interests”) and 18 (“Net income (loss) attributable to Bank”) should be corrected.

6. PPNR Metrics Worksheet

- a. Footnotes 4 (“Net income (loss) attributable to Bank and minority interests”) and 7 (“Net income (loss) attributable to Bank”) should be corrected.

We greatly appreciate your consideration of our comments and would welcome the opportunity to discuss them further with you at your convenience. If we can facilitate arranging those discussions, or if you have any question or are in need of any further information, please contact me at 212.613.9883 (email: david.wagner@theclearinghouse.org) or Ryan Pozin at 212.613.0135 (email: ryan.pozin@theclearinghouse.org).

Respectfully submitted,



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