BOARD OF GOVERNORS *of the* FEDERAL RESERVE SYSTEM

Using Confidential Supervisory Data for Supervisory Monitoring, Internal Analysis, and External Research

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Views expressed in the presentation are my own, and do not reflect the opinions of the Federal Reserve Board or the Federal Reserve System.

The FR Y-14 Data Collection

- The financial crisis highlighted the need for more detailed quantitative analysis of the portfolios of systemically important firms.
  - The Dodd Frank Act Stress Tests (DFAST) and the Comprehensive Capital Annual Review (CCAR) are two key annual horizontal supervisory exercises that require extremely detailed data on firms’ portfolios.

- The FR Y-14 data collection is designed to support these exercises.
  - The data is used in the development and implementation of the DFAST models and in the detailed review of firms’ portfolios for CCAR.

What is the FR Y-14?

- The FR Y-14 data collection consists of 22 separate schedules at different levels of granularity and frequency spanning all aspects of firms' portfolios, balance sheets, income, and losses.
- The collection began in the fall of 2011 and has been expanded and revised several times over the years.
- BHCs' over $50 billion in total consolidated assets file the report.
  - The reporting panel currently includes 32 firms, holding $13.9 trillion in assets, accounting for 70 percent of the assets of depository institutions.
  - The scope will expand in the future to include non-bank systemically important financial institutions (SIFIs) and Intermediate Holding Companies (IHCs) incorporated by foreign banks under the Dodd Frank Act.

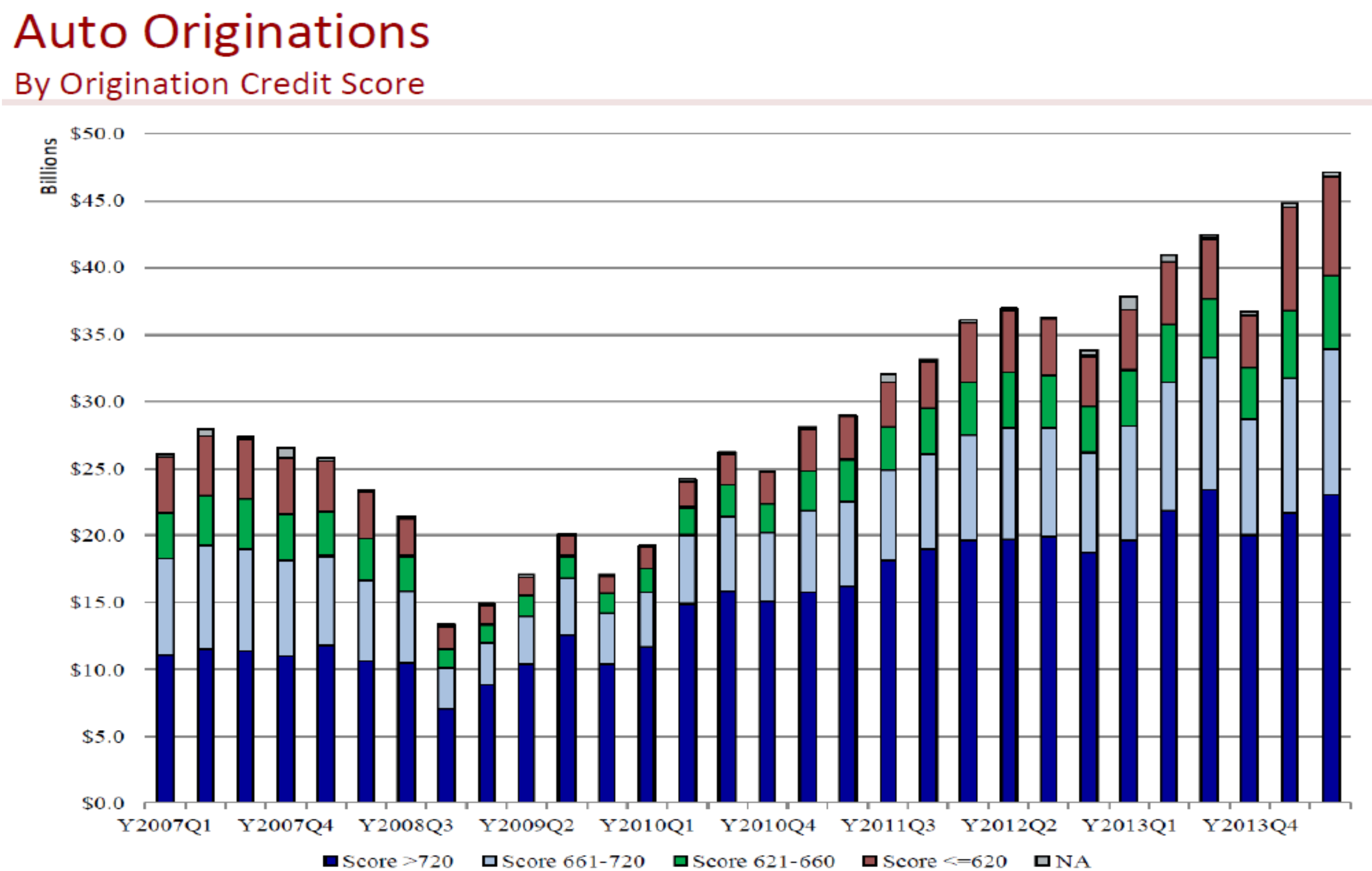
What is in the FR Y-14

- The FR Y-14A schedules form a semi-annual collection that is primarily used to collect company-run stress test results.
  - The collection comprises six schedules: Summary, Scenario, Counterparty, Basel III / Dodd-Frank, Regulatory Capital Instruments, and Operational Risk.
- The FR Y-14Q schedules are a quarterly collection that covers loan and portfolio-level information, operational revenues and expenses, regulatory capital, and reconciliation data.
  - The portfolio-level information covers Wholesale Loan, Retail Loan, Fair Value Option (FVO)/Held for Sale (HFS) Loan, Securities, Trading, and Mortgage Servicing Rights portfolios.
  - The operational revenues and expenses are collected through the PPNR and Operational Risk schedules.
- The FR Y-14M schedules are a monthly collection that covers loan level information of the first and second lien and credit card portfolios.

Controlling and Providing Access to FR Y-14 for Multiple Uses

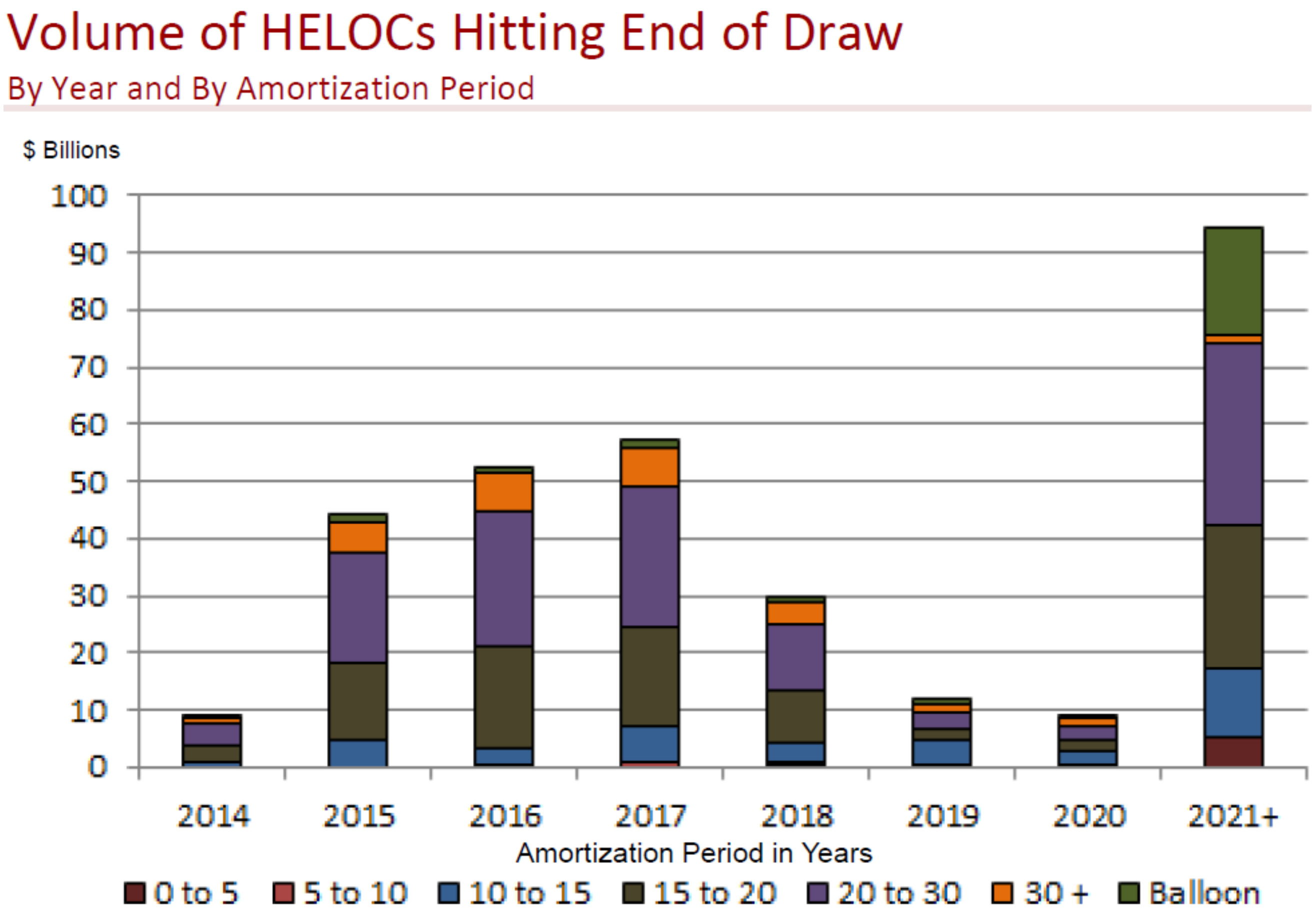
- The data is stored in central data repositories that can be accessed from across the Federal Reserve System.
- Access is provided on a use and not user basis.
  - A given user may have multiple permissions to access the same data for different uses.
- Access can be limited by firm and schedule.
- In addition to supporting CCAR and DFAST the FR Y-14 data can be used for ongoing supervisory monitoring and external research.

Analysis using FR Y-14 Q Auto

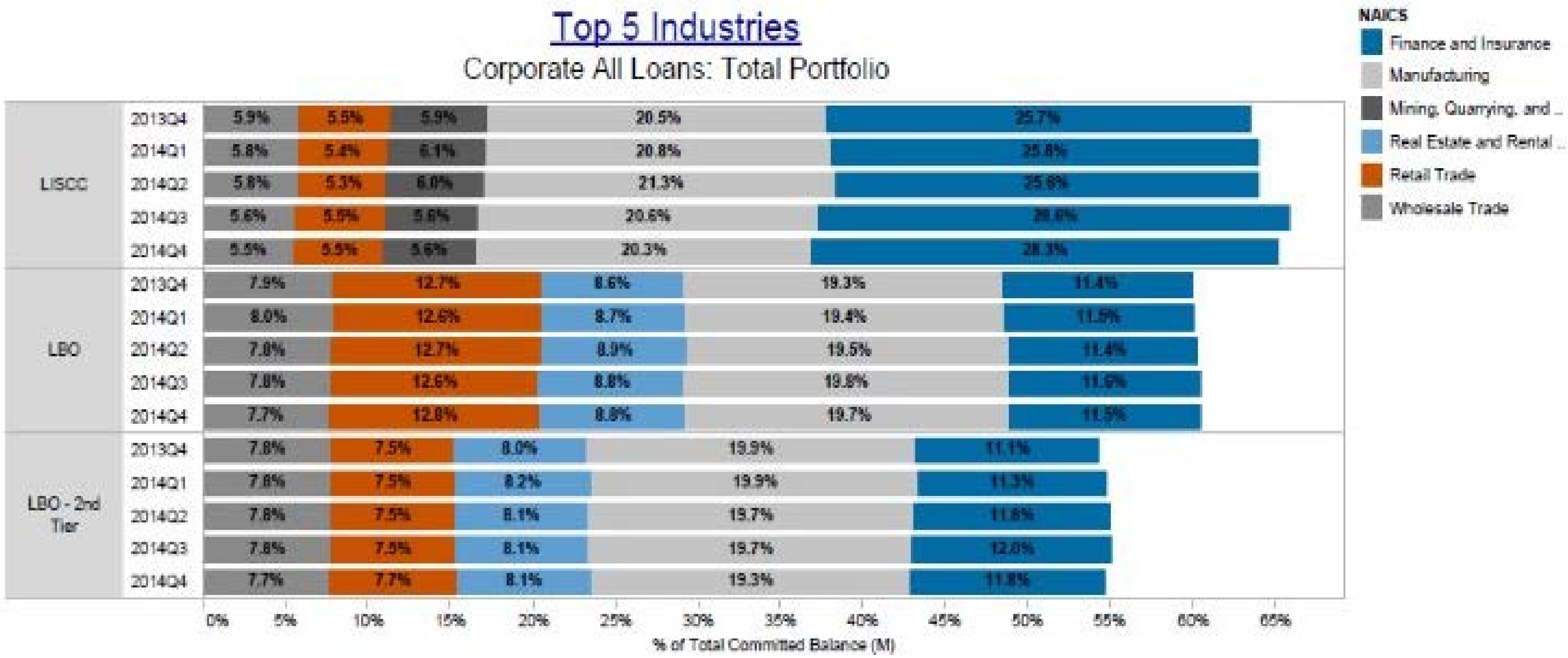


ote: Data as of 2014Q2. Y-14 Reporters only.
ource: Y-14Q Auto Data

Analysis using FR Y-14 M 2nd Lien



Analysis using FR Y-14 Q Corporate



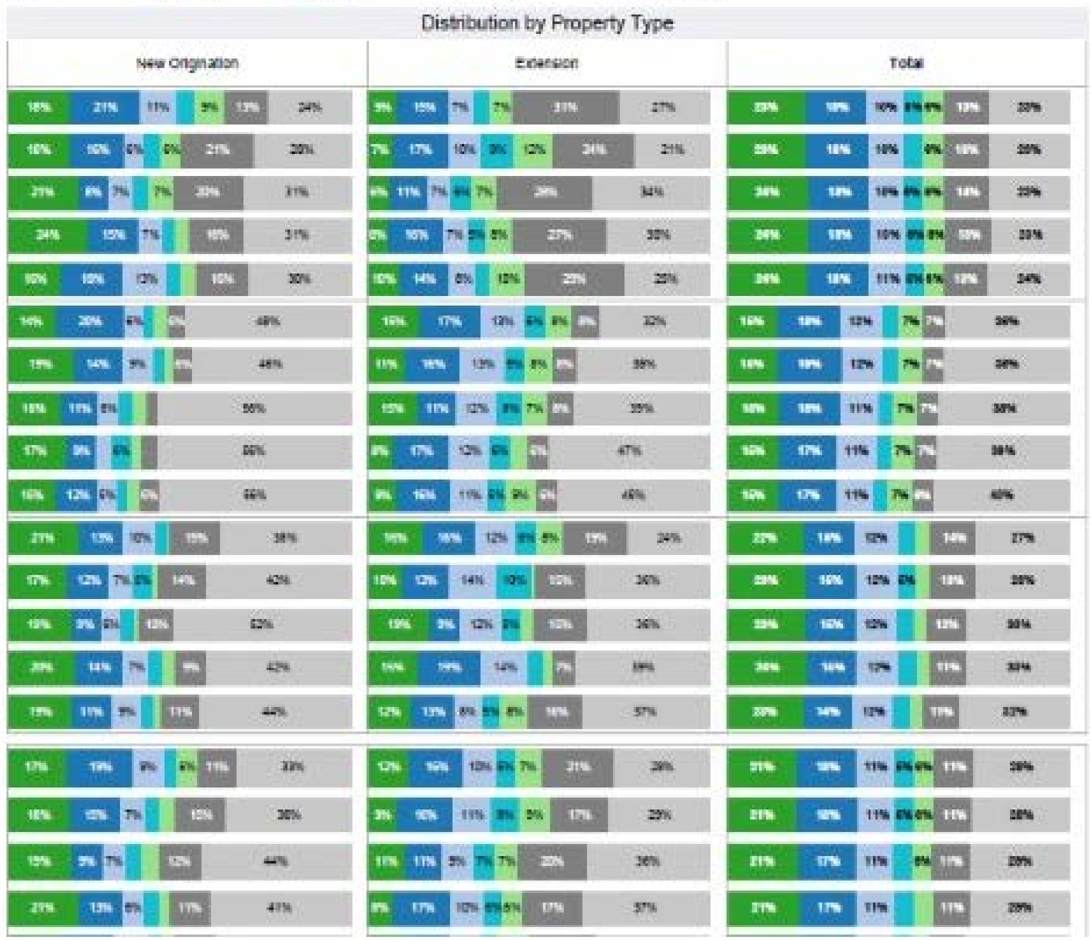
Analysis using FR y-14 Q CRE

New vs. Extensions by Property Type

CRE All Loans: Total Portfolio

Property Type: Multifamily, Office, Retail, Industrial, Hotel, Other, Construction

		$ Committed (M)		
		New Origination	Extension	Total
LISCC	2013Q4	30,407	11,657	236,040
	2014Q1	15,965	9,902	241,337
	2014Q2	19,613	10,689	244,736
	2014Q3	21,267	9,914	251,040
	2014Q4	33,259	11,941	261,511
LBO	2013Q4	17,024	7,338	146,242
	2014Q1	11,226	6,964	150,404
	2014Q2	14,859	6,229	157,613
	2014Q3	14,072	7,410	160,312
	2014Q4	16,067	7,432	164,606
LBO - 2nd Tier	2013Q4	9,610	3,854	82,624
	2014Q1	6,923	2,940	86,067
	2014Q2	7,342	3,188	86,206
	2014Q3	7,957	2,405	88,213
	2014Q4	8,977	2,906	88,564
CCAR	2013Q4	56,940	22,850	464,906
	2014Q1	37,114	18,796	477,807
	2014Q2	41,815	20,106	488,557
	2014Q3	43,296	19,730	497,565



External Research with FR Y-14 Data

- The FR Y-14 data can also be used be FRS staff for external research projects.
  - External research is defined as the publishing of analysis, generally quantitative in nature, in a public forum (e.g. from blogs, to working papers to referred academic journals) where authors make attribution that their work represents only their views and not the views of the Federal Reserve.
  - Staff must get prior approval for the research project before working on the project with the supervisory data.
  - Analysis presented in such work must be at a sufficient level of aggregation that a reader will not be able to identify, either directly or indirectly, a specific firm or individual borrower.
- There have been over 25 separate external research projects using FR Y-14 data that have been proposed and approved.

Examples of External Research

- Abdymomunov and Schorno (2014) uses the FR Y-14 Q Operational Loss schedule to study the linkage between macroeconomic factors and operational losses at banks.
- Black et. al (2015) identifies a subset of firms that are both participants in the FR Y-14 Q CRE collection and are active originators of securitized commercial mortgages to study differences in loan extensions between the two markets.
- Epouhe and Hall (2015) use the FR Y14 M 2nd lien schedule to examine the impact of payment shock in home equity lines of credit at the end of their draw period, when the loans become amortizing.
- Sarama and Calem (2014) use the FR Y-14 M Address Matching schedule to link loans in the FR Y-14 M 1st and 2nd lien schedules. They used this to examine why some borrowers continue making payments on one mortgage while allowing the other to become delinquent.