

Errata

February 10, 2017

Annual Stress Test Baseline, Adverse, and Severely Adverse Scenarios

The Office of the Comptroller of the Currency made revisions to the 2017 Dodd Frank Act Stress Test Scenarios on February 10, 2017. The revisions reflect a correction to the historical values for the BBB corporate yield. This correction resulted in adjustments to the paths of the BBB corporate yield in the baseline, adverse, and severely adverse scenarios, which also affect the scenario text. The data notes on the sources for certain historical data were also revised. The revisions are listed below.

Revisions to the scenario text

On page 4, the original text said that spreads between investment-grade corporate bond yields and 10-year Treasury yields widen to a little above 4 percentage points. This has been revised to about $3\frac{3}{4}$ percentage points.

On page 6, the original text said that the spread between yields on investment-grade corporate bonds and yields on long-term Treasury securities widened to about $5\frac{3}{4}$ percentage points, but has been revised to a spread of about $5\frac{1}{2}$ percentage points.

Revisions to the scenario variable paths

In the Excel file, pub_national_scen_20170203, the variable paths for the BBB corporate yield has been changed for Q1 of 2016 to Q1 of 2020 in all three scenarios¹

In the same Excel file, variables that had not previously been rounded have now been rounded to one decimal, or three decimals in the case of two exchange rates.

Revisions to Notes Regarding Scenario Variables

In the worksheet named Data notes in the Excel file, pub_national_scen_20170203, the following changes have been made:

In line 5, the note on U.S. real disposable income growth incorrectly referred to NIPA Table 1.2. It now refers to NIPA Table 2.1.

In line 6, the note on U.S. nominal disposable income growth incorrectly referred to NIPA Table 1.2. It now refers to NIPA Table 2.1.

In line 13, the note on U.S. mortgage rate omitted to reference additional Federal Reserve staff calculations and other sources.

¹ Cells K162:K178 for BBB corporate yield in the sheets Pub_national_scen_base, Pub_national_scen_adverse, and Pub_national_scen_sev.

In line 24, the note on Japan inflation omitted to reference additional calculations by Federal Reserve staff.

In line 26, the note on U.K. inflation omitted to reference additional calculations by Federal Reserve staff.

In line 27, the note on the exchange rates incorrectly characterized the transformation from daily to quarterly frequency. The exchange rates are end-of-quarter rates, not quarterly averages of daily rates. The same note incorrectly characterized the source of the exchange rates. The source is the H.10 Release, Foreign Exchange Rates, Federal Reserve Board, not Bloomberg.