



FIL-82-2007
September 18, 2007

BANK REPORTS

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

SUBJECT: Proposed Revisions to Reports of Condition and Income (Call Report) for 2008

The Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (Board), and the Federal Deposit Insurance Corporation (FDIC) (the banking agencies) are requesting comment on several proposed revisions to the Call Report. The proposed reporting changes, which have been approved by the Federal Financial Institutions Examination Council (FFIEC), would take effect as of March 31, 2008. The agencies encourage you to review the proposal and comment on those aspects that are of interest to you. Comments may be sent to any or all of the agencies by the methods described in the attached Federal Register notice. All comments will be shared among the agencies and should be submitted by November 13, 2007. The FFIEC and the agencies will consider all of the comments as they finalize the revisions to the Call Report.

The banking agencies are proposing to implement a number of reporting changes related to 1-4 family residential mortgage loans such as reporting interest and fee income on and the quarterly average for such mortgages separately from income on and the quarterly average for all other real estate loans. The agencies would also add new items for restructured troubled mortgages and mortgage loans in process of foreclosure. Call Report Schedule RC-P on closed-end 1-4 family residential mortgage banking activities, which is completed by larger banks and smaller banks with a significant level of such activities, would be expanded to include originations, purchases, and sales of open-end mortgages as well as closed-end and open-end mortgage loan repurchases and indemnifications during the quarter.

The Call Report's trading account definition would be modified in response to the creation of a fair value option in generally accepted accounting principles. Schedule RC-Q, which collects data on fair value measurements for trading assets and liabilities and other assets and liabilities accounted for under a fair value option, and certain other schedules, including the loan schedule (Schedule RC-C), would also be revised to enhance the information available on instruments accounted for under this option. Revisions would also be made to the schedule on trading assets and liabilities (Schedule RC-D), which is completed only by banks whose trading assets exceed a specified threshold, the measurement of which would be slightly modified. The Call Report instructions for reporting credit derivative data in the risk-based

capital schedule (Schedule RC-R) would be clarified and a corresponding change would be made to the schedule itself.

In addition, the threshold for reporting significant items of other noninterest income and expense in the explanations schedule (Schedule RI-E) would be adjusted. The instructions for reporting fully insured brokered deposits in Schedule RC-E, Deposit Liabilities, would be revised to conform to the instructions for reporting time deposits in this schedule. Finally, the banking agencies are proposing to revise the Call Report instructions for reporting daily average deposit data by newly insured institutions for deposit insurance assessment purposes in Schedule RC-O to conform these instructions with the FDIC's assessment regulations (12 CFR Part 327). The Office of Thrift Supervision is proposing to make an identical instructional revision for daily average deposit reporting in the Thrift Financial Report.

The banking agencies are also seeking comment on a plan to discontinue the mailing of paper Call Report forms and instructions to banks. The Call Report forms and the instructions are available on the FFIEC's Web site (http://www.ffiec.gov/ffiec_report_forms.htm) and the FDIC's Web site (<http://www.fdic.gov/regulations/resources/call/index.html>) each quarter before any mailings of the paper forms and instructions are completed. A paper copy of the report forms and instructions can be printed from the Web sites. In addition, banks that use Call Report software generally can print paper copies of blank forms from their software.

To assist you in understanding the proposed changes to the Call Report, drafts of the March 2008 Call Report forms are available for your review on the FFIEC's Web site (www.ffiec.gov/ffiec_report_forms.htm). The draft forms also illustrate other Call Report revisions that were previously approved for implementation in March 2008. These revisions involve the reporting of deposit data for deposit insurance assessment purposes in Schedule RC-O (see FIL-21-2007, dated March 2, 2007) and, for certain banks with less than \$300 million in assets, data on construction, land development, and other land loans; nonfarm nonresidential real estate loans; and related loan commitments (see FIL-7-2006, dated January 27, 2006). Draft instructions for the changes proposed for March 2008 will be posted on the FFIEC's Web site for your review at a later date.

For further information about the proposed reporting revisions, please contact Gary Christensen at the OCC (202-874-4482), Arthur Lindo at the Board (202-452-2695), or Robert Storch at the FDIC (202-898-8906).

Tamara J. Wiseman
Executive Secretary

Attachment

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