Richard D. Levy
Executive Vice President and Controller
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August 28, 2017

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attention: 1557-0081 (FFIEC 031, 041, and 051)
400 7th Street SW, Suite 3E-218, Mail Stop 9W-11
Washington, D.C. 20219

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

Manuel E. Cabeza
Counsel
Room MB-3007
Attn: FFIEC 031, 041, and 051 Comments,
Federal Deposit Insurance Corporation
550 17th Street, N.W. Washington, D.C. 20429

Re: Proposed Agency Information Collection Activities; Proposed Revisions to Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only and Total Assets Less Than $1 Billion (FFIEC 051), the Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only (FFIEC 041), and the Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (FFIEC 031); OCC OMB Control Number: 1557-0081; Board OMB Control Number: 7100-0036; FDIC OMB Control Number: 3064-0052; 82 Federal Register 29147 (June 27, 2017)

Ladies and Gentlemen:

Wells Fargo & Company ("Wells Fargo" or "we") is a diversified financial services company with over $1.9 trillion in assets providing banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage services and consumer and commercial financial services.

We appreciate the opportunity to comment on the Proposed Revisions to the Consolidated Reports of Condition and Income (FFIEC 031, FFIEC 041, and FFIEC 051; or "Call Report") and support the efforts to reduce the overall burden of reporting requirements. The proposed revisions would primarily delete or consolidate a number of items, raise reporting thresholds, and reduce the reporting frequency for a number of items. Additionally, the proposed revisions would revise the definition of "past due" for regulatory reporting purposes and change the accounting for equity investments.

The rationale for the reporting revisions is "the result of an ongoing effort by the agencies to reduce the burden associated with the preparation and filing of Call Reports." The proposed revision to the "past due" definition "would promote the use of consistent standards in the industry," while proposed changes in equity investment reporting are to provide consistency with change in the accounting standards applicable to such investments.

Overall we agree with the comments contained within the letter prepared by The Clearing House but there are certain elements of the proposal on which we wish to provide additional comment with regard to the rationale for the proposed revisions:

1) While we reiterate our support to the reduction of burden in reporting, the proposed reduction in reporting frequency would still require the collection underlying data used in the current reporting frequency. In addition to maintaining current systems to collect underlying reporting data, these changes would require additional steps in operational systems to vary reporting frequencies for affected item schedules to meet the proposed revisions.

   We ask that the FFIEC and agencies to consider if these proposed reductions in reporting frequency meet the FFIEC's guiding principles for reducing regulatory reporting burden; specifically, as these proposed changes could introduce additional operational challenges and systems changes into our reporting processes.

2) We wish to clarify the scope of the application of the "past due" definition change, in light of the rationale to promote the use of consistent standards in the industry.

   The general instructions of Schedule RC-N, currently require "closed-end installment loans, amortizing loans secured by real estate, and any other loans and lease financing receivables with payments scheduled monthly to be reported as past due when the borrower is in arrears two or more monthly payments. This has been interpreted to mean that a loan is to be reported as past due if two monthly payments have not been received by the close of business on the due date of the second monthly payment. Similarly, the Call Report instructions provide that open-end credit such as credit cards, check credit, and other revolving credit plans are to be reported as past due when the customer has not made the minimum payment for two or more billing cycles."

   Proposed revisions state "there is an existing widely used industry standard, known as the Mortgage Bankers Association (MBA) method, which provides that loans with payments scheduled monthly become 30 days past due if a monthly payment is not received by the end of the day immediately preceding the loan's next due date." In addition to the increase in regulatory burden for required systems updates and changes across our reporting architecture, the application of the MBA method could increase regulatory burden as it manifests in the following processes:

   - Certain consumer lending portfolios rely on widely used third-party vendor systems to calculate delinquency and populate past due reporting. The proposed definitional change could create operational challenges with significant reliance on a third-party to implement the proposed revision.

   - U.S. LCR, and Net Stable Funding Ratio (as currently proposed) incorporate performing loan data which could be negatively impacted by the proposed definitional change.

   - Our CCAR and Resolution and Recovery Planning could be unintentionally impacted by the reporting changes and any associated shifts between performing and non-performing.

- Systems and processes to calculate risk-weighted assets under the standardized approach would require review for updates and system changes, as the definitional difference could impact risk-weightings associated with delinquent and nonaccrual loans.

- The FR2052a reporting comprises underlying data used in the FR Y-15 to calculate our G-SIB score under Method 2 and could impact the firm's calculation.

- SEC reporting processes are generally not as prescriptive as the proposed regulatory reporting requirements. This has the potential to create a RAP-GAAP difference which would increase reporting burden and reconciling efforts.

We ask the agencies to consider these comments and the potentially substantial impacts to our reporting processes as you evaluate the proposed revisions to the "past due" definition.

Thank you for considering our comments. If you have any questions, please contact me.

Sincerely,

[redacted]

Richard D. Levy
Executive Vice President and Controller