

Appendix C – Part 370 Alternative Recordkeeping Entity Processing: Addendum to the Deposit Broker’s Processing Guide

Background

Part 370

12 C.F.R. part 370 (“Part 370”) applies to any IDI that has two million or more deposit accounts, defined as a “covered institution” (“CI”). Under Part 370, each covered institution must configure its IT system to be capable of accurately calculating the deposit insurance available for each deposit account in accordance with the FDIC’s deposit insurance rules set forth in 12 C.F.R. part 330 (“Part 330”), should the CI fail. In the event of the CI’s failure, the FDIC would use the CI’s IT system to calculate the amount of deposit insurance available and debit the uninsured amount from each deposit account (collectively, the “deposit insurance determination”).

Part 370 recognizes that an insured depository institution may not be required to maintain all of the information needed by the FDIC to calculate the entire amount of deposit insurance available to each depositor with respect to certain types of deposit accounts under the existing regulatory framework. For that reason, CIs are permitted, under Section 370.4(b) (“alternative recordkeeping requirements”), to maintain less information in their deposit account records for certain types of deposit accounts than otherwise required under Part 370. To meet the alternative recordkeeping requirements, the CI must maintain in its deposit account records certain information that will facilitate the FDIC’s prompt collection of the additional information needed to calculate the full amount of deposit insurance available for those deposit accounts after the CI’s failure. These alternative recordkeeping requirements apply to, among other things, certain deposit accounts that would be insured on a “pass-through” basis (such as brokered deposits), because beneficial ownership information is not required to be maintained by the covered institution, and to certain deposit accounts for which the amount of insurance is dependent on additional facts (such as deposit accounts held in connection with a trust).

The protocol described in this addendum, or an alternative approach, capable of supporting this deposit insurance calculation within twenty-four (24) hours following failure must be in place. Compliance with the recommended practices and standards set forth in this Addendum is voluntary and noncompliance therewith will not, in itself, result in enforcement action.

Deposit Broker’s Processing Guide

The FDIC has an established process for collecting such information in the event of such an institution’s failure, which is described in this Deposit Broker’s Processing Guide (“DBPG”). This DPBG supplies a file format and process for submitting the information and supporting documentation necessary for the FDIC to receive and process the information from brokers to properly perform its responsibilities to make insured funds available to depositors in a timely manner. This process includes a number of manual processes and forms (declarations and an affidavit). The same process may also be used to collect information from account holders other than deposit brokers whose deposits are eligible for pass-through deposit insurance coverage. In the event of a CI’s failure, performing these processes manually for a large number of deposit accounts insured on a pass-through basis would likely result in substantial delays in the deposit insurance determination and the availability of insured funds.

Part 370 Addendum

Based on feedback from users of the current DBPG, the primary objective of this addendum is to accelerate the deposit insurance calculation by modernizing the process without substantive deviations from the existing established processes by:

- Providing an optional standard file structure and data format for adoption by those covered institutions and its account holders;
- Permitting iterative submissions and partial insurance determinations as information becomes available;
- Allowing declarations from the underlying beneficial owners of deposits to be submitted electronically. As a result, the optional standard file structure and data format:
 - minimally expands the data elements included in the standard file;
 - recognizes electronic certification by the account holder that the information provided is true and accurate;
 - accepts electronic submission of declarations and attachments by beneficial owners, when required under the current DBPG; and
 - anticipates submission of the file through a secure platform on the CI’s system which validates the identity of the user.

Effect of the Part 370 Addendum

Account holders of deposit accounts entitled to pass-through deposit insurance coverage may continue to submit to the FDIC, must the CI fail, information using the existing file format and process defined in the current DBPG. This may result in a lengthier deposit insurance determination time for these accounts due to the manual nature of the processing described therein, which may not be sufficient to meet the requirements of Part 370 regarding accounts with transactional features.

Alternatively, CIs and account holders may use the file format and processes described in this addendum and:

- Correctly assign and record (in advance) the appropriate Ownership Right and Capacity (“ORC”) for each beneficial interest in the account(s) held at the CI;
- Identify all sub-accounts that have transactional features as described in 12 C.F.R. § 370.2;
- Submit one file containing twenty-nine (29) fields including the nineteen (19) fields from the existing Deposit Broker’s Processing Guide and the ten (10) additional fields described below, in a pipe-delimited ASCII file as. Alternative recordkeeping data for all sub-accounts with transactional features must be provided to the FDIC within twenty-four (24) hours of the FDIC’s appointment as receiver. The CI’s IT system must be capable of receiving multiple and sequential submissions of depositor data from account holders and to complete iterative deposit insurance calculations as more information becomes available.
- Submit an electronic certification by the account holder and, when required under the current DPBG, electronic declarations (including attachments) by beneficial owners as required under the current DBPG. The FDIC intends to later distribute electronic versions of the attachments to the DBPG and that CIs intending to follow the procedures in this Addendum s configure their IT systems to receive, store, and process such information to the extent required to calculate deposit insurance coverage as set forth in 12 C.F.R. § 370.3(b).

Brokers and other account holders that choose to submit accurate and complete alternative recordkeeping data utilizing the file format and processes described herein can expect a promptly completed deposit insurance determination and availability of insured deposits.

CIs may also implement any alternative approach meeting the requirements of Part 370 that the information needed to calculate deposit insurance coverage will be submitted to the FDIC so that deposit insurance can be determined within twenty-four (24) hours after the appointment of the FDIC as receiver.

Field Names

In the event of a CI’s failure, account holders of deposit accounts entitled to pass-through deposit insurance coverage are expected to ascertain the information required and thereafter complete a file containing information called for in the ten (10) additional fields, completed at the account holder’s discretion listed below for each of the customer accounts. The completed file would be submitted to the FDIC using the CI’s electronic communication capabilities.

Key	
Yes	= Required
	= Not Applicable

Field Name	Description & Reference	Field Name (370 Output File)	Format	Ownership Rights and Capacity													
				SGL	JNT	REV	IRR	CRA	EBP	BUS	GOV	MSA	DIT	ANC	PBA	BIA	DOE
Deposit Account Ownership Category	Account ownership categories (account participant of the broker/third-party entity). SGL = Single accounts, JNT = Joint accounts, REV = Revocable trust accounts, IRR = Irrevocable trust accounts, CRA = Certain retirement accounts, EBP = Employee benefit plan accounts, BUS = Business/Organization accounts, GOV1, GOV2, GOV3 = Government accounts (public unit accounts), MSA = Mortgage servicing accounts for principal and interest payments, DIT = Accounts held by a depository institution as the trustee of an irrevocable trust, ANC = Annuity contract accounts, PBA = Public bond accounts, BIA = Custodian accounts for American Indians, DOE = Accounts of an IDI pursuant to the Bank Deposit Financial Assistance Program of the Department of Energy. (12 C.F.R. § 330.6 to 12 C.F.R. § 330.15)	DP_Right_Capacity	Character (4)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Transactional Flag	This field indicates whether the account has transactional features. Enter "Y" if account has transactional features, enter "N" otherwise. Transactional features means that the account holder can make transfers or withdrawals from the deposit account to make payments or transfers to third persons or others (including another account of the depositor or account holder at the same institution or at a different institution) by means of a negotiable or transferable instrument, payment order of withdrawal, check, draft, prepaid account access device, debit card, or other similar order made by the depositor and payable to third parties, or by means of a telephonic (including data transmission) agreement, order or instruction, or by means of an instruction made at an automated teller machine or similar terminal or unit.	DP_PT_Trans_Flag	Character (1)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Retained Interest	Represents those assets that can be returned by the trustee to the grantor in accordance with the terms of the trust agreement.		Decimal (15, 2)				Yes						Yes				
Amount of Overfunding	The total amount of the overfunding of the account that is deposited in the CI. Any portion of deposits which is not attributable to the interests of the account participants are the overfunded portion of the assets. (C.F.R. § 330.14)		Decimal (15, 2)						Yes								
Account Participant Full Name	Account participant's first, middle, and last name or the registered name of the entity. The account participants include the official custodian, beneficiary, bond holder, mortgagor, or employee benefit plan participant, for each account and account holder.	AP_First_Name, AP_Middle_Name, AP_Last_Name, AP_Entity_Name	Variable Character			Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	
Account Participant Type	This field is used as the account participant type identifier: OC = Official Custodian, BEN = Beneficiary, BHR = Bond Holder, MOR = Mortgagor, EPP = Employee Benefit Plan Participant.	AP_Participant_Type	Character (3)			Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	
Amount of Account Participant's Non-contingent Interest	The amount of each account participant's non-contingent interest. Interests that are capable of determination without evaluation of contingencies. (12 C.F.R. § 330.13 and 12 C.F.R. § 330.14)		Decimal (15, 2)				Yes		Yes				Yes				
Amount of Account Participant's Contingent Interests	The amount of each account participant's contingent interest. Interests that are capable of determination with evaluation of contingencies. (12 C.F.R. § 330.13 and 12 C.F.R. § 330.14)		Decimal (15, 2)				Yes		Yes				Yes				
Account Participant's Government-Issued ID	This field shall contain the ID number that identifies the account participant based on a government issued ID or corporate filing. For a United States individual - Legal identification number (e.g. SSN, TIN). For a foreign national individual - where a SSN or TIN does not exist, a foreign passport or other legal identification number (e.g. Alien Card). For a non-individual - the Tax identification Number (TIN), or other register entity number. The SSN or TIN should be used for uniquely identifying the account participant, and is not intended to be used for aggregation purposes.	AP_Govt_ID	Variable Character				Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes
Account Participant's Government-Issued ID Type	The valid account participant identification types, are: SSN = Social Security Number, TIN = Tax Identification Number, OTH = Other.	AP_Govt_ID_Type	Character (3)			Yes	Yes		Yes		Yes	Yes	Yes	Yes	Yes	Yes	

Mapping

The chart below maps the field names in the current Deposit Broker's Processing Guide with the field names in the Part 370 Output Files.

No	Deposit Broker's Processing Guide	Part 370 Output File Field Names
1	Broker Number	
2	Account Number	DP_Acct_Identifier
3	Customer Account Number	
4	CUSIP	
5	Tax ID	CS_Govt_ID
6	Tax ID Code	CS_Govt_ID_Type
7	Name 1	CS_Entity_Name
		CS_Name_Suffix
		CS_First_Name
		CS_Middle_Name
		CS_Last_Name
8	Name 2	CS_Entity_Name
		CS_Name_Suffix
		CS_First_Name
		CS_Middle_Name
		CS_Last_Name
9	Address 1	CS_Street_Add_Ln1
10	Address 2	CS_Street_Add_Ln2
11	Address 3	CS_Street_Add_Ln3
12	City	CS_City
13	State	CS_State
14	Zip	CS_ZIP
15	Country	CS_Country
16	Province	CS_State
17	IRA Code	
18	Principal	DP_Allocated_Amt
19	Sub-brokerIndicator	

This version of the addendum reflects the principles that are effective as of the date of publication. This addendum will be revised on an ongoing basis as policies and procedures change and as feedback regarding system architecture, interfaces, capabilities, and limitations is provided to the FDIC by CIs, and/or account holders. To the extent questions arise regarding Part 370, including the information contained in this addendum, please contact the FDIC at Part370@fdic.gov