

**SHARED NATIONAL CREDIT PROGRAM**

**REPORTING INSTRUCTIONS FOR PREPARING**

**SHARED NATIONAL CREDIT DATA**

**BASIC REPORTER**

**August 2020**

**SNC Business Office**

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## II. GENERAL INSTRUCTIONS

### *A. ORGANIZATION OF THE REPORTING INSTRUCTIONS*

This Instruction Book covers the data requirements for data collected by the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation for the Shared National Credit Program. The Reporting Instruction Book is divided into the following sections:

**Section II: General Instructions** – This section describes the overall reporting requirements.

**Section III: What to Report** – This section describes the types of credits reported.

**Section IV: Detailed Instructions** – This section describes the detailed data requirements and supplements the information in the general instructions.

### *B. PURPOSE*

The Shared National Credit (SNC) Program is an interagency program designed to evaluate large and complex syndicated credits. The program is administered by the three federal banking regulatory agencies which include: the Federal Reserve System (FRS), Office of the Comptroller of the Currency (OCC), and the Federal Deposit Insurance Corporation (FDIC).

#### Program Objectives

The objectives of the program are:

- To provide uniformity in approach and credit rating determinations;
- To allow the agencies to gain efficiencies in risk analysis;
- To provide timely results to the banks and regulatory agencies; and
- To gather and analyze bank data.

To meet the program objectives, each year there are two examinations scheduled in the first and third quarters. The first quarter SNC Exam uses data collected from federally supervised institutions in the third quarter of the prior year, and the third quarter SNC Exam uses first quarter data of the same year. The reported data is analyzed and a sample of credits is selected for review by the agencies and participating state banking supervisors during the examination phase of the program. After the examination phase is completed, results are compiled and distributed to federally supervised institutions that are agents or participants in a SNC.

### ***C. WHO MUST REPORT***

#### Reporting Entities

Entities subject to the reporting requirements are referred to as “federally supervised institutions.” A federally supervised institution is any financial institution (including subsidiaries) subject to supervision by one of the federal banking agencies (Agencies). Federally supervised institutions include the following:

- FDIC-insured banks and thrifts, their branches and subsidiaries
- Federally licensed branches and agencies of foreign banks (including non-U.S. branches managed by a U.S. branch)
- State-licensed branches and agencies of foreign banks (including non-U.S. branches managed by a U.S. branch)
- U.S. subsidiaries of foreign banking organizations
- Bank holding companies and financial holding companies, and their non-bank subsidiaries subject to examination by the Federal Reserve System.
- Thrift holding companies
- National banks and federal savings associations

Federally supervised institutions do not include U.S. representative or loan production offices of foreign banks.

The agent or administrative agent of the SNC is responsible for submitting SNC data to the SNC Business Office (SBO) via the eSNC application. The agent is the federally supervised institution that originates a SNC or administers the credit for the syndication or participating lenders. Each individual U.S. branch or agency of a foreign bank should report SNCs for which it is the agent.

If a federally supervised institution assumes the administrative agent duties for another reporting institution (successor agent), the institution is required to report all required data elements including credit ratings and notify the SNC Business Office (see Appendix III – Contact Information). Please see Section IV for detailed reporting instructions.

## ***D. HOW TO REPORT***

Reporting entities must submit data via the FRS eSNC reporting application.

(<https://bsr.frb.gov/SNCEXT>). See

[http://www.newyorkfed.org/banking/reportingforms/shared\\_national\\_credits.html](http://www.newyorkfed.org/banking/reportingforms/shared_national_credits.html) for information on eSNC as well as the eSNC User Guide. For questions regarding the eSNC application, contact the eSNC Help Desk (see the Appendix for a list of contacts).

Manual entry reporting institutions should enter and submit credits directly in eSNC.

Reporting entities may submit data via an XML file (system-to-system) or manual data entry. Validations will be run on data electronically loaded or manually entered into eSNC. All validations must be remediated (either by correcting data or acknowledging the data is correct) prior to submission of the data. If a reporting entity chooses to change the method it uses to submit data, contact the eSNC Help Desk for further information.

### Scope of the "Consolidated Entity"

#### FDIC-Insured Banks, Thrifts and Bank Holding Companies

FDIC-insured banks and thrifts should follow the consolidation requirements for the FFIEC 031/041. Reporting entities that are Bank Holding Companies (BHCs) should follow the consolidation requirements of the FR Y-9C. However, BHCs should exclude credits that are consolidated under a depository institution (this data should be filed separately by the depository institution). Eliminate all credits between consolidated entities as described above.

#### U.S. Branches and Agencies of Foreign Banks

U.S. branches and agencies should consolidate in a similar manner as required for the (FFIEC 002 with the following additions:

- Include loans meeting the reporting criteria that are booked at a non U.S. branch, but managed by the U.S. branch (e.g. loans booked in a Cayman Island Branch).
- Include loans meeting the reporting criteria that are booked at U.S. subsidiaries of the reporting entity's parent FBO. If the parent FBO has multiple U.S. branches or agencies that are required to file, these loans may be reported with any one of the reporting entities, but should be filed consistently with the chosen reporter.

All commitments or loans to entities included in the consolidation described above should be eliminated.

All loans meeting the reporting requirements (see Section III "What to Report") are reportable regardless of whether they are held in the banking book or trading book. See Section IV on detailed reporting instructions.

#### Valuation

The funded (utilized) portion of all credits (including credits held for sale and held in the trading book) should be reported at amortized cost.

***E. WHEN TO REPORT***

All reporters should report SNC data as per the chart below. Data should be submitted via eSNC no later than the last day of April, July, October, and January. If the last day comes out on a weekend or bank holiday the data is due the next business day.

<b>Submission Schedule</b>		
<b>Quarter</b>	<b>Due Last day of</b>	
1Q	March 31	April
2Q	June 30	July
3Q	September 30	October
4Q	December 31	January

***F. DATA RETENTION***

All source data used in the preparation of the SNC data must be retained by the reporting institution for a period of five years from the date of submission.

***G. CONFIDENTIALITY***

Data reported by individual reporting entities is regarded as examination data and is treated as such by the Agencies. Data for individual reporting entities will not be published or otherwise publicly disclosed. Aggregate data that is published or otherwise publicly disclosed will not reveal the identity of any individual reporting entity.

SNC data is made available to the participating regulatory agencies (OCC, FRB, and FDIC). In addition, results from the examinations are shared with federally supervised participants in any SNC and the applicable state banking departments.

***H. REVISED DATA***

Agency staff will review the submitted SNC data and based on their review they may ask reporters to explain data conditions or submit revisions. In addition, if the reporting entity is aware of significant reporting errors revisions should be submitted. Reporting entities must contact the SNC Business Office prior to revising data. Since this data is extremely time-sensitive, reporters should respond as quickly as possible to these requests.

As a minimum guideline, reporting banks should resubmit data from the prior reporting period.

### III. WHAT TO REPORT

As a basic reporter, you are required to report all SNCs your institution agents. Report all data in whole dollars, while credits denominated in foreign currencies should be converted to U.S. dollars using the spot rate of the as of date of the report.

All data elements are required unless specified as optional. Items are only considered optional if they are not stored electronically or cannot be derived from data stored electronically. A list of the data elements that are optional and will not be reported by the reporting entity should be noted in the comments section when submitting data via eSNC. **Reporting entities may be asked to provide additional information and justification on fields not submitted.**

The Agencies will monitor the accuracy of reporting by the institutions under their supervision. Reporting entities should treat this request for SNC information with the same degree of diligence afforded other bank supervision reporting requirements.

#### *A. REPORTABLE CREDITS*

##### Shared National Credits

A (SNC is any loan or loan commitment (U.S. or Non-U.S.) for which the commitment amount aggregates \$100 million or more; and 1) which is shared by three<sup>1</sup> or more federally supervised unaffiliated institutions under a formal lending agreement; or 2) a portion of which is sold to two or more federally supervised unaffiliated institutions, with the purchasing institutions assuming their pro rata share of the credit risk. SNCs include assets such as other real estate owned, stocks, notes and debentures taken for debts previously contracted.

##### **Include as Shared National Credits:**

- All international credits to borrowers in the private sector regardless of currency denomination that are administered by a U. S. domestic office of the institution. If denominated in a foreign currency, please report all amounts in U.S. dollars using the spot rate of the as of date of the report.
- Two or more credits to the same borrower for the same origination date where the aggregate commitment amount of the credits is greater than or equal to \$100 million and is shared by three or more unaffiliated, supervised participant lenders. All unaffiliated supervised participant lenders should be lenders in each credit.
- Any credit facility or tranche of a syndicated loan agreement that equals \$100 million or more and includes three or more federally supervised institutions.as well as all the other credit facilities or tranches subject to that credit agreement, regardless of the dollar amount or the number of federally supervised institutions participating in them.
- Report each tranche/facility as a separate credit when a credit agreement has tranches/facilities with different terms or participant groups.

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<sup>1</sup> For purposes of meeting the federally supervised institutions threshold, the reporting institution is included if it maintains a position in the credit (i.e., the reporting bank's share of the committed exposure is greater than zero).

- Any other large credit(s) designated by the Federal Reserve Bank or System, Federal Deposit Insurance Corporation, or Office of the Comptroller of the Currency as meeting the general intent or purpose of the SNC program.

(See the Appendix for examples of determining whether a credit qualifies as a SNC.)

**Credits to Exclude:**

- Credits that are fully guaranteed by a sovereign entity.
- Credits to sovereign borrowers.
- “Club credits” including related borrowings from multiple lenders but are not extended under the same lending agreement.
- Credits with different maturity dates for participating lenders.
- Credits in which the obligor is an individual.
- Credits shared solely between affiliated supervised institutions.
- Derivatives (including Swaps)

If a reporting entity cannot determine if a credit meets the criteria above, it should contact its primary regulator or the SNC Business Office for assistance.

***B. ADDITIONAL REPORTING GUIDANCE***

1. Loan Origination Dates

For SNC reporting purposes, origination dates should be reported as follows:

**Restructured/refinanced credits:** if a credit is restructured or refinanced prior to maturity, the origination date reported is the effective date of restructure or refinancing. A restructured/refinanced credit means a new loan agreement is being instituted prior to maturity.

**Renewed credits:** if a matured credit is renewed, the origination date reported is the effective date of the renewal.

**Modified/amended credit agreements:** if a credit agreement is only modified or amended (maturity extension or covenant modifications), the origination date reported should be the effective date of the original loan agreement, NOT the date of the modification or amendment. Modified means original loan agreement remains in place with formal modifications to certain existing terms or conditions. A modified credit agreement differs from an amendment in that an amendment adds conditions to the existing loan agreement.

For additional information, refer to the FR Y-9C glossary entry for “loans” and “loan fees”.

2. Loan charge-offs between SNC reviews

The Committed Exposure Global and the Utilized Exposure Global should be reported net of all SNC review mandated charge-offs. Subsequent charge-offs recognized by the reporting bank between SNC reviews should not be netted from the committed or utilized exposures. Subsequent charge-offs

recognized by the reporting bank should be reflected in the internal credit risk ratings submitted by the bank.

**For example:**

Legal commitment and utilized exposure - \$1,000,000,000  
Previous SNC mandated charge-offs - \$200,000,000  
Subsequent reporting bank charge-offs (global amount) – 80,000,000

Reported Committed and Utilized Exposure Global \$ 800,000,000  
(\$1billion minus \$200 million mandated charge-offs)

Credit Exposure Internal Risk Rating and Regulatory Credit Risk Rating would be 90% substandard and 10% loss (\$720 million and \$80 million)

Note that the Cumulative Charge-offs is the share of charge-offs, SNC mandated and non-mandated, recognized by the reporting bank over the life of the credit.

**Cumulative Charge-offs** assuming a 10% hold by the reporting bank (mandated \$200 million charge-off plus the subsequent \$200 million charge-off times 10%) - \$40,000,000

3. Other Real Estate Owned (OREO)

If all or a portion of a SNC has been satisfied through the transfer of ownership in OREO to the syndication or lending group since the prior SNC review, the reporting bank must submit the initial recorded investment (the value of the OREO on the date transferred) in the loan satisfied. This amount is the unpaid balance of the loan increased by accrued and uncollected interest, unamortized premium, and loan acquisition costs, if any, and then decreased by previous direct write down, finance charges, and unamortized discount, if any. This amount is entered as the Utilized Exposure Global. The Type code should be OREO, and the prior reporting period's Internal Credit Facility ID should be reported in both credit ID data fields this reporting period.

Subsequent to the initial OREO reporting instructions outlined, the reporting bank must submit the above referenced utilized amount net of all SNC review mandated asset valuation write-downs, but gross of any subsequent valuation write-downs recognized by the reporting bank between SNC reviews. Subsequent valuation write-downs should be reported in the Cumulative Charge-offs data and Credit Risk Ratings similar to the method mentioned above.

Do not include direct and indirect investments in real estate ventures (this item is reported separately on the FR Y-9C report on Schedule HC item 9).

For additional information, refer to the FR Y-9C glossary entry for “Foreclosed Assets”.

#### 4. Other Assets Acquired in Satisfaction of a SNC

If all or a portion of a SNC has been satisfied in exchange for equity ownership (corporate stock or partnership interest) in a firm since the prior SNC review, the reporting bank must submit the initial recorded investment (the value of the asset) in the loan satisfied. This amount is the unpaid balance of the loan, increased by accrued and uncollected interest, unamortized premium, and loan acquisition costs, if any, and decreased by previous direct write down, finance charges, and unamortized discount, if any. This amount is entered as the Utilized Exposure Global. For the Type code, select "Other" and type in the appropriate description of the asset, such as Corporate Stock or Limited Partnership. The prior reporting period's Internal Credit Facility ID should be reported in both credit ID data fields this reporting period.

Subsequent to the initial equity reporting instructions outlined, the reporting bank must submit the above referenced commitment and utilized amount net of all SNC review mandated asset valuation write-downs, but gross of any subsequent valuation write-downs recognized by the reporting bank between SNC reviews. Subsequent valuation write-downs should be reported in the Cumulative Charge-offs data and Credit Risk Ratings similar to the method mentioned above.

For additional information, refer to the FR Y-9C glossary entry for "Foreclosed Assets".

#### 5. General Definitions

##### *Related*

Any legal entity meeting the consolidation requirements is considered related for SNC reporting. See the How to Report section above.

##### *Sovereign*

The definition of the Sovereign is identical to "Foreign Governments and Official Institutions" as defined for the FFIEC 031/041, FFIEC 002 and FR Y-9C reports. Sovereign institutions include:

- Central, state, provincial and local governments and their departments, and agencies.
- Treasuries, ministries of finance, central banks, stabilization funds, exchange authorities, and diplomatic establishments.
- Government owned banks, including development banks that perform as an important part of their activities, the functions of a treasury, central bank, exchange control office, or stabilization fund.
- International or regional organizations or subordinate or affiliated agencies thereof, created by treaty or convention between sovereign states, including the International Monetary Fund, the International Bank for Reconstruction and Development (World Bank), the Bank for International Settlements, the Inter-American Development Bank, and the United Nations.

Banking institutions owned by a government that do not function as the central bank and/or bank of issue are excluded from SNC eligibility.

## 6. Leveraged Lending and Troubled Debt designation

Reporting requirements include fields for the institution's Leveraged Lending designation (Y/N) and Troubled Debt Restructure (Y/N). All institutions should provide their leveraged lending designation (Y/N) for all reported credits. All reporters should apply their internal Troubled Debt Restructure flag (Y/N) to all reported credits. Lastly, please pay close attention to reporting instructions regarding NH, HFS, TA and SA.

## IV. DETAILED INSTRUCTIONS

### A. AGENT DATA

The data below is submitted by all reporting entities unless otherwise specified. If a reporting entity is the agent and the reporting entity's share of the committed exposure is greater than zero, the reporting entity is included as a participant.

#### Item by Item Instructions

Listed below are definitions for all reportable items. Unless specified, items are applicable to all reporters.

#### **Agent Identification**

This section contains requirements for identifying information about the agent of the credit. This may be different than the reporting entity if the legal entity that serves as the agent is not the reporting entity.

Agent locations should be reported as the location of the legal entity which is designated as the agent entity according to the credit agreement. This is most likely the registered location or chartered location of the legal entity.

1. **Internal ID:** The reporting entity's unique identifier for the agent of the credit.
2. **Original Internal ID:** The reporting entity's Internal ID (see above) assigned by the agent in the previous submission. If there is no change from the prior submission, or if it is the first time the entity is being reported, the Internal ID should be used as the Original Internal ID.
3. **Name:** The full legal name of the agent. If a co-agent exists, report the lead or primary agent.
4. **Short Name:** Short or abbreviated name of the agent used by the reporting entity. (Optional)
5. **City:** The name of the city where the agent's credits are booked.
6. **State:** The two character abbreviation of the U.S. state or Canadian province where the agent's credits are booked.

7. **Country:** The name of the country where the agent's credits are booked.
8. **ZIP/Postal Code:** U.S. ZIP or Canadian postal code. Postal codes should not be reported for countries other than the United States and Canada.
9. **Industry Code—NAICS:** The 5 or 6 digit code that best describes the primary business activity of the reporting agent according to the North American Industry Classification System. If the reporting entity does not electronically store NAICS codes, please report a SIC code (see item #10 below) but do not report both a NAICS and a SIC code. See <http://www.census.gov/eos/www/naics/> for further information about NAICS codes or to download a file containing all active NAICS codes. Please use the latest 2017 NAICS codes list.
10. **Industry Code – SIC:** The 4 digit numeric code that describes the primary business activity of the reporting agent according to the Standard Industrial Classification system. The Agencies prefer NAICS codes, however SIC codes are acceptable if the reporting entity does not electronically store NAICS codes. Only report a SIC or NAICS code, not both. See <http://www.census.gov/epcd/www/sic.html> for further information about SIC codes or <http://www.naics.com/search.htm> to find corresponding NAICS codes for existing SIC codes.
11. **TIN:** The taxpayer identification number assigned to the agent by the U.S. Internal Revenue Service (IRS) in the administration of tax laws. (*Optional*)

### **Obligor Data**

This section contains requirements for data identifying the obligor of the credit.

12. **Internal ID:** The reporting entity's unique identifier for the legal entity that is the obligor. Each legal entity should have a unique Internal ID. Do not use the same Internal ID for related obligors.
13. **Original Internal ID:** The reporting entity's Internal ID assigned to the obligor by the agent in the previous submission. If there is no change from the prior submission, or if it is the first time the entity is being reported, the Internal ID should be reported as the Original Internal ID.
14. **Name:** Full legal name of the obligor. An exception to this is for mutual fund obligors where the structure permits access to the facility by individual mutual funds under a mutual fund company umbrella. In this case, report the name as a family of funds (for example, ABC Investments Family of Funds).
15. **Short Name:** Short or abbreviated name of the obligor used by the reporting entity. (*Optional*).
16. **City:** The name of the city in which the obligor is headquartered.
17. **State:** The two-character abbreviation of the U.S. state or Canadian province in which the obligor is headquartered.
18. **Country:** The name of the country in which the obligor is headquartered.
19. **ZIP/Postal Code:** U.S. ZIP or Canadian postal code. Postal codes should not be reported for

countries other than the United States and Canada.

- 20. Industry Code—NAICS:** The 5 or 6 digit code that best describes the primary business activity of the reporting agent according to the North American Industry Classification System. If the reporting entity does not electronically store NAICS codes, please report a SIC code (see item #21 below) but do not report both a NAICS and a SIC code. See <http://www.census.gov/eos/www/naics/> for further information about NAICS codes or to download a file containing all active NAICS codes. Please use the latest 2017NAICS codes list.
- 21. Industry Code – SIC:** The 4 digit numeric code that describes the primary business activity of the reporting agent according to the Standard Industrial Classification system. The Agencies prefer NAICS codes, however SIC codes are acceptable if the reporting entity does not electronically store NAICS codes. Only report a SIC or NAICS code, not both. See <http://www.census.gov/epcd/www/sic.html> for further information about SIC codes or <http://www.naics.com/search.htm> to find corresponding NAICS codes for existing SIC codes.
- 22. TIN:** The taxpayer identification number assigned to the agent by the U.S. Internal Revenue Service (IRS) in the administration of tax laws. *(Optional)*

### Credit Data

This section contains reporting requirements for the contractual terms of the credit.

- 23. Internal Credit ID:** An identifier assigned by the reporting entity to uniquely identify the credit facility in the reporter's information system.
- 24. Original Internal Credit ID:** The Internal Credit ID assigned to the credit in the previous submission. If there is no change from the prior submission, or if it is the first time the entity is being reported, the Internal Credit ID should be reported as the Original Internal Credit ID.

Below is a table that clarifies when a new internal Credit ID should be used based on the type of loan:

Loan Status	Internal Credit ID	Original Internal Credit ID
New Loan	New	New
Amended Loan	Original	Original
Modified Loan	Original	Original
Restructured Loan	New	Original
Refinanced Loan	New	Original

- 25. Internal Utility Field 1:** This field may be used by the reporting entity to provide information to the agencies relevant to this credit. *(Optional)*
- 26. Internal Utility Field 2:** This field may be used by the reporting entity to provide information to the agencies relevant to this credit. *(Optional)*
- 27. Internal Utility Field 3:** This field may be used by the reporting entity to provide information to the agencies relevant to this credit. *(Optional)*

- 28. CUSIP:** CUSIPs are 9-character identifiers created and delivered by the CSB (CUSIP Service Bureau). The CSB is managed on behalf of the American Bankers Association by Standard & Poor's. The CUSIP captures the financial instrument's important differentiating characteristics within a common structure and is distributed for the purposes of facilitating clearing and settlement of trades. Report if credit facility has a CUSIP assigned. *(Optional)*
- 29. Origination Date:** The date a credit becomes legally binding.
- 30. Maturity Date:** Latest date upon which the funds must be repaid, according to the most recent terms of the credit agreement.
- 31. Type:** Report the type of credit. Report the code that best describes the type of credit. Valid credit type codes can be found by generating the Credit Type and Purpose Codes report in eSNC. See Appendix II for instructions on generating this report. If the predefined list does not adequately reflect the credit type, "Other" should be reported and a description of the type entered in Other Type Description.
- 32. Other Type Description:** This should only be reported in cases where the Type reported is "Other". If the predefined credit types do not adequately describe the credit type, "Other" should be reported for Type above and a description of the credit type should be reported in this item. *(Optional)*
- 33. Purpose:** Report the primary purpose of the credit. Report the purpose code that best describes the primary purpose of the credit. Valid purpose codes can be found by generating the Credit Type and Purpose Codes report in eSNC. See Appendix II for instructions on generating this report. If the pre-defined list does not adequately reflect the purpose of the credit, "Other" should be selected and a description of the purpose entered in Other Purpose Description.
- 34. Other Purpose Description:** This should only be reported in cases where the Purpose reported is "Other". If the predefined credit types do not adequately describe the credit purpose, "Other" should be reported for Purpose above and a description of the credit purpose should be reported in this item. *(Optional)*
- 35. Committed Exposure Global (in whole dollars):** The current amount the obligor is legally allowed to borrow according to the credit agreement.
- 36. Utilized Exposure Global (in whole dollars):** The current amount that has been drawn and not repaid plus the contingent liability created under a sublimit i.e. for letters of credits that have been issued but not drawn.
- 37. Cumulative Charge-offs:** For the agent's share of the credit, the cumulative charge-offs associated with this credit on the reporting entity's books. For credits accounted for at fair value where information on charge-offs is not available this field is optional. *(Optional)*.
- 38. # Days Principal or Interest Past Due:** For the agent's share of the credit, the number of days principal and/or interest payments are past due. If payments are not past due 30 days or more report zero.

- 39. Non-accrual Date:** The date the credit was placed on non-accrual status, if applicable. If the credit is accruing, report 12/31/9999.
- 40. Department Handling Account:** Name of the reporting entity's business unit that is responsible for monitoring the obligor's performance and credit quality.
- 41. Leveraged Lending Flag:** Does the reporting entity identify the credit as Leveraged (Y or N). (The definition of leveraged lending should agree with the criteria established by the reporting bank.)
- 42. Troubled Debt Restructuring Flag:** Does the reporting entity identify the credit as Troubled Debt Restructuring (Y or N). For additional information, refer to the FR Y-9C glossary entry for "Troubled Debt Restructuring".

### **Participant Lender Data**

This section details the requirements for data about each participant and each participant's share of the credit. Participants should be reported by legal entity and not aggregated. In addition, if the agent has a share of the credit, it should be included as a participant. If the agent does not hold a share of the credit, a participant record is not required for the agent.

Participant lender locations should be reported as the location of the legal entity on whose general ledger the participation resides. This is most likely the registered location or chartered location of the legal entity.

Additional guidelines for reporting participant lenders include:

- Report the actual US booking location for participating lenders that are domestic offices (branches) of foreign banks.
- Report the head office as the booking location for participating lenders that are domestic branches of domestic banks.
- Report the foreign branch as the booking location for participating lenders that are foreign (offices) branches of domestic banks.
- Report the head office as the booking location for all participating lenders that are foreign branches (non U.S.) of foreign banks.
- For non-supervised lenders, you may use an existing main office location to report various funds in the same family. It is not necessary to add a new lender if the root name of the family already exists.
- Please limit the use of "Other Financial Institutions" as a participating lender. Whenever possible, select the legal name of the lender, following the rules listed above.

**When selecting participant lenders for branches of Foreign Banking Organizations (FBOs), ensure the correct U.S. based entity is reported, and that the FBO's head office or another related foreign based entity is not selected incorrectly.**

- 43. Internal ID:** Internal identifier assigned to the participating lender by the reporting entity in the reporting entity's information system.
- 44. Original Internal ID:** The Internal ID assigned to the participant in the previous submission. If there is no change from the prior submission, the Internal ID should be reported as the Original Internal ID.
- 45. Name:** Full legal name of the participant.
- 46. Short Name:** Short or abbreviated name of the participant used by the reporting entity. (Optional)
- 47. City:** The name of the city where the participant's credits are booked.
- 48. State:** The two-character abbreviation of the U.S. state or Canadian province where the participant's credits are booked.
- 49. Country:** The name of the country where the participant's credits are booked.
- 50. ZIP / postal code:** U.S. ZIP or Canadian postal code. Postal codes should not be reported for countries other than the United States and Canada.
- 51. Industry Code—NAICS:** The 5 or 6 digit code that best describes the primary business activity of the reporting agent according to the North American Industry Classification System. If the reporting entity does not electronically store NAICS codes, please report a SIC code (see item #50 below) but do not report both a NAICS and a SIC code. See <http://www.census.gov/eos/www/naics/> for further information about NAICS codes or to download a file containing all active NAICS codes. Please use the latest 2017 NAICS codes list.
- 52. Industry Code – SIC:** The 4 digit numeric code that describes the primary business activity of the reporting agent according to the Standard Industrial Classification system. The Agencies prefer NAICS codes, however SIC codes are acceptable if the reporting entity does not electronically store NAICS codes. Only report a SIC or NAICS code, not both. See <http://www.census.gov/epcd/www/sic.html> for further information about SIC codes or <http://www.naics.com/search.htm> to find corresponding NAICS codes for existing SIC codes.
- 53. TIN:** The taxpayer identification number (TIN) assigned to the participant by the U.S. Internal Revenue Service (IRS) in the administration of tax laws. (Optional)
- 54. Share of Committed Exposure (in whole dollars):** The current dollar amount the participant has legally committed to lend according to the credit agreement.
- 55. Share of Utilized Exposure (in whole dollars):** The current amount that the participant has extended that has been drawn and not repaid plus the contingent liability created under a sublimit i.e. for letters of credits that have been issued but not drawn.

## Credit Risk Ratings<sup>2</sup>

Report the internal risk rating and the regulatory equivalent that is assigned to a credit by the agent as of the reporting date. The internal risk rating is then converted into at least one of the regulatory risk ratings below. The evaluation of each credit should be based upon the fundamentals of the particular credit, including, at a minimum:

- The overall financial condition and resources of the borrower, including the current and stabilized cash flow.
- The credit history of the borrower.
- The borrower's or principal's character.
- The purpose of the credit relative to the source of the repayment.
- The types of secondary sources of repayment.

### Internal Risk Rating

If an institution acts solely as an Agent and is not a participant in the loan, the institution should report the obligor rating in the rating field. If you do not have an obligor rating report NH (No Hold) in the ratings field.

**56. Rated Flag:** Does the reporting entity rate this credit internally (Y or N). Report Y if the Reporting Institution has either an internal credit rating or internal obligor rating. Report N if the Reporting Institution does not internally rate the credit or the obligor. If the Reporting Institution does not rate the credit or obligor internally but applies a rating from another source, such as a public rating agency or exam results, please report N.

**57. Obligor Internal Risk Rating:** Report the obligor rating grade from the reporting entity's internal risk rating system. If the reporting entity does not maintain an Obligor Internal Risk Rating and carries its position in a held for sale (HFS) or trading account (TA), or if it is a successor agent (SA) **and** does not participate in the credit (see page 4) report HFS, TA, or SA, as applicable.

Participate in Credit?	Have Obligor Risk Rating?	Obligor Internal Risk Rating
Yes	Yes	The obligor rating grade from the reporting entity's internal risk rating system.
Yes	No	Report <b>Credit Exposure</b> Internal Risk Rating.
No	No	NH or SA as applicable.
No	Yes	Report Obligor Risk Rating.

<sup>2</sup> See the Commercial Bank Examination Manual at <http://www.federalreserve.gov/boarddocs/supmanual/> for guidance on credit classification and regulatory risk ratings.

**58. Credit Exposure Internal Risk Rating:** Report the facility rating grade from the reporting entity's internal risk rating system. If the reporting entity carries its position in a HFS, TA, or if it is a SA refer to the table below for the appropriate rating.

<b>Agent's Position</b>	<b>Participate in Credit?</b>	<b>Have Obligor Rating?</b>	<b>Credit Exposure Internal Risk Rating</b>
If an institution acts solely as an Agent	Yes	N/A	The facility rating grade from the reporting entity's internal risk rating system.
If an institution acts solely as an Agent	No	Yes	Obligor Internal Risk Rating
If an institution acts solely as an Agent	No	No	NH
Institution acts as Successor Agent (SA)	No	No	SA
Institution acts as Successor Agent (SA)	No	Yes	Obligor Internal Risk Rating
Institution carries its position in a HFS or TA	Yes	Yes	Obligor Internal Risk Rating
Institution carries its position in a HFS or TA	Yes	No	HFS or TA as applicable

Concordance Rating

The credit exposure internal risk rating above should be converted to one of the concordance ratings below based upon a percentage that applies to the internal risk rating. For example, if there is a one to one match between the credit exposure internal risk rating and the concordance rating, 100 is entered in the appropriate concordance rating. If a credit exposure internal risk rating covers more than one concordance rating the percent applicable to each regulatory risk rating should be entered (e.g., 60 Investment grade 40 Substandard). For those situations where no Credit Exposure Internal Risk Rating exists but the reporting entity maintains an Obligor Internal Risk Rating, use the Obligor Internal Risk Rating for conversion into the Concordance Rating.

If the reporting entity carries its position in a held for sale (HFS), trading account (TA), or as a successor

agent (SA) report the obligor rating. If the obligor rating is not available, report a 100 for Lowest Rated Pass.

The chart below provides a diagram of the rating options:

Credit Exposure Internal Risk Rating	Obligor Internal Risk Rating	Concordance Rating	Rated Flag
Internal Rating Exists	Internal Rating Exists	Use Credit Exposure Internal Risk Rating	Y
Internal Rating Exists	No Internal Rating Exists	Use Credit Exposure Internal Risk Rating	Y
No Internal Rating Exists (HFS, TA, SA, NH or NR)	Internal Rating Exists	Use Obligor Internal Risk Rating	Y
No Internal Rating Exists	No Internal Rating Exists	Input 100 percent Lowest Rated Pass	N

Listed below are descriptions of the concordance ratings.

#### **Investment Grade (IG)**

Highest quality loans with lowest probability of default. These borrowers have adequate capacity to meet financial commitments and the risk of default by the obligor is low and the full and timely repayment of principal and interest is expected. Similar to standards for investment securities as noted in SR 12-15 and OCC Bulletin 2012-18.

#### **Non-Investment Grade (NIG)**

Internal rating buckets that fall between Investment Grade and Lowest Rated Pass.

#### **Lowest Rated Pass (LRP)**

The internal rating bucket one or two notches above the Special Mention equivalent

#### **Special Mention (SM)**

A special mention credit is defined as having potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, *at some future date*, result in the deterioration of the repayment prospects for the credit or the entity's credit position. SM credits are not considered part of the classified credits reference below.

#### **Substandard (SS)**

A substandard credit is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. SS credits are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected.

## **Doubtful (D)**

Doubtful credits have all the inherent weaknesses of SS credits with the added characteristics that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors that may work to the advantage of and strengthen the credit the loss cannot be quantified at this time.

## **Loss (L)**

Loss credits are considered uncollectable and of such little value that their continuance as bankable assets is not warranted.

- 59. % Investment Grade:** Percentage of the Committed Exposure for the credit internally rated as “Investment Grade” using the regulatory classification system.
- 60. % Non-Investment Grade:** Percentage of the Committed Exposure for the credit internally rated as “Non-Investment Grade” using the regulatory classification system.
- 61. % Lowest Rated Pass:** Percentage of the Committed Exposure for the credit internally rated as “Lowest Rated Pass” using the regulatory classification system.
- 62. % Special Mention:** Percentage of the Committed Exposure for the credit internally rated as “Special Mention” using the regulatory classification system.
- 63. % Substandard:** Percentage of the Committed Exposure for the credit internally rated as “Substandard” using the regulatory classification system.
- 64. % Doubtful:** Percentage of the Committed Exposure for the credit internally rated as “Doubtful” using the regulatory classification system.
- 65. % Loss:** Percentage of the Committed Exposure for the credit internally rated as “Loss” using the regulatory classification system.

Credit risk ratings must be entered in whole numbers. Do not enter decimal points. The sum of the credit risk ratings must equal 100 for each reported credit.

## Appendix I

### Examples for Determining if Credits are SNCs

- 1) This credit is a SNC since the committed exposure global is => \$100 million with three federally supervised entities as participants. (By definition, the reporting institution is a federally supervised entity.)

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/15/2018	\$150,000,000	\$110,000,000	Car Company ABC	Reporting Institution
		\$20,000,000		OCC Regulated Bank B
		\$15,000,000		FDIC Regulated Bank C
		\$5,000,000		Hedge Fund D

- 2) This credit is not a SNC. While the committed exposure global is => \$100 million, the reporting institution does not have a share of the committed exposure therefore there are only two federally supervised entities as participants.

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/15/2018	\$150,000,000	\$125,000,000	Car Company ABC	OCC Regulated Bank B
		\$20,000,000		FDIC Regulated Bank C
		\$5,000,000		Hedge Fund D

3) This credit is not a SNC since the committed exposure global is less than \$100 million.

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/7/2018	\$50,000,000	\$10,000,000	Car Company ABC	Reporting Institution
		\$20,000,000		OCC Regulated Bank B
		\$10,000,000		FDIC Regulated Bank C
		\$10,000,000		Hedge Fund D

4) Both of the credits below are SNCs. Individually they would not qualify as SNCs since each is less than the \$100 million global commitment amount required. However, if two or more credits are issued to the same obligor with the same origination date, meet the \$100 million threshold in aggregate, and are shared by three or more federally supervised participants (all supervised participants must be participants in each credit), all associated credits qualify as SNCs.

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/15/2018	\$55,000,000	\$41,000,000	Food Company H	Hedge Fund A
		\$2,000,000		Reporting Institution
		\$3,000,000		OCC Regulated Thrift G
		\$2,000,000		OCC Regulated Bank F
		\$7,000,000		Hedge Fund D

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/15/2018	\$50,000,000	\$45,000,000	Food Company H	Hedge Fund C
		\$2,000,000		Reporting Institution
		\$1,000,000		OCC Regulated Thrift G
		\$1,000,000		OCC Regulated Bank F
		\$1,000,000		Hedge Fund E

- 5) Neither of the credits below are SNCs. Although they are to the same obligor, have the same origination date and, in aggregate, are greater than \$100 million commitment amount global, each federally supervised participant is not in both credits. (OCC Regulated Bank B is not a participant in the first credit.)

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/20/2018	\$55,000,000	\$41,000,000	Food Company H	Hedge Fund A
		\$2,000,000		Reporting Institution
		\$3,000,000		OCC Regulated Thrift
		\$2,000,000		OCC Regulated Bank A
		\$7,000,000		Hedge Fund D

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/20/2018	\$50,000,000	\$43,000,000	Food Company H	Hedge Fund C
		\$2,000,000		Reporting Institution
		\$2,000,000		OCC Regulated Thrift
		\$1,000,000		OCC Regulated Bank A
		\$1,000,000		OCC Regulated Bank B
		\$1,000,000		Hedge Fund E

- 6) This credit is not a SNC. While the committed exposure global is greater than the threshold and there are three federally supervised entities, two of these entities (Reporting Institution and FDIC Regulated Bank and Trust) are affiliated and count as one towards the threshold of federally supervised entities. Therefore this credit does not meet the reporting threshold.

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/1/2018	\$500,000,000	\$450,000,000	Brewing Company	Reporting Institution
		\$25,000,000		FDIC Regulated Bank and Trust (affiliate of Reporting Institution)
		\$25,000,000		OCC Regulated Bank A

7) This credit is a SNC. The reporting institution in this example is Foreign Bank, N.Y. Branch. It manages the Cayman Branch of its foreign parent bank. The Cayman Branch is the agent for the credit and qualifies as a federally supervised entity. This credit has three federally supervised entities and is above the threshold for committed exposure global.

Loan Origination Date	Committed Exposure Global	Share of Committed Exposure	Obligor	Participant Lenders
3/15/2018	\$140,000,000	\$110,000,000	Technology Company TUV	Cayman Island Branch of Foreign Bank
		\$10,000,000		OCC Regulated Bank B
		\$10,000,000		FDIC Regulated Bank C
		\$10,000,000		Hedge Fund D

## Appendix II—Credit Type and Purpose Codes

For the most recent valid Credit Type and Purpose Codes, follow the instructions below to generate the Credit Type and Purpose Codes Report in eSNC:

1. Select the Reports menu.
2. From the Reports selection screen, select:
  - a. Category: Admin Reports
  - b. Report: Credit Type and Purpose Codes Report.
3. From the Credit Type and Purpose Codes Report screen, select:
  - a. From the Report Date dropdown - the current report date.
  - b. From the 'With Status' dropdown - Active.

## **Appendix II—Contact Information**

Please direct your correspondence to your primary regulator’s SNC Business Office listed below.

### **FEDERAL RESERVE SYSTEM**

Ms. Karen Bartman  
FRS National Coordinator  
(312) 636-2383  
[Karen.bartman@chi.frb.org](mailto:Karen.bartman@chi.frb.org)

Ms. Elizabeth Ewing  
FRS National Coordinator  
(312) 350-0913  
[Elizabeth.ewing@chi.frb.org](mailto:Elizabeth.ewing@chi.frb.org)

**FRS Exam Office**  
[CHI.SR.SNC.Exam.Office@chi.frb.org](mailto:CHI.SR.SNC.Exam.Office@chi.frb.org)

### **OFFICE OF THE COMPTROLLER OF THE CURRENCY**

Mr. Jeffrey Speak  
OCC National Coordinator  
(202) 631-9344  
[Jeffrey.Speak@occ.treas.gov](mailto:Jeffrey.Speak@occ.treas.gov)

**OCC SNC HOTLINE**  
[snc@occ.treas.gov](mailto:snc@occ.treas.gov)

### **FEDERAL DEPOSIT INSURANCE CORPORATION**

Mr. Mark Sheely  
FDIC National Coordinator  
(703) 835-0164  
[msheely@fdic.gov](mailto:msheely@fdic.gov)

Mr. Adam Karlin  
FDIC National Coordinator  
(781) 686-5426  
[AKarlin@FDIC.gov](mailto:AKarlin@FDIC.gov)