

February 20, 2026

To the Chief Executive Officer of the Holding Company:

Annual Report of Holding Companies (FR Y-6)

The instructions to the Board's Annual Report of Holding Companies (FR Y-6) reporting form state that the Federal Reserve requires that a top-tier bank holding company, U.S. intermediate holding company, savings and loan holding company, or securities holding company (collectively, "holding companies") with total consolidated assets of \$500 million or more must have an annual audit of its consolidated financial statements by an independent public accountant.

On November 25, 2025, the Federal Deposit Insurance Corporation issued a final rule that updated certain regulatory thresholds, including the threshold for the requirement that an insured depository institution obtain an annual independent audit, which was raised from \$500 million to \$1 billion.¹ In light of these circumstances, if a top-tier holding company with total consolidated assets of at least \$500 million and less than \$1 billion does not obtain an annual audit of its consolidated financial statements by an independent public accountant in 2025 and/or 2026 (as measured at the beginning of its fiscal year), Federal Reserve supervisors would not take adverse action or make adverse findings against the firm as a result of the failure to obtain such an audit, and Federal Reserve staff would not recommend that the Board take an enforcement action against the holding company as a result of the failure to obtain such an audit. Notwithstanding the above, as set forth in the FR Y-6 instructions, supervisors may request audited financial statements from a holding company if deemed warranted for supervisory purposes. Board staff are considering whether to recommend future modifications to the Board's audit requirement.

All questions regarding these reports should be addressed to Mike Frank at Mike.Frank@Phil.FRB.org or 215-574-3450 at this Federal Reserve Bank.

Sincerely Yours,

Heather Derbyshire
Assistant Vice President
Financial Statistics Dept.

¹ See 90 Fed. Reg. 55789 (Dec. 4, 2025).