In addition to residential mortgage servicing rights (MSRs) included in the previous table, we have a small portfolio of commercial MSRs with a fair value of $1.6 billion and $1.7 billion at September 30, 2016, and December 31, 2015, respectively. The nature of our commercial MSRs, which are carried at LOCOM, is different from our residential MSRs. Prepayment activity on serviced loans does not significantly impact the value of commercial MSRs because, unlike residential mortgages, commercial mortgages experience significantly lower prepayments due to certain contractual restrictions, impacting the borrower's ability to prepay the mortgage. Additionally, for our commercial MSR portfolio, we are typically master/primary servicer, but not the special servicer, who is separately responsible for the servicing and workout of delinquent and foreclosed loans. It is the special servicer, similar to our role as servicer of residential mortgage loans, who is affected by higher servicing and foreclosure costs due to an increase in delinquent and foreclosed loans. Accordingly, prepayment speeds and costs to service are not key assumptions for commercial MSRs as they do not significantly impact the valuation. The primary economic driver impacting the fair value of our commercial MSRs is forward interest rates, which are derived from market observable yield curves used to price capital markets instruments. Market interest rates significantly affect interest earned on custodial deposit balances. The sensitivity of the current fair value to an immediate adverse 25% change in the assumption about interest earned on deposit balances at September 30, 2016, and December 31, 2015, results in a decrease in fair value of $183 million and $150 million, respectively. See Note 8 (Mortgage Banking Activities) for further information on our commercial MSRs.

We also have a loan to an unconsolidated third party VIE that we extended in fourth quarter 2014 in conjunction with our sale of government guaranteed student loans. The loan is carried at amortized cost and approximates fair value at September 30, 2016, and December 31, 2015. The carrying amount of the loan at September 30, 2016, and December 31, 2015, was $4.4 billion and $4.9 billion, respectively. The estimated fair value of the loan is considered a Level 3 measurement that is determined using discounted cash flows that are based on changes in the discount rate due to changes in the risk premium component (credit spreads). The primary economic assumption impacting the fair value of our loan is the discount rate. Changes in the credit loss assumption are not expected to affect the estimated fair value of the loan due to the government guarantee of the underlying collateral. The sensitivity of the current fair value to an immediate adverse increase of 200 basis points in the risk premium component of the discount rate assumption is a decrease in fair value of $93 million and $82 million at September 30, 2016, and December 31, 2015, respectively.

The sensitivities in the preceding paragraphs and table are hypothetical and caution should be exercised when relying on this data. Changes in value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in the assumption to the change in value may not be linear. Also, the effect of a variation in a particular assumption on the value of the other interests held is calculated independently without changing any other assumptions. In reality, changes in one factor may result in changes in others (for example, changes in prepayment speed estimates could result in changes in the credit losses), which might magnify or counteract the sensitivities.

Off-Balance Sheet Loans

Table 7.6 presents information about the principal balances of off-balance sheet loans that were sold or securitized, including residential mortgage loans sold to FNMA, FHLMC, GNMA and other investors, for which we have some form of continuing involvement (including servicer). Delinquent loans include loans 90 days or more past due and loans in bankruptcy, regardless of delinquency status. For loans sold or securitized where servicing is our only form of continuing involvement, we would only experience a loss if we were required to repurchase a delinquent loan or foreclosed asset due to a breach in representations and warranties associated with our loan sale or servicing contracts.

Table 7.6: Off-Balance Sheet Loans Sold or Securitized

					Net charge-offs	
	Total loans		Delinquent loans and foreclosed assets (1)		Nine months ended September 30,	
(in millions)	**Sep 30, 2016**	Dec 31, 2015	**Sep 30, 2016**	Dec 31, 2015	**2016**	2015
Commercial:						
Real estate mortgage	**$ 108,251**	110,815	**3,284**	6,670	**210**	301
Total commercial	**108,251**	110,815	**3,284**	6,670	**210**	301
Consumer:						
Real estate 1-4 family first mortgage	**1,172,789**	1,235,662	**16,773**	20,904	**764**	678
Total consumer	**1,172,789**	1,235,662	**16,773**	20,904	**764**	678
Total off-balance sheet sold or securitized loans (2)	**$ 1,281,040**	1,346,477	**20,057**	27,574	**974**	979

(1) Includes $1.8 billion and $5.0 billion of commercial foreclosed assets and $2.0 billion and $2.2 billion of consumer foreclosed assets at September 30, 2016, and December 31, 2015, respectively.

(2) At September 30, 2016, and December 31, 2015, the table includes total loans of $1.2 trillion at both dates, delinquent loans of $9.8 billion and $12.1 billion, and foreclosed assets of $1.4 billion and $1.7 billion, respectively, for FNMA, FHLMC and GNMA. Net charge-offs exclude loans sold to FNMA, FHLMC and GNMA as we do not service or manage the underlying real estate upon foreclosure and, as such, do not have access to net charge-off information.

Transactions with Consolidated VIEs and Secured Borrowings

Table 7.7 presents a summary of financial assets and liabilities for asset transfers accounted for as secured borrowings and involvements with consolidated VIEs. "Assets" are presented using GAAP measurement methods, which may include fair value, credit impairment or other adjustments, and therefore in some instances will differ from "Total VIE assets." For VIEs that obtain exposure synthetically through derivative instruments, the remaining notional amount of the derivative is included in "Total VIE assets." On the consolidated balance sheet, we separately disclose the consolidated assets of certain VIEs that can only be used to settle the liabilities of those VIEs.

Table 7.7: Transactions with Consolidated VIEs and Secured Borrowings

			Carrying value			
(in millions)		Total VIE assets	Assets	Liabilities	Noncontrolling interests	Net assets
September 30, 2016						
Secured borrowings:						
Municipal tender option bond securitizations	**$**	**1,720**	**1,265**	**(1,068)**	**—**	**197**
Residential mortgage securitizations		**4,033**	**4,144**	**(4,115)**	**—**	**29**
Total secured borrowings		**5,753**	**5,409**	**(5,183)**	**—**	**226**
Consolidated VIEs:						
Commercial and industrial loans and leases		**8,439**	**8,439**	**(2,846)**	**(13)**	**5,580**
Nonconforming residential mortgage loan securitizations		**3,532**	**3,143**	**(1,066)**	**—**	**2,077**
Commercial real estate loans		**1,276**	**1,276**	**—**	**—**	**1,276**
Structured asset finance		**25**	**15**	**(11)**	**—**	**4**
Investment funds		**420**	**420**	**(5)**	**(69)**	**346**
Other		**158**	**147**	**(1)**	**(65)**	**81**
Total consolidated VIEs		**13,850**	**13,440**	**(3,929)**	**(147)**	**9,364**
Total secured borrowings and consolidated VIEs	**$**	**19,603**	**18,849**	**(9,112)**	**(147)**	**9,590**
December 31, 2015						
Secured borrowings:						
Municipal tender option bond securitizations	$	2,818	2,400	(1,800)	—	600
Residential mortgage securitizations		4,738	4,887	(4,844)	—	43
Total secured borrowings		7,556	7,287	(6,644)	—	643
Consolidated VIEs:						
Nonconforming residential mortgage loan securitizations		4,134	3,654	(1,239)	—	2,415
Commercial real estate loans		1,185	1,185	—	—	1,185
Structured asset finance		54	20	(18)	—	2
Investment funds		482	482	—	—	482
Other		305	295	(101)	(93)	101
Total consolidated VIEs		6,160	5,636	(1,358)	(93)	4,185
Total secured borrowings and consolidated VIEs	$	13,716	12,923	(8,002)	(93)	4,828

COMMERCIAL AND INDUSTRIAL LOANS AND LEASES In conjunction with the GE Capital business acquisitions, on March 1, 2016, we acquired certain consolidated SPE entities. The most significant of these SPEs is a revolving master trust entity that purchases dealer floorplan loans and issues senior and subordinated notes. The senior notes are held by third parties and the subordinated notes and residual equity interests are held by us. At September 30, 2016, total assets held by the master trust were $6.9 billion and the outstanding senior notes were $2.7 billion. The other SPEs acquired include securitization term trust entities, which purchase vendor finance lease and loan assets and issue notes to investors, and a SPE that engages in leasing activities to specific vendors. At September 30, 2016, total assets held by these SPEs were $1.5 billion, with outstanding debt of $102 million. We are the primary beneficiary of these acquired SPEs due to our ability to direct the significant activities of the SPEs, such as our role as servicer, and because we hold variable interests that are considered significant.

INVESTMENT FUNDS Our adoption of ASU 2015-02 (*Amendments to the Consolidation Analysis*) changed the consolidation analysis for certain investment funds. We consolidate certain investment funds because we have both the power to manage fund assets and hold variable interests that are considered significant.

OTHER CONSOLIDATED VIE STRUCTURES In addition to the structure types included in the previous table, at both September 30, 2016, and December 31, 2015, we had approximately $6.0 billion of private placement debt financing issued through a consolidated VIE. The issuance is classified as long-term debt in our consolidated financial statements. At September 30, 2016, we pledged approximately $457 million in loans (principal and interest eligible to be capitalized) and $5.8 billion in available-for-sale securities to collateralize the VIE's borrowings, compared with $529 million and $5.9 billion, respectively, at December 31, 2015. These assets were not transferred to the VIE, and accordingly we have excluded the VIE from the previous table.

For complete descriptions of our accounting for transfers accounted for as secured borrowings and involvements with consolidated VIEs, see Note 8 (Securitizations and Variable Interest Entities) to Financial Statements in our 2015 Form 10-K.

Note 8: Mortgage Banking Activities

Mortgage banking activities, included in the Community Banking and Wholesale Banking operating segments, consist of residential and commercial mortgage originations, sale activity and servicing.

We apply the amortization method to commercial MSRs and apply the fair value method to residential MSRs. Table 8.1 presents the changes in MSRs measured using the fair value method.

Table 8.1: Analysis of Changes in Fair Value MSRs

	Quarter ended Sep 30,		Nine months ended Sep 30,	
(in millions)	**2016**	2015	**2016**	2015
Fair value, beginning of period	**$ 10,396**	12,661	**12,415**	12,738
Servicing from securitizations or asset transfers (1)	**609**	448	**1,452**	1,184
Sales and other (2)	**4**	6	**(18)**	—
Net additions	**613**	454	**1,434**	1,184
Changes in fair value:				
Due to changes in valuation model inputs or assumptions:				
Mortgage interest rates (3)	**39**	(858)	**(1,824)**	(313)
Servicing and foreclosure costs (4)	**(10)**	(18)	**13**	(46)
Prepayment estimates and other (5)	**(37)**	43	**22**	(194)
Net changes in valuation model inputs or assumptions	**(8)**	(833)	**(1,789)**	(553)
Other changes in fair value (6)	**(586)**	(504)	**(1,645)**	(1,591)
Total changes in fair value	**(594)**	(1,337)	**(3,434)**	(2,144)
Fair value, end of period	**$ 10,415**	11,778	**10,415**	11,778

(1) Includes impacts associated with exercising our right to repurchase delinquent loans from GNMA loan securitization pools.
(2) Includes sales and transfers of MSRs, which can result in an increase of total reported MSRs if the sales or transfers are related to nonperforming loan portfolios.
(3) Includes prepayment speed changes as well as other valuation changes due to changes in mortgage interest rates (such as changes in estimated interest earned on custodial deposit balances).
(4) Includes costs to service and unreimbursed foreclosure costs.
(5) Represents changes driven by other valuation model inputs or assumptions including prepayment speed estimation changes and other assumption updates. Prepayment speed estimation changes are influenced by observed changes in borrower behavior and other external factors that occur independent of interest rate changes.
(6) Represents changes due to collection/realization of expected cash flows over time.

Table 8.2 presents the changes in amortized MSRs.

Table 8.2: Analysis of Changes in Amortized MSRs

	Quarter ended Sep 30,		Nine months ended Sep 30,	
(in millions)	**2016**	2015	**2016**	2015
Balance, beginning of period	**$ 1,353**	1,262	**1,308**	1,242
Purchases	**18**	45	**63**	96
Servicing from securitizations or asset transfers	**69**	35	**204**	131
Amortization	**(67)**	(65)	**(202)**	(192)
Balance, end of period (1)	**$ 1,373**	1,277	**1,373**	1,277
Fair value of amortized MSRs:				
Beginning of period	**$ 1,620**	1,692	**1,680**	1,637
End of period	**1,627**	1,643	**1,627**	1,643

(1) Commercial amortized MSRs are evaluated for impairment purposes by the following risk strata: agency (GSEs) and non-agency. There was no valuation allowance recorded for the periods presented on the commercial amortized MSRs.

We present the components of our managed servicing portfolio in Table 8.3 at unpaid principal balance for loans serviced and subserviced for others and at book value for owned loans serviced.

Table 8.3: Managed Servicing Portfolio

(in billions)		Sep 30, 2016	Dec 31, 2015
Residential mortgage servicing:			
Serviced for others	$	**1,226**	1,300
Owned loans serviced		**352**	345
Subserviced for others		**4**	4
Total residential servicing		**1,582**	1,649
Commercial mortgage servicing:			
Serviced for others		**477**	478
Owned loans serviced		**130**	122
Subserviced for others		**8**	7
Total commercial servicing		**615**	607
Total managed servicing portfolio	$	**2,197**	2,256
Total serviced for others	$	**1,703**	1,778
Ratio of MSRs to related loans serviced for others		**0.69%**	0.77

Table 8.4 presents the components of mortgage banking noninterest income.

Table 8.4: Mortgage Banking Noninterest Income

			Quarter ended Sep 30,		Nine months ended Sep 30,	
(in millions)			**2016**	2015	**2016**	2015
Servicing income, net:						
Servicing fees:						
Contractually specified servicing fees		$	**954**	1,001	**2,857**	3,029
Late charges			**45**	48	**135**	147
Ancillary fees			**56**	69	**171**	221
Unreimbursed direct servicing costs (1)			**(177)**	(128)	**(533)**	(371)
Net servicing fees			**878**	990	**2,630**	3,026
Changes in fair value of MSRs carried at fair value:						
Due to changes in valuation model inputs or assumptions (2)	(A)		**(8)**	(833)	**(1,789)**	(553)
Other changes in fair value (3)			**(586)**	(504)	**(1,645)**	(1,591)
Total changes in fair value of MSRs carried at fair value			**(594)**	(1,337)	**(3,434)**	(2,144)
Amortization			**(67)**	(65)	**(202)**	(192)
Net derivative gains from economic hedges (4)	(B)		**142**	1,086	**2,575**	1,021
Total servicing income, net			**359**	674	**1,569**	1,711
Net gains on mortgage loan origination/sales activities			**1,308**	915	**3,110**	3,130
Total mortgage banking noninterest income		$	**1,667**	1,589	**4,679**	4,841
Market-related valuation changes to MSRs, net of hedge results (2)(4)	(A)+(B)	$	**134**	253	**786**	468

(1) Includes costs associated with foreclosures, unreimbursed interest advances to investors, and other interest costs.
(2) Refer to the changes in fair value of MSRs table in this Note for more detail.
(3) Represents changes due to collection/realization of expected cash flows over time.
(4) Represents results from economic hedges used to hedge the risk of changes in fair value of MSRs. See Note 12 (Derivatives Not Designated as Hedging Instruments) for additional discussion and detail.

Table 8.5 summarizes the changes in our liability for mortgage loan repurchase losses. This liability is in "Accrued expenses and other liabilities" in our consolidated balance sheet and the provision for repurchase losses reduces net gains on mortgage loan origination/sales activities in "Mortgage banking" in our consolidated income statement.

Because of the uncertainty in the various estimates underlying the mortgage repurchase liability, there is a range of losses in excess of the recorded mortgage repurchase liability that is reasonably possible. The estimate of the range of possible loss for representations and warranties does not represent a probable loss, and is based on currently available information, significant judgment, and a number of assumptions that are subject to change. The high end of this range of reasonably possible losses exceeded our recorded liability by $191 million at September 30, 2016, and was determined based upon modifying the assumptions (particularly to assume significant changes in investor repurchase demand practices) used in our best estimate of probable loss to reflect what we believe to be the high end of reasonably possible adverse assumptions.

Table 8.5: Analysis of Changes in Liability for Mortgage Loan Repurchase Losses

		Quarter ended Sep 30,		Nine months ended Sep 30,	
(in millions)		**2016**	2015	**2016**	2015
Balance, beginning of period	$	**255**	557	**378**	615
Provision for repurchase losses:					
Loan sales		**11**	11	**26**	34
Change in estimate (1)		**(24)**	(17)	**(132)**	(74)
Net reductions		**(13)**	(6)	**(106)**	(40)
Losses		**(3)**	(13)	**(33)**	(37)
Balance, end of period	$	**239**	538	**239**	538

(1) Results from changes in investor demand and mortgage insurer practices, credit deterioration and changes in the financial stability of correspondent lenders.

Note 9: Intangible Assets

Table 9.1 presents the gross carrying value of intangible assets and accumulated amortization.

Table 9.1: Intangible Assets

	September 30, 2016			December 31, 2015		
(in millions)	Gross carrying value	Accumulated amortization	Net carrying value	Gross carrying value	Accumulated amortization	Net carrying value
Amortized intangible assets (1):						
MSRs (2)	$ **3,495**	**(2,122)**	**1,373**	3,228	(1,920)	1,308
Core deposit intangibles	**12,834**	**(10,984)**	**1,850**	12,834	(10,295)	2,539
Customer relationship and other intangibles	**3,901**	**(2,764)**	**1,137**	3,163	(2,549)	614
Total amortized intangible assets	$ **20,230**	**(15,870)**	**4,360**	19,225	(14,764)	4,461
Unamortized intangible assets:						
MSRs (carried at fair value) (2)	$ **10,415**			12,415		
Goodwill	**26,688**			25,529		
Trademark	**14**			14		

(1) Excludes fully amortized intangible assets.
(2) See Note 8 (Mortgage Banking Activities) for additional information on MSRs.

Table 9.2 provides the current year and estimated future amortization expense for amortized intangible assets. We based our projections of amortization expense shown below on existing asset balances at September 30, 2016. Future amortization expense may vary from these projections.

Table 9.2: Amortization Expense for Intangible Assets

(in millions)	Amortized MSRs	Core deposit intangibles	Customer relationship and other intangibles (1)	Total
Nine months ended September 30, 2016 (actual)	$ **202**	**689**	**215**	**1,106**
Estimate for the remainder of 2016	$ **67**	**229**	**74**	**370**
Estimate for year ended December 31,				
2017	240	851	302	1,393
2018	201	770	295	1,266
2019	178	—	103	281
2020	162	—	85	247
2021	138	—	70	208

(1) The nine months ended September 30, 2016 includes $13 million for lease intangible amortization.

For our goodwill impairment analysis, we allocate all of the goodwill to the individual operating segments. We identify reporting units that are one level below an operating segment (referred to as a component), and distinguish these reporting units based on how the segments and components are managed, taking into consideration the economic characteristics, nature of the products and customers of the components. At the time we acquire a business, we allocate goodwill to applicable reporting units based on their relative fair value, and if we have a significant business reorganization, we may reallocate the goodwill. See Note 18 (Operating Segments) for further information on management reporting.

Table 9.3 shows the allocation of goodwill to our reportable operating segments for purposes of goodwill impairment testing.

Table 9.3: Goodwill

(in millions)		Community Banking	Wholesale Banking	Wealth and Investment Management	Consolidated Company
December 31, 2014	$	16,870	7,633	1,202	25,705
Reduction in goodwill related to divested businesses and other		(21)	—	—	(21)
Goodwill from business combinations		—	—	—	—
September 30, 2015	$	16,849	7,633	1,202	25,684
December 31, 2015	**$**	**16,849**	**7,475**	**1,205**	**25,529**
Reduction in goodwill related to divested businesses and other		**—**	**(84)**	**(2)**	**(86)**
Goodwill from business combinations		**—**	**1,245**	**—**	**1,245**
September 30, 2016	**$**	**16,849**	**8,636**	**1,203**	**26,688**

Note 10: Guarantees, Pledged Assets and Collateral

Guarantees are contracts that contingently require us to make payments to a guaranteed party based on an event or a change in an underlying asset, liability, rate or index. Guarantees are generally in the form of standby letters of credit, securities lending and other indemnifications, written put options, recourse obligations, and other types of arrangements. For complete descriptions of our guarantees, see Note 14 (Guarantees, Pledged Assets and Collateral) to Financial Statements in our 2015 Form 10-K. Table 10.1 shows carrying value, maximum exposure to loss on our guarantees and the related non-investment grade amounts.

Table 10.1: Guarantees – Carrying Value and Maximum Exposure to Loss

			Maximum exposure to loss					
(in millions)		Carrying value	Expires in one year or less	Expires after one year through three years	Expires after three years through five years	Expires after five years	Total	Non-investment grade
September 30, 2016								
Standby letters of credit (1)	**$**	**39**	**16,757**	**9,245**	**3,599**	**639**	**30,240**	**9,875**
Securities lending and other indemnifications (2)		**—**	**—**	**—**	**—**	**1,869**	**1,869**	**—**
Written put options (3)		**47**	**13,243**	**11,173**	**5,072**	**1,512**	**31,000**	**19,602**
Loans and MHFS sold with recourse (4)		**57**	**108**	**653**	**892**	**8,163**	**9,816**	**6,832**
Factoring guarantees (5)		**—**	**1,079**	**—**	**—**	**—**	**1,079**	**1,079**
Other guarantees		**6**	**27**	**21**	**16**	**3,407**	**3,471**	**23**
Total guarantees	**$**	**149**	**31,214**	**21,092**	**9,579**	**15,590**	**77,475**	**37,411**
December 31, 2015								
Standby letters of credit (1)	$	38	16,360	9,618	4,116	642	30,736	8,981
Securities lending and other indemnifications (2)		—	—	—	—	1,841	1,841	—
Written put options (3)		290	9,450	7,401	5,742	1,487	24,080	13,868
Loans and MHFS sold with recourse (4)		62	112	723	690	6,434	7,959	4,864
Factoring guarantees (5)		—	1,598	—	—	—	1,598	1,598
Other guarantees		28	62	17	17	2,482	2,578	53
Total guarantees	$	418	27,582	17,759	10,565	12,886	68,792	29,364

(1) Total maximum exposure to loss includes direct pay letters of credit (DPLCs) of $10.5 billion and $11.8 billion at September 30, 2016, and December 31, 2015, respectively. We issue DPLCs to provide credit enhancements for certain bond issuances. Beneficiaries (bond trustees) may draw upon these instruments to make scheduled principal and interest payments, redeem all outstanding bonds because a default event has occurred, or for other reasons as permitted by the agreement. We also originate multipurpose lending commitments under which borrowers have the option to draw on the facility in one of several forms, including as a standby letter of credit. Total maximum exposure to loss includes the portion of these facilities for which we have issued standby letters of credit under the commitments.

(2) Includes indemnifications provided to certain third-party clearing agents. Outstanding customer obligations under these arrangements were $187 million and $352 million with related collateral of $1.7 billion and $1.5 billion at September 30, 2016, and December 31, 2015, respectively. Estimated maximum exposure to loss was $1.9 billion at September 30, 2016 and $1.8 billion at December 31, 2015.

(3) Written put options, which are in the form of derivatives, are also included in the derivative disclosures in Note 12 (Derivatives). Amounts for December 31, 2015 have been revised to include previously omitted contracts.

(4) Represent recourse provided, predominantly to the GSEs, on loans sold under various programs and arrangements. Under these arrangements, we repurchased $2 million and $4 million respectively, of loans associated with these agreements in the third quarter and first nine months of 2016, and $2 million and $5 million in the same periods of 2015, respectively.

(5) Consists of guarantees made under certain factoring arrangements to purchase trade receivables from third parties, generally upon their request, if receivable debtors default on their payment obligations.

"Maximum exposure to loss" and "Non-investment grade" are required disclosures under GAAP. Non-investment grade represents those guarantees on which we have a higher risk of being required to perform under the terms of the guarantee. If the underlying assets under the guarantee are non-investment grade (that is, an external rating that is below investment grade or an internal credit default grade that is equivalent to a below investment grade external rating), we consider the risk of performance to be high. Internal credit default grades are determined based upon the same credit policies that we use to evaluate the risk of payment or performance when making loans and other extensions of credit. These credit policies are further described in Note 5 (Loans and Allowance for Credit Losses).

Maximum exposure to loss represents the estimated loss that would be incurred under an assumed hypothetical circumstance, despite what we believe is its extremely remote possibility, where the value of our interests and any associated collateral declines to zero. Maximum exposure to loss estimates in Table 10.1 do not reflect economic hedges or collateral we could use to offset or recover losses we may incur under our guarantee agreements. Accordingly, this required disclosure is not an indication of expected loss. We believe the carrying value, which is either fair value for derivative-related products or the allowance for lending-related commitments, is more representative of our exposure to loss than maximum exposure to loss.

Pledged Assets

As part of our liquidity management strategy, we pledge various assets to secure trust and public deposits, borrowings and letters of credit from the FHLB and FRB, securities sold under agreements to repurchase (repurchase agreements), securities lending arrangements, and for other purposes as required or permitted by law or insurance statutory requirements. The types of collateral we pledge include securities issued by federal agencies, GSEs, domestic and foreign companies and various commercial and consumer loans. Table 10.2 provides the total carrying amount of pledged assets by asset type and pledged off-balance sheet securities for securities financings. The table excludes pledged consolidated VIE assets of $13.4 billion and $5.6 billion at September 30, 2016, and December 31, 2015, respectively, which can only be used to settle the liabilities of those entities. The table also excludes $5.4 billion and $7.3 billion in assets pledged in transactions accounted for as secured borrowings at September 30, 2016, and December 31, 2015, respectively. See Note 7 (Securitizations and Variable Interest Entities) for additional information on consolidated VIE assets and secured borrowings.

Table 10.2: Pledged Assets

(in millions)		Sep 30, 2016	Dec 31, 2015
Trading assets and other (1)	$	**107,973**	73,396
Investment securities (2)		**93,840**	113,912
Mortgages held for sale and Loans (3)		**504,037**	453,058
Total pledged assets	$	**705,850**	640,366

(1) Consists of trading assets of $47.3 billion and $38.7 billion at September 30, 2016, and December 31, 2015, respectively and off-balance sheet securities of $60.7 billion and $34.7 billion as of the same dates, respectively, that are pledged as collateral for repurchase agreements and other securities financings. Total trading assets and other includes $107.5 billion and $73.0 billion at September 30, 2016, and December 31, 2015, respectively that permit the secured parties to sell or repledge the collateral.

(2) Includes carrying value of $5.6 billion and $6.5 billion (fair value of $5.8 billion and $6.5 billion) in collateral for repurchase agreements at September 30, 2016, and December 31, 2015, respectively, which are pledged under agreements that do not permit the secured parties to sell or repledge the collateral. Also includes $12.9 billion and $13.0 billion in collateral pledged under repurchase agreements at September 30, 2016, and December 31, 2015, respectively, that permit the secured parties to sell or repledge the collateral. All other pledged securities are pursuant to agreements that do not permit the secured party to sell or repledge the collateral.

(3) Includes mortgages held for sale of $15.9 billion and $8.7 billion at September 30, 2016, and December 31, 2015, respectively. Balance consists of mortgages held for sale and loans that are pledged under agreements that do not permit the secured parties to sell or repledge the collateral. Amounts exclude $1.2 billion and $1.3 billion at September 30, 2016, and December 31, 2015, respectively, of pledged loans recorded on our balance sheet representing certain delinquent loans that are eligible for repurchase from GNMA loan securitizations. See Note 7 (Securitizations and Variable Interest Entities) for additional information.

Securities Financing Activities

We enter into resale and repurchase agreements and securities borrowing and lending agreements (collectively, "securities financing activities") typically to finance trading positions (including securities and derivatives), acquire securities to cover short trading positions, accommodate customers' financing needs, and settle other securities obligations. These activities are conducted through our broker dealer subsidiaries and to a lesser extent through other bank entities. Most of our securities financing activities involve high quality, liquid securities such as U.S. Treasury securities and government agency securities, and to a lesser extent, less liquid securities, including equity securities, corporate bonds and asset-backed securities. We account for these transactions as collateralized financings in which we typically receive or pledge securities as collateral. We believe these financing transactions generally do not have material credit risk given the collateral provided and the related monitoring processes.

OFFSETTING OF RESALE AND REPURCHASE AGREEMENTS AND SECURITIES BORROWING AND LENDING AGREEMENTS Table 10.3 presents resale and repurchase agreements subject to master repurchase agreements (MRA) and securities borrowing and lending agreements subject to master securities lending agreements (MSLA). We account for transactions subject to these agreements as collateralized financings, and those with a single counterparty are presented net on our balance sheet, provided certain criteria are met that permit balance sheet netting. Most transactions subject to these agreements do not meet those criteria and thus are not eligible for balance sheet netting.

Collateral we pledged consists of non-cash instruments, such as securities or loans, and is not netted on the balance sheet against the related liability. Collateral we received includes securities or loans and is not recognized on our balance sheet. Collateral pledged or received may be increased or decreased over time to maintain certain contractual thresholds as the assets underlying each arrangement fluctuate in value. Generally, these agreements require collateral to exceed the asset or liability recognized on the balance sheet. The following table includes the amount of collateral pledged or received related to exposures subject to enforceable MRAs or MSLAs. While these agreements are typically over-collateralized, U.S. GAAP requires disclosure in this table to limit the amount of such collateral to the amount of the related recognized asset or liability for each counterparty.

In addition to the amounts included in Table 10.3, we also have balance sheet netting related to derivatives that is disclosed in Note 12 (Derivatives).

Table 10.3: Offsetting – Resale and Repurchase Agreements

(in millions)		Sep 30, 2016	Dec 31, 2015
Assets:			
Resale and securities borrowing agreements			
Gross amounts recognized	$	**105,200**	74,935
Gross amounts offset in consolidated balance sheet (1)		**(16,621)**	(9,158)
Net amounts in consolidated balance sheet (2)		**88,579**	65,777
Collateral not recognized in consolidated balance sheet (3)		**(87,662)**	(65,035)
Net amount (4)	$	**917**	742
Liabilities:			
Repurchase and securities lending agreements			
Gross amounts recognized (5)	$	**124,392**	91,278
Gross amounts offset in consolidated balance sheet (1)		**(16,621)**	(9,158)
Net amounts in consolidated balance sheet (6)		**107,771**	82,120
Collateral pledged but not netted in consolidated balance sheet (7)		**(107,278)**	(81,772)
Net amount (8)	$	**493**	348

(1) Represents recognized amount of resale and repurchase agreements with counterparties subject to enforceable MRAs that have been offset in the consolidated balance sheet.
(2) At September 30, 2016, and December 31, 2015, includes $67.4 billion and $45.7 billion, respectively, classified on our consolidated balance sheet in federal funds sold, securities purchased under resale agreements and other short-term investments and $21.2 billion and $20.1 billion, respectively, in loans.
(3) Represents the fair value of collateral we have received under enforceable MRAs or MSLAs, limited for table presentation purposes to the amount of the recognized asset due from each counterparty. At September 30, 2016, and December 31, 2015, we have received total collateral with a fair value of $116.0 billion and $84.9 billion, respectively, all of which, we have the right to sell or repledge. These amounts include securities we have sold or repledged to others with a fair value of $59.2 billion at September 30, 2016, and $33.4 billion (revised to correct amount previously reported) at December 31, 2015.
(4) Represents the amount of our exposure that is not collateralized and/or is not subject to an enforceable MRA or MSLA.
(5) For additional information on underlying collateral and contractual maturities, see the "Repurchase and Securities Lending Agreements" section in this Note.
(6) Amount is classified in short-term borrowings on our consolidated balance sheet.
(7) Represents the fair value of collateral we have pledged, related to enforceable MRAs or MSLAs, limited for table presentation purposes to the amount of the recognized liability owed to each counterparty. At September 30, 2016, and December 31, 2015, we have pledged total collateral with a fair value of $126.5 billion and $92.9 billion, respectively, of which, the counterparty does not have the right to sell or repledge $6.1 billion as of September 30, 2016 and $6.9 billion as of December 31, 2015.
(8) Represents the amount of our obligation that is not covered by pledged collateral and/or is not subject to an enforceable MRA or MSLA.