Office of Thrift Supervision

Financial Reporting Bulletin June 2011

Office of Thrift Supervision

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Electronic Filing System Version 8.2

The EFS 8.2 software update must be installed from the CD or downloaded via EFS-Net and applied prior to preparing and transmitting data to the OTS for the June 2011 regulatory reports. If necessary, you may need to contact your network administrators, in-house or contract IT personnel for assistance.

OTS Software CD: Insert the CD dated July 6, 2011, into your computer to initiate the installation wizard. Click the appropriate tab for your institution type [Thrift] or [Holding Company], and select to [Install Electronic Filing System 8.2]. Follow the prompts until you have successfully installed the EFS version 8.2 update.

Download via EFS-Net: Launch EFS in the usual manner. From the main menu, select [Transmit], default [x] Download Notices-Software Updates, and click [Next>>]. On the Step 5 of 5 screen, select the [EFS-Net] button and the gray bar to [Log Into My Internet Connection ...]. Under the heading "Software Updates Available for Download," select [**efs_820_setup**] and carefully follow the instructions provided. Note: Ensure that you have read/write access and are able to save an executable file to a root directory on your workstation or network drive, otherwise, the update will not install properly.

Verify EFS Version: Remember to always launch EFS through the Start button on your PC. From the main EFS screen, click on >Help >About Electronic Filing System to verify that the Release cycle is 06-2011, and the System Database and System File versions show 8.2 after you have installed the update.

The report filing deadlines for June 2011 are as follows:

Report Filing Deadlines	
Monthly Cost of Funds (COF) and Thrift Financial Report (TFR)	Monday, August 1, 2011
Consolidated Maturity/Rate (CMR) and Holding Company (HC) / HOLA 10(l)	Monday, August 15, 2011
FDIC Summary of Deposits (SOD)	Monday, August 15, 2011

The Filing Schedule of OTS Regulatory Reports for 2011 is available at:

http://www.ots.treas.gov/?p=NewsFilingInformation

The listing of TFR Schedules and Their Public Availability can be found at:

http://www.ots.treas.gov/?p=TFRSchedules

June 2011 TFR Form and Reporting Changes

The June changes made to the TFR were added to provide the information needed to implement the amendments to the FDIC's assessment regulations adopted in February 2011. These amendments redefined the deposit insurance assessment base for all institutions and revised the assessment system for large and highly complex institutions. As a result of this final rule, 34 new line items were added and 5 lines were deleted to schedule DI, and 37 new line items were added to schedule SI. Numerous caption changes were also made. The majority of the new lines, along with instruction updates for schedule VA will only be completed by institutions with at least $10 billion or more in total assets.

Institutions with $1 billion in assets or more and all new institutions must now report average consolidated assets based on daily balances during the calendar quarter. Institutions with less than $1 billion in assets may report average consolidated total assets based on weekly balances during the calendar quarter, unless they choose to report daily averages. However, once an institution begins to report using daily averages, it must continue to do so.

June 2011 CMR Reporting Requirements

The joint agencies have decided that all savings associations must continue to file the June schedule CMR in accordance with current policy.

Schedule CMR is scheduled to be eliminated after the filing of the December 2011 reports. Institutions are encouraged to refine their internal interest rate risk measurement processes to ensure compliance with existing interagency regulatory guidance.

2011 FDIC Summary of Deposits (SOD)

Thrifts that filed the 2010 OTS Branch Office Survey are permitted to file the 2011 FDIC Summary of Deposits survey by Monday, August 15, 2011.

In accordance with the joint-agency Federal Register Notice (76 FR 7087), all FDIC-insured thrifts that operate a main office AND one or more branch locations as of June 30, 2011, are required to file the Summary of Deposits survey. The OTS Branch Office Survey (BOS) will no longer be collected. You can access the FDIC Financial Institution Letter (FIL-44-2011) at: http://www.fdic.gov/news/news/financial/2011/fil11044.html.

Institutions with a main office only ("unit banks") are exempt from filing; however, they will be included in the survey results based on the total deposits reported on their June 30, 2011, Thrift Financial Report. Complete instructions for the Summary of Deposits is available on the FDIC website at: http://www2.fdic.gov/sod/pdf/SOD_Instructions.pdf

Steps to Take:

- Review the list of branch offices for accuracy on an ongoing basis, and timely notify your primary federal regulator of approved transaction consummations such as branch openings, branch relocations, branch purchase and assumptions, branch closures and whole bank mergers. You may review your current list of branches at any time using the FDIC's Institution Directory website at: http://www2.fdic.gov/idasp/main.asp.
- Report deposits for each branch (in thousands of dollars).
- Validate the total branch deposits reported on the Summary of Deposits survey equals the sum of "Deposits" reported on line SC710 and "Escrows" reported in line SC712 of the June 30, 2011, Thrift Financial Report.
- Upload the completed survey using your vendor software through FDIC*connect* or submit by using the FDIC's interactive SOD survey website. The list of electronic filing options and software vendors is offered on the above-referenced FIL-44-2011.

For most institutions, survey responses are required by July 31, 2011. Thrifts that filed the Office of Thrift Supervision (OTS) Branch Office Survey in 2010 are permitted an additional 15 days to file the SOD during the 2011 SOD cycle only. No other filing extensions will be granted.

If you need assistance with the SOD survey, please contact the FDIC's Data Collection and Analysis Section at sod@fdic.gov or 1.800.688.3342.

To receive Financial Institution Letters and notifications electronically from the FDIC, you may subscribe to e-mail updates at www.fdic.gov/about/subscriptions.

March 2012 Conversion to the Call Report

Thrifts were notified of the proposed conversion to the Call Report in CEO Letter #378 on February 3, 2011[1], and in a joint notice and request for comments published in the Federal Register on February 8, 2011[2]. The agencies have carefully reviewed the comments received regarding the proposed conversion and will soon publish in the Federal Register a final notice detailing their final decisions. A CEO Letter is also planned to be issued regarding these final decisions.

The agencies have taken several steps to help savings associations with the reporting conversion. One major step is to transfer the FRD staff as a unit to the FDIC. This step will help provide savings associations with consistency by having the same points of contact throughout the report conversion process. Experienced Call Report staff will also be readily available to assist institutions with report content and filing issues throughout the transition and on an ongoing basis.

[1] Link to CEO Letter #378: http://www.ots.treas.gov/_files/25378.pdf

[2] Link to 76 FR 7082: http://www.ots.treas.gov/_files/4830082.pdf

FRD Staff New Numbers

The OTS Financial Reporting Division (FRD) staff will be transferred to the FDIC effective with the transfer date and become part of the FDIC's Data Collection and Analysis Section. For now, the FRD staff, OTS software technical support and TFR Instruction email accounts will remain the same. Beginning July 15, 2011, the FRD staff will have a new address and new telephone numbers.

Federal Deposit Insurance Corporation
Division of Insurance and Research
Data Collection and Analysis Section
1601 Bryan Street, 16th Floor
Dallas, TX 75201-4586

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EFS Technical Support	efs-info@ots.treas.gov	(866) 314-1744
TFR Instructions	tfr.instructions@ots.treas.gov	n/a

VA953: Multifamily (5 or More Dwelling Units)

Report foreclosures during the quarter on permanent mortgages secured by five or more dwelling unit property that you previously reported on SC256, Permanent Mortgages on Multifamily (5 or More) Dwelling Units.

VA954: Nonresidential (Except Land)

Report foreclosures during the quarter on permanent mortgages secured by nonresidential property that you previously reported on SC260, Permanent Mortgages on: Nonresidential Property (Except Land).

VA955: Land

Report foreclosures during the quarter on permanent mortgages secured by land that you previously reported on SC265, Permanent Mortgages on Land.

CLASSIFICATION OF ASSETS: VA960-VA975

Savings associations that are large institutions should complete existing line items VA960, VA965, VA970, and VA975 in accordance with the directions under that subheading. "All Other Savings Associations" should continue to follow the existing TFR instructions for these four line items.

SAVINGS ASSOCIATIONS THAT ARE LARGE INSTITUTIONS: VA960-VA975

According to According to Section 327.8(f) of the FDIC's regulations, a large institution is a FDIC-insured savings association that reported total assets of $10 billion or more as of December 31, 2006, that does not meet the definition of a highly complex institution. After December 31, 2006, if a savings association not previously classified as a large institution reports total assets of $10 billion or more for four consecutive quarters, the savings association will be classified as a large institution beginning the following quarter. In the Consolidated Statement of Condition, a FDIC-insured savings association's total assets is reported in Schedule SC, item SC60.

CRITICIZED AND CLASSIFIED ITEMS: VA960-VA975: Criticized and classified items include all on- and off-balance sheet items an institution or its primary federal regulator has graded Special Mention or worse (Substandard, Doubtful, or Loss). Such items include, but are not limited to, retail items adversely classified under the agencies' Uniform Retail Credit Classification and Account Management Policy,[2] securities, funded and unfunded loans,[3] other real estate owned, other assets, and marked-to-market counterparty positions (less credit valuation adjustments for these counterparty positions).[4] Criticized and classified items exclude loans and securities reported as trading assets, and the amount recoverable on an on- or off-balance sheet item from the U.S. government, its agencies, or its government-sponsored agencies, under guarantee or insurance provisions, including FDIC loss-sharing agreements.

For purposes of the criticized and classified items definition, Loss items include any items graded Loss that have not yet been written off against the allowance for loan and leases losses (or another valuation

[2] http://www.fdic.gov/news/news/financial/2000/fil0040a.pdf.

[3] The amount of the unfunded loan that should be reported as criticized or classified should equal the amount that the borrower is entitled to draw upon as of the reporting date, i.e., the unused commitment as defined in the instructions for Schedule CCR.

[4] An institution that has not previously measured its marked-to-market counterparty positions net of any applicable credit valuation adjustments for purposes or reporting criticized and classified items internally and to its primary federal regulator may report these positions in this manner in Schedule VA, particularly if the institution concludes that updating its reporting systems to net these adjustments would impose an unburden on the institution.

allowance) or charged directly to earnings, as appropriate. However, because an item should be written off or charged off in the period in which the item is deemed Loss, the amount reported in line item VA975, generally should be zero.

A marked-to-market counterparty position is equal to the sum of the net marked-to-market derivative exposures for each counterparty. The net marked-to-market derivative exposure equals the sum of all positive marked-to-market exposures net of legally enforceable netting provisions and net of all collateral held under a legally enforceable Credit Support Annex plus any exposure where excess collateral has been posted to the counterparty. For purposes of this item, a marked-to-market counterparty position less any credit valuation adjustment can never be less than zero.

VA960 **Special mention.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Special Mention.

VA965 **Substandard.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Substandard.

VA970 **Doubtful.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Doubtful.

VA975 **Loss.** Report the amount of on- and off-balance sheet items the reporting institution or its primary federal regulator has graded Loss.

ALL OTHER SAVINGS ASSOCIATIONS: VA960-VA975

Report **classified assets** and assets designated **special mention**, net of related specific valuation allowances, accumulated charge-offs, and recorded liabilities. Include off-balance-sheet items, such as loan commitments, loans sold with recourse, and lines and letters of credit that you are required to classify.

End of Quarter Balances:

VA960: Special Mention

Report all assets, portions of assets, and off-balance-sheet items as of the end of the quarter that are not classified but are designated as **special mention** pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

VA965: Substandard

Report all assets, portions of assets, and off-balance-sheet items as of the end of the quarter classified as **substandard** pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

Assets classified Substandard may be characterized by an asset that is a deteriorating loan or an investment that is nonperforming or nonearning. This includes REO, and nonperforming loans and investments, including residual tranches of securities that are on nonaccrual status.

VA970: Doubtful

Report all assets, portions of assets, and off-balance-sheet items classified **doubtful** as of the end of the quarter pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

VA975: Loss

Report all assets, portions of assets, and off-balance-sheet items classified **loss** as of the end of the quarter pursuant to Examination Handbook Section 260 and 12 CFR. § 560.160.

You should deduct any related specific valuation allowances, accumulated charge-offs, and recorded liabilities prior to reporting the amount of assets classified **loss**. Accordingly, you should generally report zero in this data field.

OTHER SCHEDULE VA ITEMS

VA979: Credit Card Charge-Offs Related to Accrued Interest

Report the amount of loss that you charged off on credit cards (SC328) due to accrued interest.

PURCHASED IMPAIRED LOANS HELD FOR INVESTMENT

Report purchased impaired loans as defined by FASB ASC 310-30 (Receivables; Loans and Debt Securities Acquired Deteriorated Credit Quality) that your savings association has purchased, including those acquired in a purchase business combination, when there is evidence of deterioration of credit quality since the origination of the loan and it is possible, at the purchase date, that the savings association will be unable to collect all contractually required payments receivable. Any nonaccrual status and any nonaccrual purchased impaired loans should be reported accordingly in Schedule PD. For those purchased impaired loans that are not on nonaccrual status, you should determine the loans' delinquency status in accordance with the contractual repayment terms of the loans without regard to the purchase price of (initial investment in) these loans or the amount and timing of the cash flows expected at acquisition.

VA980: Outstanding Balance (Contractual)

Report the outstanding balance of purchased impaired loans. The outstanding balance is the undiscounted sum of all amounts, including amounts deemed principal, interest, fees, penalties, and other under the loan, owed to the savings association at the report date, whether or not currently due and whether or not any such amounts have been charged off by the savings association. However, the outstanding balance does not include amounts that would be accrued under the contract as interest, fees, penalties, and other after the report date.

VA981: Recorded Investment (Carrying Amount Before Deducting Any Loan Loss Allowances)

Report the recorded investment (carrying amount before deducting any loan loss allowances) as of the report date of the purchased impaired loans held for investment. Loans held for investment are those loans that the savings association has the intent and ability to hold for the foreseeable future or until maturity or payoff. Thus, the outstanding balance and recorded investment of any purchased impaired loans that are held for sale would not be reported in these memorandum items.

VA985: Allowance Amount Included In Allowance for Loan and Lease Losses (SC283, SC357)

Report the amount of post-acquisition loan loss allowances for purchased impaired loans held for investment that is included in the total amount of the allowance for loan and lease losses as of the report date.

SCHEDULE SI —SUPPLEMENTAL INFORMATION

*Throughout these instructions, **you** and **your** refers to the savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

TRADING ASSETS, LIABILITIES, AND OTHER DATA ITEMS

Savings associations that are defined as large institutions as defined in the 12 C.F.R. 327.8(h) of the FDIC Regulations or report $10 billion or more in total assets in their June 30, 2011, or subsequent TFR must provide data on the fair value of trading assets and liabilities included in various balance sheet assets and liability categories reported in TFR Schedule SC in items SI301-SI331 below.

Trading activities typically include (a) regularly underwriting or dealing in securities; interest rate, foreign exchange rate, commodity, equity and credit derivative contracts; other financial instruments; and other assets for resale, (b) acquiring or taking positions in such items principally for the purpose of selling in the near term or otherwise with the intent to resell in order to profit from short-term price movements, and (c) acquiring or taking positions in such items as an accommodation to customers or for other trading purposes.

Pursuant to ASC Subtopic 825-10, Financial Instruments (formerly FASB Statement No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities”), – Overall all securities within the scope of ASC Topic 320, Investments – Debt and Equity Securities (formerly FASB Statement No. 115, “Accounting for Certain Investments in Debt and Equity Securities”), that a savings association has elected to report at fair value under a fair value option (with changes in fair value reported in current earnings) should be classified as trading securities. In addition, for purposes of these reports, savings associations may classify assets (other than securities within the scope of ASC Topic 320) and liabilities as trading if the savings association applies fair value accounting (with changes in fair value reported in current earnings) and manages these assets and liabilities as trading positions, subject to the controls and applicable regulatory guidance related to trading activities.

For example, a savings association would generally not classify a loan to which it has applied the fair value option as a trading asset unless the savings association holds the loan, which it manages as a trading position, for one of the following purposes: (a) for market making activities, including such activities as accumulating loans for sale or securitization; (b) to benefit from actual or expected price movements; or (c) to lock in arbitrage profits. When reporting loans classified as trading in Schedule SI, savings associations should include only the fair value of the funded portion of the loan in this schedule.

If the unfunded portion of the loan, if any, is classified as trading (and does not meet the definition of a derivative), the fair value of the commitment to lend should be reported as an “Other trading asset” or an “Other trading liability,” as appropriate, in Schedule SI, item SI329 or item SI331, respectively.

Assets, liabilities, and other financial instruments classified as trading shall be consistently valued at fair value.

Exclude from this schedule all available-for-sale securities and all loans and leases that do not satisfy the criteria for classification as trading as described above. (Also see the FFIEC Call Report Instructions – Glossary entry for “trading account.”). Loans and leases that do not satisfy the criteria for the trading account should not be reported in Schedule SI.

TRADING ASSETS

SI301: Other Interest-Earning Deposits (line item SC118)

Report the total fair value of interest- earning checking accounts and time certificates held with depository institutions held for trading.

SI302: Federal Funds Sold and Securities Purchased Under Agreements to Resell (line item SC125)

Report the total fair value of Federal Funds Sold and Securities Purchased Under Agreements to Resell held for trading.

SI303: U.S. Government, Agency, and Sponsored Enterprise Securities (line item SC130)

Report the total fair value of nonmortgage debt instruments issued by the U.S. Government, its agencies and sponsored enterprises held for trading. Exclude mortgage-backed securities.

SI304: Equity Securities Carried at Fair Value (line item SC140)

Report the total fair value of all investments in equity securities held for trading.

SI305: State and Municipal Obligations (line item SC180)

Report the total fair value of debt securities issued by states and political subdivisions in the United States local governments held for trading.

SI306: Securities Backed by Nonmortgage Loans (line item SC182)

Report the total fair value of the outstanding balance, as determined in accordance with GAAP, of all securities collateralized by nonmortgage loans such as credit card loans and auto loans held for trading.

SI307: Other Investment Securities (line item SC185)

Report the total fair value of investment securities and other instruments not reported on SC110 through SC182 or SC510 or SC540 held for trading.

SI308: Other Pass-Through Mortgage-Backed Securities (line item SC215).

Report the total fair value of mortgage pass-through securities that are not insured or guaranteed by an agency or sponsored enterprise of the U.S. held for trading.

SI309: Other Mortgage-Backed Securities (line item SC222).

Report the total fair value of all other mortgage-backed securities not reported on SC210 through SC219 held for trading.

SI312: Other Mortgage-Backed Securities (Excluding Bonds) Issued or Guaranteed by FNMA, FHLMC, or GNMA (line item SC219)

Report the total fair value of all residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA securitized mortgage derivatives that are collateralized by mortgage derivatives that FNMA, FHLMC, or GNMA held for trading.

SI313: Mortgage–Backed Securities Other Than the Two Preceding Categories (line items SC210 and SC217)

Report the total fair value of mortgage pass-through securities insured or guaranteed by an agency or sponsored enterprise of the U.S. and securitized mortgage derivatives that FNMA, FHLMC or GNMA issues or guarantees held for trading.

SI314: Construction Loans (line items SC230, SC235, and SC240)

Report the total fair value of all construction, land development, and other land loans held for trading.

SI315: Revolving Open-End Loans on 1-4 Family Residential Properties (line item SC251)

Report the total fair value of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit held for trading.

SI316: Loans Secured By First Liens on 1-4 Family Residential Properties (line item SC254)

Report the total fair value of the outstanding balance of closed –end loans secured by first liens on 1-4 family residential properties held for trading.

SI317: Loans Secured By Junior Liens on 1-4 Family Residential Properties (line item SC255)

Report the total fair value of the outstanding balance of closed-end loans secured by junior liens on 1-4 family residential properties held for trading.

SI318: Real Estate Loans on Multifamily (5 or more) Dwelling Units (line item SC256)

Report the total fair value of loans secured by multifamily (5 or more) residential properties held for trading.

SI319: Real Estate Loans on Nonresidential Property (Except Land) – Only Loans Secured by Nonfarm Nonresidential Properties (line item SC260)

Report the total fair value of loans secured by nonfarm nonresidential properties held for trading.

SI321: Real Estate Loans on Nonresidential Property (Except Land) – Only Loans Secured by Farmland (line item SC260)

Report the total fair value of the outstanding balance of all loans secured by farmland held for trading.

SI322: Loans Secured by Land (line item SC265)

Report the total fair value of the outstanding balance of all loans secured by land held for trading.

SI323: Commercial Loans (Except Loans to Finance Agricultural Production and Other Loans to Farmers) (line item SC32)

Report the total fair value of the outstanding balance of all loans secured by Commercial Loans (except loans to finance agricultural production and other loans to farmers) held for trading.

SI324: Loans to Finance Agricultural Production and Other Loans To Farmers (line item SC32)

Report the total fair value of the outstanding balance of loans to finance agricultural production and Other Loans to Farmers held for trading.

SI 325: Credit Cards (line item SC328)

Report the total fair value of all extensions of credit to individuals for household, family, and other personal expenditures held for trading.

SI326: Other Consumer Loans (line items SC310, SC316, SC320, SC323, SC326 and SC330)

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 held for trading.

SI327: Other Equity Investments Not Carried at Fair Value (line item SC540)

Report the total fair value of investments in unconsolidated subordinate organizations and other pass-through investments held for trading.

SI328: Interest-Only Strip Receivables and Certain Other Instruments (line item SC665)

Report the total fair value of certain nonsecurity financial instruments (CNFIs) accounted for at fair value like investments in debt securities classified as available-for-sale or trading held for trading.

SI329: Other Assets (line item SC689)

Report the total fair value of all trading assets that cannot properly be reported in items SI301-SI328 above. Exclude revaluation gains on interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts.

TRADING LIABILITIES

SI331: Other Liabilities and Deferred Income (line item SC796)

Report the total fair value of all trading liabilities other than the reporting savings association's liability for short positions. Exclude revaluation losses on interest rate, foreign exchange rate, commodity, equity, and credit derivative contracts.

OTHER DATA ITEMS

Report "Other Data Items" as defined in SI332-SI342 below.

SI332: Amortized Cost of U.S. Government, Agency, and Sponsored Enterprise Securities – Only Securities Held-To-Maturity (line SC130)

Report the total amortized cost of U. S. Government, agency, and sponsored enterprise securities (only securities held-to-maturity). In general, amortized cost is the purchase price of a debt security adjusted for amortization of premium or accretion of discount if the debt security was purchased at other than par or face value. (See the FFIEC Call Report Instructions – Glossary entry for "premiums and discounts.")

SI333: Fair Value of U.S. Government, Agency, and Sponsored Enterprise Securities –Only Securities Held-To-Maturity (line SC130)

Report the total fair value of U. S. Government, agency, and sponsored enterprise securities (only securities held-to-maturity). As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, "Fair Value Measurements"), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." For further information, see the FFIEC Call Report Instructions – Glossary entry for "fair value."

SI334: Amortized Cost of U.S. Government, Agency, and Sponsored Enterprise Securities – Only Securities Available-For-Sale (line SC130)

Report the total amortized cost of U. S. Government, agency, and sponsored enterprise securities (only securities available-for-sale). In general, amortized cost is the purchase price of a debt security adjusted for amortization of premium or accretion of discount if the debt security was purchased at other than par or face value. (See the FFIEC Call Report Instructions – Glossary entry for "premiums and discounts.")

SI335: Fair Value of U.S. Government, Agency, and Sponsored Enterprise Securities –Only Securities Available-For-Sale (line SC130)

Report the total fair value of U. S. Government, agency, and sponsored enterprise securities (only securities available-for-sale). As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, "Fair Value Measurements"), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." For further information, see the FFIEC Call Report Instructions – Glossary entry for "fair value."

SI336: Real Estate Loans Secured by Farmland (not held for trading) Included in Loans Secured by “Nonresidential” Property (line item SC260)

Report the total unpaid principal balance outstanding for all loans secured by farmland (not held for trading) reported in item SC260.

SI337: Loans to Finance Agricultural Production and Other Loans to Farmers (not held for trading) included in “Secured” and “Unsecured” Commercial Loans (line items SC300 and SC303)

Report the total unpaid principal balance outstanding for all loans to finance agricultural production and other loans to farmers (not held for trading) included in “secured” and “unsecured” commercial loans reported in items SC300 and SC303.

SI338: Advances from Federal Home Loan Bank with a Remaining Maturity of One Year or Less (included in line item SC720)

Report the total advances from Federal Home Loan Bank with a remaining maturity of one year or less included in items SC720.

SI339: Mortgage Collateralized Securities Issued: CMOs (including REMICs) with a Remaining Maturity of One Year or Less (included in line item SC740)

Report the total Mortgage Collateralized Securities Issued: CMOs (including REMICs) with a Remaining Maturity of One Year or Less included in line item SC740.

SI341: Other Borrowings with a Remaining Maturity of One Year or Less (included in line SC760)

Report the total Other Borrowings with a Remaining Maturity of One Year or Less included in line item SC760.

SI342: Deposits in Foreign Offices, Edge and Agreements Subsidiaries, and International Banking Facilities (included in line item SC71)

Report the Deposits in Foreign Offices, Edge and Agreements Subsidiaries, and International Banking Facilities included in line item SC71.

MISCELLANEOUS (ALL SAVINGS ASSOCIATIONS MUST FILE:

SI370: NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES

Report the actual number of full-time equivalent employees employed by you and your consolidated subsidiaries. Report the actual whole number; do not round to thousands.

SI375: FINANCIAL ASSETS HELD FOR TRADING PURPOSES

Financial assets held for trading purposes are defined as securities and other financial assets that are bought and held for the purpose of short term resale or with the intent of benefiting from actual or expected price movements, and carried at fair value with the change in fair value reflected in current earnings. Trading generally reflects active and frequent buying and selling to generate profits in the short-term.

Report financial assets held for trading purposes on this line and also on SI376. Financial assets held for trading purposes reported on this line should include any trading securities where it is management's intent to actively buy and sell such securities to generate profits in the short term.

SI376: FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH EARNINGS

Report the balance of financial assets carried at fair value where the changes in fair value are reflected in current earnings for trading securities, derivatives, and all other financial assets where the fair value option is elected. Such assets are reported on various lines on Schedule SC and, therefore, the total of all assets reported at fair value is included on SC60. For example, derivative assets are included in SC689.

Include financial assets held for trading purposes on this line. Such assets are also reported on SI375.

Available-for-sale securities are financial assets carried at fair value. However for available-for-sale securities, the changes in fair value are not reflected in current earnings, but rather in other comprehensive income net of any deferred tax impact. Accordingly, do not include the balance of available-for-sale securities on this line. Rather, report such amount on SI385.

Under a "fair value option," servicing assets may be carried at fair value with the changes in fair value reflected in current earnings. However, servicing assets are not financial assets. Accordingly, do not include the balance of any servicing assets on this line.

SI377: FINANCIAL LIABILITIES CARRIED AT FAIR VALUE THROUGH EARNINGS

Report the balance of financial liabilities carried at fair value where the changes in fair value are reflected in current earnings for derivatives and all other financial liabilities where the fair value option is elected. Such liabilities are reported on various lines on Schedule SC, and therefore the total of all net liabilities reported at fair value is included on SC70. For example, derivative liabilities are included in SC796.

SI385: AVAILABLE-FOR-SALE SECURITIES

Report all investments in debt securities including mortgage securities, and all investments in equity securities that have readily determinable fair values that are classified as available-for-sale and are carried at fair value, with the change in fair value reflected in other comprehensive income. Do not include equity securities whose sale is restricted by governmental or contractual requirement – for example, FHLB stock. Include amounts reported on SC665, Interest-Only Strip Receivables and Certain Other Instruments, that are not classified as trading.

Exclude unrealized gains and losses from current earnings and report, net of taxes, as a separate component of equity on SC860, Unrealized Gains (Losses) on Available-for-Sale Securities, until realized. In addition, report certain nonsecurity financial instruments, CNFIs, classified as available-for-sale.

Transfer securities from the available-for-sale category to held-to-maturity at fair value as of the date of transfer.

SI387: ASSETS HELD FOR SALE

Report all assets held for sale except securities and repossessed assets. Report assets held for sale at the lower of cost or market, LOCOM. Recognize unrealized losses in current earnings on SO465, Net Income (Loss) from LOCOM Adjustments Made to Assets Held for Sale.

Transfer assets from the ”for sale” category to an investment account at the lower-of-cost-or-market as of the date of transfer.

Include:

1. Loans and participations originated or purchased by you with the intent to sell.
2. Assets originally held for investment but now held for sale.
3. Assets held for sale, including real estate and branch offices, whether or not there is an outstanding commitment to sell.

Do not include:

1. Securities, report on SI385.
2. Repossessed assets.

SI390: LOANS SERVICED FOR OTHERS

Report the principal balance of mortgage and nonmortgage whole loans and participating interests in loans serviced by you, but owned by others.

Include:

1. Loans and securities that you sold to others but for which you perform the servicing.
2. Loans serviced by you for others, where the loans have been securitized, whether or not you own the securities and whether or not you have reported any servicing assets.
3. Loans serviced by you for others, where you have transferred the loans to others, but have not reported the transaction as a sale.
4. Loans and securities serviced by you under a contract to a third party who owns the servicing rights.

Do not include:

1. Loans and securities where you own the servicing rights and where the servicing has been subcontracted to a third party.
2. Loans and securities serviced for you by a consolidated subsidiary or a subsidiary depository institution.

SI394: PLEDGED LOANS

Report the recorded investment in loans included in SC26 and SC31 that have been pledged as collateral for borrowings. Include the recorded investment for loans pledged to the Federal Reserve or to the Federal Home Loan Bank.

When a thrift has pledged an entire portfolio of loans to secure its Federal Home Loan Bank advances, it should report the amount of the entire portfolio in this line, excluding any loans within the portfolio that the thrift has the right, without constraint, to repledge to another party. (However, if any such loans have been repledged to another party, they should be reported in this item.)

SI395: PLEDGED TRADING ASSETS

Report trading assets included in SI375 and SI376 that have been pledged as collateral for borrowings. Trading assets are financial assets held for trading purposes, as defined in the instructions to SI375.

RESIDUAL INTERESTS

Residual interests are defined in 12 CFR Part 567.1 as any balance sheet asset that represents an interest, including a beneficial interest, created by a transfer of financial assets that qualifies as a sale under GAAP and that exposes the institution to a credit risk that exceeds a pro rata share of the institution's claim on the transferred assets. The transfer of assets may be through securitization or otherwise; the credit risk may be directly or indirectly associated with the transferred assets; and the exposure to credit risk may be through either subordination provisions or other credit enhancement techniques.

This definition of residual interests is for regulatory reporting purposes, and, therefore, is **not** the same as **purchased or retained beneficial interests in securitized financial assets**, as that term is used in authoritative accounting literature.

Examples of residual interests include, but are **not** limited to, credit-enhancing interest-only strips defined below, spread accounts, cash collateral accounts, and retained subordinated interests.

You report all residual interests somewhere on Schedule SC, typically on SC182, SC185, SC217 through 222,SC665, or SC689. The total of lines SI402 and SI404 should equal all residual interests, as defined above, that you have included on Schedule SC.

In addition, you should report the appropriate amounts in Schedule CC, on CC455 and CC465 or CC468, related to direct credit substitutes and recourse obligations. Also, as residual interests are subject to specialized regulatory capital treatment pursuant to 12 CFR Parts 567.6 and 567.12, you should report the appropriate amounts in Schedule CCR, on CCR133, CCR270, CCR375, and CCR605.

SI402: RESIDUAL INTERESTS IN THE FORM OF INTEREST-ONLY STRIPS

Report residual interests as defined above in the form of credit-enhancing interest-only strips.

Credit-enhancing interest-only strips are defined in 12 CFR Part 567.1 as any on-balance-sheet asset that, in form or in substance, represents the contractual right to receive some or all of the interest due on transferred assets, and that through subordination provisions or other credit enhancement techniques exposes the institution to credit risks that exceed its pro rata claim on the transferred assets.

Report both retained and purchased credit-enhancing interest-only strips. However, do not include interest-only strips issued by government-sponsored entities or other interest-only strips that do not function in a credit enhancing or otherwise subordinate capacity.

SI404: OTHER RESIDUAL INTERESTS

Report any other residual interests and on-balance-sheet recourse assets that you have not reported on SI402. Include purchased subordinated interests, purchased subordinated securities, and any other type of residual or recourse position that you have purchased from others. Do not include interest-only strips issued by the government or government sponsored enterprises, unless they meet the definition of residual interest in 12 CFR 567.1.

QUALIFIED THRIFT LENDER TEST

SI581, SI582, AND SI583: ACTUAL THRIFT INVESTMENT PERCENTAGE AT MONTH-END

To be a Qualified Thrift Lender, QTL, you must either meet the Home Owners' Loan Act, HOLA, QTL test or the Internal Revenue Service tax code Domestic Building and Loan Association, DBLA, test.

If you use the HOLA QTL test, report the ATIP from the OTS QTL worksheets, OTS Form 1427, for the three months. If you use the IRS DBLA test, leave lines SI581, 582, and 583 blank, and complete SI585 and SI586.

IRS DOMESTIC BUILDING AND LOAN TEST:

Complete these lines only if you do not use the Home Owners' Loan Act (HOLA) Qualified Thrift Lender (QTL) test, but instead use the IRS Domestic Building and Loan Association (DBLA) test (IRS regulation 26 CFR § 301.7701-13A) to determine if you are a Qualified Thrift Lender. Refer to Appendix A of the OTS Examination Handbook, Section 270.

SI585: PERCENT OF ASSETS TEST

SI586: DO YOU MEET THE DBLA BUSINESS OPERATIONS TEST?

SI588: AGGREGATE INVESTMENT IN SERVICE CORPORATIONS

Report your aggregate investment in the capital stock, loans and obligations, and other securities of all service corporations, determined in a manner consistent with 12 CFR Part 559.

Loans and obligations include all loans and other debt instruments, and all guarantees or take-out commitments of such loans or debt instruments.

For purposes of this reporting only, the measurement of the investment in capital stock should be based on the cost method, and not the equity method. Under the cost method, your investment in capital stock will include amounts paid to acquire the stock, but will not include accumulated undistributed earnings and losses of the service corporations. As a result, your aggregate investment reported on this line will likely differ from the related amount obtained from your accounting records and from the amount reported on SC540.

EXTENSIONS OF CREDIT BY THE REPORTING ASSOCIATION (AND ITS CONTROLLED SUBSIDIARIES) TO ITS EXECUTIVE OFFICERS, PRINCIPAL SHAREHOLDERS, DIRECTORS, AND THEIR RELATED INTERESTS AS OF THE REPORT DATE

Federal Reserve Regulation O defines the terms used in this item.

An **extension of credit** is a making or renewal of any loan, a granting of a line of credit, or an extension of credit in any manner whatsoever. Extensions of credit include, among others, loans, prearranged overdrafts, cash items, standby letters of credit, and securities purchased under agreements to resell. For lines of credit, the amount reported as an extension of credit is normally the total amount of the line of credit extended to the insider, not just the current balance of the funds that have been advanced to the insider under the line of credit. *See* 12 CFR § 215.3, Regulation O.

An **executive officer** of the reporting savings association is person who participates or has authority to participate, other than as a director, in major policy-making functions of the reporting savings association, an executive officer of the savings association's holding company, and, unless excluded by the savings association's board of directors or bylaws, any other subsidiary of that holding company. *See* 12 CFR § 215.2(e), Regulation O.

A **director** of the reporting savings association is person who is a director of the savings association, whether or not receiving compensation, a director of the holding company of which the savings association is a subsidiary, and, unless excluded by the savings association's board of directors or bylaws, a director of any other subsidiary of that holding company. *See* 12 CFR § 215.2(d), Regulation O.

A **principal shareholder** of the reporting savings association is an individual or a company other than an insured depository institution that directly or indirectly, or acting through or in concert with one or more persons, owns controls, or has the power to vote more than 10% of any class of voting stock of the reporting savings association. Regulation O considers shares owned or controlled by a member of an individual's immediate family to be held by the individual. A principal shareholder includes a principal shareholder of a holding company of which the reporting savings association is a subsidiary and a principal shareholder of any other subsidiary of that holding company. *See* 12 CFR § 215.11(a)(1), Regulation O.

A **related interest** is either:

1. A company, other than an insured depository institution or a foreign bank that is controlled by an executive officer, director, or principal shareholder.
2. A political or campaign committee that is controlled by or the funds or services of which will benefit an executive officer, director, or principal shareholder. *See* 12 CFR § 215.11(a)(2), Regulation O.

SI590: AGGREGATE AMOUNT OF ALL EXTENSIONS OF CREDIT

Report the aggregate amount outstanding as of the report date of all extensions of credit by you and your controlled subsidiaries to all of your executive officers, principal shareholders, directors, and their related interests.

Include each extension of credit in the aggregate amount only one time, regardless of the number of borrowers.

SI595: NUMBER OF EXECUTIVE OFFICERS, PRINCIPAL SHAREHOLDERS, AND DIRECTORS TO WHOM THE AMOUNT OF ALL EXTENSIONS OF CREDIT (INCLUDING EXTENSIONS OF CREDIT TO RELATED INTERESTS) EQUALS OR EXCEEDS THE LESSER OF $500,000 OR FIVE PERCENT OF UNIMPAIRED CAPITAL AND UNIMPAIRED SURPLUS (CCR30 + CCR35 + CCR530 + CCR105)

Report the number of your executive officers, principal shareholders, and directors to whom the amount of all extensions of credit outstanding by you and your controlled subsidiaries as of the report date equals or exceeds the lesser of $500,000 or five percent of unimpaired capital and unimpaired surplus. That is, five percent x (CCR30 + CCR35 + CCR530 + CCR105). Report the actual number; do not round to thousands.

For purposes of this item, the amount of all extensions of credit by you and your controlled subsidiaries to an executive officer, principal shareholder, or director includes all extensions of credit by you to the related interests of the executive officer, principal shareholder, or director. A single extension of credit to more than one borrower must be included in full for all extensions of credit for each executive officer, principal shareholder, and director included in the credit. That is, one loan may be included more than once in the calculation of the $500 thousand or 5% of unimpaired capital and unimpaired surplus limit, because it will be included for each executive officer, principal shareholder, and director listed on the loan.

SUMMARY OF CHANGES IN SAVINGS ASSOCIATION EQUITY CAPITAL

SI600: SAVINGS ASSOCIATION EQUITY CAPITAL, BEGINNING BALANCE

The EFS software automatically generates this amount from your prior quarter's SC80.

Special instructions for mergers and reorganizations:

- Purchase Mergers – Report SI680 for the previous quarter for the surviving savings association only.
- Change of Control involving pushdown accounting including receiverships – Report SI680 for the previous quarter. Adjustments should be reported on SI660.

SI610: NET INCOME (LOSS) ATTRIBUTABLE TO SAVINGS ASSOCIATION (SO91)

The EFS software automatically generates this amount from SO91.

DIVIDENDS DECLARED:

SI620: Preferred Stock

Report the dollar amount of cash dividends declared during the period on preferred stock. These dividends are not charged to interest expense, but directly reduce retained earnings.

Include:

Dividends declared on preferred stock reported on SC812 and SC814.

SI630: Common Stock

Report the dollar amount of cash dividends declared during the period for common stock reported on SC820. These dividends are not charged to interest expense, but directly reduce retained earnings. Include cash dividends made to holding companies as well as to individual shareholders.

Do not include:

1. Stock dividends.
2. Stock splits.
3. Property dividends. Report as a negative amount on SI655.

SI640: STOCK ISSUED

Report the amount of cumulative and noncumulative perpetual preferred stock and common stock issued during the quarter.

Include:

1. Perpetual preferred stock, including discounts and premiums, issued by you during the quarter that qualifies as equity under GAAP.
2. The par value and paid-in-capital received in connection with the stock issue.

Do not include:

1. The conversion of preferred stock into common stock.
2. Gains on treasury stock sold. Report on SI671.
3. Capital contributed not connected with a stock issue. Report on SI655.

When applying push-down accounting, report the amount paid in a change of control for your stock. Report the previously recorded par value and capital in excess of par value on SI650.

SI650: STOCK RETIRED

Report the amount paid for common and perpetual preferred stock retired during the quarter. Report the amount as a positive number.

When applying push-down accounting, report the previously recorded par value and capital paid in excess of par value of the stock acquired by the new owners. The amount paid for this stock is reported on SI640.

SI655: CAPITAL CONTRIBUTIONS (WHERE NO STOCK IS ISSUED)

Report increases during the quarter in SC830, Common Stock: Paid in Excess of Par, that came from stockholders but that did not result from the issuing of stock.

Include the fair value of employee stock options granted as compensation.

Also include as a negative amount property distributions to stockholders. Record the transfer of dividends other than cash at the fair value of the asset on the declaration date of the dividend. Recognize a gain or loss on the transferred asset in the same manner as if you disposed of the property in an outright sale at or near the declaration date.

SI660: NEW BASIS ACCOUNTING ADJUSTMENTS

Include:

1. Adjustments made during the period in applying push-down accounting in the change-of-control.
2. Adjustments made in accounting for a savings association taken into receivership during the period.

SI662: OTHER COMPREHENSIVE INCOME

The EFS software automatically generates this amount as the change during the quarter in SC86, Accumulated Other Comprehensive Income: Total.

Other comprehensive income includes the change in:

1. Accumulated unrealized fair value gains and losses on available-for-sale securities, net of taxes.

2. Accumulated fair value gains and losses on cash flow hedges, net of taxes.
3. Any minimum pension liability adjustment.
4. Cumulative foreign currency translation adjustments and qualifying foreign currency transaction gains and losses, net of taxes.

SI668: PRIOR PERIOD ADJUSTMENTS

Prior period adjustments for purposes of the TFR include:

1. Changes to a beginning balance of equity capital pursuant to transition requirements under newly adopted accounting pronouncements.
2. Corrections to an income statement for a quarter from a prior calendar year where the TFR for that quarter can no longer be amended.
3. Cumulative effects of a change in accounting principle.

Also refer to item number 6 in the General Instructions for the TFR.

Do not include:

1. Audit adjustments and prior period adjustments within the current calendar year. Correct these through an amended report within 140 days of the report date or report them currently in Schedule SO.
2. Corrections of accruals. Report these in the current period in the same data field in Schedule SO that they would have been reported had the accruals been made when incurred.

SI671: OTHER ADJUSTMENTS

Report other adjustments to equity capital that cannot be included elsewhere in SI610 through SI668.

Include:

1. Issuance costs of common stock offerings.
2. The change in SC891, Other Components of Equity Capital.

Do not include:

1. Property distributions to stockholders; report as a negative amount on SI655.
2. Prior period adjustments to prior calendar years; report on SI668.
3. Additional contributions of paid-in capital; report on SI655.
4. Adjustments within the current calendar year. Correct these through an amended report within 135 days of the report date, or report them currently in Schedule SO.
5. Corrections of accruals. Report these in the current period in the same data field in Schedule SO that they would have been reported had the accruals been made when incurred.

SI680: TOTAL SAVINGS ASSOCIATION EQUITY CAPITAL, ENDING BALANCE (SC80)

The EFS software automatically calculates this as the sum of SI600, SI610, SI640, SI655, SI660, SI662, SI668, and SI671 less SI620, SI630, and SI650. SI680 must equal SC80, Total Savings Association Equity Capital, on the current TFR.

TRANSACTIONS WITH AFFILIATES:

The following two line items parallel 12 CFR 563.41, Transactions with Affiliates. Section 563.41(c)(3) requires each association to maintain records that reflect all transactions between a savings association and its affiliates.

Section 563.41 implements the affiliate transactions regulation found in Sections 23A and 23B of the Federal Reserve Act, as codified in 12 CFR Part 223 (Regulation W). Sections 23A and 23B of the Federal Reserve Act are made applicable to savings associations by Section 11(a)(1) of the Home Owners' Loan Act. You should include transactions subject to the quantitative limits of Section 23A in SI750. Include all other covered affiliate transactions in SI760, including transactions subject only to Section 23B.

Affiliate and ***covered transaction*** are defined in Regulation W, as modified as appropriate for savings associations in Section 563.41. Generally, an ***affiliate*** is defined as:

1. Your parent company.
2. Any company controlled by your parent company that is not a subsidiary of yours (except a bank or thrift subsidiary of yours).
3. Any company that you or another affiliate sponsors or advises.
4. Any company which shares a majority of the same directors with you or your parent company.

Information in this section is not made public on an individual institution basis, but is available in the OTS aggregates.

SI750: ACTIVITY DURING THE QUARTER OF COVERED TRANSACTIONS WITH AFFILIATES SUBJECT TO QUANTITATIVE LIMITS

Report all covered affiliate transactions subject to quantitative limits. Generally, these include:

- All purchases of assets by you from affiliates. This includes all commitments outstanding at the end of the quarter to purchase assets entered into with affiliates that will close in your name. Report such commitments on a gross basis. Do not net commitments to sell against commitments to purchase, even if the commitments are for the same or similar items and even if you will disburse or receive no cash.
- All extensions of credit to affiliates. This includes, but is not limited to, loans and receivables whether or not supported by a loan document or contract; purchasing a note or other obligation of an affiliate, as well as loan guarantees or letters of credit on behalf of an affiliate. Acceptance of a security issued by an affiliate as collateral for an extension of credit to any third party.

Include all transactions that occurred during the quarter, regardless of whether you have paid affiliates during the quarter or owe the amount as of the end of the quarter.

SI760: ACTIVITY DURING THE QUARTER OF OTHER COVERED TRANSACTIONS WITH AFFILIATES NOT SUBJECT TO QUANTITATIVE LIMITS

Report all other affiliate transactions that are **not** included in SI750. Generally, these include:

- The sale of securities or other assets from you to an affiliate, including assets subject to a repurchase agreement.
- Your payment of funds to, or furnishing of services to, an affiliate, including such tasks as collection of debt payments, data processing, maintenance, office supplies or payroll.

- Any transaction in which an affiliate receives an agency or broker's fee from you for its services on behalf of you or a third party.

Include all transactions that occurred during the quarter, regardless of whether you have paid affiliates during the quarter or owe the amount as of the end of the quarter.

CAPTIVE INSURANCE AND REINSURANCE SUBSIDIARIES

SI762: TOTAL ASSETS OF CAPTIVE INSURANCE SUBSIDIARIES

Report the carrying amount of assets held by captive insurance subsidiaries of the reporting savings association. 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, health, 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 savings association.

SI763: TOTAL ASSETS OF CAPTIVE REINSURANCE SUBSIDIARIES

Report the carrying amount of all assets held by captive insurance subsidiaries of the reporting savings association. 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 Call Report 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 savings association.

ASSETS COVERED BY FDIC LOSS-SHARING AGREEMENTS:

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 will be 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 line items below the Schedule SC – Consolidated Statement of Condition 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 SC.

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

ASSETS COVERED BY FDIC LOSS-SHARING AGREEMENTS:

SI770: LOANS AND LEASES (INCLUDED IN SCHEDULE SC)

Report the carrying amount of loans and leases held for sale and the recorded investment in loans held for investment (included in SC230-SC265; SC32; and, SC310-SC330) acquired from the failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

LOANS SECURED BY REAL ESTATE:

CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND LOANS:

SI764: 1-4 FAMILY RESIDENTIAL CONSTRUCTION LOANS

Report the amount of 1-4 family residential construction loans included in Schedule SC230 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI765: 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 SC acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI766: SECURED BY FARMLAND

Report the amount of loans secured by farmland (as defined in the Call Report Glossary) included in Schedule SC acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES:

SI767: 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 included in Schedule SC251 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

CLOSED-END LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES:

SI768: SECURED BY FIRST LIENS

Report the amount of revolving, closed-end loans secured by first liens on 1-4 family residential properties included in Schedule SC254 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI769: SECURED BY JUNIOR LIENS

Report the amount of closed-end loans secured by junior liens on 1-4 family residential properties included in Schedule SC255 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI771: SECURED BY MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES

Report the amount of loans secured by multifamily (5 or more) residential included in Schedule SC256 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SECURED BY NONFARM NONRESIDENTIAL PROPERTIES:

SI775: LOANS SECURED BY OWNER-OCCUPIED NONFARM NONRESIDENTIAL PROPERTIES

Report the amount of loans secured by owner-occupied nonfarm nonresidential properties included in Schedule SC260 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI777: LOANS SECURED BY OTHER NONFARM NONRESIDENTIAL PROPERTIES

Report the amount of loans secured by other nonfarm nonresidential properties included in Schedule SC acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI779: COMMERCIAL AND INDUSTRIAL LOANS

Report the amount of commercial and industrial loans included in Schedule SC items SC300 – SC306 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. “Commercial And Industrial Loans” are defined in the Call Report Glossary.

LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES:

SI780: CREDIT CARDS

Report the amount of extensions of credit arising from credit cards included in SC328 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI781: AUTOMOBILE LOANS

Report the amount of automobile loans included in SC323 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI782: OTHER CONSUMER LOANS (INCLUDES SINGLE PAYMENT, INSTALLMENT, ALL STUDENT LOANS, AND REVOLVING CREDIT CARD PLANS OTHER THAN CREDIT CARDS)

Report the amount of extensions of credit arising from other revolving credit plans and other consumer loans included in Schedule SC acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI783: ALL OTHER LOANS AND LEASES

Report the amount of loans that cannot be properly reported in items SI764 – SI782, 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 these items covered loans in the following categories:

(1) Loans to depository institutions and acceptances of other banks included in Schedule SC;

(2) Loans to foreign governments and official institutions included in Schedule SC;

(3) Other loans (loans to finance agricultural production and other loans to farmers,” obligations (other than securities and loans) of states and political subdivisions in the U.S., “ and “Loans to nondepository institutions and other loans.”);and,

(4) Lease financing receivables included in Schedule SC acquired from failed depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

Report in items SI784 through SI787, each category of loans and leases within “All other loans and leases’ covered by loss-sharing agreements with the FDIC, 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 items SI764 through SI783). Preprinted line items have been provided in items SI784 – SI787 for reporting the amount of covered loans and leases for the following loan and lease categories if the amount for a loan or lease category exceeds the 10 percent reporting threshold: Loans to depository institutions and acceptances of other banks (SI784), Loans to foreign governments and official institutions (SI785), Other loans (i.e. 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 to finance agricultural production and other loans to farmers) (SI786), and Lease financing receivables (SI787).

SI772: REAL ESTATE OWNED (included in Schedule SC):

Report the carrying amount of real estate owned (included in SC40) acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI789: CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND

Report the carrying amount of real estate owned included in SC405 and SC428 acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI790: FARMLAND

Report the carrying amount of real estate owned in Schedule SC40 for farmland acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI791: 1-4 FAMILY RESIDENTIAL PROPERTIES

Report the carrying amount of real estate owned included in Schedule SC415 for 1-4 family residential properties acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI792: MULTIFAMILY (5 OR MORE) RESIDENTIAL PROPERTIES

Report the carrying amount of real estate owned included in Schedule SC425 for multifamily (5 or more) family residential properties acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI793: NONFARM NONRESIDENTIAL PROPERTIES

Report the carrying amount of real estate owned included in Schedule SC426 for nonfarm nonresidential properties acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

SI795: PORTION OF COVERED OTHER REAL ESTATE OWNED INCLUDED IN ITEMS SI789 – SI793 ABOVE THAT IS PROTECTED BY FDIC LOSS-SHARING AGREEMENTS

Report the maximum amount recoverable from the FDIC under loss-sharing agreements covering the real estate owned reported in items SI789 – SI793, beyond the amount that has already been reflected in the measurement of the reporting savings association’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 SI items, multiplied by the current 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 the payments under FDIC loss-sharing agreement are based) exceeds the amount at which the reporting savings association reports the covered asset on Schedule SC – Consolidated Statement of Condition should already have been taken into account in measuring the carrying amount of the reporting savings association’s loss-sharing indemnification asset, which is reported in Schedule SC.

SI774: DEBT SECURITIES (INCLUDED IN SCHEDULE SC)

Report the amortized cost of held-to-maturity debt securities and the fair value of available-for-sale debt securities (included in SC11 and SC22) acquired from failed insured depository institutions or otherwise purchased from the FDIC and covered by loss-sharing agreements with the FDIC.

SI776: OTHER ASSETS (EXCLUDES FDIC LOSS-SHARING INDEMNIFICATION ASSETS)

Report the carrying amount of all assets that cannot properly be reported on SI770, SI772, and SI774, 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 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 SC689, “Other Assets”.

MUTUAL FUND AND ANNUITY SALES:

SI815: TOTAL ASSETS YOU MANAGE OF PROPRIETARY MUTUAL FUNDS AND ANNUITIES

Report the total of net assets held by mutual funds and annuities as of the report date for which you, your subsidiaries, your affiliates, or parent company acts as investment adviser.

AVERAGE BALANCE SHEET DATA (BASED ON MONTH-END DATA)

Report average balance sheet data for the quarter. At a minimum, compute these data based on balances at month-end. However, you may compute these data based on other than month-end balances, such as daily or weekly balances. All balances should be as reported in Schedule SC. For example, the balance of loans should reflect premiums, discounts, deferred loan fees, allowances for credit losses, etc. Each month's average should be computed using the prior month's ending balance plus the current month's ending balance divided by two. For example, the balance at December 31 is considered to be the beginning balance at January 1. The average for the three months in the quarter should then be summed and divided by three.

In the case of a business combination accounted for using the purchase method of accounting or acquisition by a holding company where you used pushdown accounting, you should include amounts for the acquired entity from the date of its acquisition through the end of the quarter.

Example of Averaging:

	Balances		
Month	Beginning	Ending	Average
December	N/A	1,500	N/A
January	1,500	1,575	1,538
February	1,575	1,550	1,563
March	1,550	1,695	1,623
Sum			4,724

Quarter Average Balance = $4,724 / 3 = $ 1,575

If you consummated a merger on February 20, the calculation would be as follows:

	Beginning	Ending	Average	Adjustment	Adjusted Average
December	N/A	1,500	N/A		N/A
January	1,500	1,575	1,538		1,538
February pre-merger	1,575	1,550	1,563	x 19 days = 29,698	
February post-merger	3,200	3,280	3,240	x 9 days = 29,160	
				(29,698+ 29,160)/28	2,102
March	3,280	3,965	3,623		3,623
Sum					7,263

Quarter Average Balance = $7,263 / 3 = $2,421

SI870: TOTAL ASSETS

Report your average assets for the quarter based on the calculation explained above using total assets reported on SC60.

SI875: DEPOSITS AND INVESTMENTS EXCLUDING NON-INTEREST-EARNING ITEMS

Report your average deposits and investments for the quarter based on the calculation explained above using interest-earning deposits and investments reported on SC112 through SC185. Do not include mortgage loans and mortgage-backed securities included in SI880.

If you invest in adjustable rate products on which the interest rate has been reduced to zero as a result of market conditions, you should continue to report such investments in these averages.

SI880: MORTGAGE LOANS AND MORTGAGE-BACKED SECURITIES

Report your average mortgage loans and mortgage-backed securities for the quarter based on the calculation explained above using mortgage loans and mortgage-backed securities reported on SC210 through SC222 and SC230 through SC265.

SI885: NONMORTGAGE LOANS

Report your average nonmortgage loans for the quarter based on the calculation explained above using nonmortgage loans reported on SC300 through SC330.

SI890: DEPOSITS AND ESCROWS

Report your average **interest-earning** deposits and escrows for the quarter based on the calculation explained above using interest-earning deposits included in SC710 and SC712. If you offer deposit products on which you periodically adjust the interest rate, and the interest rate has been reduced to zero as a result of market conditions, you should continue to report such deposits as interest-bearing accounts in these averages.

SI895: TOTAL BORROWINGS

Report your average **interest-bearing** borrowings for the quarter based on the calculation explained above using interest-bearing borrowings reported on SC720 through SC760.

BROKERAGE ACTIVITES:

SI901: DOES YOUR INSTITUTION, WITHOUT TRUST POWERS, ACT AS TRUSTEE OR CUSTODIAN FOR INDIVIDUAL RETIREMENT ACCOUNTS, HEALTH SAVINGS ACCOUNTS, AND OTHER SIMILAR ACCOUNTS THAT ARE INVESTED IN NON-DEPOSIT PRODUCTS?

Indicate whether the institution acts as trustee or custodian for Individual Retirement Accounts (IRAs), Health Savings Accounts (HSAs), or other similar accounts. To answer “Yes” on this line, the institution must be acting as trustee or custodian for accounts that are invested, to some extent, in non-deposit products (e.g. stocks, bonds, variable annuities, mutual funds) but those same accounts may also be invested in deposit products. Note that this line item is related to that of DI200 which asks the amount of IRA and Keogh accounts invested in deposit products.

Other similar accounts include Roth IRAs, Coverdell Education Savings Accounts, and Archer Medical Savings Accounts. Federal savings associations are permitted, under certain circumstances, to act as trustee or custodian for these types of accounts without obtaining trust powers. Place an “X” in the box marked “Yes” if the reporting institution acts as trustee or custodian for these types of accounts, regardless of whether it has trust powers, as long as the accounts are invested, to some extent, in non-deposit products. Otherwise, place an “X” in the box marked “No.”

SI905: DOES YOUR INSTITUTION PROVIDE CUSTODY, SAFEKEEPING OR OTHER SERVICES INVOLVING THE ACCEPTANCE OF ORDERS FOR THE SALE OR PURCHASE OF SECURITIES?

Indicate whether the institution takes orders from customers for the sale or purchase of securities (e.g. stocks, bonds, mutual funds, variable annuities), in custody, escrow, safekeeping, and other similar types of accounts. In some institutions this activity takes places in a trust department but federal savings associations are permitted to conduct this activity without obtaining trust powers. The account holders may be employee benefit plans, Individual Retirement Accounts, foundations, or other types of customers. Place an "X" in the box marked "Yes" if the reporting institution takes orders from customers for the sale or purchase of securities. Otherwise, place an "X" in the box marked "No."

SI911: DOES YOUR INSTITUTION ENGAGE IN THIRD PARTY BROKER ARRANGEMENTS, COMMONLY REFERRED TO AS "NETWORKING", TO SELL SECURITIES PRODUCTS OR SERVICES TO THRIFT CUSTOMERS?

Indicate whether the institution has entered into a contract with a broker-dealer or registered investment adviser to provide non-deposit products (e.g. stocks, bonds, mutual funds) or services (investment advisory or financial planning) to its customers. The broker-dealer or registered investment adviser may or may not be an affiliate of the institution. Institutions that have entered into a contract with an insurance company to <u>only</u> provide insurance products (e.g. life insurance, fixed annuities, property & casualty insurance) to its customers should place an "X" in the box marked "No". Place an "X" in the box marked "Yes" if the reporting institution has entered into a contract with a broker-dealer or registered investment adviser to provide non-deposit products or services to its customers. Otherwise, place an "X" in the box marked "No."

SI915: DOES YOUR INSTITUTION SWEEP DEPOSIT FUNDS INTO ANY OPEN-END INVESTMENT MANAGEMENT COMPANY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 THAT HOLDS ITSELF OUT AS A MONEY MARKET FUND?

Indicate whether the institution offers a "sweep" program to its customers whereby the customer's deposit funds are invested or reinvested into money market mutual funds on a regular basis such as daily, weekly, etc. Place an "X" in the box marked "Yes" if the reporting institution offers a sweep program to its customers that invests or reinvests on a regular basis deposit funds into a money market mutual fund. Otherwise, place an "X" in the box marked "No."

DI220: Preferred Deposits

Report all deposits and escrows from states and political subdivisions in the U.S. included in SC710, Deposits, secured or collateralized as required under state law, pursuant to Section 141 of FDICIA.

Do not include:

1. Deposits of the U.S. Government secured or collateralized as required under federal law.
2. Deposits of trust funds secured or collateralized as required under state law unless the beneficiary is a state or political subdivision in the U.S.

State law may require you to pledge securities or other readily marketable assets to cover the uninsured portion of the deposits of a state or political subdivision. If you pledge securities with a value that exceeds the amount of the uninsured portion of the state or political subdivision's deposits, report only the uninsured amount and none of the insured portion of the deposits as a preferred deposit.

For example, you hold a political subdivision's $350,000 in deposits. Under state law, you must pledge securities to cover only the uninsured portion of such deposits, or $100,000. Although you have pledged securities with a value of $300,000 to secure these deposits, consider only $100,000 of the political subdivision's $350,000 in deposits – the uninsured amount – as preferred deposits.

In other states, you must participate in a state public deposits program to receive deposits from the state or from political subdivisions within the state in amounts exceeding federal deposit insurance. Under state law, you calculate annually the value of the securities you must pledge to the state, but this represents only a percentage of the uninsured portion of your public deposits. State law may require you to participate in the state program that may ultimately require you to share in any loss to public depositors incurred in the failure of another participating institution.

As long as the value of the securities pledged to the state exceeds the calculated requirement, you protect all of your uninsured public deposits from loss under the operation of the state program if you fail. Therefore, consider all of the uninsured public deposits preferred deposits.

For example, you are participating in a state public deposits program with $1,000,000 in public deposits under the program and $700,000 of this amount is uninsured; you pledge securities with an actual value of $800,000. You should report the $700,000 in uninsured public deposits as preferred deposits.

DI230: RECIPROCAL BROKERED DEPOSITS

Report the total amount of reciprocal deposits included in "Total Broker-Originated Deposits" from Lines DI100, DI102, and DI110 above. Report the data on an unconsolidated single FDIC certificate number basis pursuant to the first paragraph under GENERAL INSTRUCTIONS in the DEPOSIT DATA FOR DEPOSIT INSURANCE PREMIUM ASSESSMENTS section.

> As defined in Section 327.8(s) of the FDIC's regulations, "reciprocal deposits" are "[d]eposits that an insured depository institution receives through a deposit placement network on a reciprocal basis, such that; (1) for any deposit received, the institution (as agent for depositors) places the same amount with other insured depository institutions through the network; and (2) each member of the network sets the interest rate to be paid on the entire amount of funds it places with other network members."

COMPONENTS OF DEPOSITS AND ESCROWS:

The sum of DI310, DI320, DI330, and DI340 must equal SC710 plus SC712.

DI310: Transaction Accounts (Including Demand Deposits)

Report the balance of all transaction accounts included in SC710, Deposits, and SC712, Escrows.

Transaction accounts are those deposit and escrow accounts from which the depositor is permitted to make:

- Transfers or withdrawals by negotiable or transferable instruments.
- Payment orders of withdrawal, telephone transfers, or other similar devices for purpose of making payments or transfers to third persons or others.
- Third party payments at an automated teller machine (ATM), a remote service unit (RSU), or other electronic device, including by debit card.

Transaction accounts include demand deposits, NOW (negotiable order of withdrawal) accounts, ATS (automatic transfer service) accounts, and telephone and preauthorized transfer accounts. These accounts may be interest-bearing or non-interest-bearing.

Exclude money market deposit accounts (MMDAs) and other savings deposits as defined below in DI320 and DI330, even though such deposits permit some third-party transfers. However, report as a transaction account an account that otherwise meets the definition of a savings deposit but that authorizes or permits the depositor to exceed the transfer limitations specified for that account.

DI310 plus DI320 plus DI330 plus DI340 must equal SC710 plus SC712.

DI320: Money Market Deposit Accounts

Report the balance of money market deposit accounts (MMDAs) as defined in 12 CFR §561.28 or applicable state law.

MMDAs generally have the following requirements:

- The savings association reserves the right to require at least seven days' notice prior to withdrawal or transfer of funds in the account.
- The depositor may make no more than six transfers per calendar month or statement cycle, provided that no more than three of the six transfers may be by check, draft, debit card, or similar order.

Refer to 12 CFR §561.28 for more detailed requirements of MMDAs.

DI330: Passbook Accounts (Including Nondemand Escrows)

Report the balance of nontransactional savings accounts that are not MMDAs or time deposits.

DI340: Time Deposits

Report the balance of time deposits. Time deposits are nontransactional savings deposits payable at a specified future date with earnings at a specified rate of interest. The interest specified may adjust periodically according to a predetermined formula or index or may be fixed for the term of the deposit. The specified maturity date must be not less than seven days after the date of the deposit. Time deposits may be an open savings deposit or may be evidenced by a negotiable or nonnegotiable instrument or receipt commonly known as a certificate of deposit (CD). Open time deposits include club accounts, such as Christmas club and vacation club accounts, are made under written contracts that provide that no withdrawal may be made until the customer makes a certain number of periodic deposits or a certain period of time has elapsed.

Time deposits issued to deposit brokers in the form of large ($100,000 or more) certificates of deposit that have been participated out by the broker in shares of less than $100,000 should also be reported as deposits of $100,000 or less.

Data reported in lines DI350, DI352, and DI360 are used by the Federal Reserve to ensure accurate construction of the monetary aggregates for monetary policy purposes.

DI350: Time Deposits of $100,000 through $250,000 (Excluding Brokered Time Deposits Participated Out by the Broker in Shares of Less Than $100,000 and Brokered Certificates of Deposit Issued In $1,000 Amounts Under a Master Certificate of Deposit)

Report the balance of time deposits of $100,000 through $250,000. Do not include brokered time deposits participated out by the broker in shares of less than $100,000 and brokered certificates of deposit issued in $1,000 amounts under a master certificate of deposit. Include IRA/Keogh accounts reported on DI360 that are defined as time deposits of $100,000 through $250,000.

DI352: TIME DEPOSITS GREATER THAN $250,000

Report the balance of time deposits greater than $250,000. Include IRA/Keogh accounts reported in DI360 that are greater than $250,000.

DI360: IRA/Keogh Accounts of $100,000 or Greater Included in Time Deposits

Report the balance of IRA / Keogh accounts of $100,000 or greater included in time deposits.

AVERAGE DAILY DEPOSITS TOTALS:

DI544: FULLY INSURED BROKERED TIME DEPOSITS:

Report the average daily deposits totals for fully insured brokered time deposits.

DI545: OTHER BROKERED TIME DEPOSITS:

Report the average daily deposits totals for other brokered time deposits.

DI610: NON-INTEREST-BEARING DEMAND DEPOSITS

Report all demand deposits reported on SC710, Deposits, and SC712, Escrows. FDIC Regulations 12 CFR § 329.1, 329.101, and 329.102 define the demand deposits to report on this line.

A demand deposit is a non-interest-bearing deposit with the following characteristics:

1. Is payable immediately on demand.
2. Is issued with an original maturity or required notice period of less than seven days.
3. Where the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.

Demand deposits include:

1. Matured time deposits that do not have automatic renewal provisions, unless the deposit agreement provides for the transfer of funds at maturity to another type of account.
2. Escrow accounts reported on SC712 that meet the definition of demand deposits.
3. Outstanding checks drawn against zero-balance accounts reported on SC710, including those at Federal Home Loan Banks.

Demand deposits do not include:

1. Money market deposit accounts, MMDAs.

2. NOW accounts not meeting the three criteria listed above for demand deposits.
3. Deposits held either in branches outside of the territories and possessions of the U.S. or by an Edge or Agreement Subsidiary or by an International Banking Facility (IBF).
4. Amounts not included in SC710 or SC712, such as outstanding checks drawn against Federal Home Loan Banks.

DEPOSIT AND OTHER DATA FOR INSURANCE PREMIUM ASSESSMENTS

GENERAL INSTRUCTIONS

Each savings association must complete lines DI510, DI520, DI521, DI522, DI523, DI524, DI526, DI645, DI646, DI647, DI648, DI655, DI656, DI657, DI658, DI230, DI659, DI661, DI662, DI663, DI664, DI665, DI120, DI150, DI130, DI160, DI170, DI180, DI175, DI185, DI580, and DI585 and, if applicable, DI210 and DI586, DI587, and DI588 each quarter. Each "large institution" which generally are institutions with $10 billion or more in total assets, must complete Schedule VA, Lines VA960, VA965, VA970, and VA975, DIDI589, DI590, DI591, DI592, DI593, DI594, DI595, DI596, DI597, DI598, DI599, DI600, DI601, and DI602 each quarter. The terms "large institution" are more fully described in the General Instructions preceding DI589.

Schedule DI should be completed on an "unconsolidated single FDIC certificate number basis." Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When one FDIC-insured institution owns another FDIC-insured institution as a subsidiary, it should complete Schedule DI by accounting for this subsidiary under the equity method of accounting instead of consolidating it. Thus, each FDIC-insured institution should report only its own amounts in Schedule DI under its own FDIC certificate number without eliminating the parent and subsidiary institutions' intercompany balances. In contrast, when an FDIC-insured institution has entities other than FDIC-insured institutions that must be consolidated for purposed of Schedule SC- Consolidated Statement of Condition, the institution should complete Schedule DI on a consolidated basis with respect to these entities.

DI510: TOTAL DEPOSIT LIABILITIES BEFORE EXCLUSIONS (GROSS) AS DEFINED IN SECTION 3(L) OF THE FEDERAL DEPOSIT INSURANCE ACT AND FDIC REGULATIONS

Report on an unconsolidated single FDIC certificate number basis the gross total deposit liabilities as of the calendar quarter-end report date that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting allowable exclusions from total deposits. An institution's gross total deposit liabilities are the combination of:

- All deposits in "domestic offices" reported in Schedule SC, items SC710-SC715;
- Interest accrued and unpaid on deposits in "domestic offices" reported in Schedule SC, item SC763 (for savings banks, includes "dividends accrued and unpaid on deposits);
- Uninvested trust funds held in the institution's own trust department;
- Deposits of consolidated subsidiaries and the interest accrued and unpaid on such deposits; and
- The amount by which demand deposits reported in Schedule SC, item SC763, have been reduced from the netting of the reporting institution's reciprocal demand balances with foreign banks and foreign offices of other U.S. banks (other than insured branches in Puerto Rico and U.S. territories and possessions;
- The amount by which any other deposit liabilities reported in Schedule SC, item SC763, have been reduced by assets netted against these liabilities in accordance with generally accepted accounting principles;

- Less the amount of unamortized premiums included in the amount of deposit liabilities reported in Schedule SC, item SC763;
- Plus the amount of unamortized discounts reflected in the amount of deposit liabilities reported in Schedule SC, item SC763;
- Plus other obligations meeting the Section 3(l) statutory definition of a deposit that may be housed in systems of record not normally thought of as deposit systems, such as loan, payroll, and escrow systems and manual records that contain information needed to answer depositors' questions on their deposits.

See the Call Report Glossary entry for "deposits" for the statutory definition of deposits.

If unposted debits and unposted credits are included in the gross total deposit liabilities reported in this line, they may be excluded in line DI520 below.

DI520: TOTAL ALLOWABLE EXCLUSIONS, INCLUDING INTEREST ACCRUED AND UNPAID ON ALLOWABLE EXCLUSIONS (INCLUDING FOREIGN DEPOSITS)

Report, on an unconsolidated single FDIC certificate number basis, the total amount of allowable exclusions from deposits as of the calendar quarter-end report date if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

Any accrued and unpaid interest on the allowable exclusions listed below should also be reported in this item as an allowable exclusion.

The allowable exclusions include:

1. *Foreign Deposits*: As defined in Section 3(l)(5) of the Federal Deposit Insurance Act, foreign deposits include

   (A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State, unless --

      (i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and would be payable at, an office located in any State; and

      (ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and

   (B) any international banking facility deposit, including an international banking facility time deposit, as such term is from time to time defined by the Board of Governors of the Federal Reserve System in regulation D or any successor regulation issued by the Board of Governors of the Federal Reserve System.

   NOTE: Foreign deposits are deposit obligations under the FDIC certificate number of the reporting institution only. Deposit obligations of a subsidiary depository institution chartered in a foreign country should not be included in amounts reported in Schedule DI under the domestic institution's FDIC certificate number.

2. *Reciprocal balances:* Any demand deposit due from or cash item in the process of collection due from any depository institution (not including a foreign bank or foreign office of another U.S. depository institution) up to the total amount of deposit balances due to and cash items in the process of collection due such depository institution.

3. *Drafts drawn on other depository institutions:* Any outstanding drafts (including advices and authorization to charge the depository institution's balance in another bank) drawn in the regular course of business by the reporting depository institution. These types of drafts only apply to unposted debits and unposted credits which have not been extracted from SC710 (due to the institution's system control Summaries).

4. *Pass-through reserve balances*: Reserve balances passed through to the Federal Reserve by the reporting institution that are also reflected as deposit liabilities of the reporting institution. This exclusion is not applicable to an institution that does not act as a correspondent bank in any pass-through reserve balance relationship. A state nonmember bank generally cannot act as a pass-through correspondent unless it maintains an account for its own reserve balances directly with the Federal Reserve.

5. *Depository institution investment contracts*: Liabilities arising from depository institution investment contracts that are not treated as insured deposits under section 11(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(5)). A Depository Institution Investment Contract is a separately negotiated depository agreement between an employee benefit plan and an insured depository institution that guarantees a specified rate for all deposits made over a prescribed period and expressly permits benefit-responsive withdrawals or transfers.

6. *Accumulated deposits*: Deposits accumulated for the payment of personal loans that are assigned or pledged to assure payment of the loans at maturity. Deposits that simply serve as collateral for loans are not an allowable exclusion.

DI521: AVERAGE CONSOLIDATED TOTAL ASSETS

Report average consolidated total assets for the calendar quarter on a single FDIC certificate number basis.

Averaging methods – An institution that reported $1 billion or more in quarter-end consolidated total assets in its Thrift Financial Report (Schedule SC, line item SC60,"Total Assets") for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average consolidated assets in this item on a daily average basis. An institution that reported less than $1 billion in quarter-end consolidated total assets in its Thrift Financial Report (Schedule SC, line item SC60, "Total Assets") for March 31, 2011, may report average consolidated total assets in this item on a weekly average basis, or it may at any time opt permanently to report average consolidated total assets on a daily average basis. Once an institution that reports average consolidated total assets using a weekly average reports average consolidated total assets of $1 billion or more in this item for two consecutive quarters, it must permanently report average consolidated total assets using daily averaging beginning the next quarter.

Daily average consolidated total assets should be calculated by adding the institution's consolidated total assets as of the close of business for each day of the calendar quarter and dividing by the number of days in the calendar quarter (the number of days in a quarter ranges from 90 days to 92 days). For days that an institution is closed (e.g., Saturdays, Sundays, or holidays), the amount from the previous business day would be used. An institution is considered closed if there are no transactions posted to the general ledger as of that date.

Weekly average consolidated total assets should be calculated by adding the institution's consolidated total assets as of the close of business on each Wednesday during the calendar quarter and dividing by the number of Wednesdays in the quarter.

An institution that becomes newly insured and begins operating during the calendar quarter should report average consolidated total assets on a daily average basis. Daily average consolidated total assets for such an institution should be calculated by adding the institution's consolidated total assets as of the close of business for each day during the quarter since it became insured and operational, and dividing by the number of calendar days since it became insured and operational.

Measuring consolidated total assets – Consolidated total assets should be measured as follows:

Report the quarterly average for the savings association's total assets, as defined for "Total Assets," on Schedule SC, item SC60, except that this quarterly average should reflect all debt securities (not held for trading) at amortized cost and available-for-sale equity securities with readily determinable fair values at the lower of cost or fair value, and equity securities without readily determinable fair values at historical cost. In addition, to the extent that net deferred tax assets included in the savings association's total assets, if any, include the deferred tax effects of any unrealized holding gains and losses on available-for-sale debt securities, these deferred tax effects may be excluded from the determination of the quarterly average for total assets. If these deferred tax effects are excluded, this treatment must be followed consistently over time.

Further exceptions to the above paragraph are as follows:

(1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution's investment in this subsidiary should be included in average consolidated total assets using the equity method of accounting.

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred during the calendar quarter, the reporting institution should calculate its average consolidated total assets by including the consolidated total assets of all entities that were merged or consolidated into the reporting institution as if the merger or consolidation occurred on the first day of the calendar quarter. Acceptable methods for including a merged or consolidated entity's consolidated total assets in this calculation for the days during the calendar quarter preceding the merger or consolidation date include using either (a) the acquisition date fair value of the merged or consolidated entity's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the merged or consolidated entity's consolidated total assets, as defined above for average "Total Assets," for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.

(3) If the reporting institution was acquired in a transaction that became effective during the calendar quarter and push down accounting was used to account for the acquisition, the reporting institution should calculate its average consolidated total assets as if the acquisition occurred on the first day of the calendar quarter. Acceptable methods for including the institution's consolidated total assets in this calculation for the days during the calendar quarter preceding the acquisition date include using either (a) the acquisition date fair value of the reporting institution's consolidated total assets for all days (or all Wednesdays) during the calendar quarter preceding the acquisition date or (b) the reporting institution's consolidated total assets, as defined above for, average "Total Assets," in the paragraph above for each day (or each Wednesday) during the calendar quarter preceding the acquisition date.

DI522-DI523: AVERAGING METHOD USED

Indicate by checking either DI522- DI523 "Yes" or "No" for "Daily" or "Weekly" the averaging method that the reporting institution used to report its average consolidated total assets in Schedule DI, item DI521, above.

DI524: AVERAGE TANGIBLE EQUITY

Report average tangible equity for the calendar quarter on a single FDIC certificate number basis. For purposes of this item, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule CCR, item CCR20.

Averaging methods – An institution that reported $1 billion or more in quarter-end consolidated total assets in its Thrift Financial Report (Schedule SC, item SC60, "Total assets") for March 31, 2011, and any institution that becomes FDIC-insured after March 31, 2011, must report average tangible equity on a monthly average basis. An institution that reported less than $1 billion in quarter-end consolidated total assets in its Thrift Financial Report (Schedule SC, line item SC60, "Total assets") for March 31, 2011, may report its quarter-end tangible equity rather than an average amount, or it may at any time opt permanently to report average tangible equity on a monthly average basis. Once an institution that reports average consolidated total assets using a weekly average reports average consolidated total assets of $1 billion or more in DI521, for two consecutive quarters, it must permanently report average tangible equity using monthly averaging beginning the next quarter.

Monthly average tangible equity should be calculated by adding Tier 1 capital as of each month-end date during the calendar quarter and dividing by three. For example, monthly average tangible equity for June 30, 2011, would be the sum of Tier 1 capital as of April 30, May 31, and June 30, 2011, divided by three.

An institution that becomes newly insured and begins operating during the calendar quarter should report average tangible equity on a monthly average basis. Monthly average tangible equity for such an institution should be calculated by adding the institution's Tier 1 capital as of each month-end date during the quarter since it became insured and operational, and dividing by the number of month-end dates since it became insured and operational.

Measuring tangible equity – Tangible equity should be measured in accordance with the instructions for Schedule CCR, item CCR20, "Tier 1 capital," except as follows:

(1) If the reporting institution has an FDIC-insured depository institution subsidiary, the subsidiary should not be consolidated. Instead, the reporting institution should measure its equity capital and its Tier 1 capital by accounting for this subsidiary using the equity method of accounting.

(2) If the reporting institution is the surviving or resulting institution in a merger or consolidation that occurred after the end of the first month of the calendar quarter and it reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the merger or consolidation occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the merger or consolidation date would be to use the amount of Tier 1 capital for the month-end date immediately following the merger or consolidation date as the amount of Tier 1 capital for the month-end date or dates preceding the merger or consolidation date.

(3) If the reporting institution was acquired in a transaction that became effective after the end of the first month of the calendar quarter, push down accounting was used to account for the acquisition, and the institution reports its average tangible equity on a monthly average basis, the reporting institution should calculate its average tangible equity as if the acquisition occurred on the first day of the calendar quarter. An acceptable method for measuring tangible equity for month-end dates during the calendar quarter preceding the acquisition date would be to use the amount of Tier 1 capital for the month-end date immediately following the acquisition date as the amount of Tier 1 capital for the month-end date or dates preceding the acquisition date.

DI526: HOLDINGS OF LONG-TERM UNSECURED DEBT ISSUED OTHER FDIC-INSURED DEPOSITORY INSTITUTIONS

Report the balance sheet amount of the reporting institution's holdings of long-term unsecured debt issued by other FDIC-insured depository institutions. Long-term unsecured debt includes senior unsecured debt, subordinated debt, and limited-life preferred stock with remaining maturity of at least one year that has been issued by another depository institution. Any debt for which the reporting institution has the option to redeem the debt within the next 12 months is not considered long-term and may be excluded from this item.

Depending on the form of the debt and the intent for which it is held, holdings of long-term unsecured debt issued by other insured depository institutions are included in Schedule SC, item SC689, "Other Assets."

Exclude holdings of long-term unsecured debt issued by bank and thrift holding companies. Also exclude holdings of debt issued by other insured depository institutions that are guaranteed by the FDIC under the Debt Guarantee Program component of the FDIC's Temporary Liquidity Guarantee Program.

DI530: TOTAL FOREIGN DEPOSITS (INCLUDED IN TOTAL ALLOWABLE EXCLUSIONS)

Report on an unconsolidated single FDIC certificate number basis the total amount of foreign deposits (including International Banking Facility deposits) as of the calendar quarter-end report date included in line DI520.

DI630: UNSECURED FEDERAL FUNDS PURCHASED

Report on an unconsolidated single FDIC certificate number basis the outstanding amount of unsecured federal funds purchased, i.e., ***immediately available funds*** borrowed (in domestic office) under agreements or contracts that have an original maturity of one business day or roll over under ***a continuing contract***, excluding such funds borrowed in the form of securities sold under agreements to repurchase (which should be reported in Schedule DI*641* and Federal Home Loan Bank advances*.*

- ***Immediately available funds*** are funds that the purchasing institution can either use or dispose of on the same business day that the transaction giving rise to the receipt or disposal of the funds is executed.
- ***A continuing contract,*** regardless of the terminology used, is an agreement that remains in effect for more than one business day, but has no specified maturity and does not require advance notice of the lender or the borrower to terminate, either party to terminate.

Note: Report federal funds purchased on a gross basis; i.e., do **not** net them against federal funds sold, except to the extent permitted by GAAP.

DI635: SECURED FEDERAL FUNDS PURCHASED

Report on an unconsolidated single FDIC certificate number basis the outstanding amount of secured federal funds purchased pursuant to the instructions under Schedule DI630 for unsecured federal funds purchased.

DI641: SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

Report on an unconsolidated single FDIC certificate number basis the outstanding amount of:

(1) Securities repurchase agreements, regardless of maturity, if the agreement requires the institution to repurchase the identical security sold or a security that meets the definition of substantially the same in the case of a dollar roll.

(2) Sales of participations in pools of securities, regardless of maturity

Note: Report securities sold under agreements to repurchase on a gross basis, i.e., do ***not*** net them against securities purchased under agreements to resell, except to the extent permitted by GAAP. Include the fair value of securities sold under agreements to repurchase that are accounted for at fair value under a fair value option.

DI645-DI648: UNSECURED “OTHER BORROWINGS” WITH A REMAINING MATURITY OF (SUM OF DI645-DI648) MUST BE LESS THAN OR EQUAL TO SC760 – OTHER BORROWINGS)

Report the amount of the savings association’s unsecured “Other borrowings” as defined in Schedule SC, item SC760 – Other Borrowings in the appropriate lines DI645-DI648 according to the amount of time remaining until their final contractual maturities. Include both fixed rate and floating rate “Other borrowings” that are unsecured. In general, “Other borrowings” are unsecured if the savings association (or a consolidated subsidiary) has not pledged securities, loans, or other assets as collateral for the borrowing. Exclude “Other Borrowings” that are guaranteed by the FDIC under the Debt Guarantee Program component of the FDIC’s Temporary Liquidity Guarantee Program.

The sum of items DI645-DI648 must be less than or equal to Schedule SC, item SC760 – Other Borrowings.

DI645: ONE YEAR OR LESS

Report all unsecured “Other Borrowings” with a remaining maturity of one year or less. Include unsecured “Other Borrowings” with a remaining maturity of over one year for which the holder has the option to redeem the debt instrument within one year of the report date.

DI646: OVER ONE YEAR THROUGH THREE YEARS

Report all unsecured “Other Borrowings” with a remaining maturity of over one year through three years.

DI647: OVER THREE YEARS THROUGH FIVE YEARS

Report all unsecured “Other Borrowings” with a remaining maturity of over three years through five years.

DI648: OVER FIVE YEARS

Report all unsecured “Other Borrowings” with a remaining maturity of over five years.

DI655-DI658: SUBORDINATED NOTES AND DEBENTURES-WITH A REMAINING MATURITY OF (SUM OF DI655-DI658 MUST EQUAL SC736 – SUBORDINATED DEBENTURES)

Report the amount of the savings association’s subordinated notes and debentures (as defined for Schedule SC, item SC736) in the appropriate sub items according to the amount of time remaining until their final contractual maturities. Include both fixed rate and floating rate subordinated notes and debentures. The sum of DI655-DI658 must equal Schedule SC736 – Subordinated Debentures.

DI655: ONE YEAR OR LESS

Report all subordinated notes and debentures with a remaining maturity of one year or less. Include subordinated notes and debentures with a remaining maturity of over one year for which the holder has the option to redeem the subordinated debt within one year of the report date.

DI656: OVER ONE YEAR THROUGH THREE YEARS

Report all subordinated notes and debentures with a remaining maturity of over one year through three years.

DI657: OVER THREE YEARS THROUGH FIVE YEARS

Report all subordinated notes and debentures with a remaining maturity of over three years through five years.

DI658: OVER FIVE YEARS

Report all subordinated notes and debentures with a remaining maturity of over five years.

DI659: BANKER'S BANK CERTIFICATION: DOES THE REPORTING SAVINGS ASSOCIATION MEET BOTH THE STATUTORY DEFINITION OF A BANKER'S BANK AND THE BUSINESS CONDUCT TEST SET FORTH IN FDIC REGULATIONS?

If the savings association meets both of these criteria, it is a qualifying banker's bank and should answer "Yes" to item DI659 and complete items DI661 and DI662. If the savings association does not meet both of these criteria, it should answer "No" to item DI659 and it should not complete items DI661 and DI662.

The definition of "banker's bank" is set forth in 12 U.S.C. 24, which states that a banker's bank is an FDIC-insured bank where the stock of the bank or its parent holding company "is owned exclusively (except to the extent directors' qualifying shares are required by law) by depository institutions or depository institution holding companies (as defined in section 1813 of this title)" and the bank or its parent holding company and all subsidiaries thereof are engaged exclusively in providing services to or for other depository institutions, their holding companies, and the officers, directors, and employees of such institutions and companies, and in providing correspondent banking services at the request of other depository institutions or their holding companies."

A savings association that would otherwise meet the definition of a banker's bank, but has received funds from federal capital infusion programs (such as the Troubled Assets Relief Program and the Small Business Lending Fund), has stock owned by the FDIC as a result of bank failures, or has non-bank-owned stock resulting from equity compensation programs, is not excluded from the definition of a banker's bank for purposes of DI659, provided the bank also meets the business conduct test.

To meet the business conduct test, which is set forth in Section 327.5(b)(3) of the FDIC's regulations, a savings association must conduct 50 percent or more of its business with entities other than its parent holding company or entities other than those controlled either directly or indirectly by its parent holding company. Control has the same meaning as in section 3(w)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(w)(5)).

DI661: BANKER'S BANK DEDUCTION

A qualifying banker's bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the banker's bank deduction, which equals the sum of a qualifying banker's bank's average balances due from Federal Reserve Banks plus its average federal funds sold. These averages should be calculated on a daily or weekly basis consistent with the qualifying banker's bank's calculation of its average consolidated total assets in Schedule DI, item DI521 (and as reported in Schedule DI, item DI522 or DI523).

<u>Balances due from Federal Reserve Banks</u> include the total balances due from Federal Reserve Banks, including the qualifying banker's bank's own reserves and other balances as well as reserve balances actually passed through to a Federal Reserve Bank by the banker's bank on behalf of its respondent depository institutions (as described in the instructions for Schedule SC, item SC110: "Cash and Non-interest-earning Deposits" and SC118 "Other Interest-Earning Deposits"). For a qualifying banker's bank that is a respondent in a pass-through reserve relationship with a correspondent bank, balances due from Federal Reserve Banks include the reserve balances the correspondent bank has passed through to a Federal Reserve Bank for the respondent banker's bank. Balances due from Federal Reserve Banks also include the qualifying banker's bank's excess balance accounts, which are limited-purpose accounts at Federal Reserve Banks for maintaining an institution's excess balances that are eligible to earn interest on their Federal Reserve balances. See the Call Report Glossary entry for "pass-through reserve balances."

Federal funds sold are defined in the instructions for Schedule SC, item SC125, "Federal Funds Sold and Securities Purchased under Agreements to Resell." See also the Call Report Glossary entry for "federal funds transactions."

DI662: BANKER'S BANK DEDUCTION LIMIT

A qualifying banker's bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the banker's bank deduction limit, which equals the sum of a qualifying banker's bank's average deposits of commercial banks and other depository institutions in the U.S. plus its average federal funds purchased. These averages should be calculated on a daily or weekly basis consistent with the qualifying banker's bank's calculation of its average consolidated total assets in DI521 (and as reported in DI522 or DI523).

Deposits of commercial banks and other depository institutions in the U.S. are defined as follows:

Commercial banks in the U.S. cover:

(1) U.S. branches and agencies of foreign banks; and

(2) All other commercial banks in the U.S., i.e., U.S. branches of U.S. banks.

Other depository institutions in the U.S. cover:

(1) Building or savings and loan associations, homestead associations, and cooperative banks;

(2) Credit unions; and

(3) Mutual and stock savings banks.

For purposes of DI662, U.S. branches and agencies of foreign banks include U.S. branches and agencies of foreign official banking institutions and investment companies that are chartered under Article XII of the New York State banking law and that are majority-owned by one or more foreign banks.

For the appropriate treatment of deposits of depository institutions for which the reporting savings association is serving as a pass-through agent for federal required reserves, see the Call Report Glossary entry for "pass-through reserve balances."

Refer to the Call Report Glossary entries for "banks, U.S. and foreign" and "depository institutions in the U.S." for further discussion of these terms.

Exclude from this item deposits of banks in foreign countries

Federal funds purchased are defined in Schedule SC, item SC730 "Federal Funds Purchased and Securities Sold Under Agreements to Repurchase." See also the Call Report Glossary entry for "federal funds transactions."

DI663: CUSTODIAL BANK CERTIFICATION

If the reporting institution meets the custodial bank definition, it should answer "Yes" to item DI663 and complete items DI664 and DI664. If the reporting institution does not meet the custodial bank definition, it should answer "No" to item DI663 and it should not complete items DI664 and DI665.

A custodial bank, as defined in Section 327.5(c)(1) of the FDIC's regulations, is an insured depository institution that had reported in Schedule FS-Fiduciary and Related Services:

(1) "Fiduciary and custody and safekeeping assets" (the sum of items FS210-FS270, FS211-FS271, and FS280) of $50 billion or more as of the end of the previous calendar year, **or**

(2) Income from fiduciary activities (the sum of items FS310-FS390) that was 50 percent or more of its total revenue (interest income plus noninterest income, which is the sum of items SO115- SO172, SO181-SO185, and SO410-SO488 of Schedule SO: Consolidated Statement of Operations) during the previous calendar year.

DI664: CUSTODIAL BANK DEDUCTION

An institution that meets the definition of a custodial bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the custodial bank deduction, which equals average qualifying low-risk assets. Qualifying low-risk assets are determined without regard to the maturity of the assets. Average qualifying low-risk assets equals the sum of:

(1) The average amount of cash (CCR400) and balances due from depository institutions (included in CCR409) with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule CCR 0% Risk-Weight) plus 50 percent of the average amount of cash and balances due from depository institutions with a risk weighting of 20 percent (included in CCR445);

(2) The average amount of held-to-maturity securities with a risk weighting for risk-based capital purposes of zero percent (as defined for Schedule CCR, item CCR405) plus 50 percent of the average amount of held-to-maturity securities with a risk weighting of 20 percent (as defined for Schedule CCR, item CCR430);

(3) The average amount of available-for-sale securities with a risk weighting for risk-based capital purposes of zero percent (CCR405) plus 50 percent of the average amount of available-for-sale securities with a risk weighting of 20 percent (included CCR450); and

(4) The average amount of federal funds sold and securities purchased under agreements to resell with a risk weighting for risk-based capital purposes of zero percent (as defined in CCR, item 415) plus 50 percent of the average amount of federal funds sold and securities purchased under agreements to resell with a risk weighting of 20 percent (as defined in CCR 450).

These averages should be calculated on a daily or weekly basis consistent with the custodial bank's calculation of its average consolidated total assets in DI521 and as reported in either DI522 or DI523.

DI665: CUSTODIAL BANK DEDUCTION LIMIT

An institution that meets the definition of a custodial bank is eligible to have the FDIC deduct certain assets from its assessment base, subject to a limit. Report in this item the custodial bank deduction limit, which equals the average amount of the institution's transaction account deposit liabilities identified by the institution as being directly linked to a fiduciary, custodial, or safekeeping account reported in Schedule FS – Fiduciary and Related Services. The titling of a transaction account or specific references in the deposit account documents should clearly demonstrate the link between the transaction account and a fiduciary, custodial, or safekeeping account.

For deposits in domestic offices, the term "transaction account" is defined in Federal Reserve Regulation D and in the Call Report Glossary entry for "deposits" and such deposits are reported in Schedule SC, Item SC710. In general, a transaction account is a deposit or account from which the depositor or account holder is permitted to make transfers or withdrawals by negotiable or transferable instruments, payment orders of withdrawal, telephone transfers, or other similar devices for the purpose of making payments or transfers to third persons or others or from which the depositor may make third party payments at an automated teller machine, a remote service unit, or another electronic device, including by debit card. For purposes of reporting the custodial bank deduction limit in this item, a custodial bank with deposits in foreign offices should include foreign office deposit liabilities with the characteristics of a transaction account that are linked to a fiduciary, custody, or safekeeping account reported in Schedule FS – Fiduciary and Related Services.

Exclude form this item escrow accounts, interest on Lawyers Trust Accounts, and other trust and custody-related deposit accounts related to commercial bank services, or otherwise offered outside a custodial bank's fiduciary business unit or another distinct business unit devoted to institutional custodial services. Also exclude all nontransaction account deposit liabilities (i.e. savings and time deposits).

This average should be calculated on a daily or weekly basis consistent with the custodial bank's calculation of its average consolidated total assets in DI521 and as reported in either DI522 or DI523.

DI580 – DI585: DEPOSIT DATA FOR NONINTEREST BEARING TRANSACTION ACCOUNTS AS DEFINED IN SECTION 343 OF THE "DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT OF 2010"

NOTE: Schedule DI, Items DI580 and DI585, below, for the amount of noninterest-bearing transactions accounts of more than $250,000 are to be completed – beginning in the reports for December 31, 2010 – by all FDIC-insured depository institutions, whether or not they had previously opted to participate in the FDIC's Transaction Account Guarantee Program. Line items DI580 and DI585 are to be reported as of the quarter-end report date, not as daily averages for the quarter.

Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act amended the Federal Deposit Insurance Act with respect to the insurance coverage of noninterest-bearing transaction accounts. These amendments take effect December 31, 2010, and require the FDIC to "fully insure the net amount that any depositor at an insured depository institution maintains in a noninterest-bearing transaction account." This unlimited insurance coverage will be in effect only through December 31, 2012.

As defined in Section 343 of the Dodd-Frank Act, a "noninterest-bearing transaction account" is an account (in a domestic office of an insured branch in Puerto Rico or a U.S. territory or possession) "(I) with respect to which interest is neither accrued nor paid; (II) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic medias transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (III) on which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal." In addition as of the December 31, 2010 TFR Report, include **"Interest on Lawyer Trust Accounts (IOLTAs)"** with balances of more than $250,000 in the total amount and number of Dodd-Frank Act noninterest-bearing transaction accounts of more than $250,000 that you report on DI580 and DI585. Reference the FDIC's *Financial Institution Letter*, FIL-2-2011, dated January 21, 2011, for a discussion of the December 29, 2010, amendment to the FDI Act to include IOLTAs.

Thus the term "noninterest-bearing transaction account" includes all demand deposits, including certified checks and official checks (such as cashiers' checks and money orders) drawn on the reporting institution. However, pursuant to Section 627 of the Dodd-Frank Act as of July 21, 2011, institutions will no longer be restricted from paying interest on demand deposit accounts. At that time, if an institution modifies the terms of its demand deposit agreement so that the account may earn interest, the account will no longer satisfy the definition of a noninterest-bearing transaction account, will no longer be eligible for full deposit insurance coverage, and should no longer be reported in Line Items DI580 and DI585.

Even if checks may be drawn on the account, a "noninterest-bearing transaction account" does not include, for example, any transaction account that may earn interest, such as a negotiable order of withdrawal (NOW) account; or, a money market deposit account (MMDA) as defined in Federal Reserve Regulation D.

Account features such as the waiver of fees or the provision of free-reducing credits do not prevent an account from qualifying as a noninterest-bearing transaction account as long as the account otherwise satisfies the definition of a noninterest-bearing transaction account.

In determining whether funds are in noninterest-bearing transaction account for purposes of reporting in Line Items DI580 and DI585, the FDIC will apply its normal rules and procedures under Section 360.8 of the FDSIDC's regulations for determining account balances at a failed insured depository institution. Under these procedures, funds may be swept or transferred from a noninterest-bearing transaction account to another type of deposit account or product that is not a noninterest-bearing transaction account. Except as described in the following sentence, unless the funds are in a noninterest-bearing transaction account after the completion of the sweep under Section 360.8, the funds in the resulting account or product will not be eligible for full deposit insurance coverage and they should not be reported in Line Items DI580 and DI585. However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearings savings account as defined in Federal Reserve Regulation D, the FDIC will treat the swept funds as being in a noninterest-bearing savings account plus any amount remaining in the related noninterest-bearing savings account plus and amount remaining in the related noninterest-bearing transaction account is more than $250,000, this sum should be reported in Line Items DI580 and the swept funds and the related noninterest-bearing transaction account should be reported as one account in Line Item DI585.

Include public funds held in “noninterest-bearing transactions accounts” of more than $250,000 whether or not they are collateralized with pledges securities or other pledged assets.

Report in the appropriate sub item the amount outstanding and the number of noninterest-bearing transaction accounts (as defined above and in any FDIC regulations implementing Section 343) with a balance on the report date of more than $250,000. An institution may exclude noninterest-bearing transaction accounts with a balance of more than $250,000 where the entire balance is not fully insured under the FDIC’s regular deposit insurance rules. These amounts may be excluded to the extent that they can be determined by the institution and fully supported in the institution’s user notes that are electronically transmitted using the Electronic Filing System software. An institution is not required to make a determination of amounts otherwise insured but may do so at its option.

DI586: HAS THE REPORTING INSTITUTION BEEN CONSOLIDATED WITH A PARENT BANK OR SAVINGS ASSOCIATION IN THAT PARENT BANK’S OR PARENT SAVINGS ASSOCIATION’S CALL REPORT OR THRIFT FINANCIAL REPORT?

Report either yes or no.

DI587: IF THE ANSWER TO DI586 IS “YES”

Report the legal title of that parent bank or parent savings association.

DI588: IF THE ANSWER TO DI586 IS “YES”

Report the five digits FDIC Certificate Number of that parent bank or parent savings association using leading zeros if necessary. For example if the FDIC Certificate Number is “1” report “00001.”

SCHEDULE DI ITEMS DI589-DI602 ARE TO BE COMPLETED BY SAVINGS ASSOCIATIONS THAT ARE “LARGE INSTITUTIONS” AS DEFINED IN THE FDIC REGULATIONS

GENERAL INSTRUCTIONS FOR DI ITEMS DI589-DI602

DI589-DI602 are applicable only to large savings associations. Amounts reported in items DI589-DI591 will not be made available to the public on an individual institution basis.

According to Section 327.8(f) of the FDIC’s regulations, a large institution is an FDIC-insured savings association that reported total assets of $10 billion or more as of December 31, 2006, that does not meet the definition of a highly complex institution. After December 31, 2006, if a savings association not previously classified as a large institution reports total assets of $10 billion or more for four consecutive quarters, the savings association will be classified as a large institution beginning the following quarter. In the Consolidated Statement of Condition and Income, an FDIC-insured savings association’s total assets are reported in item SC60.

Transition Guidance for Reporting "Subprime Consumer Loans" and "Leveraged Loans and Securities" as Defined for Assessment Purposes Only in FDIC Regulations[2]

For loans originated or purchased prior to October 1, 2011, and for securities where the underlying loans were originated predominantly prior to October 1, 2011, for which the reporting institution does not have the information necessary to determine subprime consumer or leveraged status in accordance with the definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions, the institution may use its existing internal methodology for identifying subprime consumer or leveraged loans and securities as the basis for reporting these assets for deposit insurance assessment purposes in Schedule DI, items DI590 and DI591. Institutions that do not have an existing methodology in place to identify subprime consumer or leveraged loans and securities (because they are not required to report on these exposures to their primary federal regulator for examination or other supervisory purposes or did not measure and monitor loans and securities with these characteristics for internal risk management purposes) may, as an alternative to applying the definitions in the FDIC's assessment regulations to pre-October 1, 2011, loans and securities, apply existing guidance provided by their primary federal regulator, the agencies' 2001 Expanded Guidance for Subprime Lending Programs,[3] or the February 2008 Comptroller's Handbook on Leveraged Lending[4] for purposes of identifying subprime consumer and leveraged loans originated or purchased prior to October 1, 2011, and subprime consumer and leveraged securities where the underlying loans were originated predominately prior to October 1, 2011. All loans originated on or after October 1, 2011, must be reported according to definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions.

For loans purchased on or after October 1, 2011, institutions may apply this transition guidance to loans originated prior to that date. Loans purchased on or after October 1, 2011, that also were originated on or after that date must be reported as subprime or leveraged according to the definitions of these asset categories set forth in the FDIC's assessment regulations and these instructions.

Amounts Guaranteed or Insured by the U.S. Government, its Agencies, or its Government-Sponsored Agencies – The instructions for Schedule VA, items VA960-VA975 and DI589-DI591, DI593, DI594; and, DI596-DI602, refer to amounts recoverable from, or guaranteed or insured by, the U.S. government, its agencies, or government-sponsored agencies under guarantee or insurance provisions. Examples include guarantees or insurance (or reinsurance) provided by the Department of Veterans Affairs, the Federal Housing Administration, the Small Business Administration (SBA), the Department of Agriculture Rural Development Loan Program, and the Department of Education for individual loans as well as coverage provided by the FDIC under loss-sharing agreements. For loan securitizations and securities, examples include those guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) as well as SBA Guaranteed Loan Pool Certificates and securities covered by FDIC loss-sharing agreements. However, if an institution holds securities backed by mortgages it has transferred to Fannie Mae or Freddie Mac with recourse or other transferor-provided credit enhancements, these securities should not be considered guaranteed to the extent of the institution's maximum contractual credit exposure arising from the credit enhancements. NOTE: Because certain information on coverage under FDIC loss-sharing agreements is reported elsewhere in the Consolidated Statement of Condition and the Consolidated Statement of Operations, the treatment of FDIC loss-sharing agreements varies in items found in Schedule VA960-VA975 and DI589-DI591, DI593, DI594; and, DI596-DI602.

NOTE: Schedule VA, items VA960-VA975 and Schedule DI, items DI589-DI595 are to be completed by "large institutions."

[2] The definitions for subprime consumer and leveraged loans included in these instructions are essentially the same as the definitions for subprime consumer and leveraged loans included in the FDIC's assessment regulations (12 CFR Part 327). However, to assist institutions in properly identifying subprime consumer and leveraged loans for reporting in Schedule DI and deposit insurance pricing purposes, certain clarifications to the definitions in the assessment regulations have been included in these instructions to facilitate the identification of subprime consumer and leveraged loans for deposit for assessment reporting purposes.

[3] http://www.fdic.gov/news/news/press/2001/pr0901a.html

[4] http://www.occ.gov/static/publications/handbook/LeveragedLending.pdf

CRITICIZED AND CLASSIFIED ITEMS

Reference Schedule VA Instructions for items: VA960, VA965, VA970, and VA975.

DI589: "NONTRADITIONAL 1- 4 FAMILY RESIDENTIAL MORTGAGE LOANS (IN DOMESTIC OFFICES)"AS DEFINED FOR ASSESSMENT PURPOSES ONLY IN FDIC REGULATIONS

Report the balance sheet amount of nontraditional 1-4 family residential mortgage loans (in domestic offices), as defined for assessment purposes only in Appendix C to subpart A to Part 327 of the FDIC's regulations, which includes all 1-4 family residential loan products that allow the borrower to defer repayment of principal or interest and includes all interest-only products, teaser rate mortgages, and negative amortizing mortgages, with the exception of home equity lines of credit and reverse mortgages. Nontraditional mortgage loans do not include loans reported as trading assets in Schedule SI, conventional fully amortizing adjustable rate mortgage loans that do not have a teaser rate, and interest-only residential construction loans, but include conventional fully amortizing adjustable rate mortgage loans that have a teaser rate.

A teaser-rate mortgage loan is defined for assessment purposes as a mortgage with a discounted initial rate. A discounted initial rate is an effective interest rate at the time of origination or refinance that is less than the rate the bank is willing to accept for an otherwise similar extension of credit with comparable risk.[5] A mortgage loan is no longer considered a nontraditional mortgage once the teaser rate has expired, or in the case of an escalating interest rate, once the rate is no longer discounted and the borrower is making full principal and interest payments (has not been granted any principal and interest concessions). Nontraditional mortgage loans can be reclassified as traditional loans once they become fully amortizing loans, provided they no longer have a teaser rate.

Nontraditional 1-4 family residential mortgage loans as defined for assessment purposes also include securitizations where more than 50 percent of the assets backing the securitization meet one or more of the preceding criteria for nontraditional 1-4 family residential mortgage loans, with the exception of those securities reported as "trading assets" in Schedule SI.

The amount to be reported in this item for nontraditional mortgage loans should include purchased credit impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), provided they meet the characteristics of nontraditional as described above. The amount to be reported in this item should exclude amounts recoverable on nontraditional mortgage loans from the U.S. government, its agencies, or its government-sponsored agencies, under guarantee or insurance provisions, including FDIC loss-sharing agreements.

DI590: "SUBPRIME CONSUMER LOANS" AS DEFINED FOR ASSESSMENT PURPOSES ONLY IN FDIC REGULATIONS

Report the balance sheet amount of subprime consumer loans as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC's regulations, excluding subprime consumer loans that have been reported as nontraditional 1-4 family residential mortgage loans in DI589 above. For assessment purposes, subprime consumer loans are loans secured by 1-4 family residential properties (as defined for Schedule SC, items SC251, SC254, and SC255) and loans to individuals for household, family, and other personal expenditures (as defined for Schedule SC, items SC328, SC330, SC323, SC310, SC316, SC320, and SC326) that have been made to borrowers who display one or more of the following credit risk characteristics at origination or upon refinancing, whichever is more recent:

[5] The discount rate is a short-term subsidy on a loan rate. If the rate is below market rates, it is likely discounted or subsidized.

- Two or more 30-day delinquencies in the last 12 months, or one or more 60-day delinquencies in the last 24 months;
- Judgment, foreclosure, repossession, or charge-off in the prior 24 months;
- Bankruptcy in the last 5 years; or
- Debt service-to-income ratio of 50 percent or greater, or otherwise limited ability to cover family living expenses after deducting total monthly debt-service requirements from monthly income.[6]

For assessment purposes, subprime consumer loans also include loans identified by an insured depository institution as subprime loans based upon similar borrower characteristics and securitizations where more than 50 percent of assets backing the securitization meet one or more of the preceding criteria for subprime loans, excluding those securities reported as trading assets in Schedule SI.

The amount to be reported in this item for subprime consumer loans should include purchased credit impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”), provided they meet the characteristics of subprime above.

The amount to be reported in this item should exclude consumer loans reported as trading assets in Schedule SI and amounts recoverable on subprime consumer loans from the U.S. government, its agencies, or its government-sponsored agencies, under guarantee or insurance provisions, including FDIC loss-sharing agreements.

DI591: “LEVERAGED LOANS AND SECURITIES” AS DEFINED FOR ASSESSMENT PURPOSES ONLY IN FDIC REGULATIONS

Report the balance sheet amount plus the unfunded amount of leveraged loans and securities as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC’s regulations. For assessment purposes, leveraged loans and securities include:

[6] http://www.fdic.gov/news/news/press/2001/pr0901a.html; however, the definition of subprime consumer loans in the FDIC’s assessment regulations and in these instructions for this item excludes any reference to FICO or other credit bureau scores.

(1) All commercial and industrial loans (funded and unfunded) (as defined for Schedule SC, items SC300 and SC303, but excluding loans to individuals for commercial, industrial, and professional purposes) with an original amount[7] greater than $1 million that meet any one of the conditions[8] below at either origination or renewal;

(2) Securities issued by commercial borrowers that meet any one of the conditions below at either origination or renewal, except securities reported as trading assets in Schedule SI; and

(3) Securitizations that are more than 50 percent collateralized by assets that meet any one of the conditions below at either origination or renewal, except securities reported as trading assets in Schedule SI.

Leveraged loans exclude loans secured by real estate (as defined for Schedule SC, items SC230-SC240, SC265, and SC251-SC265), loans to finance agricultural production and other loans to farmers (included in Schedule SC) and commercial and industrial loans reported as trading assets in Schedule SI, item SI323.

The conditions to be considered when evaluating whether loans or securities should be reported as leveraged loans or securities are:

- Loans or securities where the borrower's post-financing total debt or senior debt to trailing twelve-month earnings before interest, taxes, depreciation, and amortization (EBITDA) (i.e., operating leverage ratio) is greater than 4 or 3 times, respectively. For purposes of this calculation, the only permitted EBITDA adjustments are those adjustments specifically permitted for that borrower in its credit agreement; or

- Loans or securities that are designated as highly leveraged transactions by the syndication agent.[9]

For the purposes of calculating debt/EBITDA ratios, total debt is defined as short-term borrowings plus long-term borrowings as follows:

- Short-term borrowings include bank overdrafts, short-term debts and borrowings, repurchase agreements (repos), the short-term portion of long-term borrowings or debt, current obligations under capital (finance) leases, trust receipts, and bankers acceptances.

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[7] The following guidelines should be used to determine the "original amount" of a loan:

(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date.

(2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender.

(3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Consistent with the guidelines of "original amount" stated in the glossary under "Small Business and Small Farm Loans", multiple loans to one borrower should be combined and reported on an aggregate basis rather than as separate individual loans to the extent that the loan systems in which the institution's business loan data are maintained can provide aggregate individual borrower data without undue cost to the reporting institution. However, if the burden of such aggregation would be excessive, the institution may treat multiple loans to one borrower as separate individual loans.

[8] The leveraged loans criteria to be used for assessment purposes are based on guidance issued by the Office of the Comptroller of the Currency in its Comptroller's Handbook on Leveraged Lending, http://www.occ.gov/static/publications/handbook/LeveragedLending.pdf, but do not include all of the criteria in the handbook.

[9] http://www.fdic.gov/news/news/press2001/pr2801.html

- Long-term borrowings (or long-term debt) include all interest-bearing financial obligations that are not previously captured in short-term borrowings. These obligations include debentures, bonds, loans, mortgage debts, sinking funds, long-term bank overdrafts and capital (finance) lease obligations, including those obligations that are convertible, redeemable, or retractable. They also include mandatory redeemable preferred and trust preferred securities accounted for as liabilities in accordance with ASC Subtopic 480-10, Distinguishing Liabilities from Equity – Overall (formerly FASB Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity"), and subordinated capital notes. Long-term borrowings exclude the short-term portion of long-term debt, pension obligations, deferred tax liabilities, and preferred equity.

Senior debt shall include any portion of total debt as previously defined that has a priority claim on the assets of the borrower.

Institutions should report the balance sheet amount of leveraged loans as defined for assessment purposes that have been funded as well as the unfunded portion of leveraged loans. Institutions should report unfunded amounts that include the unused portions of irrevocable and revocable commitments to make or purchase leveraged loans, i.e., the unused commitment as defined in the instructions for Schedule CCR.

The amount to be reported in this item for leveraged loans and securities should include purchased credit impaired loans and securities as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer"), provided the loans and securities meet the definition of a leveraged loan or security.

The amount to be reported in this item should exclude amounts recoverable on leveraged loans and securities from the U.S. government, its agencies, or its government-sponsored agencies, under guarantee or insurance provisions, including FDIC loss-sharing agreements.

DI592-DI593: CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND LOAN COMMITMENTS

For purposes of DI592 and DI593, construction, land development, and other land loans are defined in the instructions for Schedule SC, items SC230-SC240 "Construction Loans," and SC265 "Land." Commitments are defined in the instructions for Schedule CC105 "Mortgage Construction Loans" and CC115 "Other Mortgage Loans."

DI592: TOTAL UNFUNDED COMMITMENTS

Report the unused portion of commitments to extend credit to fund construction, land development, and other land loans that, when funded, would be reportable as loans secured by real estate in Schedule SC, items SC230-SC240 "Construction Loans" and SC265 "Land." The amount reported in this item should also have been included in the amounts reported in Schedule CC, items CC105-CC125.

DI593: PORTION OF UNFUNDED COMMITMENTS GUARANTEED OR INSURED BY THE U.S. GOVERNMENT (INCLUDING THE FDIC)

Report the amount of the unused portion of the construction, land development, and other land loan commitments reported in DI592, above that is recoverable from the U.S. government, its agencies, or government-sponsored agencies, under guarantee or insurance provisions, including FDIC loss-sharing agreements.

Exclude amounts recoverable from state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations.

DI594: AMOUNT OF OTHER REAL ESTATE OWNED RECOVERABLE FROM THE U.S. GOVERNMENT UNDER GUARANTEE OF INSURANCE PROVISIONS (EXCLUDING FDIC LOSS-SHARING AGREEMENTS)

Report the amount of other real estate owned (as defined in Schedule SI, SI789-SI793, and foreclosed properties from “GNMA loans”) that is recoverable from the U.S. government, its agencies or its government-sponsored agencies, under guarantee or insurance provisions, excluding any other real estate owned that is covered under FDIC loss-sharing agreements.

Exclude other real estate owned that is protected under guarantee or insurance provisions by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations.

DI595: NONBROKERED TIME DEPOSITS OF MORE THAN $250,000 (INCLUDED IN DI130)

Report the amount of time deposits of more than $250,000 included in Schedule DI, item DI130 that are not brokered deposits. See the Call Report Glossary entry for “brokered deposits” for the definition of this term.

DI596-DI602: PORTION OF FUNDED LOANS GUARANTEED OR INSURED BY THE U.S. GOVERNMENT (EXCLUDING FDIC LOSS-SHARING AGREEMENTS)

Report in the appropriate subitem the portion of the balance sheet amount of funded loans that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

Exclude loans guaranteed or insured by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations as well as loans collateralized by securities issued by the U.S. government, including its agencies and its government-sponsored agencies.

DI596: CONSTRUCTION, LAND DEVELOPMENT, AND OTHER LAND LOANS (IN DOMESTIC OFFICES)

Report the portion of the balance sheet amount of construction, land development, and other land loans (in domestic offices) (as defined for Schedule SC, items SC230,SC235, SC240, and SC265) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

DI597: LOANS SECURED BY MULTIFAMILY RESIDENTIAL AND NONFARM NONRESIDENTIAL PROPERTIES (IN DOMESTIC OFFICES)

Report the portion of the balance sheet amount of loans secured by multifamily (5 or more) residential properties and loans secured by nonfarm nonresidential properties (in domestic offices) (as defined for Schedule SC, item SC256 and nonfarm property included in item SC260, respectively) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

DI598: CLOSED-END LOANS SECURED BY FIRST LIENS ON 1-4 FAMILY RESIDENTIAL PROPERTIES (IN DOMESTIC OFFICES)

Report the portion of the balance sheet amount of closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) (as defined for Schedule SC, item SC254) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

DI599: CLOSED-END LOANS SECURED BY JUNIOR LIENS ON 1-4 FAMILY RESIDENTIAL PROPERTIES AND REVOLVING, OPEN-END LOANS SECURED BY 1-4 FAMILY RESIDENTIAL PROPERTIES AND EXTENDED UNDER LINES OF CREDIT (IN DOMESTIC OFFICES)

Report the portion of the balance sheet amount of closed-end loans secured by junior liens on 1-4 family residential properties revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (in domestic offices) (as defined for Schedule SC, item SC255 and SC, item SC251, respectively) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

DI600: COMMERCIAL AND INDUSTRIAL LOANS

Report the portion of the balance sheet amount of commercial and industrial loans (as defined for Schedule SC, items SC300-SC303) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

DI601: CREDIT CARD LOANS TO INDIVIDUALS FOR HOUSEHOLD, FAMILY, AND OTHER PERSONAL EXPENDITURES

Report the portion of the balance sheet amount of credit card loans to individuals for household, family, and other personal expenditures (as defined for Schedule SC, item SC328) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements**.**

DI602: OTHER CONSUMER LOANS (INCLUDES OTHER REVOLVING CREDIT PLANS, AUTOMOBILE LOANS, SINGLE PAYMENT, INSTALLMENT, AND ALL STUDENT LOANS)

Report the portion of the balance sheet amount of other consumer loans (as defined for Schedule SC, items SC310,SC316,SC320, SC326, and SC330) that is guaranteed or insured by the U.S. government, including its agencies and its government-sponsored agencies, other than by the FDIC under loss-sharing agreements.

Sensitivity Analysis
Another term for gap analysis, an evaluation of an association's make-up, revealing the areas in which it is exposed to the risk of changing interest rates. *See* Gap.

Serial Bond Issue
Bonds of a single issue that mature on staggered dates rather than all at once. The purpose of a serial bond issue is to help the issuer retire the bonds in small quantities over a long period.

Service Charge
A fee for services rendered or to be rendered.

Service Corporation
A corporation previously defined in OTS regulations as being owned by one or more savings associations and performing services and engaging in certain activities for its owners, such as originating, holding, selling, and servicing mortgages; performing appraisal, brokerage, clerical, escrow, research, and other services; and acquiring, developing, or renovating and holding real estate for investment purposes. This term became obsolete with the issuance of the Subsidiary and Equity Investment Rule, effective January 1, 1997.

Servicing Assets
Benefits recognized by an entity undertaking a contract to service loans and other financial assets. Servicing includes collecting principal, interest, and escrow payments from the borrowers; paying taxes and insurance from escrowed funds; monitoring delinquencies; executing foreclosure, if necessary; temporarily investing funds pending distribution; remitting fees to guarantors, trustees, and others providing services; and accounting for and remitting principal and interest payments to the holders of beneficial interests in the financial assets.

SFAC
Statement of Financial Accounting Concepts issued by the Financial Accounting Standards Board.

Share Loan
A loan secured by funds on deposit at a financial institution. One purpose of a share loan is to preserve interest due on deposits by not withdrawing the funds until the date on which the interest payment is due or the account matures. *See* Passbook Loan

Shared-Appreciation Mortgage (SAM)
A home-financing technique where the borrower receives a mortgage rate that is lower than the prevailing rates. The borrower must agree to give the lender a share of the profits from the eventual sale of the property. A SAM has payments that are based on a normal (typically 30- year) amortization schedule, but the loan becomes due and payable at an earlier date (typically not later than at the end of 10 years). A SAM has an interest rate below that on a conventional mortgage and a contingent interest feature, where at either the sale or transfer of the property or the refinancing or maturity of the loan, the borrower must pay the lender a share of the appreciation of the property securing the loan.

Shareholder
The owner of shares of equity in an organization. The owners of a corporation.

Shelf Registration
A type of Registration Statement, pursuant to Rule 415 of the SEC, that authorizes a certain principal amount of securities to be issued, in whole or in parts, in the future, thereby spreading the issuance dates over a period of time.

Short
(1) The sale of a futures contract. (2) A trader who has a short position in a commodity.

Short Hedge
A hedge transaction in which futures contracts are sold and then purchased; a short hedge protects the hedger against interest rate increases, the major risk faced by financial institutions.

Short-Term Debt
An obligation that is usually due within one year.

Short-Term Fixed-Rate Tranches
CMO tranches that have fixed rates and expected maturity of five years or less.

Short-Term Planned Amortization Classes (PACs)
CMO tranches that have fixed rates, a prioritized repayment schedule within certain prepayment speeds, and expected maturity of five years or less. Targeted Amortization Classes (TACs) are considered to be substantially similar to PACs for reporting purposes.

Short-Term PAC Support Tranches
CMO tranches that have fixed rates, expected maturity of five years or less, and are part of a CMO structure that contains a PAC or TAC tranche(s).

Single-Family Dwelling
A housing unit designed for occupancy by one individual or family. *See* Dwelling Units, 1-4.

Sinking Fund
The obligation to retire debt instruments according to a predetermined schedule.

Small Business and Small Farm Loans
Report the number and amount currently outstanding as of **the report date** of business loans with “original amounts” of $1,000,000 or less and farm loans with “original amounts” of $500,000 or less. The following guidelines should be used to determine the “original amount” of a loan: (1) For loans drawn down under lines of credit or loan commitments, the “original amount” of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was **most recently** approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the “original amount” is the amount currently outstanding on the report date. (2) For loan participations and syndications, the “original amount” of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the “original amount” is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Special Redemption
Special redemptions are designed to allow the issuer to retire a security earlier than scheduled, precluding interest from accruing during the remaining period. The amount of principal redeemed is limited to the amount that would have been retired at the next scheduled payment date.

Specific Valuation Allowance
A valuation allowance representing an amount classified as a loss on specific assets. In the TFR, assets are reported net of specific valuation allowances. *See* Valuation Allowance.

Spread
(1) The difference between interest income and interest expense. (2) The simultaneous purchase of one futures contract and sale of another, either different contract months or underlying instruments. One does this to try to profit from differing rates of change in different contract months or contracts, often due to changing market factors, such as, rising or falling rates, shifts in yield curve.

Standard Prepayment Assumption
A commonly used prepayment model based on an assumed monthly rate of prepayment of the then current principal balance of a pool of new mortgage loans.

Standby Letter of Credit
A letter of credit that can only be drawn against if a specified business transaction is not performed.

Standbys
Non-binding commitments to make or take delivery of securities, commonly used in the mortgage market when dealing with Fannie Mae.

Stock Dividend
See Dividend, Stock.

Strike Price
The price at which the holder of the call or put may exercise his right to purchase or sell the underlying futures contract. Synonymous with exercise price.

Strip
A hedge transaction which involves selling or buying the same futures contract across several delivery months, such as, selling T-Bills for June, September, and December at the same time. The objective is to lengthen the effective hedging period.

Strip Certificate
A certificate showing ownership of a fractional share of stock that can be converted into a full share when presented in amounts equal to a full share.

Strip Hedge
The selling of a series of futures contracts with different maturities. The purpose is to lock in interest costs that vary based on the contract settlement date.

Structured Securities
Debt securities with derivative-like characteristics that are issued by corporations and government-sponsored enterprises (GSEs), including Freddie Mac, Fannie Mae, and the Federal Home Loan Banks. Structured notes take various forms and often contain complex rate-adjustment formulas and embedded options, such as, calls, caps, and collars.

Student Loan Marketing Association (Sallie Mae)
A government-sponsored private corporation created to increase the flow of funds into loans by facilitating the purchase of student loans in the secondary market.

Subordinate Organization
Any corporation, partnership, business trust, association, joint venture, pool, syndicate, or other similar business organization in which a savings association has a direct or indirect ownership interest. There is an exception when that ownership interest qualifies as a pass-through investment pursuant to 12 C.F.R. § 560.32 and the savings association designates it as such.

Subordinated Debt
Obligations whose liquidation preference is inferior to that of other debt.

Subprime Lending
Credit extended to borrowers exhibiting higher (frequently much higher) risk of default characteristics than traditional bank lending customers. Risk of default may be measured by traditional credit risk measures (credit/repayment history, debt-to-income levels, etc.) or by alternative measures such as credit scores. Subprime borrowers represent a broad spectrum of debtors ranging from those who have exhibited repayment problems due to an adverse event, such as job loss or medical emergency, to those who persistently mismanage their finances and debt obligations. Subprime lending does not include loans to borrowers who have had minor, temporary credit difficulties but are now current.

Subsidiary
Any organization controlled by another organization. The OTS Subsidiary and Equity Investment Rule defines subsidiary as a consolidated subsidiary and refers generically to organizations under the control of a parent organization as subordinate organizations. *See* Consolidation.

Substandard
Describing conditions making a risk less desirable than normal for its class. A classification of assets under OTS Regulations. *See* Classified Assets.

Super-Floater
An asset that has a variable rate that adjusts by a multiple of a change in an interest-rate index. Thus if the super-floater adjusts at 1.25 times the change in LIBOR, a decrease of two basis points in LIBOR would cause a decrease of 2.5 (2 x 1.25) basis points in the super-floater. Super-floater is most commonly used to describe CMO tranches that reprice based on a formula containing a multiple of the three-month LIBOR rate.

Super Floating Rate Tranches
CMO tranches that have rates adjusting at some multiple of, and in the same direction as, an index such as LIBOR.

Super Principal Only (P/O) Tranche
A long-term zero coupon, deep discount PAC that is the only support tranche of a PAC or TAC CMO.

Supervisory Authority
The official or officials authorized by law to ensure that associations comply with the governing charter, statutes, and by-laws.

Supervisory Merger
The takeover of one savings association – typically an insolvent association – by another with our oversight.

Suspense Account
A general ledger account used to hold over unposted items so the business day can balance at closing.

Swap
An agreement between two parties to exchange a series of cash flows, one representing a fixed rate and the other a floating rate. In a currency swap, two parties contract to exchange the cash flows - of equal net present value of specific assets or liabilities that are expressed in different currencies.

In the classic – widely known as plain vanilla – interest-rate swap, two parties contract to exchange interest service payments, and sometimes principal service payments, on the same amount of indebtedness of the same maturity with the same payment dates - one providing fixed interest-rate payments in return for variable-rate payments from the other and vice versa. Basis swaps – floating rate swaps based on different indices, such as prime against LIBOR – and combined interest rate and currency swaps, circus swaps, are also common. There are numerous variations involving many counterparts that result in highly complex swap transactions.

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T-Bill
Treasury Bill.

TAC
Targeted Amortization Class.

Tangible Capital
Our capital regulations define tangible capital as equity in accordance with GAAP, adjusted for unrealized gains and losses on certain available-for-sale securities, less investments in nonincludable subsidiaries, less goodwill and other intangible assets, less certain nonqualifying equity instruments, plus noncontrolling interest in includable consolidated subsidiaries, plus nonwithdrawable deposits of mutual associations. Our capital rule requires savings associations to hold a ratio of 1.5% tangible capital to tangible assets.

Tangible Net Worth
GAAP net worth less goodwill and other intangible assets.

TBA
Abbreviation for future pools **to be announced** which are bought and sold for future settlement. To be announced refers to interest rates and due dates which are determined at a later date. Trading in these securities is done on a yield basis.

TDR
Troubled Debt Restructuring.

Teaser Rate
The initial below-market interest rate offered on an adjustable-rate mortgage in return for the borrower sharing the risk of rising rates during the course of the loan.

Term Federal Funds
Federal funds with a term of more than one business day.

TFR
Thrift Financial Report.

Threshold Rate
Represents the rate established by management policy for a fixed-rate asset category above which new assets may be added and below which lower yielding assets will be sold. Should be tied to policies related to dollar volume and maturity limits.

Thrift Financial Report
The financial report that we require of all savings associations under our jurisdiction; OTS Form 1313.

Thrift Holding Company
See Holding Company.

Tick
Refers to a change in price, either up or down. Synonymous with minimum fluctuation.

Time Deposit
An interest-bearing deposit that will mature on a specific date.

Time-Share Loan
A loan that enables a buyer to take part in a form of real property ownership that grants each of several owners the exclusive right to occupy a housing unit during a specified time period each year. These loans are reported as nonmortgage loans on the TFR.

Time Value
A portion of an option premium unrelated to buying and selling at a more favorable price.

Trade
A term that indicates the consummation of a security transaction, either a purchase or a sale.

Trade Date
The date a security transaction is actually executed.

Trading Account
Securities that you intend to hold principally for the purpose of selling them in the near term. Trading activity includes frequent buying and selling of securities for the purpose of generating profits from price fluctuations. Securities in a trading account must be listed on financial reports at market value.

Tranche
Also called a class. CMOs generally have several bond classes; each bond is considered a separate tranche or class, each with different maturities and/or interest rates and accrual structures.

Troubled Debt Restructuring

A troubled debt restructuring occurs when the financial institution provides the borrower certain concessions that it would not normally consider. The concessions must be in light of the borrower's financial difficulty, and the objective must be to maximize recovery of the institution's investment. Troubled debt restructures are often, but not always, the result of legal proceedings or negotiations between the parties.

Troubled debt restructures include situations in which the reporting association accepts any one of the following:

- A note, secured or unsecured, from a third party in payment of its receivable from the borrower.
- The underlying collateral in payment of the loan, either through foreclosure, other transfer of title, or in-substance foreclosure.
- Other assets in payment of the loan.
- An equity interest in the borrower or its assets in lieu of its receivable.
- A modification of the terms of the debt including, but not limited to any of the following:
    - Reduction in stated interest rate.
    - Extension of maturity at an interest rate below market.
    - Reduction in the face amount of the debt.
    - Reduction in the accrued interest.

A foreclosure or other asset received in payment of a loan is TDR only if a loss is incurred. In calculating whether or not a loss occurred, the fair value of the foreclosed property is compared to the recorded investment in the receivable without deducting valuation allowances or charge-offs.

Treasury Bill

A U.S. government short-term security sold to the public each week at a discount, maturing in 91 to 182 days.

Treasury Bond

See Bond, Treasury.

Treasury Note

A U.S. government long-term security, sold to the public, maturing in one to five years.

Treasury Stock

Stock reacquired by the same company that issued it with the intention of subsequent resale or transfer, such as an Employee Stock Option Plan.

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Unlimited Mortgage

An open-end mortgage; a mortgage not limited to a fixed amount.

Unrealized Gain or Loss

A loss that you have not yet realized because the related asset has not yet been sold or disposed of.

VA

(1) Valuation Allowance. (2) Veterans' Administration.

Valuation Allowance

A contra-asset established against receivables and investments based on the amount expected to be collected. Valuation allowances are established for covering probable and estimably credit losses. *See* Allowance for Loan and Lease Losses, Allowance, Specific Valuation Allowance, and General Valuation Allowance.

FFIEC 031 and 041 A-87 GLOSSARY (9-10) **Trust Preferred Securities:** As bank investments, trust preferred securities are hybrid instruments possessing characteristics typically associated with debt obligations. Although each issue of these securities may involve minor differences in terms, under the basic structure of trust preferred securities a corporate issuer, such as a bank holding company, first organizes a business trust or other special purpose entity. This trust issues two classes of securities: common securities, all of which are purchased and held by the corporate issuer, and trust preferred securities, which are sold to investors. The business trust's only assets are deeply subordinated debentures of the corporate issuer, which the trust purchases with the proceeds from the sale of its common and preferred securities. The corporate issuer makes periodic interest payments on the subordinated debentures to the business trust, which uses these payments to pay periodic dividends on the trust preferred securities to the investors. The subordinated debentures have a stated maturity and may also be redeemed under other circumstances. Most trust preferred securities are subject to mandatory redemption upon the repayment of the debentures.

Trust preferred securities meet the definition of a security in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities"). Because of the mandatory redemption provision in the typical trust preferred security, investments in trust preferred securities would normally be considered debt securities for financial accounting purposes. Accordingly, regardless of the authority under which a bank is permitted to invest in trust preferred securities, banks should report these investments as debt securities for purposes of these reports (unless, based on the specific facts and circumstances of a particular issue of trust preferred securities, the securities would be considered equity rather than debt securities under ASC Topic 320). If not held for trading purposes, an investment in trust preferred securities issued by a single U.S. business trust should be reported in Schedule RC-B, item 6.a, "Other domestic debt securities." If not held for trading purposes, an investment in a structured financial product, such as a collateralized debt obligation, for which the underlying collateral is a pool of trust preferred securities issued by U.S. business trusts should be reported in Schedule RC-B, item 5.b.(1), "Cash instruments," and in the appropriate subitem of Schedule RC-B, Memorandum item 6, "Structured financial products by underlying collateral or reference assets."

U.S. Banks: See "banks, U.S. and foreign."

U.S. Territories and Possessions: United States territories and possessions include American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands.

Valuation Allowance: In general, a valuation allowance is an account established against a specific asset category or to recognize a specific liability, with the intent of absorbing some element of estimated loss. Such allowances are created by charges to expense in the Report of Income and those established against asset accounts are netted from the accounts to which they relate for presentation in the Report of Condition. Provisions establishing or augmenting such allowances are to be reported as "Other noninterest expense" except for the provision for loan and lease losses which is reported in a separate, specifically designated income statement item on Schedule RI.

Variable Interest Entity

A variable interest entity (VIE), as described in ASC Subtopic 810-10, Consolidation – Overall (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. For example, equity ownership in a VIE would be a variable interest as long as the equity ownership is considered to be at risk of loss.

ASC Subtopic 810-10 provides guidance for determining when a bank or other company must consolidate certain special purposes entities, such as VIEs. Under ASC Subtopic 810-10, a savings association must perform a qualitative assessment to determine whether it has a controlling financial interest in a VIE. This must include an assessment of the characteristics of the savings association's variable interest or interests and other involvements (including involvement of related parties and *de facto* agents), if any, in the VIE, as well as the involvement of other variable interest holders. The assessment must also consider the entity's purpose and design, including the risks that the entity was designed to create and pass through to its variable interest holders. In making this assessment, only substantive terms, transactions, and arrangements, whether contractual or noncontractual, are to be considered. Any term, transaction, or arrangement that does not have a substantive effect on an entity's status as a VIE, the savings association's power over a VIE, or the savings association's s obligation to absorb losses or its right to receive benefits of the VIE are to be disregarded when applying the provisions of ASC Subtopic 810-10.

If a savings association 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. An entity is deemed to have a controlling financial interest in a VIE if it has both of the following characteristics:

- The power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance.
- The obligation to absorb losses of the entity that could potentially be significant to the variable interest entity or the right to receive benefits from the entity that could potentially be significant to the variable interest entity.

If a savings association holds a variable interest in a VIE, it must reassess each reporting period to determine whether it is the primary beneficiary. Based on a savings association's reassessment it may be required to consolidate or deconsolidate the VIE if a change in the savings association's status as the primary beneficiary has occurred.

ASC Subtopic 810-10 provides guidance on the initial measurement of a VIE that the primary beneficiary must consolidate. For example, if the primary beneficiary and the VIE are not under common control, the initial consolidation of a VIE that is a business is a business combination and must be accounted for in accordance with ASC Topic 805, Business Combinations (formerly FASB Statement No. 141 (revised 2007), "Business Combinations"). If a bank is required to deconsolidate a VIE, it must follow the guidance for deconsolidating subsidiaries in ASC Subtopic 810-10 (formerly FASB Statement No. 160, "Noncontrolling Interests in Consolidated Financial Statements").

When a savings association is required to consolidate a VIE because it is the primary beneficiary, the standard principles of consolidation apply after initial measurement (see "Rules of Consolidation" in the General Instructions). The assets and liabilities of consolidated VIEs should be reported on the Consolidated Statement of Condition (Schedule SC) in the balance sheet category appropriate to the asset or liability.

Variable Rate

An interest rate on an asset or liability that can be repriced periodically when market interest rates change, without regard to maturity. Also called "floating rate". *See* Adjustable Rate Mortgage.

Variation Margin

See Maintenance Margin.

Voting Stock

Stock for which the holder has the right to vote in the election of directors, the appointment of auditors, and other matters brought up at the annual stockholders' meeting. Most common stock is voting stock; most preferred stock is nonvoting stock.

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Warehouse Loan

A short-term line of credit used by mortgage bankers to fund loans prior to sale. Financial institutions that hold loans as collateral until collateral is delivered to the investor usually provide this type of credit.

Warehousing
Inventory financing. *See* Warehouse Loan.

Weighted Average Coupon (WAC)
The WAC is calculated as a weighted-average of the underlying mortgage interest rates as of the issue date, using the balance of each mortgage as the weighting factor. A WAC is needed only when the underlying mortgages have varying interest rates.

Weighted Average Maturity (WAM)
The weighted average is the remaining term to maturity of the underlying mortgages at the issue date, using the balance of each mortgage as the weighting factor.

Weighted Average Remaining Term
The remaining term to maturity over time as the security ages. This number can be calculated at any point in time. Sometimes weighted average remaining term is mistaken for the weighted average maturity, which is the remaining term at the issue date. The weighted average remaining term must be recalculated each month and is impacted by prepayments.

Whole Loans
Mortgages that are not divided into participation units or pooled to back securities or participation certificates.

Whole Pools
A mortgage certificate where ownership is represented by an entire pool of mortgage loans, as opposed to a fractional interest in a pool.

With Recourse
An agreement where the seller assumes a stated level of risk for the performance of the asset sold; the purchaser has the right to endorse a claim against the seller for sustained damages in the case of nonperformance. *See* Recourse.

Without Recourse
An agreement where the purchaser accepts all risks in the transaction, and gives up rights to any recourse. *See* Recourse.

Wraparound Mortgages
A second mortgage that wraps around, or exists in addition to, a first or other mortgage(s). The lender assumes the existing mortgage(s) thus continues to pay the monthly installments at the original lower interest rate(s), and also loans the purchaser additional money to meet the higher purchase price specified in the contract. The rate charged to the purchaser on the total mortgage amounts is higher than the original rate. This type of mortgage allows the terms of the original mortgage to be satisfied, compensates the seller for the sale of his or her investment, and allows the buyer to purchase a home. The wraparound lender benefits from the below-market rates of the existing mortgage that the lender has assumed while charging the purchaser a higher rate on the full loan.

Wraparound mortgages are also used as a method of obtaining refinancing when an owner wants to increase the amount of mortgage outstanding. In this case the lender assumes the existing mortgage and the borrower enters into a loan in an amount covering both the old mortgage and the additional funds disbursed.

Write-Off
An asset or portion of an asset charged off as a loss because it is determined to be uncollectable. *See* Charge-off.

Write-Up
Increasing an asset's book value by adjusting the value of an asset to correspond to an appraisal or market value. Unrealized gains.

Year-End Adjustment
A ledger account modification entered at the close of a fiscal period. The modification might be the result of an accrual, prepayment, physical inventory, reclassification, policy change, audit adjustment, or other entry.

Yield
The effective annual rate of income being accrued on an investment, expressed as a percentage of the original price.

Yield Adjustment
A portion of the purchase price of an asset that is an adjustment to interest over a specified period, typically over the life of the asset. A yield adjustment is set up in a separate account from the asset and is accreted to income at a rate similar to interest. Examples: Discounts and premiums, loan fees, prepaid interest, etc.

Yield to Maturity
The rate of return earned by a debt instrument held to maturity. The rate of return calculates interest payments reinvested at the coupon rate, and factors in capital gains or losses.

YTD
Year-to-date. Generally designates that income figures are for the year up to a given date, rather than for a shorter period such as a month or a quarter.

Zero Rate
A type of asset or liability that bears no interest. Examples: Commercial checking accounts and vault cash.

Zero-Coupon Bond
See Bond, Zero Coupon.