

Board Distribution Draft – November 23, 2005

[6714-01-P]

FEDERAL DEPOSIT INSURANCE CORPORATION

RIN

Large-Bank Deposit Insurance Determination Modernization Proposal

AGENCY: Federal Deposit Insurance Corporation (“FDIC”).

ACTION: Advance Notice of Proposed Rulemaking.

SUMMARY: In view of the significant industry consolidation in recent years, the FDIC is exploring new methods to modernize its deposit insurance determination process, whereby the insurance status of each depositor is determined in the event of failure. Procedures currently used by the FDIC to determine deposit insurance coverage may result in unacceptable delays if used for an FDIC-insured institution with a large number of deposit accounts. In developing a new system to determine insurance coverage, the FDIC’s goals are to minimize disruption to depositors and communities, and maximize recoveries for the deposit insurance fund in the event one of the largest insured institutions should fail. The FDIC is seeking comment on the best means to accomplish these objectives, and is offering three possible options for comment. *The focus of this Advance Notice of Proposed Rulemaking (“ANPR”) is on FDIC-insured institutions with the largest number of deposit accounts, currently expected to include only the 145 insured institutions with total number of deposit accounts over 250,000 and total domestic deposits of at least \$2 billion (“Covered institutions”).* None of these options

require that insured institutions transmit deposit data to the FDIC unless the institution is in danger of failing.

DATE: Comments must be submitted on or before [**insert date 90 days after the FR publication date**].

ADDRESSES: You may submit comments by any of the following methods:

- Agency Web site: <http://www.FDIC.gov/regulations/laws/federal/propose.html>.
Follow the instructions for submitting comments.
- E-mail: comments@FDIC.gov.
- Mail: Robert E. Feldman, Executive Secretary, Attention: Comments/Legal ESS, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, DC 20429.
- Hand Delivered/Courier: The guard station at the rear of the 550 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.
- Public Inspection: Comments may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, NW, Washington, DC, between 9:00 a.m. and 4:30 p.m. on business days.
- Internet Posting: Comments received will be posted without change to <http://www.FDIC.gov/regulations/laws/federal/propose.html>, including any personal information provided.

FOR FURTHER INFORMATION CONTACT: James Marino, Project Manager, Division of Resolutions and Receiverships, (202) 898-7151 or jmarino@fdic.gov or Christopher Hencke, Counsel, Legal Division, (202) 898-8839 or chencke@fdic.gov.

SUPPLEMENTARY INFORMATION:

I. Introduction

The FDIC seeks comment on the best way to improve the deposit insurance determination process. Three options are presented for comment.

- Option 1 would require Covered institutions to have installed on their computer systems a routine that, in the event of failure, would automatically place a temporary hold on a portion of the balances in large deposit accounts. The percentage hold amount would be determined by the FDIC at the time of failure, depending mainly on estimated losses to uninsured depositors. These holds would be placed immediately prior to the institution reopening for business as a bridge bank, generally expected to be the next business day. The institution also would need to be able to automatically remove these holds and debit the account, if necessary, depending on the results of the FDIC's insurance determination. The insurance determination would be facilitated by the institution providing the FDIC, in the event of failure, with depositor data (name, address, tax

identification number, etc.) in a standard format, including a unique identifier for each depositor and the insurance category of each account.

- Option 2 is similar to Option 1, except the standard data set would include only information the institution currently possesses. This option would not require a unique identity for each depositor or that the institution supply the insurance category for each account.
- Option 3 would require that, in addition to Option 1 or Option 2, the largest 10 or 20 Covered institutions (in terms of the number of deposit accounts) know the insurance status of their depositors at any given point in time and have the capability to automate the placement of hard holds and debit uninsured funds as specified by the FDIC upon failure.

The FDIC is interested in improving its ability to make insurance determinations in the insured institutions with the largest number of deposit accounts, which currently would include insured institutions with over 250,000 deposit accounts *and* total domestic deposits over \$2 billion. As of June 30, 2005 that would include 145 institutions.

Historically the FDIC has taken responsibility for making an insurance determination at the time of failure based on the failed institution's records. A precise deposit insurance determination requires a specialty system to analyze depositor data and apply the insurance rules. Under current law an insured depository institution is not required to

calculate by depositor the amount of funds exceeding the \$100,000 insurance limit (by depositor and insurance category).

As part of its normal practice, the FDIC obtains depositor data only at the time an insured institution is in danger of failing. These data are received in the weeks or months prior to failure, and are obtained for the sole purpose of determining the insurance status of individual depositors and estimating the total amount of insured funds in the institution. The receipt of such depositor data is necessary for the FDIC to carry out its insurance function. The options provided in this ANPR do not alter the FDIC policy regarding the receipt of depositor information in preparation for the resolution of a failing insured institution. The FDIC is aware of the potential privacy issues surrounding the holding of depositor information and has in place strict safeguards to protect these data.

The FDIC operates under a mandate when handling a failing institution to structure the least costly of all possible resolution transactions,¹ except in the event of systemic risk² and even in those cases the FDIC must conserve costs. Since the introduction of the systemic risk exception in 1991 no exceptions to the least-cost requirement have been granted. The FDIC's least-cost requirement was intended to reduce resolution cost and instill a greater degree of market discipline by requiring that losses be borne by uninsured depositors and non-deposit creditors. The FDIC's claims process clearly plays a central role in this area.

¹ Section 13(c)(4)(A)(ii) of the Federal Deposit Insurance Act ("FDI Act"), 12 USC § 1823(c)(4)(A)(ii).

² Section 13(c)(4)(G)(i) of the FDI Act, 12 USC § 1823(c)(4)(G)(i).

When an insured institution fails the FDIC may pay insured depositors up to the insurance limit (a “pay-off”) or the FDIC may sell the failed institution to another FDIC-insured institution (a “purchase and assumption transaction”). Another option is to establish a bridge bank³ or a conservatorship and transfer deposits to that institution. Preservation of the deposit franchise of a failed institution is an important facet of minimizing resolution costs. As a consequence, the FDIC is most likely to use a bridge bank structure in the resolution of a Covered institution, although a pay-off or a purchase and assumption transaction remain possibilities. Establishing a bridge bank should contribute greatly to customer retention and minimize potential operational difficulties, which will enhance the sales premium when the bridge bank is privatized as part of the final resolution transaction.⁴

The FDIC also has a legal mandate to pay insured deposits “as soon as possible”⁵ after an institution’s closure. Although the FDIC has no statutory requirement to provide access to insured deposits within a specified time after failure it places a high priority on providing access to deposits promptly to:

- Maintain public confidence in the banking industry and the FDIC.

³ A bridge bank is a national bank chartered for the purpose of temporarily carrying on the banking operations of a failed institution until a permanent solution can be crafted. See 12 U.S.C. § 1821(n). The FDIC’s bridge bank authority applies only to the failure of a bank. In the event of the failure of an insured savings association the FDIC could seek a federal thrift charter that would be operated as a conservatorship. As with a bridge bank, the new thrift institution would be a temporary mechanism to facilitate a permanent resolution structure.

⁴ Bovenzi, John F., “An FDIC Approach to Resolving a Large Bank,” *Financial Market Behavior and Appropriate Regulation Over the Business Cycle*, Chicago: Federal Reserve Bank of Chicago, May 2002, pages 56-61.

⁵ Section 11(f)(1) of the FDI Act, 12 USC § 1821(f)(1).

- Provide the best possible service to insured depositors by minimizing uncertainty about their status and avoiding costly disruptions such as returned checks and a limit on their ability to meet financial obligations.
- Mitigate the spillover effects of a failure, which may include risks to the payments system, problems stemming from depositor illiquidity and a substantial reduction in credit availability. For large failures the potential spillover effects can be magnified, underscoring the importance of a rapid resolution. Effectively addressing spillover effects minimizes the likelihood of systemic risk.
- Retain, where feasible, the franchise value of the failed institution (and thus minimize the FDIC's resolution costs).

Historically, most insured institution closures have occurred on a Thursday or Friday. In recent years, the FDIC has made funds available to the majority of depositors by the next business day, usually the Monday following a Friday closing.

All of the insured institution failures of the past 10 years have been of modest size, the largest being Superior Bank, FSB with total deposits at the time of closure of about \$2 billion and roughly 90,000 deposit accounts. This failure pattern does not overshadow the FDIC's mandate to handle the failure of an insured institution of any size. Continued industry consolidation has caused the FDIC to reexamine its approach to conducting a deposit insurance determination, including the adoption of new technologies and business processes that could greatly increase the efficiency and timeliness of resolving a failed institution and getting depositors access to their funds.

Industry consolidation raises practical concerns about the FDIC’s current business model for conducting a deposit insurance determination. Larger institutions—especially those initiating recent merger activity—are considerably more complex, have more deposit accounts, greater geographic dispersion, more diversity of systems and data consistency issues arising from mergers than has been the case historically. Implications of industry consolidation over the past 10 years can be seen in the following table. Should such trends continue, deposits will become even more concentrated in the foreseeable future.

Table 1. Top Ten Institutions, By Number of Deposit Accounts (In Millions).

Rank	1995	2000	2005
1	11.0	36.4	47.8
2	6.5	10.9	29.1
3	3.8	9.0	22.7
4	3.6	7.9	17.4
5	3.5	7.8	16.3
6	3.3	7.2	10.3
7	3.3	6.5	9.0
8	3.2	5.5	8.7
9	3.1	5.1	6.1
10	<u>3.0</u>	<u>5.0</u>	<u>5.0</u>
Total	44.3	101.3	172.5

Source: FDIC.

This ANPR discusses regulatory options for a new business model for insurance determinations where Covered institutions would be required to facilitate the calculation of the insurance coverage of deposit accounts. Prior to developing the options discussed below and as part of its ongoing work to improve the efficiency of the claims process, the

FDIC held meetings with senior examiners from the FDIC and other federal banking agencies. Further, the FDIC solicited advice and opinions from the staff of four large insured depository institutions and a deposit servicer of large institutions.

After the basic options discussed in this ANPR were developed the FDIC held meetings with four large providers of deposit software or servicing to Covered institutions. During these meetings FDIC staff presented the options along with substantial background on its insurance determination process and the objectives of the current claims modernization process. The deposit software vendors/servicers were asked to consider the feasibility of the options, including potential costs. Each vendor expressed a strong preference among these options for Option 2 (described in more detail below). The FDIC's impression from these meetings was that Option 2 could be incorporated into the vendor's deposit systems. Based on discussions with these vendors, staff of the FDIC believes the costs for Option 2 likely would be fairly modest.

These vendor visits were followed by meetings with the other federal banking agencies: the Board of Governors of the Federal Reserve, the Office of the Comptroller of the Currency and the Office of Thrift Supervision. Visits also were made to several banking trade organizations to discuss the options and solicit feedback. Lastly, the options were presented for comment to the four large insured depository institutions visited earlier in the process.

The options outlined here cannot be implemented without some regulatory and financial burden. The FDIC is seeking to minimize these costs while at the same time ensuring that it can effectively carry out its mandates to make insured funds available quickly to depositors and provide a least-cost resolution for Covered institutions. The FDIC would like comment on the potential industry costs and feasibility of implementing the options (described below in more detail). The FDIC also is interested in comments on whether there are other ways to accomplish its goals that might be more effective or less costly or burdensome. In other words, what approach or combination of approaches (which may include new alternatives) most effectively meets this cost/benefit tradeoff?

Implementation of these or similar options will require that the FDIC amend its regulations. If changes in the regulations are proposed, the FDIC will publish a Notice of Proposed Rulemaking and afford the opportunity for additional public comment before any final decision is made.

II. Background

FDIC Insurance Coverage

The basic insurance limit is \$100,000 per depositor, per insured institution. Depositors eligible to receive insurance coverage include natural persons, legal entities such as corporations, partnerships and unincorporated associations, and public units. Insurance coverage is based on the concept of ownership rights and capacities. Deposits maintained

by a person or entity in *different* ownership rights and capacities at one institution are separately insured up to the insurance limit. Deposits maintained in the same ownership rights and capacities are added together to determine the insurance coverage. The FDIC's rules and regulations for deposit insurance coverage describe the categories of ownership rights and capacities eligible for separate insurance coverage. FDIC refers to these as "ownership categories" (see Appendix A for a description of the primary ownership categories).⁶

All types of deposits (for example, checking accounts, savings accounts, certificates of deposit, interest checks and cashier's checks⁷) that a depositor has at an institution in the same ownership category are added together before the FDIC applies the insurance limit for that category. A depositor cannot increase insurance coverage by dividing funds into different accounts in the same ownership category at the same institution. Similarly, in the case of joint accounts, using different co-owner Social Security numbers on different accounts does not increase insurance coverage. In a deposit insurance determination, the FDIC relies upon the deposit account records of the failed institution to determine the ownership of an account and thus the amount of insurance coverage available.

⁶ See also *Financial Institution Employee's Guide to Deposit Insurance*, Federal Deposit Insurance Corporation, 2004. This publication as well as additional information on insurance coverage is available at <http://www.fdic.gov/deposit/deposits/index.html>.

⁷ Cashiers' checks, money orders, officers' checks, interest checks, loan checks or expense checks constitute official items. Official items are included in the deposit insurance determination only if they are drawn on the failed bank.

Current Deposit Insurance Determination Process

Background. The deposit insurance determination process has several steps. Each step varies in time and complexity, depending on the institution's characteristics (primarily the number of deposit accounts and deposit systems).

Closing out the day's business. Generally, on the day of an institution's failure, all of the day's check processing and deposit transactions are completed (not including the overdraft decision-making process that occurs the following morning). The length of this process can vary across institutions. For larger institutions this process can run into the early morning hours possibly ending at 4 a.m. or later.

Obtain deposit data. A data file is obtained from the institution or its servicer. Obtaining usable requisite data from the institution or its servicer frequently is a time-consuming process. The FDIC will provide the institution or its servicer with a standard data request. The standard data request requires the institution to provide approximately 45 data fields for each deposit account along with electronic copies of trial balances and deposit application reconciliations. FDIC technical staff works with the insured institution until the standard data set requirements are met and the files transmitted to the FDIC can be processed properly.

Generally, the FDIC has at least 30 days advance warning to plan and prepare for failures. Data are requested in advance to ensure delivery capabilities, prove the

balancing and reconciliation processes and make certain all required fields have been included. In instances in the past, where a large depository institution experienced financial difficulties, liquidity pressures forced the closing of the institution before it became capital insolvent. As a consequence, the FDIC is concerned that lengthy advanced warning and early access may not be possible or practical for a Covered institution that becomes financially troubled. More limited access combined with complexities inherent in large-institution deposit systems—including multiple deposit systems and significant data volumes—could materially delay the process of obtaining data necessary to conduct a deposit insurance determination.

Process deposit data. Data are received and validated (including reconciliation to the actual trial balance). Using its Receivership Liability System (“RLS”) the FDIC determines which accounts are fully insured, which are *definitely* uninsured and which are *possibly* uninsured (pending the collection of further information). The RLS automatically groups accounts based on the estimated ownership category and the name(s), address, and tax identification number for each account. This process is part of the insurance determination performed on the depositor data received from a failed institution.

FDIC holds/debits based on insurance determination results. Accounts definitely uninsured are debited for the uninsured amount. Holds are placed on accounts that are deemed potentially uninsured for amounts over the insurance limit and the account owner is contacted. If additional information is required from the depositor, a meeting is

scheduled. These meetings afford the opportunity to collect information necessary to finalize the insurance determination on the possibly uninsured depositors.

The typical institution resolved by the FDIC does not have the capability to post a large volume of holds electronically by batch. In these cases holds are placed manually usually through the on-line system. In two failures in the recent past the FDIC has had the ability to work with programmers prior to the closing to create an automated method. This required a significant amount of time and availability of staff prior to the failure. Automatically processing a large number of holds at closing without pre-failure preparations and testing may result in significant operational difficulties during and after opening the new institution for business. In one instance the FDIC discovered after the fact that the programmed holds could not be removed by tellers under the direction of FDIC staff. These holds could only be removed by another program that ran in batch mode. This caused a delay in releasing funds to insured customers.

FDIC System Upgrades

As part of its claims process review, the FDIC will streamline the business processes it uses to facilitate a deposit insurance determination. This will involve developing a new deposit insurance claims processing system incorporating more advanced technologies to enhance automation. These changes will improve the FDIC's ability to process efficiently a large number of accounts and provide timely customer support to uninsured depositors. In the case of a Covered institution that is in danger of failing, enhancements

to the FDIC's claims system would be complemented by the options proposed in this ANPR. In particular, the FDIC is focusing on the collection and validation of deposit data and the capability of automatically debiting or placing holds on uninsured or potentially uninsured accounts.

The Banking Landscape from the Claims Perspective

Industry segmentation. Insured depository institutions can be divided into two general categories, depending on the unique issues posed during a potential resolution. The single most important facet determining the complexity of the claims process is the *number* of deposit accounts, although the *volume* of daily transactions also can be important. For the purpose of claims process planning the FDIC has divided the industry into two segments as shown in Table 2.

This segmentation does not result in two homogenous groups. There are profound differences among institutions in each group. From the deposit claims perspective the varying characteristics of Covered and Excluded institutions suggest the need for different claims approaches and methodologies.

Complexity: Large institutions typically have more accounts and more complex deposit systems. With Covered institutions the speed of the claims process could be greatly enhanced by the FDIC obtaining a timely data download and improving the capability to automatically post holds or debit uninsured funds.

Table 2. Industry Segmentation.

Segment	Definition	No.	% of Total	Total Domestic Deposits (Billions)	% of Total
Covered	Total number of deposit accounts over 250,000 <i>and</i> total domestic deposits over \$2 billion.	145	1.6%	\$3,982	67.1%
Excluded	All insured institutions not Covered.	8,735	98.4%	\$1,950	32.9%
Total		8,880	100.0%	\$5,932	100.0%

Source: FDIC.

Note: Data are as of June 30, 2005.

Resolution structure: The resolution of a Covered institution is likely to unfold differently compared to one of smaller size. These differences generally relate to the expected nature of the failure. In today's environment a critically undercapitalized institution will receive a supervisory letter indicating it has 90 days to improve its capital position, otherwise it will be closed (capital insolvency). If the institution's capital level is not improved during this time, a failure will occur, typically on a Friday. This process affords the FDIC substantial advance warning and the opportunity to prepare by obtaining deposit data up to 90 days in advance of failure and by having the opportunity to work with the failing institution's information technology staff.

Covered institutions are more likely to fail due to liquidity reasons prior to becoming critically undercapitalized (liquidity insolvency). Most likely, this will be a less orderly event. Institutions more susceptible to a liquidity insolvency pose greater problems for the FDIC. Such institutions have a less predictable failure date; the failure could occur on any day of the week; and pre-failure access to the institution may be limited because the institution's insolvency is difficult to anticipate.

Covered insured depository institutions present unique challenges in the event of failure. For the smaller, less-complex Covered institutions these challenges may be only modest; for the larger, more complex members of the group they are more severe. The FDIC is concerned about both the size and complexity of the deposit operations of Covered institutions and the speed at which a claims process must be conducted to make funds available quickly to depositors and maximize the institution's franchise value.

III. Proposed Deposit Insurance Determination Timeline

General Process

This ANPR presents three options for discussion. Each of these options would require modifications to the deposit systems of Covered institutions to facilitate the insurance determination process. The third option would require the larger Covered institutions to determine the insurance status of each depositor. In this case the FDIC would rely upon institution-generated results in the event of failure. Alternatively, the first two options

imply a process similar to that currently undertaken by the FDIC, but with important distinctions. The general timeline of the insurance determination process under Options 1 and 2 is outlined below.

Step 1. The institution is closed, typically at the end of the business day.

Step 2. The institution's nightly deposit cycle is completed, a process which may run into the early morning hours. This process posts the day's deposit transactions, ending with the account balance used for deposit insurance purposes.

Step 3. After the nightly deposit cycle is processed and the ending balance obtained for each account, the insured institution's deposit system would post what the FDIC is calling a "provisional hold" on certain large deposit accounts. The capability to post provisional holds is not a current feature of deposit processing systems and would have to be specifically created for this purpose. The provisional hold is a calculated amount based on the account type and balance. Accounts below a certain threshold (for example, \$50,000) would be exempt from a provisional hold. Based upon an initial analysis of potential losses from the failed institution, a specified percent (for example, 10 percent) of each account above this size threshold would be subject to a provisional hold. The actual threshold account size and hold percentage would be provided by the FDIC the night the institution is closed, based primarily on estimated institution losses. The threshold size and hold percentage may vary by account type (for example, demand and NOW accounts, savings deposits time deposits and IRAs). Once the financial institution

calculates the provisional hold amounts, holds must be placed on each affected account. The Hold Code legend should read “FDIC Provisional Hold.” The provisional holds would remain in place until the insurance determination results are determined by the FDIC. The FDIC provisional holds would be removed en masse once insurance determinations have been made by the FDIC. The FDIC will direct the institution’s Operations/IT staff to reverse all provisional holds. It is anticipated this will be done by using the original provisional holds file and changing it to reverse the provisional holds. The FDIC provisional holds should be of a nature that they can be overridden only by IT personnel at the direction of the FDIC if the need arises that individual provisional holds must be removed prior to the en masse removal.

Step 4. After the provisional holds are in place the institution (most likely a bridge bank) is ready to open for business. Posting of provisional holds must occur prior to the start of the business day following failure and appear on hold reports and the on-line system. The “available balance” must show the customer balance after the provisional hold has been posted.

Step 5. The Covered institution also must have the capability to generate a standard data set of deposit account fields necessary for the FDIC to conduct the deposit insurance determination. Except as discussed below for Option 1, the standard data set would be comprised of information the bank already has on hand. Principal balances, accrued interest, and record counts captured as part of this process must be reconciled to the institution’s actual trial balance reports or summary totals reports. A mechanism would

need to be in place to transmit these data quickly to the FDIC or its designated processing vendor.

Step 6. Upon receipt of the institution's standard data set the FDIC will process the information to determine the insurance status of each account. The FDIC will generate one of three possible outcomes for each account.

1. Account is fully insured: remove the provisional hold. No further action is required.
2. Account is definitely uninsured: remove the provisional hold and debit the account in the amount specified by the FDIC.
3. Account is possibly uninsured but further information is required by the FDIC to make the final determination: remove the provisional hold and place a regular bank hold⁸ in the amount specified by the FDIC.⁹

The FDIC intends to forward insurance results to be incorporated into the institution's deposit systems as soon as possible, perhaps as quickly as the day following the receipt of the standard data set. The results will dictate debits and holds to be placed by batch in an automated fashion on deposit accounts. The processing stream would be as follows:

FDIC will notify Operations/IT that results are available. This notification will trigger a

⁸ Bank holds should have a legend stating "FDIC Hold" and are placed for an unlimited number of days.

⁹ Certain trust accounts and accounts eligible for pass-through coverage will require additional information to determine insurance status. The FDIC must obtain this information from the depositor. This process may take several weeks in the case of a relatively large Covered institution. The bank hold with the "FDIC Hold" legend will remain in place until results are obtained. The results of the insurance determination on these accounts will be passed to the institution (bridge bank or assuming institution) as they become available. When these accounts are processed, the deposit insurance determination will be complete.

process whereby all provisional holds are removed en masse using the original file to create the removal transactions. After provisional holds have been removed debit transactions and bank holds will be placed on accounts as determined in the process described above in items 1 through 3.

Provisional Holds

The steps described above would require new features for the deposit systems of Covered institutions. These features are: (1) the creation of a standard data set reconciled to the institution's actual trial balance; (2) the calculation of provisional holds on the basis of FDIC-specified criteria and placement of provisional holds after the regular deposit processing is complete for the day; (3) the capability to remove the provisional holds en masse and (4) the ability to place bank holds by batch, electronically.

Since provisional holds enhance the FDIC's ability to open a bridge bank quickly, it substantially increases the potential resale value of the institution. These holds are necessary to stop the potential outflow of uninsured funds subject to risk during the first business day(s) of the bridge bank's operations. At the same time depositors are provided access to the majority of their funds.

Potential difficulties could arise from provisional holds, including acceleration in the number of returned items. There is a tradeoff between holding uninsured funds potentially subject to loss and quickly making funds available to depositors. The FDIC

must strike a balance in this decision-making process. As a part of this balance, the FDIC could require that the percentage of the provisional hold differ between account type.

Historically losses on large insured institutions have been lower as a percent of assets compared to the smaller, more typical failure. Large institutions also tend to hold more subordinated debt and other general creditor claims compared to smaller institutions. These facts suggest the possibility that the provisional hold percentage will be fairly modest in the failure of most Covered institutions.

IV. Options

The FDIC has preliminarily identified three options, each of which is discussed below.

The FDIC invites comments on these options, as well as other suggestions to achieve the objectives identified in this document. In addition, the FDIC seeks comments on several related issues. *These options are being considered only for Covered institutions.*

The definition of a Covered institution is being actively considered. At this point the definition includes insured institutions with at least 250,000 deposit accounts and more than \$2 billion in domestic deposits. These thresholds are subject to further research and consideration. A limited number of large insured institutions (total assets over \$20 billion) would not fall under this definition because they have fewer than 250,000 deposit accounts. Inclusion of these institutions in the definition of “Covered” is being considered. Further, a multi-bank holding company could have at least one Covered

institution while other members do not meet the definition. Consideration is being given to defining as Covered other members of a multi-bank holding company as long as at least one of its members meets the size thresholds listed above.¹⁰

Option 1

Option 1 would require each Covered institution (except those to which Option 3 would apply) to have in place on an ongoing basis the ability to:

- Identify the owner(s) of each account by using a unique identifier.
- Identify the deposit insurance ownership category of each deposit account.
- Supply to the FDIC a standard data set mapped and formatted to FDIC specifications and reconciled to the institution's actual trial balance. (See Appendix B for a preliminary list of data to be included in the standard data set.)
- Calculate and place provisional holds automatically according to the FDIC's specifications at the end of processing on any given business day.
- Remove provisional holds automatically according to the FDIC's specifications at the end of processing on any given business day.
- Add and remove automatically the FDIC-supplied holds/debits on an as-needed basis.

¹⁰ Some members of a multi-bank holding company hold only a limited number of deposit accounts, perhaps dictating exclusion from the definition of covered.

To ensure compliance the FDIC would test periodically a Covered institution's ability to produce the required processes.¹¹ The testing process would focus on data quality and accuracy, the ability to produce quickly a standard data set meeting the FDIC's criteria, the ability to effectively submit data and the viability of the hold processes. The FDIC recognizes the sensitivity of depositor data and the privacy issues that may arise. The FDIC believes it is possible to conduct an effective testing process while on-site, without the need for sensitive depositor data to leave the institution's premises.

As each covered institution's system would be tested periodically, the FDIC should be able to rely upon the unique owner identifier and the insurance category of each account. Reliance upon these data would accelerate the insurance determination process. Without these data the FDIC would have to identify account owners and each account's insurance category based primarily on the name and address fields and tax identification numbers, as is the case with the current process.

The FDIC would require certain fields from the customer information file ("CIF") system such as CIF number, name, address, taxpayer identification number and certain fields from the deposit system such as account number, account name, address, and principal balance. The data from the CIF file and the deposit systems must be linked. These data elements will be used to determine account owners and to perform insurance determinations. It is proposed that Covered institutions have the data elements mapped and formatted to the FDIC specifications and available to run on short notice. Further, the Covered institutions would have available a method to reconcile the file to actual trial

¹¹ Options 2 and 3 also would involve a testing process to determine the overall quality of the results.

balances to ensure all deposit accounts were captured. Proof of reconciliation would be required.

One of the elements of the standard data set (as set forth in Appendix B) is “product type.” In connection with this element, an insured depository institution must identify “accounts owned by bank” or “bank-owned accounts.” This term means an account that does *not* qualify as a “deposit” account as defined in the Federal Deposit Insurance Act. *See* 12 U.S.C. § 1813(l). For example, a depository institution might establish an account reflecting the collection of loan payments from borrowers. These collected funds represent income. They do not represent insured “deposits” because the depository institution is not obligated to make repayment. All such “bank-owned accounts” must be identified in the standard data set.

The volume of data to be provided in deposit/CIF files of Covered institutions can create time delays. In the event a Covered institution is viewed as in danger of failing, the institution would be required to quickly send or transmit data to secure FDIC sites.

Questions. What would be the overall cost to a Covered institution for developing the capability to automatically post provisional holds, remove provisional holds and automatically process account debits and holds based on the insurance determination results? What would be the overall cost to a Covered institution for developing the capability to produce a formatted standard data file, link CIF files to deposit files and prepare balancing and reconciliation schedules? How expensive would it be for Covered

institutions to supply a unique identifier for each depositor? What would be the cost of supplying the insurance category for each account? How reliable would be the data identifying each depositor and account insurance category? Would Covered institutions have difficulty supplying reliable data for any of the items listed in Appendix B, such as for bank owned accounts? If so, which ones? Are Covered institutions able to identify account owners (as opposed to trustees, managers, beneficiaries, etc.) from their files?

The deposit systems on many Covered institutions use software purchased from a small group of vendors. To what extent would vendor-based software changes help mitigate the overall implementation costs of this program? Could a vendor develop the standard data set and program to pull the data into the specified format for multiple institutions or does each institution have unique details that would prevent this from occurring?

Some Covered institutions may use a servicer to process deposit accounts, and some Covered institutions may share the same deposit servicer. To what extent would implementation changes made by the servicer mitigate the costs of this program?

To meet the proposed standard data set requirement, institutions may have to link records from the CIF and the deposit systems or provide the key or linking elements so data from the CIF can be linked to individual account owners. This would be more complex than a standard data set that only included items from the deposit systems, but it would yield substantial benefits to the FDIC. Once the systems had been developed and tested, how

much longer would it take for an institution to prepare a standard data set that included CIF and deposit system items, compared to one that included only deposit system items?

The FDIC would require transmitted deposit balances to reconcile to the actual trial balance, both balance dollar amounts and the record count. How does reconciliation affect timeliness? Can the process be developed in advance and automated?

What is the most effective way of transmitting data to the FDIC?

Option 2

Option 2 would require each Covered institution to have in place on an ongoing basis the ability to:

- Supply to the FDIC a standard data set mapped and formatted to FDIC specifications and reconciled to the institution's actual trial balance. (See Appendix B for a preliminary list of data to be included in the standard data set.)
- Calculate and place provisional holds automatically according to the FDIC's specifications at the end of processing on any given business day.
- Remove provisional holds automatically according to the FDIC's specifications at the end of processing on any given business day.
- Add and remove automatically the FDIC-supplied holds/debits on an as-needed basis.

The primary difference between Options 1 and 2 rests with the omission in Option 2 of the requirements to supply a unique identifier for each depositor and identify the insurance category of each deposit account. The data elements included in the standard data set also may vary somewhat from those in Appendix B.

Question: What is the likely cost of Option 2? What are the potential cost savings to Covered institutions from Option 2 compared to Option 1? Are there any likely operational difficulties in implementing Option 2?

Option 3

Option 3 would require the very largest of the Covered institutions to know the insurance status of deposit accounts at any given point in time.¹² Upon failure, the institution must be able to place debits/holds automatically for uninsured deposits in an amount specified by the FDIC, so that the institution can be operational the following business day. The FDIC is considering this option only for the largest 10 or 20 Covered institutions while, if used, the remaining Covered institutions would meet requirements similar to those outlined under Options 1 or 2. Limiting the scope of this option to the largest Covered institutions would help mitigate implementation costs as well as speed the insurance determination process for the largest, most complex of the Covered institutions.

¹² This requirement would not include deposit accounts for which the Covered institution does not ordinarily possess the information to make the determination, such as accounts with pass-through coverage (brokered deposit accounts and trust accounts, for example) and certain informal trust accounts (also referred to as either “payable-on-death” or “in-trust-for” accounts) where information on beneficiaries may be necessary for the determination.

This option would be more expensive for Covered institutions than Options 1 or 2, but it could yield additional benefits. Depositors could benefit from the institutions' ability to provide information about insurance status. If an institution were to fail, this option provides that the insurance status of most depositors would be known at the point of failure. As a consequence, some depositors could receive a larger portion of their funds more quickly under this option compared to the provisional hold process contemplated in Options 1 and 2.

As with Options 1 and 2, the FDIC would test the accuracy of systems put in place if this Option is adopted. Under these circumstances the FDIC should be able to rely upon the results generated by the insured institution for the initial deposit insurance determination.

Questions. How expensive would this option be compared to Options 1 or 2? Do the additional benefits merit the additional cost? Are there other reasons why this approach should be preferred or rejected? How extensive would the FDIC audit have to be to determine whether institutions are correctly calculating insurance coverage?

Other Potential Options

The FDIC invites comments on all aspects of this proposal. In addition, the FDIC solicits suggestions on alternative means of meeting the objective of conducting a timely insurance determination on Covered insured institutions.

Question. Is there a different approach that would accomplish the same objective at a lower financial and regulatory cost?

Appendix A. Primary FDIC Deposit Insurance Categories.

Insurance Category	Description
1. Single Ownership	Funds owned by a natural person including those held by an agent or custodian, sole proprietorship accounts and accounts that fail to qualify in any other category below. Coverage extends to \$100,000 per depositor.
2. Joint Ownership	Accounts jointly owned as joint tenants with the right of survivorship, as tenants in common or as tenants by the entirety. Coverage extends to \$100,000 per co-owner. <ul style="list-style-type: none">• The account title generally must be in the form of a joint account (“Jane Smith & John Smith”).• Each of the co-owners must sign the account signature card. (This requirement has exceptions, including certificates of deposit.)• The withdrawal rights of the co-owners must be equal.
3. Revocable Trust	Accounts whereby the owner evidences an intention that upon his or her death the funds shall belong to one or more qualifying beneficiaries. For each owner, coverage extends to \$100,000 per beneficiary. <ul style="list-style-type: none">• The title of the account must include “POD” (payable-on-death) or “trust” or some similar term.• The beneficiaries must be specifically named in the account records. (This requirement applies to informal “POD” accounts but does not apply to formal “living trust” accounts.)• The beneficiaries must be the owner’s spouse, children, grandchildren, parents or siblings.
4. Irrevocable Trust	Accounts established pursuant to an irrevocable trust agreement. Coverage extends to \$100,000 per beneficiary. <ul style="list-style-type: none">• The account records must indicate that the funds are held by the trustee pursuant to a fiduciary relationship.• The account must be supported by a valid irrevocable trust agreement.• Under the trust agreement, the grantor of the trust must retain no interest in the trust funds.• For “per beneficiary” coverage, the interest of the beneficiary must be “non-contingent.”
5. Self-Directed Retirement	Individual retirement accounts under 26 U.S.C. § 408(a), eligible deferred compensation plans under 26 U.S.C. § 457, self-directed individual Keogh account plans under 29 U.S.C. § 1002 and self-directed Keogh plans under 26 U.S.C. § 401(d). Coverage

extends to \$100,000 per owner or participant.

- The account records must indicate that the account is a retirement account.
- The account must be an actual retirement account under the cited sections of the Tax Code.

6. Corporation,
Partnership or
Unincorporated
Association

Accounts of a corporation, partnership or unincorporated association. Coverage extends to \$100,000 per entity.

- The account records must indicate that the entity is the owner of the funds or that the nominal account holder is merely an agent or custodian (with the entity's ownership interest reflected by the custodian's records).
- The entity must be engaged in an "independent activity."
- The entity must not be a sole proprietorship (which is treated as a single ownership account).

7. Employee Benefit
Plan

Deposits of an employee benefit plan as defined at 29 U.S.C. § 1002, including any plan described at 26 U.S.C. § 401(d), and also deposits of an eligible deferred compensation plan described at 26 U.S.C. § 457. Coverage extends to \$100,000 per participant.

- The account records must indicate that the funds are held by the plan administrator pursuant to a fiduciary relationship.
- The account must be supported by a valid employee benefit plan agreement.
- For "per participant" coverage:
 - The interests of the participants must be ascertainable and non-contingent.
 - The institution must have been well capitalized (or adequately capitalized in some cases) when the initial and subsequent deposits were made.

8. Public Unit

Funds of "public units" or "political subdivisions" thereof. Coverage extends to \$100,000 for interest bearing deposits and \$100,000 for non interest bearing deposits for each official custodian of the public unit or subdivision.

- For separate coverage for the non interest bearing deposits, the insured financial institution must be located (including branch locations) in the same state as the public unit.
- The account records must indicate that the funds are held by the custodian in a custodial capacity.
- For "per custodian" coverage, the custodian must be a separate "official custodian."
- For "per subdivision" coverage, the governmental entity must be a separate "political subdivision."

Appendix B. Data Elements Included in the Standard Data Set.

This appendix presents a standard data request containing proposed data fields to be used by the FDIC to determine the insured status of each account. The proposed file is divided into four record types: Header, Deposit, Hold, and Customer. It would be preferred that all data are included in one file but, if necessary due to system constraints, multiple files might be used. For identification purposes the Header record in each file must be created. If data or information are not maintained or do not apply, a null value in the appropriate field should be indicated.

The following is a list of the data fields proposed to be included in the file with explanations of the data being requested. The fields are listed in the order they would appear in the file.

Header Record

The Header Record provides information specific to the institution, the effective date of the data and the date and time the file was created. The Header Record must be at the beginning of each file if multiple files are submitted.

Field Name		FDIC Field Description
1.	HD_Record_ID	Record ID Enter "1" in this field.
2.	HD_Acct_Numb	Header Account Number Enter "0000000000000000" in this field.

3.	HD_File_Date	File Date This field identifies the “as-of-date” of the file. Enter the effective date of the data being supplied in this request. Must be entered in MMDDYYYY format.
4.	HD_FI_Name	Financial Institution Name Enter the institution’s name as it appears on the FDIC Certificate.
5.	HD_FI_Number	Financial Institution Number Enter the institution’s FDIC certificate/institution number.
6.	HD_Dt_Created	Date & Time Created Enter the date and time in MMDDYYYYHHmmSS format.

Deposit Record

The Deposit Record provides information specific to deposit account balances and account data. Fields 14-27 relate to the account name and address information. Some systems provide for separate fields for account title/name, address, city, state, ZIP, and country, all of which are parsed out. Other systems may simply provide multiple lines for name, address, city, state, ZIP, with no distinction. Populate fields that best fit system data—either fields 14-21 or fields 22-27.

Field Name		FDIC Field Description
1.	DP_Record_ID	Record ID Enter “2” in this field.
2.	DP_Acct_Numb	Account Number The unique number assigned by the institution to this account.
3.	DP_Acct_Numb_ID	Account Number ID Account number field that further identifies the account. May be used to identify separate deposits tied to this account where there are different processing parameters, i.e. interest rates, maturity dates, but all owners are the same.

	Field Name	FDIC Field Description
4.	DP_Tax_ID	<p>Tax ID Provide the tax ID number maintained on the account. For consumer accounts, typically, this would be the primary account holder's Social Security number. For business accounts it would be the Federal tax identification number.</p>
5.	DP_Tax_Code	<p>Tax ID Code This field should identify the type of the tax ID number. Valid values are:</p> <ul style="list-style-type: none"> • S = Social Security number. • T = Federal tax identification number. • O = Other.
6.	DP_Branch	<p>Branch This field should identify the branch associated with the account. It may be where the account was originally opened.</p>
7.	DP_Cost_Center	<p>Cost Center Identifier used for organization reporting or ownership of the account. It may be the same as the Branch number.</p>
8.	DP_Owner_Ind	<p>Customer Owner Indicator This field is used to identify the type of ownership. This information will assist the FDIC to further categorize the account into the FDIC insurance categories. Valid values are:</p> <ul style="list-style-type: none"> • S = Single or primary owner. • J = Joint or secondary owner (also include DBA's in this code). • T = Trust account. • P = Partnership account. • C = Corporation. • B = Brokered deposits. • O = Other.
9.	DP_Prod_Type	<p>Product Type This field is used to identify the type of the product from a customer perspective. This information will assist the FDIC to properly categorize the account into the FDIC insurance categories. Valid values in the field are:</p> <ul style="list-style-type: none"> • CON = Personal or consumer accounts. • BUS = Business. • NPR = Non-profit accounts. • GOV = Accounts held by government entities (city, state, political subdivisions). • FIN = Accounts held by other financial institutions. • INT = Internal accounts or bank-owned accounts. • OTH = Other.

Field Name		FDIC Field Description
10.	DP_Prod_Cat	<p>Product Category</p> <p>This is a broad classification of products and accounts. Valid values in the field are:</p> <ul style="list-style-type: none"> • DDA = Non-interest bearing checking accounts. • NOW = Interest bearing checking accounts. • MMA = Money market accounts. • SAV = Savings accounts and money market savings accounts. This includes any interest bearing accounts with regulated withdrawal requirements. • CDS = Time deposit accounts and certificate of deposit accounts. Include any accounts with specified maturity dates that may or may not be renewable. • REP = Repurchase agreements. Include any accounts supported by an agreement to repurchase the deposit at a specified date and interest rate, and is secured by designated securities owned by the institution. • IRA = Individual retirement accounts. • OTH = Other.
11.	DP_Ret_Ind	<p>Retirement Indicator</p> <p>This field is used to identify whether the account is considered any type of retirement product. Valid values are:</p> <ul style="list-style-type: none"> • Y = Yes, the account is a retirement account. • N = No, the account is not a retirement account.
12.	DP_Stat_Code	<p>Status Code</p> <p>Include only the following status or condition of the account. Valid values are:</p> <ul style="list-style-type: none"> • O = Open. • C = Closed. • D = Dormant. • I = Inactive.
13.	DP_Short_Name	<p>Short Name</p> <p>This field will assist in creating an alpha list of accounts. The format preference for personal accounts is last name or partial last name followed by first name. For business accounts enter the name of the account. Variances to this should be explained in a Mapping document. If a similar field does not exist, create a "Short Name" by concatenating data using related fields.</p>
14.	DP_Acct_Title_1	<p>Account Title Line 1</p> <p>Two lines (fields 14 & 15) are provided to enter account styling or titling of the account. These data will be used to identify the owners of the account.</p>
15.	DP_Acct_Title_2	<p>Account Title Line 2</p> <p>Additional account title line.</p>

Field Name		FDIC Field Description
16.	DP_Address_Line_1	Address Line 1 Two lines (fields 16 & 17) are provided to enter the street, PO box, suite number, etc. of the address.
17.	DP_Address_Line_1	Address Line 2 Additional address line.
18.	DP_City	City Enter the city associated with the mailing address.
19.	DP_State	State Enter the state abbreviation associated with the mailing address.
20.	DP_ZIP	ZIP This field allows for the ZIP+4 code associated with the mailing address.
21.	DP_Country	Country This field should identify the country associated with the mailing address. Provide the name of the country or the standard country code.
22.	DP_NA_Line_1	Name or Address Line 1 Six lines (fields 22–27) are provided to enter the name and/or the account mailing address if your system does not distinguish particular address lines.
23.	DP_NA_Line_2	Name & Address Line 2 Additional name and/or address line.
24.	DP_NA_Line_3	Name & Address Line 3 Additional address line.
25.	DP_NA_Line_4	Name & Address Line 4 Additional address line.
26.	DP_NA_Line_5	Name & Address Line 5 Additional address line.
27.	DP_NA_Line_6	Name & Address Line 6 Additional address line.
28.	DP_Cur_Bal	Current Balance This amount represents the current balance in the account at the end of business on the effective date of this file. This balance should not be reduced by float or holds. For CDs and time deposits, it should reflect the principal balance plus any interest paid and available for withdrawal that is not already included in the principal. The total of all Current Balances in this file should reconcile to the total liabilities on the financial institutions general ledger.
29.	DP_Int_Rate	Interest Rate The current interest rate in effect for interest bearing accounts.

Field Name		FDIC Field Description
30.	DP_Bas_Days	<p>Basis Days Indicates the basis on which interest is to be paid. Valid values are:</p> <ul style="list-style-type: none"> • 1 = 30/360. • 2 = 30/365. • 3 = 365/365 (actual/actual).
31.	DP_Int_Type	<p>Interest Type Indicates the type of interest to be paid. Valid values are:</p> <ul style="list-style-type: none"> • S = Simple. • D = Daily compounding. • C = Continuous compounding. • O = Other.
32.	DP_Int_Factor	<p>Interest Rate Daily Factor This field should reflect the daily interest rate factor for generating interest.</p>
33.	DP_Acc_Int	<p>Accrued Interest This amount should reflect the amount of interest that has been earned but not yet paid to the account as of the date of the file.</p>
34.	DP_Lst_Int_Pd	<p>Date Last Interest Paid This should indicate the date thru which interest was last paid to the account. Must be entered in MMDDYYYY format.</p>
35.	DP_Int_Pd_YTD	<p>Interest Paid YTD The amount of interest that has been paid to the account this year. Must be entered in MMDDYYYY format.</p>
36.	DP_Nxt_Mat	<p>Date Next Maturity For CD and time deposit accounts, this is the next date the account is to mature. For non-renewing CDs that have matured and are waiting to be redeemed this date may be in the past. Must be entered in MMDDYYYY format.</p>
37.	DP_Res_Acct_Ind	<p>Reserve Account Indicator Identifies accounts with a reserve or overdraft protection feature tied to this account and is not identified by another account number or identifier. It is not an Overdraft Limit that allows the deposit account to be overdrawn. Rather, it is considered a “loan” to be advanced to the account in the event of an overdraft.</p>
38.	DP_Res_Out_Bal	<p>Reserve Account Outstanding Balance Provide the outstanding balance of a reserve or overdraft protection feature. This balance is not reflected in the accounts deposit current balance. This is not an Overdraft Limit. Rather, in the event that proceeds are advanced to cover an overdraft, the balance that remains outstanding to be paid back to the account. This balance may include a finance charge.</p>

Field Name		FDIC Field Description
39.	DP_Lst_Deposit	Date Last Deposit This date should reflect the last deposit transaction posted to the account. For example, a deposit that included checks and or cash. Must be entered in MMDDYYYY format.
40.	DP_Open_Dt	Account Open Date This date should reflect the date the account was opened. If the account had previously been closed and re-opened, this should reflect the most recent re-opened date. Must be entered in MMDDYYYY format.

Hold Record

The Hold Record provides information related to any holds on an account. If an account has more than one hold, additional Hold Records may be provided.

Field Name		FDIC Field Description
1.	HD_Record_ID	Record ID Enter "3" in this field.
2.	HD_Acct_Numb	Account Number The account number associated with the hold. This should be the same as the account number in Deposit Record field #2.
3.	HD_Hold_Amt	Hold Amount Dollar amount of the hold.
4.	HD_Hold_Reason	Hold Reason Reason for the hold. Valid values are: LN = Loan collateral hold. UC = Uncollected funds hold. OT = Other-bank defined.
5.	HD_Hold_Desc	Hold Description Description of the hold available on the system.
6.	HD_Hold_Days	Hold Days The Number of days the hold was/is intended. May be used instead of an expiration date.
7.	HD_Hold_Start_Dt	Hold Start Date The date the hold was initiated. Must be entered in MMDDYYYY format.

8.	HD_Hold_Exp_Dt	Hold Expiration Date The date the hold is to expire. Must be entered in MMDDYYYY format. May be used instead of number of hold days.
----	----------------	--

Customer Record

The Customer Record provides information related to *each customer* associated with an account. Therefore, multiple customer records associated with each deposit account number found in the Deposit Record should be indicated.

Fields 8-11 relate to the customer name. Some systems provide for separate fields for account name: “last name” and “first name” for personal accounts or “company name” for business accounts, all of which are parsed out. Other systems simply provide one line for a name. Please populate fields that best fit system data.

Fields 12-17 relate to customer address information. Some systems provide for separate fields for address, city, state, ZIP, and country, all of which are parsed out. Other systems may simply provide multiple lines for name, address, city, state, ZIP, with no distinction. Fields 14-18 are provided if your systems do not distinguish between the different elements associated with a name and address. Populate fields that best fit system data—either fields 12-17 or fields 14-18.

Field Name		FDIC Field Description
1.	CS_Record_ID	Record ID Enter “4” in this field.

Field Name		FDIC Field Description
2.	CS_Acct_Numb	Account Number The deposit account number. Should be the same as the account number in Deposit Record field #2.
3.	CS_Cust_Numb	Customer Number The number assigned to the customer in the customer information system.
4.	CS_Tax_ID	Customer Tax ID Number Provide the tax ID number on record for the customer.
5.	CS_Tax_Code	Customer Tax ID Code This field should identify the type of the tax ID number of the customer. Valid values are: <ul style="list-style-type: none"> • S = Social Security number. • T = Federal tax identification number. • F = Foreign accounts. • O = Other.
6.	CS_Rel_Code	Relationship Code This code indicates how the customer is related to the account. Valid values are: <ul style="list-style-type: none"> • P = Primary owner. • S = Secondary owner. • B = Beneficiary. • T = Trustee. • O = Other. • U = Unknown.
7.	CS_Bene_Code	Beneficiary Type Code If the customer is considered a beneficiary, enter the type of account associated with this customer. This includes beneficiaries on retirement accounts, trust accounts, minor accounts, and payable-on-death accounts. Valid values are: <ul style="list-style-type: none"> • I = IRA. • T = Trust–irrevocable. • R = Trust–revocable. • M = Uniform gift to minor. • P = Payable on death. • O = Other.
8.	CS_Name	Customer Name The name of the customer. Provide in the Mapping document the typical format the bank practices for business customers and personal/individual customers; i.e., last name first, first name last.
9.	CS_Last_Name	Customer Last Name The last name of the individual/personal customer.
10.	CS_First_Name	Customer First Name The first name of the individual/personal customer.

Field Name		FDIC Field Description
11.	CS_Comp_Name	Customer Company Name The company name of the business customer.
12.	CS_Address_1	Address Line 1 Two lines (fields 10 & 11) are provided to enter the street, PO box, suite number, etc. of the address.
13.	CS_Address_2	Address Line 2 Additional address field.
14.	CS_City	City Enter the city associated with the mailing address of the customer.
15.	CS_State	State Enter the state abbreviation associated with the mailing address of the customer.
16.	CS_ZIP	ZIP This field allows for the ZIP+4 code associated with the mailing address of the customer.
17.	CS_Country	Country This field should identify the country associated with the mailing address. Provide the name of the country or the standard country code.
18.	CS_NA_Line_1	Customer Name & Address Line 1 The name and/or address of the customer.
19.	CS_NA_Line_2	Customer Name & Address Line 2 Additional name and/or address line.
20.	CS_NA_Line_3	Customer Name & Address Line 3 Additional address line.
21.	CS_NA_Line_4	Customer Name & Address Line 4 Additional address line.
22.	CS_NA_Line_5	Customer Name & Address Line 5 Additional address line.
23.	CS_Birth_Dt	Customer Birth Date The birth date on record for the customer. Must be entered in MMDDYYYY format.
24.	CS_Telephone	Customer Telephone Number The telephone number on record for the customer.
25.	CS_Email	Customer Email Address The email address on record for the customer.

* * *

By order of the Board of Directors.

Dated at Washington, DC, this 5th day of December, 2005.

FEDERAL DEPOSIT INSURANCE CORPORATION

Robert E. Feldman,
Executive Secretary

(SEAL)