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**Draft Instructions
for the Proposed New and Revised Call Report Items
for March 2011**

**(Based on the revisions proposed in the Federal Register
on September 30, 2010)**

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Draft Instructions for the Proposed New and Revised Call Report Items for March 2011

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NOTE: These draft instructions apply to the Call Report revisions as proposed in the Federal Register on September 30, 2010, and announced by the Federal Financial Institutions Examination Council (FFIEC) in Financial Institution Letter (FIL) 70-2010 on October 25, 2010. The proposed Call Report revisions and these draft instructions are subject to change based on the banking agencies' consideration of the comments received on the proposed revisions. Revised draft instructions will be posted on the FFIEC's Web site following the agencies' publication in the Federal Register of a final notice on the Call Report revisions for 2011.

Questions and comments concerning these draft instructions may be submitted to the FFIEC by going to <http://www.ffiec.gov/contact/default.aspx>, clicking on "FFIEC Content" toward the bottom of the Web page, and completing the Feedback Form.

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Draft Instructions for the Proposed New and Revised Call Report Items for March 2011

General Instructions

RULES OF CONSOLIDATION

For purposes of these reports, all offices (i.e., branches, subsidiaries, VIEs, and IBFs) that are within the scope of the consolidated bank as defined above are to be reported on a consolidated basis. Unless the instructions specifically state otherwise, this consolidation shall be on a line-by-line basis, according to the caption shown. As part of the consolidation process, the results of all transactions and all intercompany balances (e.g., outstanding asset/debt relationships) between offices, subsidiaries, and other entities *included* in the scope of the consolidated bank are to be *eliminated* in the consolidation and must be *excluded* from the Call Report. (For example, eliminate in the consolidation (1) loans made by the bank to a consolidated subsidiary and the corresponding liability of the subsidiary to the bank, (2) a consolidated subsidiary's deposits in the bank and the corresponding cash or interest-bearing asset balance of the subsidiary, and (3) the intercompany interest income and expense related to such loans and deposits of the bank and its consolidated subsidiary.)

Exception: For purposes of reporting the total assets of captive insurance and reinsurance subsidiaries in Schedule RC-M, Memoranda, items 14.a and 14.b, only, banks should measure the subsidiaries' total assets before eliminating intercompany transactions between the consolidated subsidiary and other offices or subsidiaries of the consolidated bank. Otherwise, captive insurance and reinsurance subsidiaries should be reported on a consolidated basis as described in the preceding paragraph.

Schedule RI – Income Statement

FFIEC 041 FFIEC 031

Item No. Item No. Caption and Instructions

- | | | |
|------------|---------------|--|
| 1.a.(3) | 1.a.(1)(d) | <u>Interest and fee income on loans to individuals for household, family, and other personal expenditures.</u> Report in the appropriate subitem all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) reportable in Schedule RC-C, part I, item 6, "Loans to individuals for household, family, and other personal expenditures." |
| 1.a.(3)(a) | 1.a.(1)(d)(1) | <u>Interest and fee income on credit cards.</u> Report all interest, fees, and similar charges levied against or associated with all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards (in domestic offices) reportable in Schedule RC-C, part I, item 6.a, "Credit cards." Include in this item any reversals of uncollectible credit card fees and finance charges and any additions to a contra-asset account for uncollectible credit card fees and finance charges that the bank maintains and reports separately from its allowance for loan and lease losses. |

Exclude annual or other periodic fees paid by holders of credit cards issued by the bank (report in Schedule RI, item 5.I, "Other noninterest income").

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Schedule RI – Income Statement (cont.)

FFIEC 041 FFIEC 031

Item No. Item No. Caption and Instructions

1.a.(3)(b) **1.a.(1)(d)(2)** **Automobile loans.** Report all interest, fees, and similar charges levied against or associated with all loans (in domestic offices) arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use reportable in Schedule RC-C, part I, item 6.c, "Automobile loans."

1.a.(3)(c) **1.a.(1)(d)(3)** **Interest and fee income on other loans to individuals for household, family, and other personal expenditures.** Report all interest, fees, and similar charges levied against or associated with all other loans to individuals for household, family, and other personal expenditures (in domestic offices) reportable in Schedule RC-C, part I, item 6.b, "Other revolving credit plans," and item 6.d, "Other consumer loans."

* * * * *

Memoranda

Item No. Caption and Instructions

8 **Trading revenue (from cash instruments and derivative instruments).** Memorandum items 8.a through 8.e are to be completed by banks that reported average trading assets (in Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year. Memorandum items 8.f and 8.g are to be completed by banks with \$100 billion or more in total assets.

Report, in Memorandum items 8.a through 8.e below, a breakdown of trading revenue that has been included in the body of the income statement in Schedule RI, item 5.c. For each of the four types of underlying risk exposure, report the combined revenue (net gains and losses) from trading cash instruments and derivative instruments. For purposes of Memorandum item 8, the reporting bank should determine the underlying risk exposure category in which to report the trading revenue from cash instruments and derivative instruments in the same manner that the bank makes this determination for other financial reporting purposes. The sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c.

NOTE: No revisions are proposed to the instructions for Schedule RI, Memorandum items 8.a through 8.e.

8.f **Impact on trading revenue of changes in the creditworthiness of the bank's derivatives counterparties on the bank's derivative assets (included in Memorandum items 8.a through 8.e above).** Report in this item the amount included in the trading revenue reported in Schedule RI, Memorandum items 8.a through 8.e, above that resulted from changes during the calendar year-to-date in the bank's credit valuation adjustments (CVA). A CVA is the adjustment to the fair value of derivatives that accounts for possible nonperformance of the bank's derivatives counterparties. It is an estimate of the fair value of counterparty credit risk.

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Schedule RI – Income Statement (cont.)

Memoranda

Item No. Caption and Instructions

- 8.g** **Impact on trading revenue of changes in the creditworthiness of the bank on the bank's derivative liabilities (included in Memorandum items 8.a through 8.e above).**
Report in this item the amount included in the trading revenue reported in Schedule RI, Memorandum items 8.a through 8.e, above that resulted from changes during the calendar year-to-date in the bank's debit valuation adjustment (DVA). A DVA is the adjustment to the fair value of derivatives that accounts for possible nonperformance of the bank. It is an estimate of the fair value of the bank's own credit risk to its counterparties.

Schedule RI-B, Part I – Charge-offs and Recoveries on Loans and Leases

Item No. Caption and Instructions

- 5** **Loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem and column loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6) charged-off and recovered.
- 5.a** **Credit cards.** Report in columns A and B, as appropriate, all extensions of credit under credit cards (as defined for Schedule RC-C, part I, items 6.a) charged-off and recovered.
- 5.b** **Automobile loans.** Report in columns A and B, as appropriate, all loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use (as defined for Schedule RC-C, part I, item 6.c) charged-off and recovered.
- 5.c** **Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards).** Report in columns A and B, as appropriate, all other extensions of credit to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, items 6.b and 6.d) charged-off and recovered.

Schedule RC-B – Securities

Item No. Caption and Instructions

- 4.c** **Commercial MBS.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all holdings of commercial mortgage-backed securities issued by U.S. Government-sponsored agencies or by others that are not held for trading. In general, a commercial mortgage-backed security represents an interest in a pool of loans secured by properties other than 1-4 family residential properties.
- 4.c.(1)** **Commercial mortgage pass-through securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all holdings of commercial mortgage pass-through securities. In general, a commercial mortgage pass-through security represents an undivided interest in a pool of loans secured by properties other than 1-4 family residential properties that provides the holder with a pro rata share of all principal and interest payments on the mortgages in the pool.

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Schedule RC-B – Securities (cont.)

Item No. Caption and Instructions

- 4.c.(1)(a) **Issued or guaranteed by FNMA, FHLMC, or GNMA.** Report in the appropriate columns the amortized cost and fair value of all holdings of commercial mortgage pass-through securities issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA).
- 4.c.(1)(b) **Other pass-through securities.** Report in the appropriate columns the amortized cost and fair value of all holdings of commercial mortgage pass-through securities issued or guaranteed by non-U.S. Government issuers.
- 4.c.(2) **Other commercial mortgage-backed securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties. Exclude commercial mortgage pass-through securities (report in Schedule RC-B, item 4.c.(1), above).
- 4.c.(2)(a) **Issued or guaranteed by FNMA, FHLMC, or GNMA.** Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties that have been issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA).
- 4.c.(2)(b) **All other commercial MBS.** Report in the appropriate columns the amortized cost and fair value of all CMOs, REMICs, CMO and REMIC residuals, stripped mortgage-backed securities, and commercial paper backed by loans secured by properties other than 1-4 family residential properties that have been issued or guaranteed by non-U.S. Government issuers.

* * * * *

Memoranda

Item No. Caption and Instructions

- 2 **Maturity and repricing data for debt securities.** Report in the appropriate subitem maturity and repricing data for the bank's holdings of debt securities (reported in Schedule RC-B, items 1 through 6 above). Report the amortized cost of held-to-maturity debt securities and the fair value of available-for-sale debt securities in the appropriate maturity and repricing subitems. Exclude from Memorandum item 2 the bank's holdings of equity securities with readily determinable fair values (reported in Schedule RC-B, item 7, above) (e.g., investments in mutual funds, common stock, preferred stock). Also exclude those debt securities that are reported as "nonaccrual" in Schedule RC-N, item 9, column C.

The sum of Memorandum items 2.a.(1) through 2.c.(2) plus the amount of any nonaccrual debt securities included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 1 through 6, columns A and D.

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Schedule RC-B – Securities (cont.)

Memoranda

Item No. Caption and Instructions

2
(cont.) On the FFIEC 031, banks that have more than one office in foreign countries (including offices of consolidated foreign subsidiaries but excluding "shell" branches, offices in Puerto Rico or U.S. territories and possessions, and IBFs) have the option of excluding the smallest of such non-U.S. offices from Memorandum item 2. Such banks may omit the smallest of their offices in foreign countries (other than "shell" branches) when arrayed by total assets provided that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank's offices (excluding "shells") in foreign countries and do not exceed 10 percent of the total consolidated assets of the reporting bank as of the report date. (Note: In determining the total assets of offices in foreign countries eligible for exclusion from these memorandum items, banks should exclude not only "shell" branches but also offices in Puerto Rico and U.S. territories and possessions, domestic offices of Edge and Agreement subsidiaries, and IBFs even though these are sometimes referred to as "foreign" offices. Also, the asset totals for all offices in foreign countries should be the component of the total consolidated assets, i.e., should exclude all intrabank transactions.)

For purposes of this memorandum item, the following definitions apply:

A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the debt security, and is known to both the borrower and the lender. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the debt security on a predetermined basis, with the exact rate of interest over the life of the debt security known with certainty to both the borrower and the lender when the debt security is acquired.

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the debt security carries at any subsequent time cannot be known at the time of origination.

Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a debt security without regard to the security's repayment schedule, if any.

Next repricing date is the date the interest rate on a floating rate debt security can next change in accordance with the terms of the contract (without regard to the security's repayment schedule, if any, or expected prepayments) or the contractual maturity date of the security, whichever is earlier.

When the rate on a floating rate debt security has reached a contractual ceiling, if any, the debt security should be treated as "fixed rate" and reported based on the time remaining until its contractual maturity date; the debt security should not be treated as "floating rate" until the rate is again free to float. When the rate on a floating rate debt security has reached a contractual floor, if any, the debt security should continue to be treated as "floating rate" and reported based on the time remaining until its next repricing date (or its contractual maturity date, if earlier).

NOTE: The rest of the current instructions to Schedule RC-B, Memorandum item 2, are unchanged.

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Schedule RC-C, Part I – Loans and Leases

Item No. Caption and Instructions

1.a **Construction, land development, and other land loans.** Report in the appropriate subitem of column B loans secured by real estate made to finance (a) land development (i.e., the process of improving land – laying sewers, water pipes, etc.) preparatory to erecting new structures or (b) the on-site construction of industrial, commercial, residential, or farm buildings. For purposes of this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.

Also include in this item:

- (1) Loans secured by vacant land, except land known to be used or usable for agricultural purposes, such as crop and livestock production (which should be reported in Schedule RC-C, part I, item 1.b, below, as loans secured by farmland).
- (2) Loans secured by real estate the proceeds of which are to be used to acquire and improve developed and undeveloped property.
- (3) Loans made under Title I or Title X of the National Housing Act that conform to the definition of construction stated above and that are secured by real estate.

Loans written as combination construction-permanent loans secured by real estate should be reported in this item until construction is completed or principal amortization payments begin, whichever comes first. When the first of these events occurs, the loans should begin to be reported in the real estate loan category in Schedule RC-C, part I, item 1, appropriate to the real estate collateral. For purposes of these reports, a combination construction-permanent loan arises when the lender enters into a contractual agreement with the original borrower at the time the construction loan is originated to also provide the original borrower with permanent financing that amortizes principal after construction is completed and a certificate of occupancy is obtained (if applicable). This construction-permanent loan structure is intended to apply to situations where, at the time the construction loan is originated, the original borrower:

- Is expected to be the owner-occupant of the property upon completion of construction and receipt of a certificate of occupancy (if applicable), for example, where the financing is being provided to the original borrower for the construction and permanent financing of the borrower's residence or place of business, or
- Is not expected to be the owner-occupant of the property, but repayment of the permanent loan will be derived from rental income associated with the property being constructed after receipt of a certificate of occupancy (if applicable) rather than from the sale of the property being constructed.

All construction loans secured by real estate, other than combination construction-permanent loans as described above, should continue to be reported in this item after construction is completed unless and until (1) the loan is refinanced into a new permanent loan by the reporting bank or is otherwise repaid, (2) the bank acquires or otherwise obtains physical possession of the underlying collateral in full satisfaction of the debt, or (3) the loan is charged off. For purposes of these reports, a construction loan is deemed to be refinanced into a new permanent loan only if the bank originates:

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Schedule RC-C, Part I – Loans and Leases (cont.)

Item No. Caption and Instructions

- 1.a** • An amortizing permanent loan to a new borrower (unrelated to the original borrower) who
(cont.) • A prudently underwritten new amortizing permanent loan at market terms to the original
 borrower – including an appropriate interest rate, maturity, and loan-to-value ratio – that
 is no longer dependent on the sale of the property for repayment. The loan should have
 a clearly identified ongoing source of repayment sufficient to service the required
 principal and interest payments over a reasonable and customary period relative to the
 type of property securing the new loan. A new loan to the original borrower not meeting
 these criteria (including a new loan on interest-only terms or a new loan with a short-term
 balloon maturity that is inconsistent with the ongoing source of repayment criterion)
 should continue to be reported as a “Construction, land development, and other land
 loan” in the appropriate subitem of Schedule RC-C, part I, item 1.a.

Exclude loans to finance construction and land development that are not secured by real estate (report in other items of Schedule RC-C, part I, as appropriate).

* * * * *

- 6.c** **Automobile loans.** Report (on the FFIEC 041, in column B; on the FFIEC 031, in columns A
 and B, as appropriate) all loans arising from retail sales of passenger cars and other vehicles
 such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for
 personal use.

Exclude from automobile loans:

- (1) Loans to finance fleet sales (report in Schedule RC-C, part I, item 4).
- (2) Personal cash loans secured by automobiles already paid for (report in Schedule RC-C, part I, item 6.d).
- (3) Loans to finance the purchase of commercial vehicles (report in Schedule RC-C, part I, item 4, item 8, or item 9.b, as appropriate).
- (4) Loans to farmers for purchases of private passenger automobiles used in association with the maintenance or operations of the farm, and loans for purchases of farm equipment (report in Schedule RC-C, part I, item 3).
- (5) Lease financing receivables (report in Schedule RC-C, part I, item 10.a).

- 6.d** **Other consumer loans.** Report (on the FFIEC 041, in column B; on the FFIEC 031, in
 columns A and B, as appropriate) all other loans to individuals for household, family, and
 other personal expenditures (other than those that meet the definition of a “loan secured by
 real estate” and other than those for purchasing or carrying securities). Include loans for
 such purposes as:

- (1) purchases of household appliances, furniture, trailers, and boats;
- (2) repairs or improvements to the borrower's residence (that do not meet the definition of a “loan secured by real estate”);
- (3) educational expenses, including student loans;
- (4) medical expenses;
- (5) personal taxes;

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Schedule RC-C, Part I – Loans and Leases (cont.)

Item No. Caption and Instructions

- 6.d**
(cont.)
- (6) vacations;
 - (7) consolidation of personal (nonbusiness) debts;
 - (8) purchases of real estate or mobile homes to be used as a residence by the borrower's family (that do not meet the definition of a "loan secured by real estate"); and
 - (9) other personal expenditures.

Other consumer loans may take the form of:

- (1) Installment loans, demand loans, single payment time loans, and hire purchase contracts (for purposes other than retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use), and should be reported as loans to individuals for household, family, and other personal expenditures regardless of size or maturity and regardless of whether the loans are made by the consumer loan department or by any other department of the bank.
- (2) Retail installment sales paper purchased by the bank from merchants or dealers (other than dealers of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks), finance companies, and others.

Exclude from other consumer loans:

- (1) All direct and purchased loans, regardless of purpose, that meet the definition of a loan secured by real estate" as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages), on real estate (report in Schedule RC-C, part I, item 1).
- (2) Loans to individuals that do not meet the definition of a "loan secured by real estate" for the purpose of investing in real estate when the real estate is not to be used as a residence or vacation home by the borrower or by members of the borrower's family (report as all other loans in Schedule RC-C, part I, item 9.b).
- (3) Loans to individuals for commercial, industrial, and professional purposes and for "floor plan" or other wholesale financing (report in Schedule RC-C, part I, item 4).
- (4) Loans to individuals for the purpose of purchasing or carrying securities (report in Schedule RC-C, part I, item 9.b).
- (5) Loans to individuals for investment (as distinct from commercial, industrial, or professional) purposes other than those for purchasing or carrying securities (report as all other loans in Schedule RC-C, part I, item 9.b).
- (6) Loans to merchants, automobile dealers, and finance companies on their own promissory notes, secured by the pledge of installment paper or similar instruments (report in Schedule RC-C, part I, item 4, or as loans to nondepository financial institutions in Schedule RC-C, part I, item 9.a, as appropriate).
- (7) Loans to farmers, regardless of purpose, to the extent that can be readily identified as such loans (report in Schedule RC-C, part I, item 3).

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Schedule RC-C, Part I – Loans and Leases (cont.)

Item No. Caption and Instructions

- 6.d** (8) All credit extended to individuals for household, family, and other personal expenditures
(cont.) arising from:
- (a) Credit cards (report in Schedule RC-C, part I, item 6.a);
 - (b) Prearranged overdraft plans (report in Schedule RC-C, part I, item 6.b); and
 - (c) Retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use (report in Schedule RC-C, part I, item 6.c).

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Memoranda

Item No. Caption and Instructions

- 1** **Loans restructured in troubled debt restructurings that are in compliance with their modified terms.** Report in the appropriate subitem loans that have been restructured in troubled debt restructurings and are in compliance with their modified terms. As set forth in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended by FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan"), a troubled debt restructuring is a restructuring of a loan in which a bank, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. For purposes of this Memorandum item, the concession consists of a modification of terms, such as a reduction of the loan's stated interest rate, principal, or accrued interest or an extension of the loan's maturity date at a stated interest rate lower than the current market rate for new debt with similar risk, regardless of whether the loan is secured or unsecured and regardless of whether the loan is guaranteed by the government or by others.

Once an obligation has been restructured in a troubled debt restructuring, it continues to be considered a troubled debt restructuring until paid in full or otherwise settled, sold, or charged off. However, if a restructured obligation is in compliance with its modified terms and the restructuring agreement specifies an interest rate that at the time of the restructuring is greater than or equal to the rate that the bank was willing to accept for a new extension of credit with comparable risk, the loan need not continue to be reported as a troubled debt restructuring in this Memorandum item in calendar years after the year in which the restructuring took place. A loan extended or renewed at a stated interest rate equal to the current interest rate for new debt with similar risk is not considered a troubled debt restructuring. Also, a loan to a third party purchaser of "other real estate owned" by the reporting bank for the purpose of facilitating the disposal of such real estate is not considered a troubled debt restructuring. For further information, see the Glossary entry for "troubled debt restructurings."

Include in the appropriate subitem all loans restructured in troubled debt restructurings as defined above that are in compliance with their modified terms, that is, restructured loans (1) on which all contractual payments of principal or interest scheduled that are due under the modified repayment terms have been paid or (2) on which contractual payments of both

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

1
(cont.) principal and interest scheduled under the modified repayment terms are less than 30 days past due.

Exclude from this item (1) those loans restructured in troubled debt restructurings on which under their modified repayment terms either principal or interest is 30 days or more past due and (2) those loans restructured in troubled debt restructurings that are in nonaccrual status under their modified repayment terms. Report such loans restructured in troubled debt restructurings in the category and column appropriate to the loan in Schedule RC-N, items 1 through 8, column A, B, or C, and in Schedule RC-N, Memoranda items 1.a through 1.f, column A, B, or C.

Loan amounts should be reported net of unearned income to the extent that they are reported net of unearned income in Schedule RC-C, part I.

1.a Construction, land development, and other land loans (in domestic offices):

1.a.(1) 1-4 family construction loans. Report all loans secured by real estate for the purpose of constructing 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.a.(1), column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item 1-4 family construction loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.a.(1) and Memorandum item 1.a.(1)).

1.a.(2) Other construction loans and all land development and other land loans. Report all construction loans for purposes other than constructing 1-4 family residential properties, all land development loans, and all other land loans (as defined for Schedule RC-C, part I, item 1.a.(2), column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item other construction loans and all land development and other land loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.a.(2) and Memorandum item 1.a.(2)).

1.b Loans secured by 1-4 family residential properties (in domestic offices). Report all loans secured by 1-4 family residential properties (in domestic offices) (as defined for Schedule RC-C, part I, item 1.c, column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by 1-4 family residential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.c and Memorandum item 1.b). Also exclude from this item all 1-4 family construction loans that have been restructured in troubled debt restructurings and are in compliance with their modified terms (report in Schedule RC-C, part I, Memorandum item 1.a.(1), above).

1.c Loans secured by multifamily (5 or more) residential properties (in domestic offices). Report all loans secured by multifamily (5 or more) residential properties (in domestic offices) (as defined for Schedule RC-C, part I, item 1.d, column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

- 1.c** (cont.) this item loans secured by multifamily residential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.d and Memorandum item 1.c).
- 1.d** **Secured by nonfarm nonresidential properties (in domestic offices):**
- 1.d.(1)** **Loans secured by owner-occupied nonfarm nonresidential properties.** Report all loans secured by owner-occupied nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(1), column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by owner-occupied nonfarm nonresidential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.e.(1) and Memorandum item 1.d.(1)).
- 1.d.(2)** **Loans secured by other nonfarm nonresidential properties.** Report all loans secured by other nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(2), column B) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item loans secured by other nonfarm nonresidential properties restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 1.e.(2) and Memorandum item 1.d.(2)).
- 1.e** **Commercial and industrial loans.** Report all commercial and industrial loans (as defined for Schedule RC-C, part I, item 4) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. On the FFIEC 041, all banks should report the total of these restructured loans in Memorandum item 1.e, and banks with \$300 million or more in total assets should also report in Memorandum items 1.e.(1) and (2) a breakdown of these restructured loans between those loans to U.S. and non-U.S. addressees. On the FFIEC 031, all banks should report a breakdown of these restructured loans between those to U.S. and non-U.S. addressees for the fully consolidated bank in Memorandum items 1.e.(1) and (2). Exclude commercial and industrial loans restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (report in Schedule RC-N, item 4 and Memorandum item 1.e).

NOTE: Memorandum items 1.e.(1) and 1.e.(2) are not applicable to banks filing the FFIEC 041 report forms that have less than \$300 million in total assets.

- 1.e.(1)** **To U.S. addressees (domicile).** Report all commercial and industrial loans to U.S. addressees (as defined for Schedule RC-C, part I, item 4.a) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item commercial and industrial loans to U.S. addressees restructured in troubled debt restructurings that, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status (on the FFIEC 041, report in Schedule RC-N, item 4 and Memorandum items 1.e and 1.e.(1); on the FFIEC 031, report in Schedule RC-N, item 4.a and Memorandum item 1.e.(1)).
- 1.e.(2)** **To non-U.S. addressees (domicile).** Report all commercial and industrial loans to non-U.S. addressees (as defined for Schedule RC-C, part I, item 4.b) that have been restructured in troubled debt restructurings and are in compliance with their modified terms. Exclude from this item commercial and industrial loans to non-U.S. addressees restructured in troubled

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

1.e.(2) debt restructurings that, under their modified repayment terms, are past due 30 days or more
(cont.) or are in nonaccrual status (on the FFIEC 041, report in Schedule RC-N, item 4 and
Memorandum items 1.e.(2) and 3.c)).

1.f **All other loans.** Report all other loans that cannot properly be reported in Memorandum
items 1.a through 1.e above that have been restructured in troubled debt restructurings and
are in compliance with their modified terms. Exclude from this item all other loans
restructured in troubled debt restructurings that, under their modified repayment terms, are
past due 30 days or more or are in nonaccrual status (report in Schedule RC-N).

Include in this item loans in the following categories that have been restructured in troubled
debt restructurings and are in compliance with their modified terms:

- (1) Loans secured by farmland (in domestic offices) (as defined for Schedule RC-C, part I,
item 1.b, column B);
- (2) Loans to depository institutions and acceptances of other banks (as defined for
Schedule RC-C, part I, item 2);
- (3) Loans to finance agricultural production and other loans to farmers (as defined for
Schedule RC-C, part I, item 3);
- (4) Credit cards (as defined for Schedule RC-C part I, item 6.a);
- (5) Automobile loans (as defined for Schedule RC-C, part I, item 6.c);
- (6) Other consumer loans (as defined for Schedule RC-C, part I, items 6.b and 6.d);
- (7) Loans to foreign governments and official institutions (as defined for Schedule RC-C,
part I, item 7);
- (8) Obligations (other than securities and leases) of states and political subdivisions in the
U.S. (as defined for Schedule RC-C, part I, item 8);
- (9) Loans to nondepository financial institutions and other loans (as defined for
Schedule RC-C, part I, item 9); and
- (10) On the FFIEC 031, loans secured by real estate in foreign offices (as defined for
Schedule RC-C, part I, item 1, column A).

Report in Schedule RC-C, part I, Memorandum items 1.f.(1) through 1.f.(3), each category of
“All other loans” identified above in the instructions for this Memorandum item, and the dollar
amount of loans in such category that have been restructured in troubled debt restructurings
and are in compliance with their modified terms, that exceeds 10 percent of total loans
restructured in troubled debt restructurings that are in compliance with their modified terms
(i.e., 10 percent of the sum of Schedule RC-C, part I, Memorandum items 1.a through 1.f).
For each loan category that exceeds the reporting threshold, enter the appropriate caption
(without change) from the following list: Loans secured by farmland (in domestic offices);
Loans to depository institutions and acceptances of other banks; Loans to finance agricultural
production and other loans to farmers; Credit cards; Automobile loans; Other consumer
loans; Loans to foreign governments and official institutions; Obligations (other than
securities and leases) of states and political subdivisions in the U.S.; Loans to nondepository
financial institutions and other loans; and Loans secured by real estate in foreign offices
(applicable to the FFIEC 031 only).

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

- 2 Maturity and repricing data for loans and leases (excluding those in nonaccrual status).** Report in the appropriate subitem maturity and repricing data for the bank's loans and leases. Loans and leases are to be reported in this Memorandum item regardless of whether they are current or are reported as "past due and still accruing" in Schedule RC-N, columns A and B. However, exclude those loans and leases that are reported as "nonaccrual" in Schedule RC-N, column C.

The sum of Memorandum items 2.a.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C, must equal Schedule RC-C, sum of items 1 through 10.

On the FFIEC 031, banks that have more than one office in foreign countries (including offices of consolidated foreign subsidiaries but excluding "shell" branches, excluding offices in Puerto Rico or U.S. territories and possessions, and excluding IBFs) have the option of excluding the smallest of such non-U.S. offices from Memorandum item 2. Such banks may omit the smallest of their offices in foreign countries (other than "shell" branches) when arrayed by total assets *provided* that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank's offices (excluding "shells") in foreign countries *and* do not exceed 10 percent of the total *consolidated* assets of the reporting bank as of the report date. (Note: In determining the total assets of offices in foreign countries eligible for exclusion from these memorandum items, banks should exclude not only "shell" branches but also offices in Puerto Rico and U.S. territories and possessions, domestic offices of Edge and Agreement subsidiaries, and IBFs even though these are sometimes referred to as "foreign" offices. Also, the asset totals for all offices in foreign countries should be the component of the total consolidated assets, i.e., should exclude all intrabank transactions.)

For purposes of this memorandum item, the following definitions apply:

A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the loan or lease, and is known to both the borrower and the lender. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the loan on a predetermined basis, with the exact rate of interest over the life of the loan known with certainty to both the borrower and the lender when the loan is acquired. Examples of predetermined-rate transactions are: (1) Loans that carry a specified interest rate, for, say, six months and thereafter carry a rate equal to a specific percentage over the initial rate. (2) Loans that carry a specified interest rate while the loan amount is below a certain threshold amount but carry a different specified rate above that threshold (e.g., a line of credit where the interest rate is 10% when the unpaid balance of amounts advanced is \$100,000 or less, and 8% when the unpaid balance is more than \$100,000).

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the bank's "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the loan carries at any subsequent time cannot be known at the time of origination.

Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a loan or lease without regard to the loan's or lease's repayment schedule, if any.

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

2
(cont.) Next repricing date is the date the interest the rate on a floating rate loan can next change in accordance with the terms of the contract (without regard to the loan's repayment schedule, if any, or expected prepayments) or the contractual maturity date of the loan, whichever is earlier.

When the rate on a floating rate loan has reached a contractual ceiling, if any, the loan should be treated as "fixed rate" and reported based on the time remaining until its contractual maturity date; the loan should not be treated as "floating rate" until the rate is again free to float. When the rate on a floating rate loan has reached a contractual floor, if any, the loan should continue to be treated as "floating rate" and reported based on the time remaining until its next repricing date (or its contractual maturity date, if earlier).

NOTE: The rest of the current instructions to Schedule RC-C, part I, Memorandum item 2, are unchanged.

* * * * *

10.c Loans to individuals for household, family, and other personal expenditures. Report in the appropriate subitem the total fair value of all loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6) measured at fair value under a fair value option.

10.c.(1) Credit cards. Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards included in Schedule RC-C, part I, item 6.a, measured at fair value under a fair value option.

10.c.(2) Other revolving credit plans. Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards included in Schedule RC-C, part I, item 6.b, measured at fair value under a fair value option.

10.c.(3) Automobile loans. Report the total fair value of loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use included in Schedule RC-C, part I, item 6.c, measured at fair value under a fair value option.

10.c.(4) Other consumer loans. Report the total fair value of all other loans to individuals for household, family, and other personal expenditures included in Schedule RC-C, item 6.d, measured at fair value under a fair value option.

* * * * *

11.c Loans to individuals for household, family, and other personal expenditures. Report in the appropriate subitem the total unpaid principal balance outstanding for all loans to individuals for household, family, and other personal expenditures reported in Schedule RC-C, part I, Memorandum item 10.c.

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Schedule RC-C, Part I – Loans and Leases (cont.)

Memoranda

Item No. Caption and Instructions

- 11.c.(1) **Credit cards.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards reported in Schedule RC-C, part I, Memorandum item 10.c.(1).
- 11.c.(2) **Other revolving credit plans.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards reported in Schedule RC-C, part I, Memorandum item 10.c.(2).
- 11.c.(3) **Automobile loans.** Report the total unpaid principal balance outstanding for loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use reported in Schedule RC-C, part I, Memorandum item 10.c.(3).
- 11.c.(4) **Other consumer loans.** Report the total unpaid principal balance outstanding for all other loans to individuals for household, family, and other personal expenditures reported in Schedule RC-C, part I, Memorandum item 10.c.(4).

Schedule RC-D – Trading Assets and Liabilities

Item No. Caption and Instructions

- 4.d **Commercial MBS.** Report in the appropriate subitem the total fair value of all commercial mortgage-backed securities (as defined for Schedule RC-B, item 4.c, “Commercial MBS”) held for trading.
- 4.d.(1) **Commercial MBS issued or guaranteed by FNMA, FHLMC or GNMA.** Report the total fair value of all commercial mortgage-backed securities issued by the Federal National Mortgage Association (FNMA) or the Federal Home Loan Mortgage Corporation (FHLMC) or guaranteed by the Government National Mortgage Association (GNMA) that are held for trading.
- 4.d.(2) **All other commercial MBS.** Report the total fair value of all commercial mortgage-backed securities issued or guaranteed by non-U.S. Government issuers that are held for trading.

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- 6.c **Loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem the total fair value of all loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6) held for trading.
- 6.c.(1) **Credit cards.** Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards (as defined for Schedule RC-C, part I, item 6.a) held for trading.

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Schedule RC-D – Trading Assets and Liabilities (cont.)

Item No. Caption and Instructions

- 6.c.(2)** **Other revolving credit plans.** Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards (as defined for Schedule RC-C, part I, item 6.b) held for trading.
- 6.c.(3)** **Automobile loans.** Report the total fair value of loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use (as defined for Schedule RC-C, part I, item 6.c) held for trading.
- 6.c.(4)** **Other consumer loans.** Report the total fair value of all other loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6.d) held for trading.

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Memoranda

Item No. Caption and Instructions

- 1.c** **Loans to individuals for household, family, and other personal expenditures.** Report in the appropriate subitem the total unpaid principal balance outstanding for all loans to individuals for household, family, and other personal expenditures held for trading reported in Schedule RC-D, item 6.c.
- 1.c.(1)** **Credit cards.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards held for trading reported in Schedule RC-D, item 6.c.(1).
- 1.c.(2)** **Other revolving credit plans.** Report the total unpaid principal balance outstanding for all extensions of credit to individuals for household, family, and other personal expenditures arising from prearranged overdraft plans and other revolving credit plans not accessed by credit cards held for trading reported in Schedule RC-D, item 6.c.(2).
- 1.c.(3)** **Automobile loans.** Report the total unpaid principal balance outstanding for all loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use held for trading reported in Schedule RC-D, item 6.c.(3).
- 1.c.(4)** **Other consumer loans.** Report the total unpaid principal balance outstanding for all other loans to individuals for household, family, and other personal expenditures held for trading reported in Schedule RC-D, item 6.c.(4).

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Schedule RC-E – Deposit Liabilities

Item No. **Caption and Instructions**

1 **Deposits of individuals, partnerships, and corporations (include all certified and official checks).** Report in the appropriate subitem and column all deposits of individuals, partnerships, and corporations, wherever located, and all certified and official checks.

Exclude from Schedule RC-E, items 1.a and 1.b, deposits of:

- (1) The U.S. Government (report in Schedule RC-E, item 2).
- (2) States and political subdivisions in the U.S. (report in Schedule RC-E, item 3).
- (3) Commercial banks in the U.S. (report in Schedule RC-E, item 4).
- (4) Other depository institutions in the U.S. (report in Schedule RC-E, item 4).
- (5) Banks in foreign countries (report in Schedule RC-E, item 5).

1.a **Individuals.** Report in the appropriate column all deposits of individuals and all money orders and travelers checks. Accounts for which the depositor's taxpayer identification number, as maintained on the account in the bank's records, is a Social Security Number (or an Individual Taxpayer Identification Number¹) should be treated as deposits of individuals.

Include in this item:

- (1) Deposits related to the personal, household, or family activities of both farm and nonfarm individuals and to the business activities of sole proprietorships.
- (2) Deposits of trust funds standing to the credit of other banks and all trust funds held or deposited in any department (except the trust department) of the reporting bank if the beneficiary is an individual.
- (3) Credit balances on credit cards and other revolving credit plans to individuals as a result of customer overpayments.
- (4) Deposits of a federal or state court held for the benefit of individuals, such as bankruptcy funds and escrow funds.
- (5) Funds received or held in connection with travelers checks and money orders sold (but not drawn) by the reporting bank, until the proceeds of the sale are remitted to another party.
- (6) Outstanding travelers checks and travelers letters of credit, less any outstanding drafts accepted thereunder, sold for cash or its equivalent by the reporting bank or its agents.

¹ An Individual Taxpayer Identification Number is a tax processing number only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number. It is a 9-digit number, beginning with the number "9," formatted like a Social Security Number.

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Schedule RC-E – Deposit Liabilities (cont.)

Item No. Caption and Instructions

1.b **Partnerships and corporations.** Report in the appropriate column all deposits of partnerships and corporations and all certified and official checks other than money orders and travelers checks.

Include in this item:

- (1) Deposits of corporations and organizations (other than depository institutions), regardless of whether they are operated for profit, including but not limited to:
 - (a) mutual funds and other nondepository financial institutions;
 - (b) foreign government-owned nonbank commercial and industrial enterprises; and
 - (c) quasi-governmental organizations such as post exchanges on military posts and deposits of a company, battery, or similar organization (unless the reporting bank has been designated by the U.S. Treasury as a depository for such funds and appropriate security for the deposits has been pledged, in which case, report in Schedule RC-E, item 2).
- (2) Dealer reserve accounts (see the Glossary entry for "dealer reserve accounts" for the definition of this term).
- (3) Deposits of U.S. Government agencies and instrumentalities such as the:
 - (a) Banks for Cooperatives,
 - (b) Export-Import Bank of the U.S.,
 - (c) Federal Deposit Insurance Corporation,
 - (d) Federal Financing Bank,
 - (e) Federal Home Loan Banks,
 - (f) Federal Home Loan Mortgage Corporation,
 - (g) Federal Intermediate Credit Banks,
 - (h) Federal Land Banks,
 - (i) Federal National Mortgage Association,
 - (j) National Credit Union Administration Central Liquidity Facility,
 - (k) National Credit Union Share Insurance Fund, and
 - (l) Office of Thrift Supervision.
- (4) Deposits of trust funds standing to the credit of other banks and all trust funds held or deposited in any department (except the trust department) of the reporting bank if the beneficiary is a partnership or corporation.
- (5) Credit balances on credit cards and other revolving credit plans to partnerships and corporations as a result of customer overpayments.
- (6) Deposits of a federal or state court held for the benefit of partnerships and corporations, such as bankruptcy funds and escrow funds.

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Schedule RC-E – Deposit Liabilities (cont.)

Item No. Caption and Instructions

- 1.b
(cont.)
- (7) The following types of certified and official checks:
- (a) Unpaid depositors' checks that have been certified.
 - (b) Cashiers' checks and other officers' checks issued for any purpose including those issued in payment for services, dividends, or purchases that are drawn on the reporting bank by any of its duly authorized officers and that are outstanding on the report date.
 - (c) Funds received or held in connection with checks or drafts drawn by the reporting bank and drawn on, or payable at or through, another depository institution either on a zero-balance account or on an account that is not routinely maintained with sufficient balances to cover checks drawn in the normal course of business (including accounts where funds are remitted by the reporting bank only when it has been advised that the checks or drafts have been presented).
 - (d) Funds received or held in connection with checks other than travelers checks and money orders used (but not drawn) by the reporting bank, until the amount of the checks is remitted to another party.
 - (e) Checks drawn by the reporting bank on, or payable at or through, a Federal Reserve Bank or a Federal Home Loan Bank.
 - (f) Outstanding letters of credit other than travelers letters of credit, less any outstanding drafts accepted thereunder, sold for cash or its equivalent by the reporting bank or its agents.
 - (g) Outstanding drafts and bills of exchange accepted by the reporting bank or its agents for money or its equivalent, including drafts accepted against a letter of credit issued for money or its equivalent.
 - (h) On the FFIEC 031, checks or drafts drawn by, or on behalf of, a non-U.S. office of the reporting bank on an account maintained at a U.S. office of the reporting bank. Such drafts are, for Report of Condition and federal deposit insurance assessment purposes, the same as officers' checks. This would include "London checks," "Eurodollar bills payable checks," and any other credit items that the domestic bank issues in connection with such transactions.

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Memoranda

Item No. Caption and Instructions

- 1.f **Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits.** Report in this Memorandum item the estimated amount of all nonbrokered deposits obtained through the use of deposit listing services included in total deposits (in domestic offices) (Schedule RC-E, sum of item 7, columns A and C), regardless of size or type of deposit instrument. Exclude from this item all brokered deposits reported in Schedule RC-E, Memorandum item 1.b.

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Schedule RC-E – Deposit Liabilities (cont.)

Memoranda

Item No. **Caption and Instructions**

- 1.f
(cont.) A deposit listing service is a company that compiles information about the interest rates offered on deposits, such as certificates of deposit, by insured depository institutions. A particular company could be a deposit listing service (compiling information about certificates of deposits) as well as a deposit broker (facilitating the placement of certificates of deposit). A deposit listing service is not a deposit broker if all of the following four criteria are met:
- (1) The listing service is not involved in placing deposits. Any funds to be invested in deposit accounts are remitted directly by the depositor to the insured depository institution and not, directly or indirectly, by or through the listing service.
 - (2) The person or entity providing the listing service is compensated solely by means of subscription fees (i.e., the fees paid by subscribers as payment for their opportunity to see the rates gathered by the listing service) and/or listing fees (i.e., the fees paid by depository institutions as payment for their opportunity to list or “post” their rates). The listing service does not require a depository institution to pay for other services offered by the listing service or its affiliates as a condition precedent to being listed.
 - (3) The fees paid by depository institutions are flat fees: they are not calculated on the basis of the number or dollar amount of deposits accepted by the depository institution as a result of the listing or “posting” of the depository institution’s rates.
 - (4) In exchange for these fees, the listing service performs no services except (A) the gathering and transmission of information concerning the availability of deposits; and/or (B) the transmission of messages between depositors and depository institutions (including purchase orders and trade confirmations). In publishing or displaying information about depository institutions, the listing service must not attempt to steer funds toward particular institutions (except that the listing service may rank institutions according to interest rates and also may exclude institutions that do not pay the listing fee). Similarly, in any communications with depositors or potential depositors, the listing service must not attempt to steer funds toward particular institutions.

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Memoranda

Item No. **Caption and Instructions**

- 3 **Maturity and repricing data for time deposits of less than \$100,000.** Report in the appropriate subitem maturity and repricing data for the bank's time deposits of less than \$100,000, i.e., the bank's time certificates of deposit of less than \$100,000 and the bank's open-account time deposits of less than \$100,000. The time deposits included in this item will have been reported in Schedule RC-E, Memorandum item 2.b, above. Therefore, the sum of the amounts reported in Schedule RC-E, Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E, Memorandum item 2.b, above.

For purposes of this memorandum item and Schedule RC-E, Memorandum item 4, the following definitions apply:

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Schedule RC-E – Deposit Liabilities (cont.)

Memoranda

Item No. Caption and Instructions

3
(cont.) A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the time deposit, and is known to both the bank and the depositor. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the time deposit on a predetermined basis, with the exact rate of interest over the life of the time deposit known with certainty to both the bank and the depositor when the time deposit is acquired.

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the bank's "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the time deposit carries at any subsequent time cannot be known at the time the time deposit is received by the bank or subsequently renewed.

Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a time deposit.

Next repricing date is the date the interest rate on a floating rate time deposit can next change in accordance with the terms of the contract or the contractual maturity date of the deposit, whichever is earlier.

When the rate on a floating rate time deposit has reached a contractual floor, if any, the time deposit should be treated as "fixed rate" and reported based on the time remaining until its contractual maturity date; the time deposit should not be treated as "floating rate" until the rate is again free to float. When the rate on a floating rate time deposit has reached a contractual ceiling, if any, the time deposit should continue to be treated as "floating rate" and reported based on the time remaining until its next repricing date (or its contractual maturity date, if earlier).

NOTE: The rest of the current instructions to Schedule RC-E, Memorandum item 3, are unchanged.

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4 Maturity and repricing data for time deposits of \$100,000 or more. Report in the appropriate subitem maturity and repricing data for the bank's time deposits of \$100,000 or more, i.e., the bank's time certificates of deposit of \$100,000 or more and the bank's open-account time deposits of \$100,000 or more. The time deposits included in this item will have been reported in Schedule RC-E, Memorandum items 2.c and 2.d, above. Therefore, the sum of the amounts reported in Schedule RC-E, Memorandum items 4.a.(1) through 4.a.(4) must equal the sum of Schedule RC-E, Memorandum items 2.c and 2.d, above. Refer to the definitions and other instructions about time deposits in Schedule RC-E, Memorandum item 3, above.

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Schedule RC-F – Other Assets

Item No. Caption and Instructions

- 5** **Life insurance assets.** Report in the appropriate subitem the amount of the bank's general account and separate account holdings of life insurance that could be realized under the insurance contracts as of the report date. In general, this amount is the cash surrender value reported to the bank by the insurance carrier, less any applicable surrender charges not reflected by the carrier in the reported cash surrender value, on all forms of permanent life insurance policies owned by the bank, its consolidated subsidiaries, and grantor (rabbi) trusts established by the bank or its consolidated subsidiaries, regardless of the purposes for acquiring the insurance. A bank should also consider any additional amounts included in the contractual terms of the insurance policy in determining the amount that could be realized under the insurance contract. For further information, see the Glossary entry for "bank-owned life insurance."

Permanent life insurance refers to whole and universal life insurance, including variable universal life insurance. Purposes for which insurance may be acquired include offsetting pre- and post-retirement costs for employee compensation and benefit plans, protecting against the loss of key persons, and providing retirement and death benefits to employees.

Include as life insurance assets the bank's interest in insurance policies under split-dollar life insurance arrangements with directors, officers, and employees under both the endorsement and collateral assignment methods.

- 5.a** **General account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with general account insurance policies. In a general account life insurance policy, the general assets of the insurance company issuing the policy support the policy's cash surrender value.

Also include the portion of the carrying value of separate account policies that represents general account claims on the insurance company, such as realizable deferred acquisition costs and mortality reserves.

- 5.b** **Separate account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with separate account insurance policies. In a separate account policy, the policyholder's cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account, but does assume all investment and price risk.

Separate accounts are employed by life insurers to meet specific investment objectives of policyholders. The accounts are often maintained as separate accounting and reporting entities for pension plans as well as fixed benefit, variable annuity, and other products. Investment income and investment gains and losses generally accrue directly to such policyholders and are not accounted for on the general accounts of the insurer. On the books of the insurer, the carrying values of separate account assets and liabilities usually approximate each other with little associated capital. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company.

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Schedule RC-K – Quarterly Averages

FFIEC 041 FFIEC 031

<u>Item No.</u>	<u>Item No.</u>	<u>Caption and Instructions</u>
6.d	6.a.(5)	<u>Loans to individuals for household, family, and other personal expenditures:</u>
6.d.(1)	6.a.(5)(a)	<u>Credit cards.</u> Report the quarterly average for credit cards. For purposes of this schedule, credit cards (in domestic offices) (as defined for Schedule RC-C, part I, item 6.a, column B).
6.d.(2)	6.a.(5)(b)	<u>Automobile loans.</u> Report the quarterly average for loans (in domestic offices) arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use (as defined for Schedule RC-C, part I, item 6.c, column B).
6.d.(3)	6.a.(5)(c)	<u>Other.</u> Report the quarterly average for all other loans (in domestic offices) to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, items 6.b and 6.d, column B).

Schedule RC-M – Memoranda

Item No. Caption and Instructions

- 5 **Other borrowed money.** Report in the appropriate subitem the specified information about Federal Home Loan Bank advances to and other borrowings by the consolidated bank.

A fixed interest rate is a rate that is specified at the origination of the advance or other borrowing, is fixed and invariable during the term of the advance or other borrowing, and is known to both the bank and the creditor. Also treated as a fixed interest rate is a predetermined interest rate, which is a rate that changes on a predetermined basis during the term of the advance or other borrowing, with the exact rate of interest over the life of the advance or other borrowing known with certainty to both the bank and the creditor when the advance or other borrowing is originated.

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities, or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact interest rate the advance or other borrowing carries at any subsequent time cannot be known at the time the advance or other borrowing is originated by the bank or subsequently renewed.

Remaining maturity is amount of time remaining from the report date until the final contractual maturity of an advance or an other borrowing without regard to the advance's or the borrowing's repayment schedule, if any.

Next repricing date is (a) the date the interest rate on an advance or other borrowing with a floating rate can next change in accordance with the terms of the contract or (b) the contractual maturity date of the advance or other borrowing, whichever is earlier.

When the rate on a floating rate advance or other borrowing has reached a contractual floor, if any, the advance or other borrowing should be treated as "fixed rate" and reported based on the time remaining until its contractual maturity date; the advance or other borrowing

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

5
(cont.) should not be treated as "floating rate" until the rate is again free to float. When the rate on a floating rate time advance or other borrowing has reached a contractual ceiling, if any, the advance or other borrowing should continue to be treated as "floating rate" and reported based on the time remaining until its next repricing date (or its contractual maturity date, if earlier).

NOTE: The rest of the current instructions to Schedule RC-M, item 5, are unchanged.

* * * * *

13 Assets covered by loss-sharing agreements with the FDIC. Under a loss-sharing agreement, the FDIC agrees to absorb a portion of the losses on a specified pool of a failed insured depository institution's assets in order to maximize asset recoveries and minimize the FDIC's losses. In general, for transactions that occurred before April 2010, the FDIC reimburses 80 percent of losses incurred by an acquiring institution on covered assets over a specified period of time up to a stated threshold amount, with the acquirer absorbing 20 percent of the losses on these assets. Any losses above the stated threshold amount are reimbursed by the FDIC at 95 percent of the losses recognized by the acquirer. For more recent transactions, the FDIC generally reimburses 80 percent of the losses incurred by the acquirer on covered assets, with the acquiring institution absorbing 20 percent.

Report in the appropriate subitem the balance sheet carrying amount as of the report date of all assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. These asset amounts should also be included in the balance sheet category appropriate to the asset on Schedule RC, Balance Sheet.

Do not report the "book value" of the covered assets on the failed institution's books, which is the amount upon which payments from the FDIC to the reporting bank are to be based in accordance with the loss-sharing agreement.

13.a Loans and leases. Report in the appropriate subitem the carrying amount of loans and leases held for sale and the recorded investment in loans held for investment included in Schedule RC-C, part I, items 1 through 10 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(1) Loans secured by real estate (in domestic offices):

13.a.(1)(a) Construction, land development, and other land loans:

13.a.(1)(a)(1) 1-4 family residential construction loans. Report the amount of 1-4 family residential construction loans included in Schedule RC-C, part I, item 1.a.(1), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(1)(a)(2) Other construction loans and all land development and other land loans. Report the amount of other construction loans and all land development and other land loans included in Schedule RC-C, part I, item 1.a.(2), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

- 13.a.(1)(b) Secured by farmland.** Report the amount of loans secured by farmland included in Schedule RC-C, part I, item 1.b, column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(c) Secured by 1-4 family residential properties:**
- 13.a.(1)(c)(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report the amount of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit loans included in Schedule RC-C, part I, item 1.c.(1), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(c)(2) Closed-end loans secured by 1-4 family residential properties:**
- 13.a.(1)(c)(2)(a) Secured by first liens.** Report the amount of closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-C, part I, item 1.c.(2)(a), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(c)(2)(b) Secured by junior liens.** Report the amount of closed-end loans secured by junior liens on 1-4 family residential properties included in Schedule RC-C, part I, item 1.c.(2)(b), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(d) Secured by multifamily (5 or more) residential properties.** Report the amount of loans secured by multifamily (5 or more) residential properties included in Schedule RC-C, part I, item 1.d, column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(e) Secured by nonfarm nonresidential properties:**
- 13.a.(1)(e)(1) Loans secured by owner-occupied nonfarm nonresidential properties.** Report the amount of loans secured by owner-occupied nonfarm nonresidential properties included in Schedule RC-C, part I, item 1.e.(1), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(1)(e)(2) Loans secured by other nonfarm nonresidential properties.** Report the amount of loans secured by other nonfarm nonresidential properties included in Schedule RC-C, part I, item 1.e.(2), column B, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.
- 13.a.(2) Loans to finance agricultural production and other loans to farmers.** Report the amount of loans to finance agricultural production and other loans to farmers included in Schedule RC-C, part I, item 3, column B on the FFIEC 041 and column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

13.a.(3) **Commercial and industrial loans.** Report the amount of commercial and industrial loans included in Schedule RC-C, part I, item 4, column B on the FFIEC 041, and in Schedule RC-C, part I, items 4.a and 4.b, column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(4) **Loans to individuals for household, family, and other personal expenditures:**

13.a.(4)(a) **Credit cards.** Report the amount of extensions of credit arising from credit cards included in Schedule RC-C, part I, item 6.a, column B on the FFIEC 041 and column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(4)(b) **Automobile loans.** Report the amount of automobile loans included in Schedule RC-C, part I, item 6.c, column B on the FFIEC 041 and column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(4)(c) **Other.** Report the amount of extensions of credit arising from other revolving credit plans and other consumer loans included in Schedule RC-C, part I, items 6.b and 6.d, column B on the FFIEC 041 and column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.a.(5) **All other loans and all leases.** Report the amount of loans that cannot properly be reported in Schedule RC-C, part I, Memorandum items 13.a.(1) through 13.a.(4), above acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. Include in this item covered loans in the following categories:

- (1) Loans to depository institutions and acceptances of other banks included in Schedule RC-C, part I, item 2, column B on the FFIEC 041 and in Schedule RC-C, part I, items 2.a.(1) through 2.c.(2), column A on the FFIEC 031;
- (2) Loans to foreign governments and official institutions included in Schedule RC-C, part I, item 7, column B on the FFIEC 041 and column A on the FFIEC 031;
- (3) Obligations (other than securities and leases) of states and political subdivisions in the U.S. included in Schedule RC-C, part I, item 8, column B on the FFIEC 041 and column A on the FFIEC 031;
- (4) Loans to nondepository financial institutions and other loans included in Schedule RC-C, part I, items 9.a and 9.b, column B on the FFIEC 041, and in Schedule RC-C, part I, item 9, column A on the FFIEC 031; and
- (5) On the FFIEC 031 only, loans secured by real estate in foreign offices included in Schedule RC-C, part I, item 1, column A.

Also include all lease financing receivables included in Schedule RC-C, part I, item 10, column B on the FFIEC 041, and in Schedule RC-C, part I, items 10.a and 10.b, column A on the FFIEC 031, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

13.a.(5) Report in Schedule RC-M, items 13.a.(5)(a) through 13.a.(5)(c), each category of “All other loans and all leases” identified above in the instructions for this item, and the dollar amount of covered assets in such category, that exceeds 10 percent of total loans and leases covered by loss-sharing agreements with the FDIC (i.e., 10 percent of the sum of Schedule RC-M, items 13.a.(1) through 13.a.(5)). For each loan and lease category that exceeds the reporting threshold, enter the appropriate caption (without change) from the following list: Loans to depository institutions and acceptances of other banks, Loans to foreign governments and official institutions, Obligations (other than securities and leases) of states and political subdivisions in the U.S., Loans to nondepository financial institutions and other loans, Loans secured by real estate in foreign offices (applicable to the FFIEC 031 only), and Lease financing receivables.

13.b **Other real estate owned.** Report in the appropriate subitem the carrying amount of other real estate owned (included in Schedule RC, item 7) acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.b.(1) **Construction, land development, and other land (in domestic offices).** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.a, “Construction, land development, and other land (in domestic offices),” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.b.(2) **Farmland (in domestic offices).** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.b, “Farmland (in domestic offices),” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.b.(3) **1-4 family residential properties (in domestic offices).** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.c, “1-4 family residential properties (in domestic offices),” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.b.(4) **Multifamily (5 or more) residential properties (in domestic offices).** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.d, “Multifamily (5 or more) residential properties (in domestic offices),” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

13.b.(5) **Nonfarm nonresidential properties (in domestic offices).** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.e, “Nonfarm nonresidential properties (in domestic offices),” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

NOTE: Item 13.b.(6) is not applicable to banks filing the FFIEC 041 report forms.

13.b.(6) **In foreign offices.** Report the carrying amount of all other real estate owned included in Schedule RC-M, item 3.g, “In foreign offices,” acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

13.b.(7) **Portion of covered other real estate owned included in items 13.b.(1) through (5) [or (6)] above that is protected by FDIC loss-sharing agreements.** Report the maximum amount recoverable from the FDIC under loss-sharing agreements covering the other real estate owned reported in Schedule RC-M, items 13.b.(1) through (5) on the FFIEC 041, and in Schedule RC-M, items 13.b.(1) through (6) on the FFIEC 031, beyond the amount that has already been reflected in the measurement of the reporting bank's indemnification asset, which represents the right to receive payments from the FDIC under the loss-sharing agreement.

In general, the maximum amount recoverable from the FDIC on covered other real estate owned is the carrying amount of the other real estate, as reported in the preceding Schedule RC-M items, multiplied by the currently applicable loss coverage rate (e.g., 80 percent or 95 percent). This product will normally be the maximum amount recoverable because reimbursements from the FDIC for covered losses related to the amount by which the "book value" of a covered asset on the failed institution's books (which is the amount upon which payments under an FDIC loss-sharing agreement are based) exceeds the amount at which the reporting bank reports the covered asset on Schedule RC, Balance Sheet, should already have been taken into account in measuring the carrying amount of the reporting bank's loss-sharing indemnification asset, which is reported in Schedule RC-F, item 6, "All other assets."

13.c **Debt securities.** Report the amortized cost of held-to-maturity debt securities (included in Schedule RC, items 2.a) and the fair value of available-for-sale debt securities (included in Schedule RC, item 2.b) acquired from failed insured depository institutions or otherwise purchased from the FDIC and covered by loss-sharing agreements with the FDIC.

13.d **Other assets.** Report the balance sheet carrying amount of all assets that cannot properly be reported in Schedule RC-M, items 13.a through 13.c, and have been acquired from failed insured depository institutions or otherwise purchased from the FDIC and are covered by loss-sharing agreements with the FDIC.

Exclude FDIC loss-sharing indemnification assets. These indemnification assets represent the carrying amount of the right to receive payments from the FDIC for losses incurred on specified assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. Report FDIC loss-sharing indemnification assets in Schedule RC-F, item 6, "All other assets," and, if the amount of these indemnification assets is greater than \$25,000 and exceeds 25 percent of the amount of "All other assets," also report the indemnification assets in Schedule RC-F, item 6.e.

14 **Captive insurance and reinsurance subsidiaries:**

14.a **Total assets of captive insurance subsidiaries.** Report the carrying amount of all assets held by captive insurance subsidiaries of the reporting bank. A captive insurance company is a limited purpose insurer licensed as a direct writer of insurance. Some common lines of business include credit life, accident, and health insurance; disability insurance; and employee benefits coverage. Report total assets before eliminating intercompany transactions between the consolidated insurance subsidiary and other offices or subsidiaries of the consolidated bank.

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Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

14.b Total assets of captive reinsurance subsidiaries. Report the carrying amount of all assets held by captive reinsurance subsidiaries of the reporting bank. Reinsurance is the transfer, with indemnification, of all or part of the underwriting risk from one insurer to another for a portion of the premium or other consideration. For further information, see the Glossary entry for "reinsurance."

Some common lines of business include credit life, accident, and health reinsurance; disability reinsurance; reinsurance of employee benefits coverage; private mortgage guaranty reinsurance; and terrorism risk reinsurance. Report total assets before eliminating intercompany transactions between the consolidated reinsurance subsidiary and other offices or subsidiaries of the consolidated bank.

Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets

Definitions

Restructured in Troubled Debt Restructurings – A troubled debt restructuring is a restructuring of a loan in which a bank, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. For purposes of this schedule, the concession consists of a modification of terms, such as a reduction of the loan's stated interest rate, principal, or accrued interest or an extension of the loan's maturity date at a stated interest rate lower than the current market rate for new debt with similar risk, regardless of whether the loan is secured or unsecured and regardless of whether the loan is guaranteed by the government or by others.

Once an obligation has been restructured in a troubled debt restructuring, it continues to be considered a troubled debt restructuring until paid in full or otherwise settled, sold, or charged off. However, if a restructured obligation is in compliance with its modified terms and the restructuring agreement specifies an interest rate that at the time of the restructuring is greater than or equal to the rate that the bank was willing to accept for a new extension of credit with comparable risk, the loan need not continue to be reported as a troubled debt restructuring in calendar years after the year in which the restructuring took place. A loan extended or renewed at a stated interest rate equal to the current interest rate for new debt with similar risk is not considered a troubled debt restructuring. Also, a loan to a third party purchaser of "other real estate owned" by the reporting bank for the purpose of facilitating the disposal of such real estate is not considered a troubled debt restructuring.

For further information, see the Glossary entry for "troubled debt restructurings."

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Item No. Caption and Instructions

5 Loans to individuals for household, family, and other personal expenditures. Report in the appropriate subitem and column the amount of all loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) included in Schedule RC-C, part I, item 6, that are past due 30 days or more or are in nonaccrual status as of the report date.

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Item No. **Caption and Instructions**

- 5.a Credit cards.** Report in the appropriate column the amount of all extensions of credit to individuals for household, family, and other personal expenditures arising from credit cards included in Schedule RC-C, part I, item 6.a, that are past due 30 days or more or are in nonaccrual status as of the report date.
- 5.b Automobile loans.** Report in the appropriate column the amount of loans arising from retail sales of passenger cars and other vehicles such as minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks for personal use included in Schedule RC-C, part I, item 6.c, that are past due 30 days or more or are in nonaccrual status as of the report date.
- 5.c Other.** Report in the appropriate column the amount of all other loans to individuals for household, family, and other personal expenditures included in Schedule RC-C, part I, items 6.b and 6.d, that are past due 30 days or more or are in nonaccrual status as of the report date.

* * * * *

Item No. **Caption and Instructions**

- 10 Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.** Report in the appropriate column the aggregate recorded investment in all loans and leases reported in Schedule RC-N, items 1 through 8, above for which repayment of principal is wholly or partially guaranteed or insured by the U.S. Government, including its agencies and its government-sponsored agencies, but excluding loans and leases covered by loss-sharing agreements with the FDIC, which are reported in Schedule RC-N, item 11, below. Examples include loans guaranteed by the Small Business Administration and the Federal Housing Administration. Amounts need not be reported in this item and in items 10.a and 10.b below if they are considered immaterial.

Exclude from this item loans and leases guaranteed or insured by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations. Also exclude loans and leases collateralized by securities issued by the U.S. Government, including its agencies and its government-sponsored agencies.

- 10.a Guaranteed portion of loans and leases included in item 10 above, excluding rebooked “GNMA loans.”** Report in the appropriate column the maximum amount recoverable from the U.S. Government, including its agencies and its government-sponsored agencies, under the guarantee or insurance provisions applicable to the loans and leases included in Schedule RC-N, item 10, above.

Seller-servicers of GNMA loans should exclude all delinquent rebooked GNMA loans that have been repurchased or are eligible for repurchase from this item (report such rebooked GNMA loans in item 10.b below). Servicers of GNMA loans should exclude individual delinquent loans (for which they were not the transferor) that they have purchased out of GNMA securitizations from this item (report such purchased GNMA loans in item 10.b below).

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Item No. Caption and Instructions

- 10.b** **Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 10 above.** Report in the appropriate column the recorded investment in:
- (1) Delinquent rebooked GNMA loans that have been repurchased or are eligible for repurchase by seller-servicers of GNMA loans; and
 - (2) Delinquent loans that have been purchased out of GNMA securitizations by servicers of GNMA loans that were not the transferors of the loans.
- 11** **Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC.** Report in the appropriate subitem and column the aggregate recorded investment in all loans and leases covered by loss-sharing agreements with the FDIC and reported in Schedule RC-M, items 13.a.(1)(a)(1) through 13.a.(5), that have been included in Schedule RC-N, items 1 through 8, because they are past due 30 days or more or are in nonaccrual status as of the report date. Amounts need not be reported in Schedule RC-N, items 11.a.(1)(a) through 11.f, below if they are considered immaterial.
- 11.a** **Loans secured by real estate (in domestic offices):**
- 11.a.(1)** **Construction, land development, and other land loans:**
- 11.a.(1)(a)** **1-4 family residential construction loans.** Report in the appropriate column the amount of all covered 1-4 family residential construction loans reported in Schedule RC-M, item 13.a.(1)(a)(1), that are included in Schedule RC-N, item 1.a.(1), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(1)(b)** **Other construction loans and all land development and other land loans.** Report in the appropriate column the amount of all other covered construction loans and all covered land development and other land loans reported in Schedule RC-M, item 13.a.(1)(a)(2), that are included in Schedule RC-N, item 1.a.(2), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(2)** **Secured by farmland.** Report in the appropriate column the amount of all covered loans secured by farmland reported in Schedule RC-M, item 13.a.(1)(b), that are included in Schedule RC-N, item 1.b, above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(3)** **Secured by 1-4 family residential properties:**
- 11.a.(3)(a)** **Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report in the appropriate column the amount of all covered revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit loans held for sale and held for investment reported in Schedule RC-M, item 13.a.(1)(c)(1), that are included in Schedule RC-N, item 1.c.(1), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(3)(b)** **Closed-end loans secured by 1-4 family residential properties:**

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Item No. Caption and Instructions

- 11.a.(3)(a) Secured by first liens.** Report in the appropriate column the amount of all covered closed-end loans secured by first liens on 1-4 family residential properties reported in Schedule RC-M, item 13.a.(1)(c)(2)(a), that are included in Schedule RC-N, item 1.c.(2)(a), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(3)(b) Secured by junior liens.** Report in the appropriate column the amount of all covered closed-end loans secured by junior liens on 1-4 family residential properties reported in Schedule RC-M, item 13.a.(1)(c)(2)(b), that are included in Schedule RC-N, item 1.c.(2)(b), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(4) Secured by multifamily (5 or more) residential properties.** Report in the appropriate column the amount of all covered loans secured by multifamily (5 or more) residential properties reported in Schedule RC-M, item 13.a.(1)(d), that are included in Schedule RC-N, item 1.d, above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(5) Secured by nonfarm nonresidential properties:**
- 11.a.(5)(a) Loans secured by owner-occupied nonfarm nonresidential properties.** Report in the appropriate column the amount of all covered loans secured by owner-occupied nonfarm nonresidential properties reported in Schedule RC-M, item 13.a.(1)(e)(1), that are included in Schedule RC-N, item 1.e.(1), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.a.(5)(b) Loans secured by other nonfarm nonresidential properties.** Report in the appropriate column the amount of all covered loans secured by other nonfarm nonresidential properties reported in Schedule RC-M, item 13.a.(1)(e)(2), that are included in Schedule RC-N, item 1.e.(2), above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.b Loans to finance agricultural production and other loans to farmers.** Report in the appropriate column the amount of all covered loans to finance agricultural production and other loans to farmers reported in Schedule RC-M, item 13.a.(2), that are included in Schedule RC-N, item 7 on the FFIEC 041 and item 3 on the FFIEC 031, above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.c Commercial and industrial loans.** Report in the appropriate column the amount of all covered commercial and industrial loans reported in Schedule RC-M, item 13.a.(3), that are included in Schedule RC-N, item 4, above because they are past due 30 days or more or are in nonaccrual status as of the report date.
- 11.d Loans to individuals for household, family, and other personal expenditures:**
- 11.d.(1) Credit cards.** Report in the appropriate column the amount of all covered extensions of credit arising from credit cards reported in Schedule RC-M, item 13.a.(4)(a), that are included in Schedule RC-N, item 6.a, above because they are past due 30 days or more or are in nonaccrual status as of the report date.

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Item No. Caption and Instructions

11.d.(2) **Automobile loans.** Report in the appropriate column the amount of all covered automobile loans reported in Schedule RC-M, item 13.a.(4)(b), that are included in Schedule RC-N, item 6.c, above because they are past due 30 days or more or are in nonaccrual status as of the report date.

11.d.(3) **Other.** Report in the appropriate column the amount of all covered extensions of credit arising from other revolving credit plans and all other covered consumer loans reported in Schedule RC-M, item 13.a.(4)(c), that are included in Schedule RC-N, items 6.b and 6.d, above because they are past due 30 days or more or are in nonaccrual status as of the report date.

11.e **All other loans and all leases.** Report in the appropriate column the amount of covered loans and leases reported in Schedule RC-M, item 13.a.(5), “All other loans and all leases,” that are past due 30 days or more or are in nonaccrual status as of the report date. Include in the appropriate column of this item covered loans in the following categories that are past due 30 days or more or are in nonaccrual status as of the report date:

- (1) Loans to depository institutions and acceptances of other banks included in Schedule RC-N, item 2;
- (2) Loans to foreign governments and official institutions included in Schedule RC-N, item 6;
- (3) Obligations (other than securities and leases) of states and political subdivisions in the U.S. included in Schedule RC-N, item 7;
- (4) Loans to nondepository financial institutions and other loans included in Schedule RC-N, item 7;
- (5) On the FFIEC 031 only, loans secured by real estate in foreign offices included in Schedule RC-N, item 1.f.

Also include in the appropriate column all covered lease financing receivables included in Schedule RC-N, item 8, above because they are past due 30 days or more or are in nonaccrual status as of the report date.

For each category of “All other loans and all leases” that the reporting bank itemized and described in Schedule RC-M, items 13.e.(1) through (3), report in the appropriate column in Schedule RC-N, items 11.e.(1) through 11.e.(3), respectively, the amount of covered loans or leases in that category that are past due 30 days or more or are in nonaccrual status as of the report date.

11.f **Portion of covered loans and leases included in items 11.a through 11.e above that is protected by FDIC loss-sharing agreements.** Report the maximum amount recoverable from the FDIC under loss-sharing agreements covering the past due and nonaccrual loans and leases reported in Schedule RC-N, items 11.a.(1)(a) through 11.e, above beyond the amount that has already been reflected in the measurement of the reporting bank’s indemnification asset, which represents the right to receive payments from the FDIC under the loss-sharing agreement.

In general, the maximum amount recoverable from the FDIC on covered past due and nonaccrual loans and leases is the recorded amount of these loans and leases, as reported in Schedule RC-N, items 11.a.(1)(a) through 11.e, multiplied by the currently applicable loss coverage rate (e.g., 80 percent or 95 percent). This product will normally be the maximum amount recoverable because reimbursements from the FDIC for covered losses related to the amount by which the “book value” of a covered asset on the failed institution’s books

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

11.f (cont.) (which is the amount upon which payments under an FDIC loss-sharing agreement are based) exceeds the amount at which the reporting bank reports the covered asset on Schedule RC, Balance Sheet, should already have been taken into account in measuring the carrying amount of the reporting bank's loss-sharing indemnification asset, which is reported in Schedule RC-F, item 6, "All other assets."

* * * * *

Memoranda

Item No. Caption and Instructions

- 1** **Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above.** Report in the appropriate subitem and column loans that have been restructured in troubled debt restructurings (as described in "Definitions" above) and are past due 30 days or more or are in nonaccrual status as of the report date. Such loans will have been included in one or more of the loan categories in items 1 through 7 of this schedule. Exclude all loans restructured in troubled debt restructurings that are in compliance with their modified terms (report in Schedule RC-C, part I, Memorandum item 1),
- For further information, see the Glossary entry for "troubled debt restructurings."
- 1.a** **Construction, land development, and other land loans (in domestic offices):**
- 1.a.(1)** **1-4 family construction loans.** Report in the appropriate column all loans secured by real estate for the purpose of constructing 1-4 family residential properties included in item 1.a.(1) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.a.(2)** **Other construction loans and all land development and other land loans.** Report in the appropriate column all construction loans for purposes other than constructing 1-4 family residential properties, all land development loans, and all other land loans included in item 1.a.(2) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.b** **Loans secured by 1-4 family residential properties (in domestic offices).** Report in the appropriate column all loans secured by 1-4 family residential properties (in domestic offices) included in item 1.c of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.c** **Loans secured by multifamily (5 or more) residential properties (in domestic offices).** Report in the appropriate column all loans secured by multifamily (5 or more) residential properties (in domestic offices) included in item 1.d of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.d** **Secured by nonfarm nonresidential properties (in domestic offices):**

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Memoranda

Item No. Caption and Instructions

- 1.d.(1)** Loans secured by owner-occupied nonfarm nonresidential properties. Report in the appropriate column all loans secured by owner-occupied nonfarm nonresidential properties included in item 1.e.(1) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.d.(2)** Loans secured by other nonfarm nonresidential properties. Report in the appropriate column all nonfarm nonresidential real estate loans not secured by owner-occupied nonfarm nonresidential properties included in item 1.e.(2) of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.e** Commercial and industrial loans. Report all commercial and industrial loans included in item 4 of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date. On the FFIEC 041, all banks should report the total of these restructured loans in Memorandum item 1.e, and banks with \$300 million or more in total assets should also report in Memorandum items 1.e.(1) and (2) a breakdown of these restructured loans between those loans to U.S. and non-U.S. addressees. On the FFIEC 031, all banks should report a breakdown of these restructured loans between those to U.S. and non-U.S. addressees for the fully consolidated bank in Memorandum items 1.e.(1) and (2).
- NOTE: Memorandum items 1.e.(1) and 1.e.(2) are not applicable to banks filing the FFIEC 041 report forms that have less than \$300 million in total assets.
- 1.e.(1)** To U.S. addressees (domicile). On the FFIEC 041, report in the appropriate column all commercial and industrial loans to U.S. addressees included in Memorandum item 1.e of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date. On the FFIEC 031, report in the appropriate column all commercial and industrial loans to U.S. addressees included in item 4.a of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.e.(2)** To non-U.S. addressees (domicile). On the FFIEC 041, report in the appropriate column all commercial and industrial loans to non-U.S. addressees included in Memorandum item 3.c of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date. On the FFIEC 031, report in the appropriate column all commercial and industrial loans to non-U.S. addressees included in item 4.b of this schedule that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date.
- 1.f** All other loans. Report in the appropriate column all other loans that cannot properly be reported in Memorandum items 1.a through 1.e above that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date. Include in the appropriate column of this item all loans in the following categories that have been restructured in troubled debt restructurings and, under their modified repayment terms, are past due 30 days or more or are in nonaccrual status as of the report date:

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Schedule RC-N – Past Due and Nonaccrual Loans, Leases, and Other Assets (cont.)

Memoranda

Item No. Caption and Instructions

- 1.f**
(cont.)
- (1) Loans secured by farmland (in domestic offices) included in Schedule RC-N, item 1.b;
 - (2) Loans to depository institutions and acceptances of other banks included in Schedule RC-N, item 2;
 - (3) Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, item 7 on the FFIEC 041 and item 3 on the FFIEC 31;
 - (4) Credit cards included in Schedule RC-N, item 5.a;
 - (5) Automobile loans included in Schedule RC-N, item 5.b;
 - (6) Other consumer loans included in Schedule RC-N, items 5.c;
 - (7) Loans to foreign governments and official institutions included in Schedule RC-N, item 6;
 - (8) Obligations (other than securities and leases) of states and political subdivisions in the U.S. included in Schedule RC-N, item 7;
 - (9) Loans to nondepository financial institutions and other loans included in Schedule RC-N, item 7; and
 - (10) On the FFIEC 031, loans secured by real estate in foreign offices included in Schedule RC-N, item 1.f.

Report in Schedule RC-N, Memorandum items 1.f.(1) through 1.f.(3), each category of “All other loans” identified above in the instructions for this Memorandum item, and the dollar amount of loans in such category that have been restructured in troubled debt restructurings and are past due 30 days or more or are in nonaccrual status, that exceeds 10 percent of total loans restructured in troubled debt restructurings that are past due 30 days or more or are in nonaccrual status as of the report date (i.e., 10 percent of the sum of Schedule RC-N, Memorandum items 1.a through 1.f, columns A through C). For each loan category that exceeds the reporting threshold, enter the appropriate caption (without change) from the following list: Loans secured by farmland (in domestic offices); Loans to depository institutions and acceptances of other banks; Loans to finance agricultural production and other loans to farmers; Credit cards; Automobile loans; Other consumer loans; Loans to foreign governments and official institutions; Obligations (other than securities and leases) of states and political subdivisions in the U.S.; Loans to nondepository financial institutions and other loans; and Loans secured by real estate in foreign offices (applicable to the FFIEC 031 only).

Schedule RC-P – 1-4 Family Residential Mortgage Banking Activities

General Instructions

Schedule RC-P is to be completed by (1) all banks with \$1 billion or more in total assets and (2) those banks with less than \$1 billion in total assets where **any** of the following residential mortgage banking activities (in domestic offices) exceeds \$10 million for two consecutive quarters:

- (a) Closed-end and open-end first lien and junior lien 1-4 family residential mortgage loan originations and purchases for resale from all sources during a calendar quarter; or
- (b) Closed-end and open-end first lien and junior lien 1-4 family residential mortgage loan sales during a calendar quarter; or
- (c) Closed-end and open-end first lien and junior lien 1-4 family residential mortgage loans held for sale and held for trading at calendar quarter-end.

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Schedule RC-P – 1-4 Family Residential Mortgage Banking Activities (cont.)

General Instructions (cont.)

For purposes of measuring 1-4 family residential mortgage banking activities (at banks with less than \$1 billion in total assets) and reporting on these activities in Schedule RC-P, banks should include those 1-4 family residential mortgage loans that would be reportable as held for sale as well as those that would be reportable as held for trading.

For a bank with less than \$1 billion in total assets, the bank must complete Schedule RC-P beginning the second quarter in which the \$10 million threshold is exceeded and continue to complete the schedule through the end of the calendar year. Open-end mortgage banking activities should be measured using the “total commitment under the lines of credit” as defined below. For example, if the bank’s closed-end and open-end first and junior lien 1-4 family residential mortgage loan originations and purchases for resale from all sources exceeded \$10 million during the quarter ended June 30, 2010, and the bank’s sales of such loans exceeded \$10 million during the quarter ended September 30, 2010, the bank would be required to complete Schedule RC-P in its September 30 and December 31, 2010, Call Reports. If its total assets remain less than \$1 billion, the level of this bank’s mortgage bank activities during the fourth quarter of 2010 and the first quarter of 2011 would determine whether it would need to complete Schedule RC-P each quarter during 2011 beginning March 31, 2011.

For purposes of Schedule RC-P, closed-end 1-4 family residential mortgage loans are defined in Schedule RC-C, part I, item 1.c.(2), “Closed-end loans secured by 1-4 family residential properties.” All closed-end 1-4 family residential mortgage loans secured by junior (i.e., other than first) liens should be reported as junior liens in Schedule RC-P even if the bank has also originated or purchased a loan secured by a first lien on the same 1-4 family residential property and there are no intervening junior liens. Open-end 1-4 family residential mortgage loans are defined in Schedule RC-C, part I, item 1.c.(1), “Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.” These Schedule RC-C definitions also apply to closed-end and open-end 1-4 family residential mortgage loans that would be reportable as held for trading in Schedule RC-D and in Schedule RC, item 5, “Trading assets.”

For purposes of reporting on open-end loans extended under lines of credit in Schedule RC-P, the “total commitment under the lines of credit” is defined as the total amount of the lines of credit granted to customers at the time the open-end credits were originated. For retail and wholesale originations of such open-end loans, the “principal amount funded under the lines of credit” is defined as the initial fundings made to customers on newly established lines of credit. For open-end loans purchased, sold, held for sale, and repurchased or indemnified, the “principal amount funded under the lines of credit” is defined as the principal balance outstanding of loans extended under lines of credit at the transaction date or at quarter-end, as appropriate.

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Item No. Caption and Instructions

- 4** **1–4 family residential mortgage loans held for sale or trading at quarter-end.** Report in the appropriate subitem closed-end and open-end 1-4 family residential mortgages held for sale or trading as of the quarter-end report date and included in Schedule RC, item 4.a, “Loans and leases held for sale,” and in Schedule RC, item 5, “Trading assets.” Loans held for sale should be reported at the lower of cost or fair value consistent with their presentation in Schedule RC, item 4.a. Loans held for trading should be reported at fair value consistent with their presentation in Schedule RC, item 5. Closed-end and open-end 1-4 family residential mortgage loans held for sale or trading at quarter-end include any mortgage loans transferred at any time from the bank’s loan portfolio to a held-for-sale account or a trading account that have not been sold by quarter-end.

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Schedule RC-P – 1-4 Family Residential Mortgage Banking Activities (cont.)

<u>Item No.</u>	<u>Caption and Instructions</u>
4.a	<u>Closed-end first liens.</u> Report the carrying amount of closed-end first lien 1-4 family residential mortgage loans held for sale or trading at quarter-end.
4.b	<u>Closed-end junior liens.</u> Report the carrying amount of closed-end junior lien 1-4 family residential mortgage loans held for sale or trading at quarter-end.
4.c	<u>Open-end loans extended under lines of credit:</u>
4.c.(1)	<u>Total commitment under the lines of credit.</u> Report the total amount of open-end commitments under revolving, open-end lines of credit secured by 1-4 family residential properties held for sale or trading at quarter-end.
4.c.(2)	<u>Principal amount funded under the lines of credit.</u> Report the total principal amount funded under open-end commitments associated with the revolving, open-end lines of credit secured by 1-4 family residential properties held for sale or trading at quarter-end reported in item 4.c.(1) above.
5	<u>Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans.</u> Report in the appropriate subitem the noninterest income earned during the calendar quarter ending on the report date from mortgage banking activities involving closed-end and open-end 1-4 family residential mortgage loans. Include the portion of the consolidated bank's "Trading revenue," "Net servicing fees," "Net securitization income," and "Net gains (losses) on sales of loans and leases" (items 5.c, 5.f, 5.g, and 5.i of Schedule RI) earned during the quarter that is attributable to closed-end and open-end 1-4 family residential mortgage loans.

Schedule RC-T – Fiduciary and Related Services

<u>Item No.</u>	<u>Caption and Instructions</u>
3	<p><u>Does the institution have fiduciary or related activity (in the form of assets or accounts) to report in this schedule?</u> Institutions (including their trust company subsidiaries) with fiduciary assets, accounts, income, or other reportable fiduciary related services should respond "Yes." Institutions responding "No" should not complete the remainder of this schedule.</p> <p>Reportable fiduciary and related services include activities that do not require trust powers but are incidental to fiduciary services. Specifically, this includes custodial services for assets held by the institution in a fiduciary capacity. An institution should report custodial activities that are offered through the fiduciary business unit or through another distinct business unit that is devoted to institutional custodial services. Institutions should exclude those custodial and escrow activities related to commercial bank services such as hold-in-custody repurchase assets, escrow assets held for the benefit of third parties, safety deposit box assets, and any other similar commercial arrangement.</p> <p>Institutions with fiduciary activities that are limited to only land trusts and/or custodial activity for mortgage-backed securities (such as GNMA or FNMA) should respond "No."</p> <p>If the answer to item 3 is "Yes," complete the applicable items of Schedule RC-T, as follows:</p>

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Schedule RC-T – Fiduciary and Related Services (cont.)

Item No. Caption and Instructions

3
(cont.) Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than \$250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 on the FFIEC 041 quarterly; items 4 through 22.a on the FFIEC 031 quarterly;
- Items 23 through 26 annually with the December report;
- Memorandum item 3 quarterly; and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than \$100 million but less than \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 26 annually with the December report; and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) of \$100 million or less (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report; and
- Memorandum items 1 through 3 annually with the December report.

Schedule RC-V, Variable Interest Entities

General Instructions

A variable interest entity (VIE), as described in ASC Topic 810, Consolidation (formerly FASB Interpretation No.46 (revised December 2003), "Consolidation of Variable Interest Entities," as amended by FASB Statement No. 167, "Amendments to FASB Interpretation No. 46(R)"), is an entity in which equity investors do not have sufficient equity at risk for that entity to finance its activities without additional subordinated financial support or, as a group, the holders of the equity investment at risk lack one or more of the following three characteristics: (a) the power, through voting rights or similar rights, to direct the activities of an entity that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected residual returns of the entity.

Variable interests in a VIE are contractual, ownership, or other pecuniary interests in an entity that change with changes in the fair value of the entity's net assets exclusive of variable interests. When a bank or other company has a variable interest or interests in a VIE, ASC Topic 810 provides guidance for determining whether the bank or other company must consolidate the VIE. If a bank or other company has a controlling financial interest in a VIE, it is deemed to be the primary beneficiary of the VIE and, therefore, must consolidate the VIE. For further information, see the Glossary entry for "variable interest entity."

Schedule RC-V collects information on VIEs that have been consolidated by the reporting bank for purposes of the Consolidated Reports of Condition and Income because the bank or a consolidated subsidiary is the primary beneficiary of the VIE. Schedule RC-V should be completed on a fully consolidated basis, i.e.,

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Schedule RC-V, – Variable Interest Entities (cont.)

General Instructions (cont.)

after eliminating intercompany transactions. The asset and liability amounts to be reported in Schedule RC-V should be the same amounts at which these assets and liabilities are reported on Schedule RC, Balance Sheet, e.g., held-to-maturity securities should be reported at amortized cost and available-for-sale securities should be reported at fair value.

Column Instructions

Column A, Securitization Vehicles: Securitization vehicles include VIEs that have been created to pool and repackage mortgages, other assets, or other credit exposures into securities that can be transferred to investors.

Column B, ABCP Conduits: Asset-backed commercial paper (ABCP) conduits include VIEs that primarily issue externally rated commercial paper backed by assets or other exposures.

Column C, Other VIEs: Other VIEs include VIEs other than securitization vehicles and ABCP conduits.

For purposes of Schedule RC-V, information about each consolidated VIE should be included in only one of the three columns of the schedule. The column selected for a particular consolidated VIE should be based on the purpose and design of the VIE and this column should be used consistently over time.

Item Instructions

Item No. Caption and Instructions

- 1 **Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs.** Report in the appropriate subitem and column those assets of consolidated VIEs reported in Schedule RC, Balance Sheet, that can be used only to settle obligations of the same consolidated VIEs and any related allowance for loan and lease losses. Exclude assets of consolidated VIEs that cannot be used only to settle obligations of the same consolidated VIEs (report such assets in Schedule RC-V, item 3, below).
- 1.a **Cash and balances due from depository institutions.** Report in the appropriate column the amount of cash and balances due from depository institutions held by consolidated VIEs included in Schedule RC, item 1.a, “Noninterest-bearing balances and currency and coin,” and item 1.b, “Interest-bearing balances,” that can be used only to settle obligations of the same consolidated VIEs.
- 1.b **Held-to-maturity securities.** Report in the appropriate column the amount of held-to-maturity securities held by consolidated VIEs included in Schedule RC, item 2.a, “Held-to-maturity securities,” that can be used only to settle obligations of the same consolidated VIEs.
- 1.c **Available-for-sale securities.** Report in the appropriate column the amount of available-for-sale securities held by consolidated VIEs included in Schedule RC, item 2.b, “Available-for-sale securities,” that can be used only to settle obligations of the same consolidated VIEs.
- 1.d **Securities purchased under agreements to resell.** Report in the appropriate column the amount of securities purchased under agreements to resell held by consolidated VIEs included in Schedule RC, item 3.b, “Securities purchased under agreements to resell,” that can be used only to settle obligations of the same consolidated VIEs.

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Schedule RC-V – Variable Interest Entities (cont.)

<u>Item No.</u>	<u>Caption and Instructions</u>
1.e	<u>Loans and leases held for sale.</u> Report in the appropriate column the amount of loans and leases held for sale by consolidated VIEs included in Schedule RC, item 4.a, “Loans and leases held for sale,” that can be used only to settle obligations of the same consolidated VIEs.
1.f.	<u>Loans and leases, net of unearned income.</u> Report in the appropriate column the amount of loans and leases held for investment by consolidated VIEs included in Schedule RC, item 4.b, “Loans and leases, net of unearned income,” that can be used only to settle obligations of the same consolidated VIEs.
1.g	<u>Less: Allowance for loan and lease losses.</u> Report in the appropriate column the amount of the allowance for loan and lease losses held by consolidated VIEs included in Schedule RC, item 4.c, “LESS: Allowance for loan and lease losses,” that is allocated to these consolidated VIEs’ loans and leases held for investment that can be used only to settle obligations of the same consolidated VIEs and are reported in Schedule RC-V, item 1.f, above.
1.h	<u>Trading assets (other than derivatives).</u> Report in the appropriate column the amount of trading assets (other than derivatives) held by consolidated VIEs included in Schedule RC, item 5, “Trading assets,” that can be used only to settle obligations of the same consolidated VIEs.
1.i	<u>Derivative trading assets.</u> Report in the appropriate column the amount of derivative trading assets held by consolidated VIEs included in Schedule RC, item 5, “Trading assets,” that can be used only to settle obligations of the same consolidated VIEs.
1.j	<u>Other real estate owned.</u> Report in the appropriate column the amount of other real estate owned held by consolidated VIEs included in Schedule RC, item 7, “Other real estate owned,” that can be used only to settle obligations of the same consolidated VIEs.
1.k	<u>Other assets.</u> Report in the appropriate column the amount of all other assets held by consolidated VIEs included in Schedule RC, item 12, “Total assets,” and not reported in Schedule RC-V, items 1.a through 1.j, above, that can be used only to settle obligations of the same consolidated VIEs.
2	<u>Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank.</u> Report in the appropriate subitem and column those liabilities of consolidated VIEs reported in Schedule RC, Balance Sheet, for which creditors do not have recourse to the general credit of the reporting bank. Exclude liabilities of consolidated VIEs for which creditors have recourse to the general credit of the reporting bank (report such liabilities in Schedule RC-V, item 4, below).
2.a	<u>Securities sold under agreements to repurchase.</u> Report in the appropriate column the amount of securities sold under agreements to repurchase by consolidated VIEs reported in Schedule RC, item 14.b, “Securities sold under agreements to repurchase,” for which the holders of these repurchase agreements do not have recourse to the general credit of the reporting bank.
2.b	<u>Derivative trading liabilities.</u> Report in the appropriate column the amount of derivative trading liabilities of consolidated VIEs reported in Schedule RC, item 15, “Trading liabilities,” for which the derivative counterparties do not have recourse to the general credit of the reporting bank.

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Schedule RC-V – Variable Interest Entities (cont.)

Item No. Caption and Instructions

- 2.c Commercial paper.** Report in the appropriate column the amount of commercial paper issued by consolidated VIEs reported in Schedule RC, item 16, “Other borrowed money,” for which the holders of this commercial paper do not have recourse to the general credit of the reporting bank.
- 2.d Other borrowed money (exclude commercial paper).** Report in the appropriate column the amount of other borrowed money (other than commercial paper) of consolidated VIEs reported in Schedule RC, item 16, “Other borrowed money,” for which the creditors on these borrowings do not have recourse to the general credit of the reporting bank.
- 2.e Other liabilities.** Report in the appropriate column the amount of all other liabilities of consolidated VIEs included in Schedule RC, item 21, “Total liabilities,” and not reported in Schedule RC-V, items 2.a through 2.d, above, for which the creditors on these liabilities do not have recourse to the general credit of the reporting bank.
- 3 All other assets of consolidated VIEs.** Report in the appropriate column the amount of assets of consolidated VIEs reported in Schedule RC, items 1 through 11, that have not been included in Schedule RC-V, items 1.a through 1.k, above. Loans and leases held for investment that are included in this item should be reported net of any allowance for loan and lease losses allocated to these loans and leases.
- 4 All other liabilities of consolidated VIEs.** Report in the appropriate column the amount of liabilities of consolidated VIEs reported in Schedule RC, items 14 through 20, that have not been included in Schedule RC-V, items 2.a through 2.e, above.