



FIL-44-2006  
May 10, 2006

### BANK REPORTS

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

SUBJECT: Effect of the Federal Deposit Insurance Reform Act  
on the Reports of Condition and Income (Call Report)

The Federal Deposit Insurance Reform Act of 2005 (Reform Act), enacted in February 2006, increased the deposit insurance limit for certain retirement plan deposit accounts from \$100,000 to \$250,000. The basic insurance limit for other depositors – individuals, joint accountholders, businesses, government entities, and trusts – remains at \$100,000. The Federal Deposit Insurance Corporation (FDIC) issued an interim rule to implement this increase in coverage and other provisions of the Reform Act pertaining to deposit insurance coverage effective April 1, 2006 (see FDIC FIL-27-2006 dated March 28, 2006). Because these deposit insurance changes directly affect the reporting requirements for certain deposit-related data in the Call Report, the Federal Financial Institutions Examination Council (FFIEC) has approved revisions that are scheduled to take effect June 30, 2006, the first report date following the effective date of the FDIC’s interim rule. The FFIEC is providing this advance notification to assist you in planning for these revisions. Furthermore, on May 8, 2006, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the FDIC published a Federal Register notice announcing these revisions and providing a 14-day public comment period.

At present, all banks report the number and amount of deposit accounts of (a) \$100,000 or less and (b) more than \$100,000 in Call Report Schedule RC-O, Memorandum items 1.a.(1) through 1.b.(2). This information provides the basis for calculating “simple estimates” of the amount of insured and uninsured deposits and is the only information currently submitted by banks with less than \$1 billion in total assets pertaining to their estimated uninsured deposits. As indicated in the Call Report instructions for these data items and on Schedule RC-O itself, the dollar amounts used as the basis for completing Memorandum item 1 represent the deposit insurance limits in effect on the report date. Memorandum item 1 was structured in this manner to ensure that the basis for reporting the number and amount of deposit accounts would change automatically as a function of the deposit insurance limits in effect on any particular quarter-end Call Report date. Therefore, in response to the change in the deposit insurance coverage for “retirement deposit accounts,” banks will begin to submit separate data for the number and amount of retirement deposit accounts with balances of (a) \$250,000 or less and (b) more than

\$250,000 in new Memorandum items 1.c.(1) through 1.d.(2) in Schedule RC-O. Data on the number and amount of all other deposit accounts will continue to be reported in Memorandum items 1.a.(1) through 1.b.(2) in Schedule RC-O.

In addition, banks with \$1 billion or more in total assets (in general, as of June 30 of the previous year) disclose the estimated amount of their uninsured deposits in Schedule RC-O, Memorandum item 2. Through March 31, 2006, this estimate has been based on the \$100,000 limit of deposit insurance coverage that applied to deposits in all ownership capacities. With the increase in the deposit insurance coverage on retirement deposit accounts, the instructions for Memorandum item 2 are being revised to state that a bank's estimate of its uninsured deposits should reflect the deposit insurance limits in effect for retirement deposit accounts and other deposit accounts on the report date, which are \$250,000 and \$100,000, respectively.

Banks also submit data on fully insured brokered deposits in Call Report Schedule RC-E, Memorandum items 1.c.(1) and 1.c.(2). With the change in the insurance coverage for retirement deposit accounts, the instructions for these data items are being updated as well.

The Reform Act also provided for the merger of the two deposit insurance funds administered by the FDIC – the Bank Insurance Fund (BIF) and the Savings Association Insurance Fund (SAIF) – which took effect on March 31, 2006. As a result, banks with “Oakar deposits” (for example, deposits insured by the SAIF in an institution that is a member of the BIF) no longer need to submit information on purchases and sales of deposits during the quarter in Call Report Schedule RC-O, items 8.a.(1), 8.a.(2), and 8.b. These data items are being deleted from the Call Report.

Sample June 2006 Call Report forms that reflect these reporting changes are available on the FFIEC's Web site at [http://www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm). Instructions for the new and revised Schedule RC-O and Schedule RC-E data items, which include the definition of “retirement deposit accounts,” are attached. For the June 30, 2006, report date only, banks may provide reasonable estimates for any of these new or revised data items for which the requested information is not readily available.

Please forward this letter to the person responsible for preparing Call Reports at your bank. For further information, state member banks should contact their Federal Reserve District Bank. National banks 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) Monday through Friday between 8:00 a.m. and 5:00 p.m. Eastern Time, or by e-mail at [insurance-research@fdic.gov](mailto:insurance-research@fdic.gov).

Tamara J. Wiseman  
Executive Secretary

Attachment

Distribution: Insured Commercial Banks and State-Chartered Savings Banks