Table 14: Select Country Exposures

	September 30, 2016								
	Lending (1)		Securities (2)		Derivatives and other (3)		Total exposure		
(in millions)	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign	Sovereign	Non-sovereign (4)	Total
Top 20 country exposures:									
United Kingdom	$ 3,522	16,743	7	3,557	—	3,096	3,529	23,396	26,925
Canada	1	16,190	71	567	—	836	72	17,593	17,665
Cayman Islands	—	4,597	—	—	—	237	—	4,834	4,834
Ireland	—	3,975	—	123	—	117	—	4,215	4,215
Germany	2,368	1,259	—	100	—	438	2,368	1,797	4,165
Bermuda	—	2,793	—	181	—	145	—	3,119	3,119
Australia	—	1,620	—	757	—	67	—	2,444	2,444
India	—	2,134	—	178	—	7	—	2,319	2,319
Netherlands	—	1,722	—	500	—	53	—	2,275	2,275
Brazil	—	1,880	—	11	—	8	—	1,899	1,899
France	—	840	—	919	—	91	—	1,850	1,850
China	—	1,732	(2)	77	8	1	6	1,810	1,816
South Korea	—	1,577	(2)	58	1	1	(1)	1,636	1,635
Switzerland	—	1,461	—	3	—	77	—	1,541	1,541
Mexico	193	1,262	1	16	—	8	194	1,286	1,480
Guernsey	—	1,463	—	(2)	—	1	—	1,462	1,462
Chile	—	1,435	—	5	—	9	—	1,449	1,449
Turkey	—	1,218	—	80	—	1	—	1,299	1,299
Luxembourg	—	977	—	153	—	15	—	1,145	1,145
Jersey, C.I.	—	790	—	236	—	29	—	1,055	1,055
Total top 20 country exposures	$ 6,084	65,668	75	7,519	9	5,237	6,168	78,424	84,592
Eurozone exposure:									
Eurozone countries included in Top 20 above (5)	$ 2,368	8,773	—	1,795	—	714	2,368	11,282	13,650
Austria	—	595	—	—	—	1	—	596	596
Spain	—	302	—	84	—	9	—	395	395
Belgium	—	288	—	3	—	1	—	292	292
Other Eurozone exposure (6)	22	109	—	38	—	8	22	155	177
Total Eurozone exposure	$ 2,390	10,067	—	1,920	—	733	2,390	12,720	15,110

(1) Lending exposure includes funded loans and unfunded commitments, leveraged leases, and money market placements presented on a gross basis prior to the deduction of impairment allowance and collateral received under the terms of the credit agreements. For the countries listed above, includes $16 million in PCI loans, predominantly to customers in Germany and the Netherlands, and $947 million in defeased leases secured primarily by U.S. Treasury and government agency securities, or government guaranteed.

(2) Represents exposure on debt and equity securities of foreign issuers. Long and short positions are netted and net short positions are reflected as negative exposure.

(3) Represents counterparty exposure on foreign exchange and derivative contracts, and securities resale and lending agreements. This exposure is presented net of counterparty netting adjustments and reduced by the amount of cash collateral. It includes credit default swaps (CDS) predominantly used to manage our U.S. and London-based cash credit trading businesses, which sometimes results in selling and purchasing protection on the identical reference entity. Generally, we do not use market instruments such as CDS to hedge the credit risk of our investment or loan positions, although we do use them to manage risk in our trading businesses. At September 30, 2016, the gross notional amount of our CDS sold that reference assets in the Top 20 or Eurozone countries was $2.3 billion, which was offset by the notional amount of CDS purchased of $2.5 billion. We did not have any CDS purchased or sold that reference pools of assets that contain sovereign debt or where the reference asset was solely the sovereign debt of a foreign country.

(4) For countries presented in the table, total non-sovereign exposure comprises $37.7 billion exposure to financial institutions and $42.2 billion to non-financial corporations at September 30, 2016.

(5) Consists of exposure to Ireland, Germany, Netherlands, France and Luxembourg included in Top 20.

(6) Includes non-sovereign exposure to Italy and Portugal in the amount of $114 million and $22 million, respectively, and no non-sovereign exposure in Greece. We had no sovereign debt exposure to Italy and Greece, and the exposure to Portugal was immaterial at September 30, 2016.

REAL ESTATE 1-4 FAMILY FIRST AND JUNIOR LIEN MORTGAGE LOANS Our real estate 1-4 family first and junior lien mortgage loans, as presented in Table 15, include loans we have made to customers and retained as part of our asset/liability management strategy, the Pick-a-Pay portfolio acquired from Wachovia which is discussed later in this Report and other purchased loans, and loans included on our balance sheet as a result of consolidation of variable interest entities (VIEs).

Table 15: Real Estate 1-4 Family First and Junior Lien Mortgage Loans

	September 30, 2016		December 31, 2015	
(in millions)	Balance	% of portfolio	Balance	% of portfolio
Real estate 1-4 family first mortgage	$ 278,689	85%	$ 273,869	84%
Real estate 1-4 family junior lien mortgage	48,105	15	53,004	16
Total real estate 1-4 family mortgage loans	$ 326,794	100%	$ 326,873	100%

The real estate 1-4 family mortgage loan portfolio includes some loans with adjustable-rate features and some with an interest-only feature as part of the loan terms. Interest-only loans were approximately 7% and 9% of total loans at September 30, 2016, and December 31, 2015, respectively. We believe we have manageable adjustable-rate mortgage (ARM) reset risk across our owned mortgage loan portfolios. We do not offer option ARM products, nor do we offer variable-rate mortgage products with fixed payment amounts, commonly referred to within the financial services industry as negative amortizing mortgage loans. The option ARMs we do have are included in the Pick-a-Pay portfolio which was acquired from Wachovia. Since our acquisition of the Pick-a-Pay loan portfolio at the end of 2008, the option payment portion of the portfolio has reduced from 86% to 37% at September 30, 2016, as a result of our modification activities and customers exercising their option to convert to fixed payments. For more information, see the "Pick-a-Pay Portfolio" section in this Report.

We continue to modify real estate 1-4 family mortgage loans to assist homeowners and other borrowers experiencing financial difficulties. For more information on our participation in the U.S. Treasury's Making Home Affordable (MHA) programs, see the "Risk Management – Credit Risk Management – Real Estate 1-4 Family First and Junior Lien Mortgage Loans" section in our 2015 Form 10-K.

Part of our credit monitoring includes tracking delinquency, current FICO scores and loan/combined loan to collateral values (LTV/CLTV) on the entire real estate 1-4 family mortgage loan portfolio. These credit risk indicators, which exclude government insured/guaranteed loans, continued to improve in third quarter 2016 on the non-PCI mortgage portfolio. Loans 30 days or more delinquent at September 30, 2016, totaled $6.0 billion, or 2% of total non-PCI mortgages, compared with $8.3 billion, or 3%, at December 31, 2015. Loans with FICO scores lower than 640 totaled $17.6 billion, or 6% of total non-PCI mortgages at September 30, 2016, compared with $21.1 billion, or 7%, at December 31, 2015. Mortgages with a LTV/CLTV greater than 100% totaled $10.5 billion at September 30, 2016, or 3% of total non-PCI mortgages, compared with $15.1 billion, or 5%, at December 31, 2015. Information regarding credit quality indicators, including PCI credit quality indicators, can be found in Note 5 (Loans and Allowance for Credit Losses) to Financial Statements in this Report.

Real estate 1-4 family first and junior lien mortgage loans by state are presented in Table 16. Our real estate 1-4 family mortgage loans (including PCI loans) to borrowers in California represented approximately 12% of total loans at September 30, 2016, located mostly within the larger metropolitan areas, with no single California metropolitan area consisting of more than 5% of total loans. We monitor changes in real estate values and underlying economic or market conditions for all geographic areas of our real estate 1-4 family mortgage portfolio as part of our credit risk management process. Our underwriting and periodic review of loans secured by residential real estate collateral includes appraisals or estimates from automated valuation models (AVMs) to support property values. Additional information about AVMs and our policy for their use can be found in Note 5 (Loans and Allowance for Credit Losses) to Financial Statements in this Report and the "Risk Management – Credit Risk Management – Real Estate 1-4 Family First and Junior Lien Mortgage Loans" section in our 2015 Form 10-K.

Table 16: Real Estate 1-4 Family First and Junior Lien Mortgage Loans by State

	September 30, 2016			
(in millions)	Real estate 1-4 family first mortgage	Real estate 1-4 family junior lien mortgage	Total real estate 1-4 family mortgage	% of total loans
Real estate 1-4 family loans (excluding PCI):				
California	$ 92,671	13,168	105,839	11%
New York	23,198	2,253	25,451	2
Florida	13,824	4,388	18,212	2
New Jersey	12,529	4,160	16,689	2
Virginia	7,456	2,780	10,236	1
Texas	8,491	810	9,301	1
Washington	7,615	1,105	8,720	1
Pennsylvania	5,761	2,565	8,326	1
North Carolina	6,086	2,217	8,303	1
Other (1)	64,511	14,617	79,128	8
Government insured/guaranteed loans (2)	19,717	—	19,717	2
Real estate 1-4 family loans (excluding PCI)	261,859	48,063	309,922	32
Real estate 1-4 family PCI loans (3)	16,830	42	16,872	2
Total	$ 278,689	48,105	326,794	34%

(1) Consists of 41 states; no state had loans in excess of $7.2 billion.
(2) Represents loans whose repayments are predominantly insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA).
(3) Includes $11.7 billion in real estate 1-4 family mortgage PCI loans in California.

First Lien Mortgage Portfolio Our total real estate 1-4 family first lien mortgage portfolio increased $1.5 billion in third quarter 2016 and $4.8 billion in the first nine months of 2016, as we retained $15.9 billion and $43.9 billion in non-conforming originations, consisting of loans that exceed conventional conforming loan amount limits established by federal government-sponsored entities (GSEs), in the third quarter and first nine months of 2016, respectively.

The credit performance associated with our real estate 1-4 family first lien mortgage portfolio continued to improve in third quarter 2016, as measured through net charge-offs and nonaccrual loans. Net charge-offs (annualized) as a percentage of average real estate 1-4 family first lien mortgage loans improved to 0.03% and 0.04% in the third quarter and first nine months of 2016, respectively, compared with 0.09% and 0.11% for the same periods a year ago. Nonaccrual loans were $5.3 billion at September 30, 2016, compared with $7.3 billion at December 31, 2015. Improvement in the credit performance was driven by an improving housing environment. Real estate 1-4 family first lien mortgage loans originated after 2008, which generally utilized tighter underwriting standards, have resulted in minimal losses to date and were approximately 72% of our total real estate 1-4 family first lien mortgage portfolio as of September 30, 2016.

Table 17 shows certain delinquency and loss information for the first lien mortgage portfolio and lists the top five states by outstanding balance.

Table 17: First Lien Mortgage Portfolio Performance

	Outstanding balance		% of loans 30 days or more past due		Loss (recovery) rate (annualized) quarter ended				
(in millions)	**Sep 30, 2016**	Dec 31, 2015	**Sep 30, 2016**	Dec 31, 2015	**Sep 30, 2016**	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
California	**$ 92,671**	88,367	**1.29%**	1.87	**(0.08)**	(0.09)	(0.07)	(0.05)	(0.05)
New York	**23,198**	20,962	**2.03**	3.07	**0.07**	0.11	0.12	0.08	0.13
Florida	**13,824**	14,068	**3.73**	5.14	**(0.04)**	(0.19)	0.03	0.02	0.16
New Jersey	**12,529**	11,825	**3.79**	5.68	**0.37**	0.42	0.44	0.33	0.38
Texas	**8,491**	8,153	**2.21**	2.80	**0.06**	0.09	0.10	0.02	—
Other	**91,429**	88,951	**2.58**	3.72	**0.10**	0.10	0.18	0.21	0.23
Total	**242,142**	232,326	**2.15%**	3.11	**0.03**	0.02	0.08	0.09	0.11
Government insured/guaranteed loans	**19,717**	22,353							
PCI	**16,830**	19,190							
Total first lien mortgages	**$ 278,689**	273,869							

Pick-a-Pay Portfolio The Pick-a-Pay portfolio was one of the consumer residential first lien mortgage portfolios we acquired from Wachovia and a majority of the portfolio was identified as PCI loans.

The Pick-a-Pay portfolio includes loans that offer payment options (Pick-a-Pay option payment loans), and also includes loans that were originated without the option payment feature, loans that no longer offer the option feature as a result of our modification efforts since the acquisition, and loans where the customer voluntarily converted to a fixed-rate product. The Pick-a-Pay portfolio is included in the consumer real estate 1-4 family first mortgage class of loans throughout this Report. Table 18 provides balances by types of loans as of September 30, 2016, as a result of modification efforts, compared to the types of loans included in the portfolio at acquisition. Total adjusted unpaid principal balance of PCI Pick-a-Pay loans was $21.4 billion at September 30, 2016, compared with $61.0 billion at acquisition. Due to loan modification and loss mitigation efforts, the adjusted unpaid principal balance of option payment PCI loans has declined to 14% of the total Pick-a-Pay portfolio at September 30, 2016, compared with 51% at acquisition.

Table 18: Pick-a-Pay Portfolio – Comparison to Acquisition Date

			December 31,			
	September 30, 2016		2015		2008	
(in millions)	**Adjusted unpaid principal balance (1)**	**% of total**	Adjusted unpaid principal balance (1)	% of total	Adjusted unpaid principal balance (1)	% of total
Option payment loans	**$ 14,378**	**37%**	$ 16,828	39%	$ 99,937	86%
Non-option payment adjustable-rate and fixed-rate loans	**4,907**	**13**	5,706	13	15,763	14
Full-term loan modifications	**19,333**	**50**	21,193	48	—	—
Total adjusted unpaid principal balance	**$ 38,618**	**100%**	$ 43,727	100%	$ 115,700	100%
Total carrying value	**$ 33,999**		39,065		95,315	

(1) Adjusted unpaid principal balance includes write-downs taken on loans where severe delinquency (normally 180 days) or other indications of severe borrower financial stress exist that indicate there will be a loss of contractually due amounts upon final resolution of the loan.

Table 19 reflects the geographic distribution of the Pick-a-Pay portfolio broken out between PCI loans and all other loans. The LTV ratio is a useful metric in evaluating future real estate 1-4 family first mortgage loan performance, including potential charge-offs. Because PCI loans were initially recorded at fair value, including write-downs for expected credit losses, the ratio of the carrying value to the current collateral value will be lower compared with the LTV based on the adjusted unpaid principal balance. For informational purposes, we have included both ratios for PCI loans in the following table.

Table 19: Pick-a-Pay Portfolio (1)

	September 30, 2016					
	PCI loans				All other loans	
(in millions)	Adjusted unpaid principal balance (2)	Current LTV ratio (3)	Carrying value (4)	Ratio of carrying value to current value (5)	Carrying value (4)	Ratio of carrying value to current value (5)
California	$ 14,852	66%	$ 11,643	51%	$ 8,330	48%
Florida	1,701	76	1,266	55	1,740	61
New Jersey	697	80	509	57	1,142	67
New York	494	75	415	57	561	64
Texas	182	50	161	44	686	40
Other states	3,458	75	2,712	58	4,834	61
Total Pick-a-Pay loans	$ 21,384	69	$ 16,706	53	$ 17,293	54

(1) The individual states shown in this table represent the top five states based on the total net carrying value of the Pick-a-Pay loans at the beginning of 2016.
(2) Adjusted unpaid principal balance includes write-downs taken on loans where severe delinquency (normally 180 days) or other indications of severe borrower financial stress exist that indicate there will be a loss of contractually due amounts upon final resolution of the loan.
(3) The current LTV ratio is calculated as the adjusted unpaid principal balance divided by the collateral value. Collateral values are generally determined using automated valuation models (AVM) and are updated quarterly. AVMs are computer-based tools used to estimate market values of homes based on processing large volumes of market data including market comparables and price trends for local market areas.
(4) Carrying value does not reflect related allowance for loan losses but does reflect remaining purchase accounting adjustments and any charge-offs.
(5) The ratio of carrying value to current value is calculated as the carrying value divided by the collateral value.

Since the Wachovia acquisition, we have completed over 135,000 proprietary and Home Affordability Modification Program (HAMP) Pick-a-Pay loan modifications, including over 900 modifications in third quarter 2016. Pick-a-Pay loan modifications have resulted in over $6.1 billion of principal forgiveness. We have also provided interest rate reductions and loan term extensions of up to 40 years to enable sustainable homeownership for our Pick-a-Pay customers. As a result of these loss mitigation programs, approximately 70% of our Pick-a-Pay PCI adjusted unpaid principal balance as of September 30, 2016 has been modified.

The predominant portion of our PCI loans is included in the Pick-a-Pay portfolio. We regularly evaluate our estimates, of cash flows expected to be collected on our PCI loans. Our cash flows expected to be collected have been favorably affected over time by lower expected defaults and losses as a result of observed and forecasted economic strengthening, particularly in housing prices, and our loan modification efforts. When we periodically update our cash flow estimates we have historically expected that the credit-stressed borrower characteristics and distressed collateral values associated with our Pick-a-Pay PCI loans would limit the ability of these borrowers to prepay their loans, thus increasing the future expected weighted-average life of the portfolio since acquisition. However, over the last several quarters we have observed a higher prepayment trend emerging in our Pick-a-Pay PCI loans portfolio. We attribute this favorable prepayment experience to the benefits of home price appreciation which has resulted in loan (unpaid principal balance) to value ratios reaching an important industry refinancing inflection point of below 80%. As a result, we have experienced an increased level of borrowers qualifying for products to refinance their loans which may not have previously been available to them. Therefore, for third quarter 2016, we revised our Pick-a-Pay PCI loan cash flow estimates to reflect our expectation that the modified portion of the portfolio will have significantly higher prepayments over the remainder of its life. The recent reductions in loan to value ratios and projections of sustained higher housing prices have reduced our loss estimates for this portfolio. The significant increase in expected prepayments lowered our estimated weighted-average life to approximately 7.6 years at September 30, 2016, from 11.5 years at June 30, 2016. Also, our revised cash flow estimates resulted in a $4.1 billion reduction in the accretable yield balance as of September 30, 2016, driven by a $4.9 billion reduction in expected cash flows resulting from the shorter estimated weighted-average life, partially offset by a transfer of $1.2 billion from nonaccretable difference to accretable yield due to the reduction in expected losses. Because the $1.2 billion transfer from nonaccretable difference to accretable yield resulted in a high amount of accretable yield relative to the shortened estimated weighted-average life, we expect the accretable yield percentage to be 8.22% for fourth quarter 2016, up from 6.68% at September 30, 2016.

Since acquisition, due to better than expected performance observed on the PCI portion of the Pick-a-Pay portfolio compared with the original acquisition estimates, we have reclassified $8.3 billion from the nonaccretable difference to the accretable yield. Fluctuations in the accretable yield are driven by changes in interest rate indices for variable rate PCI loans, prepayment assumptions, and expected principal and interest payments over the estimated life of the portfolio, which will be affected by the pace and degree of improvements in the U.S. economy and housing markets and projected lifetime performance resulting from loan modification activity. Changes in the projected timing of cash flow events, including loan liquidations, modifications and short sales, can also affect the accretable yield and the estimated weighted-average life of the portfolio.

For further information on the judgment involved in estimating expected cash flows for PCI loans, see the “Critical Accounting Policies – Purchased Credit-Impaired Loans” section and Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2015 Form 10-K.

For further information on the Pick-a-Pay portfolio, including recast risk, deferral of interest and loan modifications, see the "Risk Management – Credit Risk Management – Pick-a-Pay Portfolio" section in our 2015 Form 10-K.

Junior Lien Mortgage Portfolio The junior lien mortgage portfolio consists of residential mortgage lines and loans that are subordinate in rights to an existing lien on the same property. It is not unusual for these lines and loans to have draw periods, interest only payments, balloon payments, adjustable rates and similar features. Substantially all of our junior lien loan products are amortizing payment loans with fixed interest rates and repayment periods between five to 30 years.

We continuously monitor the credit performance of our junior lien mortgage portfolio for trends and factors that influence the frequency and severity of loss. We have observed that the severity of loss for junior lien mortgages is high and generally not affected by whether we or a third party own or service the related first lien mortgage, but the frequency of delinquency is typically lower when we own or service the first lien mortgage. In general, we have limited information available on the delinquency status of the third party owned or serviced senior lien where we also hold a junior lien. To capture this inherent loss content, our allowance process for junior lien mortgages considers the relative difference in loss experience for junior lien mortgages behind first lien mortgage loans we own or service, compared with those behind first lien mortgage loans owned or serviced by third parties. In addition, our allowance process for junior lien mortgages that are current, but are in their revolving period, considers the inherent loss where the borrower is delinquent on the corresponding first lien mortgage loans.

Table 20 shows certain delinquency and loss information for the junior lien mortgage portfolio and lists the top five states by outstanding balance. The decrease in outstanding balances since December 31, 2015, predominantly reflects loan paydowns. As of September 30, 2016, 13% of the outstanding balance of the junior lien mortgage portfolio was associated with loans that had a combined loan to value (CLTV) ratio in excess of 100%. Of those junior lien mortgages with a CLTV ratio in excess of 100%, 2.64% were 30 days or more past due. CLTV means the ratio of the total loan balance of first lien mortgages and junior lien mortgages (including unused line amounts for credit line products) to property collateral value. The unsecured portion (the outstanding amount that was in excess of the most recent property collateral value) of the outstanding balances of these loans totaled 5% of the junior lien mortgage portfolio at September 30, 2016.

Table 20: Junior Lien Mortgage Portfolio Performance

	Outstanding balance		% of loans 30 days or more past due		Loss rate (annualized) quarter ended				
(in millions)	**Sep 30, 2016**	Dec 31, 2015	**Sep 30, 2016**	Dec 31, 2015	**Sep 30, 2016**	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
California	**$ 13,168**	14,554	**1.77%**	2.03	**(0.13)**	0.07	0.27	0.12	0.21
Florida	**4,388**	4,823	**2.21**	2.45	**0.56**	0.76	0.79	0.51	1.02
New Jersey	**4,160**	4,462	**2.89**	3.06	**0.96**	1.10	0.84	0.77	1.23
Virginia	**2,780**	2,991	**1.85**	2.05	**0.55**	0.87	0.80	0.77	0.73
Pennsylvania	**2,565**	2,748	**2.14**	2.35	**0.75**	0.58	0.55	0.66	0.79
Other	**21,002**	23,357	**1.96**	2.24	**0.51**	0.53	0.63	0.68	0.70
Total	**48,063**	52,935	**2.01%**	2.27	**0.40**	0.49	0.57	0.52	0.64
PCI	**42**	69							
Total junior lien mortgages	**$ 48,105**	53,004							

Our junior lien, as well as first lien, lines of credit portfolios generally have draw periods of 10, 15 or 20 years with variable interest rate and payment options during the draw period of (1) interest only or (2) 1.5% of outstanding principal balance plus accrued interest. During the draw period, the borrower has the option of converting all or a portion of the line from a variable interest rate to a fixed rate with terms including interest-only payments for a fixed period between three to seven years or a fully amortizing payment with a fixed period between five to 30 years. At the end of the draw period, a line of credit generally converts to an amortizing payment schedule with repayment terms of up to 30 years based on the balance at time of conversion. Certain lines and loans have been structured with a balloon payment, which requires full repayment of the outstanding balance at the end of the term period. The conversion of lines or loans to fully amortizing or balloon payoff may result in a significant payment increase, which can affect some borrowers' ability to repay the outstanding balance.

On a monthly basis, we monitor the payment characteristics of borrowers in our junior lien portfolio. In September 2016, approximately 48% of these borrowers paid only the minimum amount due and approximately 46% paid more than the minimum amount due. The rest were either delinquent or paid less than the minimum amount due. For the borrowers with an interest only payment feature, approximately 35% paid only the minimum amount due and approximately 60% paid more than the minimum amount due.

The lines that enter their amortization period may experience higher delinquencies and higher loss rates than the ones in their draw or term period. We have considered this increased inherent risk in our allowance for credit loss estimate.

In anticipation of our borrowers reaching the end of their contractual commitment, we have created a program to inform, educate and help these borrowers transition from interest-only to fully-amortizing payments or full repayment. We monitor the performance of the borrowers moving through the program in an effort to refine our ongoing program strategy.

Table 21 reflects the outstanding balance of our portfolio of junior lien mortgages, including lines and loans, and senior lien lines segregated into scheduled end of draw or end of term periods and products that are currently amortizing, or in balloon repayment status. It excludes real estate 1-4 family first lien line reverse mortgages, which total $2.0 billion, because they are predominantly insured by the FHA, and it excludes PCI loans, which total $67 million, because their losses were generally reflected in our nonaccretable difference established at the date of acquisition.

Table 21: Junior Lien Mortgage Line and Loan and Senior Lien Mortgage Line Portfolios Payment Schedule

			Scheduled end of draw / term						
(in millions)		**Outstanding balance September 30, 2016**	Remainder of 2016	2017	2018	2019	2020	2021 and thereafter (1)	Amortizing
Junior lien lines and loans	**$**	**48,063**	853	4,222	2,483	1,004	904	25,466	13,131
First lien lines		**15,459**	116	634	770	356	325	11,259	1,999
Total (2)(3)	**$**	**63,522**	969	4,856	3,253	1,360	1,229	36,725	15,130
% of portfolios		**100%**	2	8	5	2	2	58	23

(1) Substantially all lines and loans are scheduled to convert to amortizing loans by the end of 2026, with annual scheduled amounts through that date ranging from $2.4 billion to $8.1 billion and averaging $6.1 billion per year.
(2) Junior and first lien lines are mostly interest-only during their draw period. The unfunded credit commitments for junior and first lien lines totaled $66.6 billion at September 30, 2016.
(3) Includes scheduled end-of-term balloon payments for lines and loans totaling $31 million, $281 million, $359 million, $346 million, $373 million and $963 million for 2016 2017, 2018, 2019, 2020, and 2021 and thereafter, respectively. Amortizing lines and loans include $133 million of end-of-term balloon payments, which are past due. At September 30, 2016, $503 million, or 4% of outstanding lines of credit that are amortizing, are 30 days or more past due compared to $737 million or 2% for lines in their draw period.

CREDIT CARDS Our credit card portfolio totaled $35.0 billion at September 30, 2016, which represented 4% of our total outstanding loans. The net charge-off rate (annualized) for our credit card portfolio was 2.82% for third quarter 2016, compared with 2.71% for third quarter 2015 and 3.07% and 3.03% for the first nine months of 2016 and 2015, respectively.

AUTOMOBILE Our automobile portfolio, predominantly composed of indirect loans, totaled $62.9 billion at September 30, 2016. The net charge-off rate (annualized) for our automobile portfolio was 0.87% for third quarter 2016, compared with 0.76% for third quarter 2015 and 0.77% and 0.66% for the first nine months of 2016 and 2015, respectively. The increase in net charge-offs in 2016 as compared with 2015 was consistent with trends in the automobile lending industry.

OTHER REVOLVING CREDIT AND INSTALLMENT Other revolving credit and installment loans totaled $40.2 billion at September 30, 2016, and primarily included student and security-based loans. Student loans totaled $12.5 billion at September 30, 2016. The net charge-off rate (annualized) for other revolving credit and installment loans was 1.40% for third quarter 2016, compared with 1.35% for third quarter 2015 and 1.38% and 1.31% for the first nine months of 2016 and 2015, respectively.

NONPERFORMING ASSETS (NONACCRUAL LOANS AND FORECLOSED ASSETS) Table 22 summarizes nonperforming assets (NPAs) for each of the last four quarters. Total NPAs decreased $1.1 billion from second quarter 2016 to $12.0 billion with improvement across our consumer and commercial portfolios. Nonaccrual loans decreased $977 million from second quarter to $11.0 billion led by a $732 million decrease in consumer nonaccruals, which included the sale of nonaccrual loans during third quarter 2016. Foreclosed assets of $1.0 billion were down $97 million from second quarter 2016.

We generally place loans on nonaccrual status when:

- the full and timely collection of interest or principal becomes uncertain (generally based on an assessment of the borrower's financial condition and the adequacy of collateral, if any);
- they are 90 days (120 days with respect to real estate 1-4 family first and junior lien mortgages) past due for interest or principal, unless both well-secured and in the process of collection;
- part of the principal balance has been charged off;
- for junior lien mortgages, we have evidence that the related first lien mortgage may be 120 days past due or in the process of foreclosure regardless of the junior lien delinquency status; or
- consumer real estate and automobile loans are discharged in bankruptcy, regardless of their delinquency status.

Table 22: Nonperforming Assets (Nonaccrual Loans and Foreclosed Assets)

	September 30, 2016		June 30, 2016		March 31, 2016		December 31, 2015	
($ in millions)	**Balance**	**% of total loans**	Balance	% of total loans	Balance	% of total loans	Balance	% of total loans
Nonaccrual loans:								
Commercial:								
Commercial and industrial	**$ 3,331**	**1.03%**	$ 3,464	1.07%	$ 2,911	0.91%	$ 1,363	0.45%
Real estate mortgage	**780**	**0.60**	872	0.68	896	0.72	969	0.79
Real estate construction	**59**	**0.25**	59	0.25	63	0.27	66	0.30
Lease financing	**92**	**0.49**	112	0.59	99	0.52	26	0.21
Total commercial	**4,262**	**0.86**	4,507	0.91	3,969	0.81	2,424	0.53
Consumer:								
Real estate 1-4 family first mortgage (1)	**5,310**	**1.91**	5,970	2.15	6,683	2.43	7,293	2.66
Real estate 1-4 family junior lien mortgage	**1,259**	**2.62**	1,330	2.67	1,421	2.77	1,495	2.82
Automobile	**108**	**0.17**	111	0.18	114	0.19	121	0.20
Other revolving credit and installment	**47**	**0.12**	45	0.11	47	0.12	49	0.13
Total consumer	**6,724**	**1.45**	7,456	1.61	8,265	1.80	8,958	1.95
Total nonaccrual loans (2)(3)(4)	**10,986**	**1.14**	11,963	1.25	12,234	1.29	11,382	1.24
Foreclosed assets:								
Government insured/guaranteed (5)	**282**		321		386		446	
Non-government insured/guaranteed	**738**		796		893		979	
Total foreclosed assets	**1,020**		1,117		1,279		1,425	
Total nonperforming assets	**$ 12,006**	**1.25%**	$ 13,080	1.37%	$ 13,513	1.43%	$ 12,807	1.40%
Change in NPAs from prior quarter	**$ (1,074)**		(433)		706		(497)	

(1) Includes MHFS of $150 million, $155 million, $157 million, and $177 million at September 30, June 30 and March 31, 2016, and December 31, 2015, respectively.
(2) Excludes PCI loans because they continue to earn interest income from accretable yield, independent of performance in accordance with their contractual terms.
(3) Real estate 1-4 family mortgage loans predominantly insured by the FHA or guaranteed by the VA and student loans predominantly guaranteed by agencies on behalf of the U.S. Department of Education under the Federal Family Education Loan Program are not placed on nonaccrual status because they are insured or guaranteed.
(4) See Note 5 (Loans and Allowance for Credit Losses) to Financial Statements in this Report for further information on impaired loans.
(5) Consistent with regulatory reporting requirements, foreclosed real estate resulting from government insured/guaranteed loans are classified as nonperforming. Both principal and interest related to these foreclosed real estate assets are collectible because the loans were predominantly insured by the FHA or guaranteed by the VA. Foreclosure of certain government guaranteed residential real estate mortgage loans that meet criteria specified by Accounting Standards Update (ASU) 2014-14, *Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure*, effective as of January 1, 2014 are excluded from this table and included in Accounts Receivable in Other Assets. For more information on the changes in foreclosures for government guaranteed residential real estate mortgage loans, see Note 1 (Summary of Significant Accounting Policies) to Financial Statements in our 2015 Form 10-K.

Table 23 provides an analysis of the changes in nonaccrual loans.

Table 23: Analysis of Changes in Nonaccrual Loans

		Quarter ended			
(in millions)		**Sep 30, 2016**	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
Commercial nonaccrual loans						
Balance, beginning of period	$	**4,507**	3,969	2,424	2,336	2,522
Inflows		**1,180**	1,936	2,291	793	382
Outflows:						
Returned to accruing		**(80)**	(32)	(34)	(44)	(26)
Foreclosures		**(1)**	(6)	(4)	(72)	(32)
Charge-offs		**(290)**	(420)	(317)	(243)	(135)
Payments, sales and other (1)		**(1,054)**	(940)	(391)	(346)	(375)
Total outflows		**(1,425)**	(1,398)	(746)	(705)	(568)
Balance, end of period		**4,262**	4,507	3,969	2,424	2,336
Consumer nonaccrual loans						
Balance, beginning of period		**7,456**	8,265	8,958	9,201	9,921
Inflows		**868**	829	964	1,226	1,019
Outflows:						
Returned to accruing		**(597)**	(546)	(584)	(646)	(676)
Foreclosures		**(85)**	(85)	(98)	(89)	(99)
Charge-offs		**(192)**	(167)	(203)	(204)	(228)
Payments, sales and other (1)		**(726)**	(840)	(772)	(530)	(736)
Total outflows		**(1,600)**	(1,638)	(1,657)	(1,469)	(1,739)
Balance, end of period		**6,724**	7,456	8,265	8,958	9,201
Total nonaccrual loans	$	**10,986**	11,963	12,234	11,382	11,537

(1) Other outflows include the effects of VIE deconsolidations and adjustments for loans carried at fair value.

Typically, changes to nonaccrual loans period-over-period represent inflows for loans that are placed on nonaccrual status in accordance with our policy, offset by reductions for loans that are paid down, charged off, sold, foreclosed, or are no longer classified as nonaccrual as a result of continued performance and an improvement in the borrower's financial condition and loan repayment capabilities. Also, reductions can come from borrower repayments even if the loan remains on nonaccrual.

While nonaccrual loans are not free of loss content, we believe exposure to loss is significantly mitigated by the following factors at September 30, 2016:

- 94% of total commercial nonaccrual loans and over 99% of total consumer nonaccrual loans are secured. Of the consumer nonaccrual loans, 98% are secured by real estate and 78% have a combined LTV (CLTV) ratio of 80% or less.
- losses of $463 million and $2.3 billion have already been recognized on 13% of commercial nonaccrual loans and 48% of consumer nonaccrual loans, respectively. Generally, when a consumer real estate loan is 120 days past due (except when required earlier by guidance issued by bank regulatory agencies), we transfer it to nonaccrual status. When the loan reaches 180 days past due, or is discharged in bankruptcy, it is our policy to write these loans down to net realizable value (fair value of collateral less estimated costs to sell), except for modifications in their trial period that are not written down as long as trial payments are made on time. Thereafter, we reevaluate each loan regularly and record additional write-downs if needed.
- 88% of commercial nonaccrual loans were current on interest, but were on nonaccrual status because the full or timely collection of interest or principal had become uncertain.
- the risk of loss of all nonaccrual loans has been considered and we believe is adequately covered by the allowance for loan losses.
- $1.7 billion of consumer loans discharged in bankruptcy and classified as nonaccrual were 60 days or less past due, of which $1.6 billion were current.

We continue to work with our customers experiencing financial difficulty to determine if they can qualify for a loan modification so that they can stay in their homes. Under both our proprietary modification programs and the MHA programs, customers may be required to provide updated documentation, and some programs require completion of payment during trial periods to demonstrate sustained performance before the loan can be removed from nonaccrual status.

Table 24 provides a summary of foreclosed assets and an analysis of changes in foreclosed assets.

Table 24: Foreclosed Assets

(in millions)		Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
Summary by loan segment						
Government insured/guaranteed	$	**282**	321	386	446	502
PCI loans:						
Commercial		**98**	124	142	152	297
Consumer		**88**	91	97	103	126
Total PCI loans		**186**	215	239	255	423
All other loans:						
Commercial		**298**	313	357	384	437
Consumer		**254**	268	297	340	405
Total all other loans		**552**	581	654	724	842
Total foreclosed assets	$	**1,020**	1,117	1,279	1,425	1,767
Analysis of changes in foreclosed assets						
Balance, beginning of period	$	**1,117**	1,279	1,425	1,767	1,958
Net change in government insured/guaranteed (1)		**(39)**	(65)	(60)	(56)	(86)
Additions to foreclosed assets (2)		**261**	281	290	327	325
Reductions:						
Sales		**(421)**	(405)	(390)	(719)	(468)
Write-downs and gains (losses) on sales		**102**	27	14	106	38
Total reductions		**(319)**	(378)	(376)	(613)	(430)
Balance, end of period	$	**1,020**	1,117	1,279	1,425	1,767

(1) Foreclosed government insured/guaranteed loans are temporarily transferred to and held by us as servicer, until reimbursement is received from FHA or VA. The net change in government insured/guaranteed foreclosed assets is made up of inflows from mortgages held for investment and MHFS, and outflows when we are reimbursed by FHA/VA. Transfers from government insured/guaranteed loans to foreclosed assets amounted to $110 million, $45 million, $61 million, $46 million and $38 million for the quarters ended September 30, June 30 and March 31, 2016, and December 31 and September 30, 2015, respectively.
(2) Predominantly include loans moved into foreclosure from nonaccrual status, PCI loans transitioned directly to foreclosed assets and repossessed automobiles.

Foreclosed assets at September 30, 2016, included $604 million of foreclosed residential real estate, of which 47% is predominantly FHA insured or VA guaranteed and expected to have minimal or no loss content. The remaining foreclosed assets balance of $416 million has been written down to estimated net realizable value. Foreclosed assets at September 30, 2016 decreased compared with December 31, 2015. Of the $1.0 billion in foreclosed assets at September 30, 2016, 53% have been in the foreclosed assets portfolio one year or less.

TROUBLED DEBT RESTRUCTURINGS (TDRs)

Table 25: Troubled Debt Restructurings (TDRs)

(in millions)		Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
Commercial:						
Commercial and industrial	$	**2,445**	1,951	1,606	1,123	999
Real estate mortgage		**1,256**	1,324	1,364	1,456	1,623
Real estate construction		**95**	106	116	125	207
Lease financing		**8**	5	6	1	1
Total commercial TDRs		**3,804**	3,386	3,092	2,705	2,830
Consumer:						
Real estate 1-4 family first mortgage		**14,761**	15,518	16,299	16,812	17,193
Real estate 1-4 family junior lien mortgage		**2,144**	2,214	2,261	2,306	2,336
Credit Card		**294**	291	295	299	307
Automobile		**89**	92	97	105	109
Other revolving credit and installment		**93**	86	81	73	63
Trial modifications		**348**	364	380	402	421
Total consumer TDRs (1)		**17,729**	18,565	19,413	19,997	20,429
Total TDRs	$	**21,533**	21,951	22,505	22,702	23,259
TDRs on nonaccrual status	$	**6,429**	6,404	6,484	6,506	6,709
TDRs on accrual status (1)		**15,104**	15,547	16,021	16,196	16,550
Total TDRs	$	**21,533**	21,951	22,505	22,702	23,259

(1) TDR loans include $1.6 billion, $1.7 billion, $1.8 billion, $1.8 billion, and $1.8 billion at September 30, June 30, and March 31, 2016, and December 31, and September 30, 2015, respectively, of government insured/guaranteed loans that are predominantly insured by the FHA or guaranteed by the VA and accruing.

Table 25 provides information regarding the recorded investment of loans modified in TDRs. The allowance for loan losses for TDRs was $2.4 billion and $2.7 billion at September 30, 2016, and December 31, 2015, respectively. See Note 5 (Loans and Allowance for Credit Losses) to Financial Statements in this Report for additional information regarding TDRs. In those situations where principal is forgiven, the entire amount of such forgiveness is immediately charged off to the extent not done so prior to the modification. We sometimes delay the timing on the repayment of a portion of principal (principal forbearance) and charge off the amount of forbearance if that amount is not considered fully collectible.

For more information on our nonaccrual policies when a restructuring is involved, see the "Risk Management – Credit Risk Management – Troubled Debt Restructurings (TDRs)" section in our 2015 Form 10-K.

Table 26 provides an analysis of the changes in TDRs. Loans modified more than once are reported as TDR inflows only in the period they are first modified. Other than resolutions such as foreclosures, sales and transfers to held for sale, we may remove loans held for investment from TDR classification, but only if they have been refinanced or restructured at market terms and qualify as a new loan.