

Corporate & Financial Weekly Digest

August 26, 2011 by [Jeffrey M. Werthan](#)

Federal Reserve Issues Reporting Rules for Savings and Loan Holding Companies

On February 8, the Federal Reserve (or the Board) published in the Federal Register a notice of intent (NOI) to require savings and loan holding companies (SLHCs) to submit the same reports as bank holding companies (BHCs), beginning with the March 31, 2012 reporting period. The NOI stated that the Board would issue a formal proposed notice on information collection activities for SLHCs. The Federal Reserve is proposing a two-year phase-in period for most SLHCs to file Federal Reserve regulatory reports with the Board, as well as an exemption for some SLHCs from initially filing Federal Reserve regulatory reports.

All SLHCs would continue to submit all currently required Office of Thrift Supervision (OTS) reports, the Schedule HC – Thrift Holding Companies as part of the Thrift Financial Report (TFR) and the H-(b)11, through December 31, 2011, reporting period, using the existing processing, editing and validating system, which is the Electronic Filing System (EFS) established by the OTS. Effective for 2012, all SLHCs would still be required to report the HOLA H-(b)11 report (OTS Form H-(b)11; OMB No. 7100-0334) with the Federal Reserve. In addition, SLHCs that are initially exempt from reporting using the Federal Reserve's regulatory reports would still be required to report Thrift Financial Report Schedule HC (OTS 1313; OMB No. 1557-0255) and the Federal Reserve's FR Y-6 and FR Y-7 regulatory reports. Details about how SLHCs will submit TFR Schedule HC to the Federal Reserve effective for 2012 will be described in a separate notice in the Federal Register later this year. Additionally, the Federal Reserve will issue a transmittal letter later this year with information regarding the submission of the HOLA H-(b)11 report. Reporting requirements for BHCs would not be affected by this proposal. The Federal Reserve also proposes to revise other regulatory reports filed by BHCs to include SLHCs in the reporting panels going forward, as needed for supervisory purposes.

The Federal Reserve plans to issue a separate reporting proposal for the FR Y-10 report later in 2011 or early in 2012 that will address the Federal Reserve's plans to collect organizational structure and activity information from SLHCs in order to populate its National Information Center (NIC) data base with a comprehensive list of subsidiaries and affiliates of each SLHC.

Also, the Federal Reserve proposes to initially exempt SLHCs in either of the following categories from reporting using the Federal Reserve's BHC reports:

- SLHCs that are exempt pursuant to section 10(c)(9)(C) of the Home Owners' Loan Act (generally, involving unitary SLHCs that were in existence before May 4, 1999) and whose savings association subsidiaries' consolidated assets make up less than 5 percent of the total consolidated assets of the SLHC as of the quarter end prior to the reporting date quarter end; or
- SLHCs where the top-tier holding company is an insurance company that only prepares SAP financial statements.

For exempt SLHCs, the Federal Reserve would rely on reports provided to other regulators, such as the Securities and Exchange Commission, and supervisory information gathered by examiners from the parent organization. The Federal Reserve stated it believes that it is prudent to re-evaluate reporting requirements for all SLHCs that are exempt pursuant to section 10(c)(9)(C) of HOLA after the Federal Reserve has more experience with supervision of these companies.

For all SLHCs that are not excluded from reporting, the Federal Reserve believes a phased-in approach should allow the SLHCs to develop reporting systems over a period of time and would reduce the risk of data quality concerns. The phase-in approach would take two years to implement and would begin no sooner than the March 31, 2012, reporting period, when savings associations are required to file the Call Report. Reporting requirements for BHCs would not be affected by this proposal. During 2012, SLHCs that are not excluded above would be required to submit the FR Y-9 series of reports and one of two year-end annual reports (FR Y-6 or FR Y-7 reports), although SLHCs that must file the FR Y-9C report would not be required to complete Schedule HC-R, Regulatory Capital, until consolidated regulatory capital requirements for SLHCs are established. During 2013, these SLHCs would be required to submit all BHC regulatory reports that are applicable to the SLHC, depending on the size, complexity and nature of the holding company. All SLHCs submitting reports to the Federal Reserve would also continue to submit the Form H-(b)11 until further notice. The Federal Reserve will accept comments on the proposal through November 1.

To read the notice of intent published in the Federal Register, click [here](#).

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