

FR Y-11/S Supplemental Guidance

In June 2009, the FASB issued Statement No. 167, *Amendments to FASB Interpretation No. 46(R)* (FAS 167), (now codified in FASB ASC Topic 810, Consolidation). FAS 167 revises FASB Interpretation No. 46(R), *Consolidation of Variable Interest Entities*, by changing how a company determines when an entity that is insufficiently capitalized or is not controlled through voting or similar rights, i.e., a “variable interest entity” (VIE), should be consolidated for the company’s consolidated financial statements. Respondents preparing the Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11 and FR Y-11S) should note that these reports are submitted for each legal entity subject to reporting requirements (i.e., on a parent-only basis). Therefore, consolidation of individual entities, including VIEs, is not permitted. However, respondents should separately assess whether a VIE meets the definition of subsidiary as defined by Section 225.2 of Federal Reserve Regulation Y, which generally includes companies 25 percent or more owned or controlled by another company, and determine if any such entities meet the criteria for filing the FR Y-11 or FR Y-11S.