



FIL-10-2012
March 2, 2012

DEPOSITORY INSTITUTION REGULATORY REPORTS

TO: CHIEF EXECUTIVE OFFICER (also of interest to Chief Financial Officer)

SUBJECT: Revisions to the Consolidated Reports of Condition and Income for March and June 2012

The Federal Financial Institutions Examination Council (FFIEC) has approved several revisions to the reporting requirements for the Consolidated Reports of Condition and Income (Call Report). These revisions, which are outlined below, will take effect in the first two quarters of 2012, subject to the approval of the U.S. Office of Management and Budget. Proposed new schedules that would collect disaggregated loan loss allowance data and selected loan origination data, which were included in the Call Report proposal that the federal banking agencies published in the *Federal Register* on November 21, 2011 (see FIL-72-2011, dated December 7, 2011), remain under evaluation in light of the comments received. Decisions regarding these two proposed schedules will be the subject of a future *Federal Register* notice, and any resulting new reporting requirements will not take effect before the September 30, 2012, report date.

The Call Report revisions to be implemented effective March 31, 2012, relate to the initial filing of Call Reports by savings associations as of that report date and also include certain instructional changes. The new data items to be added to the Call Report effective June 30, 2012, will help the banking agencies and state supervisors better understand institutions' risk exposures and also address insurance assessment data needs. The second quarter reporting changes will be relevant to only a small number of institutions.

Except for those individual savings associations that elected to submit the Call Report beginning as of either September 30 or December 31, 2011, all savings associations are scheduled to convert from filing the Thrift Financial Report (TFR) to the Call Report effective March 31, 2012. Information to assist savings associations to prepare for this conversion is available at <http://www.fdic.gov/regulations/resources/call/filers.html>.

The Call Report revisions that take effect March 31, 2012, include:

- New items in Schedule RC-M, Memoranda, in which savings associations and certain state savings and cooperative banks would report on the test they use to determine compliance with the Qualified Thrift Lender requirement and whether they have remained in compliance with this requirement;
- Revisions to two existing items in Schedule RC-R, Regulatory Capital, used to calculate the leverage ratio denominator to accommodate certain differences between the regulatory capital standards that apply to the leverage capital ratios of banks versus savings associations; and
- Instructional revisions addressing:
 - The discontinued use of specific valuation allowances by savings associations when they begin to file the Call Report in place of the TFR beginning in March 2012;

- The reporting of the number of deposit accounts of \$250,000 or less in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, by institutions that have issued certain brokered deposits; and
- The accounting and reporting treatment for capital contributions in the form of cash or notes receivable.

The changes to the Call Report that take effect June 30, 2012, include:

- New Memorandum items in Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets, for the total outstanding balance and related carrying amount of purchased credit-impaired loans that are past due 30 through 89 days and still accruing, past due 90 days or more and still accruing, and in nonaccrual status;
- New items in Schedule RC-P, 1-4 Family Residential Mortgage Banking Activities, in which institutions with \$1 billion or more in total assets and smaller institutions with significant mortgage banking activities would report the amount of representation and warranty reserves for 1-4 family residential mortgage loans sold (in domestic offices), with separate disclosure of reserves for representations and warranties made to U.S. government and government-sponsored agencies and to other parties; and
- New items in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, in which:
 - Large and highly complex institutions (generally, institutions with \$10 billion or more in total assets) would report the portion of loans restructured in troubled debt restructurings that are in compliance with their modified terms and are guaranteed or insured by the U.S. government;
 - Large and highly complex institutions that own another insured depository institution would report the fully consolidated amounts of total deposit liabilities before exclusions, total allowable exclusions, unsecured other borrowings with a remaining maturity of one year or less, and the estimated amount of uninsured deposits; and
 - All institutions that own another insured depository institution would report the fully consolidated amount of reciprocal brokered deposits.

To assist you in understanding the revisions to the Call Report, drafts of the report forms for March and June 2012 and draft instructions for new and revised Call Report items are available for your review on the FFIEC's Web site (www.ffiec.gov/ffiec_report_forms.htm) and on the FDIC's Web site (www.fdic.gov/callreports). For the March 31 and June 30, 2012, report dates, as applicable, institutions may provide reasonable estimates for any new or revised Call Report item initially required to be reported as of that date for which the requested information is not readily available.

Please forward this letter to the person responsible for preparing Call Reports at your institution. For further information about the reporting revisions, state member banks should contact their Federal Reserve District Bank. National banks, savings associations, and FDIC-supervised banks should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or by e-mail at insurance-research@fdic.gov.

Judith E. Dupre
Executive Secretary

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