Schedule RC-C, Part II. Loans to Small Businesses and Small Farms

General Instructions

Schedule RC-C, Part II, is to be completed semiannually in the June and December reports only.

Schedule RC-C, Part II, requests information on the number and amount currently outstanding of "loans to small businesses" and "loans to small farms," as defined below. This information is being collected pursuant to Section 122 of the Federal Deposit Insurance Corporation Improvement Act of 1991.

For purposes of this schedule, "**loans to small businesses**" consist of the following:

(1) Loans with original amounts of $1 million or less that have been reported as “Loans secured by nonfarm nonresidential properties” in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2), and

(2) Loans with original amounts of $1 million or less that have been reported in Schedule RC-C, Part I, item 4, "Commercial and industrial loans."

For purposes of this schedule, "**loans to small farms**" consist of the following:

(1) Loans with original amounts of $500,000 or less that have been reported in Schedule RC-C, Part I, item 1.b, "Loans secured by farmland (including farm residential and other improvements)", and

(2) Loans with original amounts of $500,000 or less that have been reported in Schedule RC-C, Part I, item 3, "Loans to finance agricultural production and other loans to farmers".

The following guidelines should be used to determine the "**original amount**" of a loan:

(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was <u>most recently</u> approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date.

(2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender.

(3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

The "**amount currently outstanding**" for a loan is its carrying value, i.e., the amount at which the loan is reported in Schedule RC-C, Part I, item 1.b, 1.e.(1), 1.e.(2), 3, or 4.

Except as noted below for "corporate" or "business" credit card programs, when determining "original amounts" and reporting the number and amount currently outstanding for a category of loans in this Part II, multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans.

A bank that offers "corporate" or "business" credit card programs under which credit cards are issued to one or more of a company's employees for business-related use should treat each company's program

Part II. (cont.)

General Instructions (cont.)

as a single extension of credit to that company. The credit limits for all of the individual credit cards issued to the company's employees should be totaled and this total should be treated as the "original amount" of the "corporate" or "business" credit card program established for this company. The company's program should be reported as one loan and the amount currently outstanding would be the sum of the credit card balances as of the report date on each of the individual credit cards issued to the company's employees. However, when aggregated data for each individual company in a "corporate" or "business" credit card program are not readily determinable from the bank's credit card records, the bank should develop reasonable estimates of the number of "corporate" or "business" credit card programs in existence as of the report date, the "original amounts" of these programs, and the "amounts currently outstanding" for these programs and should then report information about these programs on the basis of its reasonable estimates. In no case should the individual credit cards issued to a company's employees under a "corporate" or "business" credit card program be reported as separate individual loans to small businesses.

Item Instructions

Loans to Small Businesses

Item No. Caption and Instructions

1 Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, Part I, item 4, have original amounts of $100,000 or less.

If: (a) the average size of the amount currently outstanding for your bank's "Loans secured by nonfarm nonresidential properties" as reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2), above, is $100,000 or less, and

(b) the average size of the amount currently outstanding for your bank's "Commercial and industrial loans" as reported in Schedule RC-C, Part I, item 4, above, is $100,000 or less, and

(c) your lending officers' knowledge of your bank's loans or other relevant information pertaining to "Loans secured by nonfarm nonresidential properties" and "Commercial and industrial loans" indicates that all or substantially all of the dollar volume of your bank's loans in each of these two categories has "original amounts" (as described above in the General Instructions to this Part II) of $100,000 or less,

place an "X" in the box marked "YES," complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5.

If your bank has no loans outstanding in both of these two loan categories, place an "X" in the box marked "NO," skip items 2 through 4, and go to item 5.

Otherwise, place an "X" in the box marked "NO," skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5.

Part II. (cont.)

Item No. Caption and Instructions

2 **Report the total number of loans currently outstanding for each of the following Schedule RC-C, Part I, loan categories.** Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans.

2.a **Number of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, Part I, items 1.e(1) and 1.e.(2).** Count the number of individual loans currently outstanding whose carrying values add up to the amount of “Loans secured by nonfarm nonresidential properties” reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2). The sum of the amounts reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2), divided by the number of loans reported in this item should not exceed $100,000.

2.b **Number of "Commercial and industrial loans” reported in Schedule RC-C, Part I, item 4.** Count the number of individual loans currently outstanding whose carrying values add up to the amount reported in Schedule RC-C, Part I, item 4.

The amount reported in Schedule RC-C, Part I, item 4, divided by the number of loans reported in this item should not exceed $100,000.

3 **Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2).** See the General Instructions to this Part II for the guidelines for determining the "original amount" of a loan. Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans.

The sum of the amounts currently outstanding reported in items 3.a through 3.c, column B, must be less than or equal to the sum of the amounts reported in Schedule RC-C, Part I, items 1.e.(1) and 1.e.(2).

3.a **With original amounts of $100,000 or less.** Add up the total carrying value of all currently outstanding "Loans secured by nonfarm nonresidential properties" with "original amounts" of $100,000 or less and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B.

Count the number of individual "Loans secured by nonfarm nonresidential properties" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by nonfarm nonresidential properties" with "original amounts" of $100,000 or less). Report this number in column A.

Part II. (cont.)

Item No.	Caption and Instructions
3.b	**With original amounts of more than $100,000 through $250,000.** Add up the total carrying value of all currently outstanding "Loans secured by nonfarm nonresidential properties" with "original amounts" of more than $100,000 through $250,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans secured by nonfarm nonresidential properties" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by nonfarm nonresidential properties" with "original amounts" of more than $100,000 through $250,000). Report this number in column A.
3.c	**With original amounts of more than $250,000 through $1,000,000.** Add up the total carrying value of all currently outstanding "Loans secured by nonfarm nonresidential properties" with "original amounts" of more than $250,000 through $1,000,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans secured by nonfarm nonresidential properties" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by nonfarm nonresidential properties" with "original amounts" of more than $250,000 through $1,000,000). Report this number in column A.
4	**Number and amount currently outstanding of "Commercial and industrial loans reported in Schedule RC-C, Part I, item 4.** See the General Instructions to this Part II for the guidelines for determining the "original amount" of a loan and for the treatment of "corporate" or "business" credit card programs. Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans. The sum of the amounts currently outstanding reported in items 4.a through 4.c, column B, must be less than or equal to the amount reported in Schedule RC-C, Part I, item 4.
4.a	**With original amounts of $100,000 or less.** Add up the total carrying value of all currently outstanding “Commercial and industrial loans” with "original amounts" of $100,000 or less and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual “Commercial and industrial loans” (in domestic offices) whose carrying values were included in the amount reported in column B for this item (i.e., those “Commercial and industrial loans” with "original amounts" of $100,000 or less). Report this number in column A.

Part II. (cont.)

Item No.	Caption and Instructions
4.b	**With original amounts of more than $100,000 through $250,000.** Add up the total carrying value of all currently outstanding “Commercial and industrial loans”) with "original amounts" of more than $100,000 through $250,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual “Commercial and industrial loans” whose carrying values were included in the amount reported in column B for this item (i.e., those “Commercial and industrial loans” with "original amounts" of more than $100,000 through $250,000). Report this number in column A.
4.c	**With original amounts of more than $250,000 through $1,000,000.** Add up the total carrying value of all currently outstanding “Commercial and industrial loans” with "original amounts" of more than $250,000 through $1,000,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Commercial and industrial loans" whose carrying values were included in the amount reported in column B for this item (i.e., those “Commercial and industrial loans” with "original amounts" of more than $250,000 through $1,000,000). Report this number in column A.

Agricultural Loans to Small Farms

Item No.	Caption and Instructions
5	**Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, Part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, Part I, item 3, have original amounts of $100,000 or less.** If: (a) the average size of the amount currently outstanding for your bank's "Loans secured by farmland (including farm residential and other improvements)" as reported in Schedule RC-C, Part I, item 1.b, above, is $100,000 or less, and (b) the average size of the amount currently outstanding for your bank's "Loans to finance agricultural production and other loans to farmers" as reported in Schedule RC-C, Part I, item 3, above, is $100,000 or less, and (c) your lending officers' knowledge of your bank's loans or other relevant information pertaining to "Loans secured by farmland (including farm residential and other improvements" and your "Loans to finance agricultural production and other loans to farmers" indicates that all or substantially all of the dollar volume of your bank's loans in each of these two categories has "original amounts" (as described above in the General Instructions to this Part II) of $100,000 or less, place an "X" in the box marked "YES," complete items 6.a and 6.b below, and do not complete items 7 and 8 below.

Part II. (cont.)

Item No.	**Caption and Instructions**
5 (cont.)	If your bank has <u>no</u> loans outstanding in <u>both</u> of these two loan categories, place an "X" in the box marked "NO," and do not complete items 6 through 8. Otherwise, place an "X" in the box marked "NO," skip items 6.a and 6.b, and complete items 7 and 8 below.
6	**Report the total number of loans currently outstanding for each of the following Schedule RC-C, Part I, loan categories.** Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans.
6.a	**Number of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, Part I, item 1.b.** Count the number of individual loans currently outstanding whose carrying values add up to the amount reported in Schedule RC-C, Part I, item 1.b, "Loans secured by farmland (including farm residential and other improvements)." The amount reported in Schedule RC-C, Part I, item 1.b, divided by the number of loans reported in this item should not exceed $100,000.
6.b	**Number of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, Part I, item 3.** Count the number of individual loans currently outstanding whose carrying values add up to the amount reported in Schedule RC-C, Part I, item 3, "Loans to finance agricultural production and other loans to farmers." The amount reported in Schedule RC-C, Part I, item 3, divided by the number of loans reported in this item should not exceed $100,000.
7	**Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, Part I, item 1.b.** See the General Instructions to this Part II for the guidelines for determining the "original amount" of a loan. Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans. The sum of the amounts currently outstanding reported in items 7.a through 7.c, column B, must be less than or equal to the amount reported Schedule RC-C, Part I, item 1.b.
7.a	**With original amounts of $100,000 or less.** Add up the total carrying value of all currently outstanding "Loans secured by farmland (including farm residential and other improvements)" with "original amounts" of $100,000 or less and report this total amount in column B. Do <u>not</u> add up the "original amounts" of each of these loans and report the total original amount in column B.

Part II. (cont.)

Item No.	Caption and Instructions
7.a (cont.)	Count the number of individual "Loans secured by farmland (including farm residential and other improvements" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by farmland (including farm residential and other improvements)" with "original amounts" of $100,000 or less). Report this number in column A.
7.b	**With original amounts of more than $100,000 through $250,000.** Add up the total carrying value of all currently outstanding "Loans secured by farmland (including farm residential and other improvements" with "original amounts" of more than $100,000 through $250,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans secured by farmland (including farm residential and other improvements)" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by farmland (including farm residential and other improvements)" with "original amounts" of more than $100,000 through $250,000). Report this number in column A.
7.c	**With original amounts of more than $250,000 through $500,000.** Add up the total carrying value of all currently outstanding "Loans secured by farmland (including farm residential and other improvements)" with "original amounts" of more than $250,000 through $500,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans secured by farmland (including farm residential and other improvements)" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans secured by farmland (including farm residential and other improvements)" with "original amounts" of more than $250,000 through $500,000). Report this number in column A.
8	**Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, Part I, item 3.** See the General Instructions to this Part II for the guidelines for determining the "original amount" of a loan. Multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the bank's business and/or farm loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may report multiple loans to one borrower as separate individual loans. The sum of the amounts currently outstanding reported in items 8.a through 8.c, column B, must be less than or equal to the amount reported in Schedule RC-C, Part I, item 3.
8.a	**With original amounts of $100,000 or less.** Add up the total carrying value of all currently outstanding "Loans to finance agricultural production and other loans to farmers" with "original amounts" of $100,000 or less and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B.

Part II. (cont.)

Item No.	Caption and Instructions
8.a (cont.)	Count the number of individual "Loans to finance agricultural production and other loans to farmers" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans to finance agricultural production and other loans to farmers" with "original amounts" of $100,000 or less). Report this number in column A.
8.b	**With original amounts of more than $100,000 through $250,000.** Add up the total carrying value of all currently outstanding "Loans to finance agricultural production and other loans to farmers" with "original amounts" of more than $100,000 through $250,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans to finance agricultural production and other loans to farmers" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans to finance agricultural production and other loans to farmers" with "original amounts" of more than $100,000 through $250,000). Report this number in column A.
8.c	**With original amounts of more than $250,000 through $500,000.** Add up the total carrying value of all currently outstanding "Loans to finance agricultural production and other loans to farmers" with "original amounts" of more than $250,000 through $500,000 and report this total amount in column B. Do not add up the "original amounts" of each of these loans and report the total original amount in column B. Count the number of individual "Loans to finance agricultural production and other loans to farmers" whose carrying values were included in the amount reported in column B for this item (i.e., those "Loans to finance agricultural production and other loans to farmers" with "original amounts" of more than $250,000 through $500,000). Report this number in column A.

Examples of Reporting in Schedule RC-C, Part II

(1) A bank has a "Loan secured by owner-occupied nonfarm nonresidential property" which has a carrying value on the report date of $70,000 and this amount is included in Schedule RC-C, Part I, item 1.e.(1). The bank made this loan to the borrower in the original amount of $75,000, so it would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan is $100,000 or less, the bank would report the $70,000 amount currently outstanding in Part II, item 3.a, column B.

(2) The bank has a second "Loan secured by owner-occupied nonfarm nonresidential property" which has a carrying value on the report date of $60,000 and this amount is included in Schedule RC-C, Part I, item 1.e.(1). The bank made this loan to the borrower in the original amount of $125,000, so it would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan falls within the more than $100,000 through $250,000 range, the bank would report the $60,000 amount currently outstanding in Part II, item 3.b, column B.

(3) The bank has a "Commercial and industrial loan" which has a carrying value on the report date of $200,000 and this amount is included in Schedule RC-C, Part I, item 4. The bank made this loan to the borrower in the original amount of $250,000, so it would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan is exactly $250,000 which is the upper end of the more than $100,000 through $250,000 range, the bank would report the $200,000 amount currently outstanding in Part II, item 4.b, column B.

(4) The bank has a second "Commercial and industrial loan" which has a carrying value on the report date of $90,000 and this amount is included in Schedule RC-C, Part I, item 4. The bank made this loan to the borrower in the original amount of $500,000 and sold loan participations for $400,000 while retaining $100,000. Nevertheless, based on the entire amount of the credit that was originated by the bank, the loan would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the entire loan is $500,000 which falls within the more than $250,000 through $1,000,000 range, the bank would report the $90,000 amount currently outstanding in Part II, item 4.c, column B.

(5) The bank has a third "Commercial and industrial loan" which has a carrying value on the report date of $55,000 and this amount is included in Schedule RC-C, Part I, item 4. This loan represents a participation purchased by the bank from another lender. The original amount of the entire credit is $750,000 and the bank's original share of this credit was $75,000. Based on the entire amount of the credit that was originated by the other lender, the loan would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the entire credit is $750,000 which falls within the more than $250,000 through $1,000,000 range, the bank would report the $55,000 amount currently outstanding in Part II, item 4.c, column B.

(6) The bank has another "Commercial and industrial loan" and it has a carrying value on the report date of $120,000. This amount is included in Schedule RC-C, Part I, item 4. This loan represents a participation purchased by the bank from another lender. The original amount of the entire credit is $1,250,000 and the bank's original share of this credit was $250,000. Because the original amount of the entire credit exceeds $1,000,000, the loan would <u>not</u> be considered a "loan to a small business" and would <u>not</u> be reported in Schedule RC-C, Part II.

(7) The bank has a "Loan secured by other nonfarm nonresidential property" and a "Commercial and industrial loan" to the same borrower. The first loan has a carrying value on the report date of $375,000 and this amount is included in Schedule RC-C, Part I, item 1.e.(2). This "Loan secured by nonfarm nonresidential property" was made in the original amount of $400,000. The second loan has a carrying value on the report date of $650,000 and this amount is included in Schedule RC-C, Part I, item 4. This "Commercial and industrial loan" was made in the original amount of $750,000.

Examples of Reporting in Schedule RC-C, Part II (cont.)

Case I: The bank's loan system can provide aggregate individual borrower data without undue cost to the reporting institution. The loan system indicates that this borrower's two loans have a combined original amount of $1,150,000 and therefore the loans would not be considered "loans to a small business" and would not be reported in Schedule RC-C, Part II.

Case II: The bank's loan system cannot provide aggregate individual borrower data without undue cost to the reporting institution. Therefore, the borrower's two loans would be treated as separate loans for purposes of Schedule RC-C, Part II. Based on its $400,000 original amount, the "Loan secured by other nonfarm nonresidential property" would be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan falls within the more than $250,000 through $1,000,000 range, the bank would report the $375,000 amount currently outstanding in Part II, item 3.c, column B, and count this loan as one loan for purposes of Part II, item 3.c, column A. Since the "Commercial and industrial loan" is being handled separately and its original amount is $750,000, it would also be considered a "loan to a small business" and would be reported in Schedule RC-C, Part II. Because the original amount of this loan falls within the more than $250,000 through $1,000,000 range, the bank would report the $650,000 amount currently outstanding in Part II, item 4.c, column B, and count this loan as one loan for purposes of Part II, item 4.c, column A.

(8) The bank has a "Loan secured by farmland (including farm residential and other improvements)" which has a carrying value on the report date of $225,000. The bank made this loan to the borrower in the original amount of $260,000 and the loan is secured by a first lien on the borrower's farmland. The bank has a second "Loan secured by farmland" to this same borrower and it is secured by a second lien on the borrower's property. This second lien loan has a carrying value of $50,000 and the original amount of the loan is the same as its carrying value. The carrying values of both loans (the $225,000 first lien loan and the $50,000 second lien loan) are included in Schedule RC-C, Part I, item 1.b.

Case I: The bank's loan system can provide aggregate individual borrower data without undue cost to the reporting institution. The loan system indicates that this borrower's two loans have a combined original amount of $310,000 and therefore the two loans together would be considered a single "loan to a small farm" and would be reported in Schedule RC-C, Part II. Because the original amount of the two combined loans falls within the more than $250,000 through $500,000 range, the bank would report the $275,000 combined total of the amounts currently outstanding for the two loans in Part II, item 7.c, column B, and count these two loans to the same borrower as one loan for purposes of Part II, item 7.c, column A.

Case II: The bank's loan system cannot provide aggregate individual borrower data without undue cost to the reporting institution. Therefore, the borrower's two loans would be treated as separate loans for purposes of Schedule RC-C, Part II. Based on its $260,000 original amount, the first lien loan would be considered a "loan to a small farm" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan falls within the more than $250,000 through $500,000 range, the bank would report the $225,000 amount currently outstanding in Part II, item 7.c, column B, and count this loan as one loan for purposes of Part II, item 7.c, column A. Since the second lien loan is being handled separately and its original amount is $50,000, it would also be considered a "loan to a small farm" and would be reported in Schedule RC-C, Part II. Because the original amount of this loan is less than $100,000, the bank would report the $50,000 amount currently outstanding in Part II, item 7.a, column B, and count this loan as one loan for purposes of Part II, item 7.a, column A.

Examples of Reporting in Schedule RC-C, Part II (cont.)

(9) The bank has one final "Loan secured by farmland" which has a carrying value on the report date of $5,000 and this amount is included in Schedule RC-C, Part I, item 1.b. The bank made this loan to the borrower in the original amount of $300,000, so it would be considered a "loan to a small farm" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan falls within the more than $250,000 through $500,000 range, the bank would report the $5,000 amount currently outstanding in Part II, item 7.c, column B.

(10) The bank has granted a $150,000 line of credit to a farmer that is not secured by real estate. The farmer has received advances twice under this line of credit and, rather than having signed a single note for the entire $150,000 amount of the line of credit, has signed separate notes for each advance. One note is in the original amount of $30,000 and the other is in the original amount of $50,000. The carrying values of the two notes on the report date are the same as their original amounts and these amounts are included in Schedule RC-C, Part I, item 3. For loans drawn down under lines of credit, the original amount of the loan is the size of the line of credit when it was most recently approved, extended, or renewed prior to the report date. In this case, the line of credit was most recently approved for $150,000.

Case I: The bank's loan system can provide aggregate individual borrower data for multiple advances under lines of credit without undue cost to the reporting institution. Thus, even though a separate note was signed each time the farmer borrowed under the line of credit, the loan system combines all information about the farmer's separate borrowings under the line of credit. Therefore, the loan system indicates that the farmer has a line of credit for $150,000 and that the amount currently outstanding under the line of credit for the combined carrying values of the two borrowings under the line of credit is $80,000. Because the line of credit was most recently approved for $150,000, this $150,000 original amount for the line of credit would be considered a "loan to a small farm" that would be reported in Schedule RC-C, Part II. Therefore, the original amount of the line of credit falls within the more than $100,000 through $250,000 range and the bank would report the $80,000 combined total of the amounts currently outstanding for the two notes in Part II, item 8.b, column B, and count these two notes to the farmer under the line of credit as one loan for purposes of Part II, item 8.b, column A.

Case II: The bank's loan system cannot provide aggregate individual borrower data for lines of credit without undue cost to the reporting institution. Therefore, the farmer's two notes under the line of credit would be treated as separate loans for purposes of Schedule RC-C, Part II. The original amount of the line of credit is $150,000 and each of the two notes would be considered a "loan to a small farm" that would be reported in Schedule RC-C, Part II. Because each of the two notes indicates that it is part of a $150,000 line of credit and the $150,000 original amount of the line of credit falls within the more than $100,000 through $250,000 range, the bank would report both the $30,000 and $50,000 amounts currently outstanding in Part II, item 8.b, column B, and count these as two loans for purposes of Part II, item 8.b, column A.

(11) The bank has one other "Loan to finance agricultural production and other loans to a farmer" which has a carrying value on the report date of $75,000 and this amount is included in Schedule RC-C, Part I, item 3. The bank made this loan to the borrower in the original amount of $100,000, so it would be considered a "loan to a small farm" and would be reported in Schedule RC-C, Part II. Because the original amount of the loan is exactly $100,000 which is the upper end of the $100,000 or less range, the bank would report the $75,000 amount currently outstanding in Part II, item 8.a, column B.

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