

## Office of Thrift Supervision



### Office of Thrift Supervision

#### Financial Reporting Division

P.O. Box 619027

Dallas, TX 75261-9027

Fax: 972.277.9596

<http://www.ots.treas.gov>

#### E-mail General Questions:

[tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov)

#### EFS Helpline:

[efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov)

Tollfree: 1.866.314.1744

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# Financial Reporting Bulletin December 2010

## Software CD

Upon receipt, insert the latest software CD dated December 28, 2010, and click on the appropriate tab for your institution: **Thrift Institutions** or **Holding Companies**. The applications available for installation by both Thrifts and Holding Companies are the Electronic Filing System (EFS) 7.9.5, Financial Reports Subscriber (FRS) 5.0, and .NET Framework 3.5.

**Electronic Filing System:** You must install EFS 7.9.5 directly from the CD

**Financial Reports Subscriber:** Beginning January 1, 2011, the legacy FRS 4.5 will no longer be valid for downloading your reports and assessment billings. If you have not already installed or upgraded your system to the FRS 5.0, you should first read the documentation available on the CD to assist in setting up the FRS Administrator and Windows login accounts. Click on [**Getting Started\***] under Financial Reports Subscriber. Print and carefully review the 23-pages of instructions and screen shots. You may need to involve your network administrators or in-house/contract IT personnel for assistance prior to contacting the EFS Helpline.

**.NET Framework 3.5:** This is a one-time installation. The .NET Framework is the source for new FRS secure administration and communications.

The report filing deadlines for December 2010 are as follows:

Report Filing Deadlines	
Monthly Cost of Funds (COF) and Thrift Financial Report (TFR)	Monday, January 31, 2011
Consolidated Maturity/Rate (CMR) and Holding Company (HC) / HOLA 10(I)	Monday, February 14, 2011

The OTS Filing Schedule of Regulatory Reports for 2011 is available on page 4 of this issue of the Financial Reporting Bulletin, and posted on the OTS website at:

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

## December 2010 Report Changes


The instructions for the new Schedule RM (Annual Supplemental Consolidated Data on Reverse Mortgages) are posted on the OTS website under > Publications & Data > Thrift Financial Reports > Instructions and Q&As > [Schedule RM](#), and the report form is available under Report Forms and Bulletins > [2010 Schedule RM](#).

DI580 and DI585 were added to collect the quarter end amount of non interest-bearing transaction accounts of more than \$250,000 by FDIC insured depository institutions.


**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"**

**DI580:** Quarter-End Amount of Noninterest-bearing Transaction Accounts Of More than \$250,000 (Including Balances Swept from Noninterest-bearing Transaction Accounts to Noninterest-bearing Savings Accounts)

**DI585:** Quarter-End Number of Noninterest-bearing Transaction Accounts Of More than \$250,000 (Actual Number)



*"DI580 and DI585 were added to collect the quarter end amount of non interest-bearing transaction accounts of more than \$250,000 by FDIC insured depository institutions."*



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## Amendments to September 2010 Reports

Before you enter any amendments to your TFR, CMR, or HC reports, be sure to discuss them with your Financial Reporting Analyst, who may have questions or further instructions for you. All amendments must be transmitted electronically and should include a detailed Message to OTS explaining the changes to the data and reason for amending the specified report.

Although the instructions allow for 135 days after the cycle closes for prior-period amendments, FRD analysts

may need several days to analyze and process your data. Therefore, we encourage you to file any September 2010 amendments no later than the close of business, Thursday, February 10, 2011.

When contacting anyone at the OTS by e-mail, fax or phone, please remember to include your five-digit docket number within your voice mail message or on the Subject line of all correspondence. This will help us to access our records and assist you in a timely manner.

## January 2011 Assessment Billing Invoices

The January 2011 Office of Thrift Supervision (OTS) assessment invoice will be available through the Financial Reports Subscriber (FRS) software. The amount due, as indicated on the invoice, will be collected on Monday, January 31, 2011. The January 2011 semi-annual assessment covers the period January 1 through June 30, 2011.

*On December 2, 2010, OTS issued TB 48-29, which adjusted the savings association assessment rate schedule for inflation by .8 percent for 2011. The index adjustment will apply only to the first \$18 billion in assets. The assessment schedule also reflects an increase in the lowest base assessment from \$2,345 to \$2,364. The holding company assessment rates remains unchanged.*

Please refer to the related thrift bulletin links if you have additional questions:

TB 48-29      [http://www.ots.treas.gov/\\_files/84307.pdf](http://www.ots.treas.gov/_files/84307.pdf)

TB 48-27      <http://files.ots.treas.gov/84302.pdf>

**NOTE:** The assessment billing invoices will be available solely through the Financial Reports Subscriber (FRS). The invoices **will NOT be mailed**. The FRS is available to all thrifts and HOLA 10(l) holding companies. OTS regulated thrift holding companies will be able to obtain invoices from its thrift financial reporter – the same individual currently using the FRS.

If you need assistance with FRS, please contact the OTS EFS helpline TOLL FREE at 866.314.1744 OR email to: [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov).

If you have any other questions regarding the assessment process, please contact OTS Financial Operations: Savings Associations (202) 906-6780 or Holding Companies (202) 906-7205.

Section 318 of the Dodd Frank Wall Street Reform and Consumer Protection Act directs the Board of Governors of the Federal Reserve System (FRB) to collect assessments for the holding companies with consolidated assets over \$50 billion that is equal to the expenses necessary to carry out the FRB's supervisory and regulatory responsibilities with respect to these companies. The FRB is developing a framework and process to collect these assessments and will publish a statement of its intentions to this effect in early 2011.

**Office of Thrift Supervision**  
**Filing Schedule for 2011 Regulatory Reports**

You can and should complete and transmit your reports  
as soon as possible after the close of the quarter.

*To preclude the OTS's consideration of the assessment of civil money penalties, pursuant to the provisions in 12 U.S.C. § 1464(v)(4)-(7), Reports of condition, please ensure that all TFR reports are filed before the filing deadlines shown below, and are filed accurately in accordance with the instructions.*

Reporting "As Of" Date	<u>F I L I N G   D E A D L I N E</u>			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Wednesday March 2	
February 28			Wednesday March 30	
March 31	Monday May 2	Monday May 16	Monday May 2	
April 30			Tuesday May 31	
May 31			Thursday June 30	
June 30	Monday August 1	Monday August 15	Monday August 1	Monday August 22
July 31			Tuesday August 30	
August 31			Friday September 30	
September 30	Monday October 31	Monday November 14	Monday October 31	
October 31			Wednesday November 30	
November 30			Friday December 30	
December 31	Monday January 30, 2012	Tuesday February 14, 2012	Monday January 30, 2012	

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**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.

**UNSECURED “OTHER BORROWINGS” - WITH A REMAINING MATURITY OF:**

**DI645 ONE YEAR OR LESS**

**DI651 OVER ONE YEAR**

Report the amount of the institution's unsecured "Other borrowings" in the appropriate lines DI645 or DI651 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 institution (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.

**SUBORDINATED DEBENTURES-WITH A REMAINING MATURITY OF:**

**DI655 ONE YEAR OR LESS**

**DI660 OVER ONE YEAR**

Report the amount of the institution's subordinated debentures in the appropriate lines according to the time remaining until their final contractual maturities. Include both fixed rate and floating rate subordinated debentures.

**DI540: TOTAL DAILY AVERAGE OF 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 total daily average for the quarter of gross total deposit liabilities that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. For further information on deposit amounts to be calculated, see the instructions for line DI510. For information on calculating the total daily average for the quarter, see the General Instructions for reporting Deposit Data for Deposit Insurance Assessment Purposes above.

**DI550: TOTAL DAILY AVERAGE OF ALLOWABLE EXCLUSIONS (INCLUDING FOREIGN DEPOSITS)**

Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of allowable exclusions from deposits (as defined in line DI520) if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

**DI560: TOTAL DAILY AVERAGE OF FOREIGN DEPOSITS**

Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of foreign deposits (including International Banking Facility deposits) included in line DI550.

**DEPOSIT DATA FOR THRIFTS PARTICIPATING IN THE TRANSACTION ACCOUNT GUARANTEE PROGRAM COMPONENT OF THE FDIC'S TEMPORARY LIQUIDITY GUARANTEE PROGRAM**

**NOTE: Thrifts will stop reporting data in Schedule DI, Items DI570 and DI575, below, for the Transaction Account Guarantee (TAG) program after the December 31, 2010 TFR Report.**

The following items are to be reported by insured institutions that are participating in (i.e., have not opted out of) the Transaction Account Guarantee Program component of the FDIC's Temporary Liquidity Guarantee Program (TLGP). Thrifts would report noninterest-bearing transaction accounts (as defined in the FDIC's Temporary Liquidity Guarantee Program regulations) of more than \$250,000. (Do not include custodial or escrow accounts on which "pass-through" coverage applies).

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**DI570: AVERAGE DAILY AMOUNT OF NONINTEREST-BEARING TRANSACTION ACCOUNTS OF MORE THAN \$250,000 (INCLUDING BALANCES SWEEPED FROM NONINTEREST-BEARING TRANSACTION ACCOUNTS TO NONINTEREST-BEARING SAVINGS ACCOUNTS)****DI575: AVERAGE DAILY NUMBER OF NONINTEREST-BEARING TRANSACTION ACCOUNTS OF MORE THAN \$250,000****Background**

On June 22, 2010, the FDIC adopted a final rule extending the Transaction Account Guarantee (TAG) component of the Temporary Liquidity Guarantee Program for six months, through December 31, 2010, with the possibility of extending the program for up to an additional 12 months without further rulemaking. For institutions choosing to remain in the TAG Program, the final rule modified the basis for calculating assessments to one that uses average daily balances in TAG-eligible accounts beginning in the third quarter of 2010.

**Reporting Requirements**

At present, institutions participating in the TAG Program report the amount and number of qualifying noninterest-bearing transaction accounts of more than \$250,000 as of the quarter-end report date in Thrift Financial Report (TFR) Schedule DI, items DI570 and DI575. Beginning with the September 30, 2010, TFR the total dollar amount of TAG-eligible accounts and the total number of accounts must be reported as average daily balances.

The amounts to be reported as daily averages are the total dollar amount of the noninterest-bearing transaction accounts, as defined in 12 C.F.R. 370.2(h), of more than \$250,000 for each calendar day during the quarter divided by the number of calendar days in the quarter. For days that an office of the reporting institution is closed (e.g., Saturdays, Sundays, or holidays), the amounts outstanding from the previous business day would be used. The total number of accounts to be reported should be calculated on the same basis.

Documentation supporting the amounts used in the calculation of the average daily balance amounts must be retained and be readily available upon request by the FDIC or the Office of Thrift Supervision. **In addition, all insured depository institutions that do not opt out of the TAG Program must establish procedures to gather the necessary daily data beginning July 1, 2010.**

**Rounding**

The *Average Daily Number of Accounts* must be reported to two decimal places.

**Example 1 - What accounts do I include?**

In this example, an institution has only 10 accounts that are potentially TAG-eligible [as defined in 12 C.F.R. 370.2(h)] on any day during the quarter. Due to fluctuating balances, accounts are above and below the \$250,000 threshold throughout the quarter. The institution will determine for each day during the quarter the balances and number of accounts that are TAG-eligible (that is, over \$250,000) and include only those accounts in their calculations:

Qualifying Noninterest-Bearing Transaction Accounts	July 1	July 2	July 3 (Saturday)	July 4 (Sunday)	July 5 (Holiday)	July 6	92 Day Totals
Account A	275,000	75,000	75,000	75,000	75,000	25,000	
Account B	50,000	450,000	450,000	450,000	450,000	200,000	
Account C	275,000	225,000	225,000	225,000	225,000	1,000,000	
Account D	750,000	1,500,000	1,500,000	1,500,000	1,500,000	2,000,000	
Account E	3,000,000	3,250,000	3,250,000	3,250,000	3,250,000	50,000	
Account F	450,000	35,000	35,000	35,000	35,000	3,000,000	
Account G	600,000	75,000	75,000	75,000	75,000	500,000	
Account H	25,000	425,000	425,000	425,000	425,000	255,000	
Account I	450,000	30,000	30,000	30,000	30,000	375,000	
Account J	600,000	600,000	600,000	600,000	600,000	2,500,000	
Total Amount of TAG-Eligible Accounts (i.e., accounts with balances over \$250,000)	6,400,000	6,225,000	6,225,000	6,225,000	6,225,000	9,630,000	644,000,000
Total Number of TAG-Eligible Accounts (i.e., number of accounts with balances over \$250,000)	8	5	5	5	5	7	554

Highlighted accounts are TAG-eligible (over \$250,000) on that day.

Using the information in the table above, the average daily amount would be calculated as follows:

The sum of "Total Amount of TAG-Eligible Accounts" for each day in the quarter (\$644,000,000)	=	Average Daily Amount of TAG-Eligible Accounts to be Reported in the TFR
Number of days in the quarter (92)		(7,000,000)



The average daily number of accounts would be calculated as follows:

$$\frac{\text{The sum of "Total Amount of TAG-Eligible Accounts" for each day in the quarter (554)}}{\text{Number of days in the quarter (92)}} = \text{Average Daily Amount of TAG-Eligible Accounts to be Reported in the TFR (6.02)}$$

The institution's resulting TAG assessment base would equal \$5,495,000 (this amount is calculated by the FDIC and would not be reported in the TFR):

$$\$7,000,000 - (\$250,000 \times 6.02) = \$5,495,000$$

**Example 2 – If I have accounts that are not open or TAG-eligible for the entire quarter, how do I report?**

For this example, assume that the institution has only a single qualifying account and that this is a 90 day quarter.

If the qualifying account had a balance of zero for 60 days and a balance of \$1,200,000 for 30 days, the average daily amount to be reported in the TFR would be \$400,000:

$$\frac{(\$0 \times 60 \text{ days}) + (\$1,200,000 \times 30 \text{ days})}{90 \text{ days}} = \$400,000$$

The average daily number of accounts to be reported in the TFR would be 0.33:

$$\frac{(0 \text{ accounts} \times 60 \text{ days}) + (1 \text{ account} \times 30 \text{ days})}{90 \text{ days}} = 0.33 \text{ accounts}$$

The institution's resulting TAG assessment base would equal \$317,500 (this amount is calculated by the FDIC and would not be reported in the TFR):

$$\$400,000 - (\$250,000 \times 0.33) = \$317,500$$

**Example 3 – If I have TAG-eligible accounts during the quarter, but the average daily amount is less than \$250,000, how do I report?**

If the average daily amount is less than \$250,000, the amount should still be reported in the TFR and an assessment will apply based on the fact that TAG-eligible accounts were present during the quarter.

For this example, assume that the institution has only a single qualifying account and that this is a 90 day quarter.

If the qualifying account had a balance of \$100,000 for 45 days and a balance of \$400,000 for 45 days, the account would only be included in the calculations for those 45 days on which the balance was over \$250,000. The account would not be included in the calculations when the balance was \$250,000 or less. The average daily amount to be reported in this example would be \$200,000:

$$\frac{(\$0 \times 45 \text{ days}) + (\$400,000 \times 45 \text{ days})}{90 \text{ days}} = \$200,000$$

The average daily number of accounts to be reported would be 0.50:

$$\frac{(0 \text{ accounts} \times 45 \text{ days}) + (1 \text{ account} \times 45 \text{ days})}{90 \text{ days}} = 0.50 \text{ accounts}$$

The institution’s resulting TAG assessment base would equal \$75,000 (this amount is calculated by the FDIC and would not be reported in the TFR):

$$\$200,000 - (\$250,000 \times 0.50) = \$75,000$$

**Example 4 - How do I handle joint accounts or other accounts which have more than \$250,000 of basic FDIC insurance coverage?**

An institution may exclude noninterest-bearing transaction accounts with a balance of more than \$250,000 if the entire balance in the account is fully insured under the FDIC’s deposit insurance rules, such as joint account relationship rules or “pass-through” insurance coverage rules. In noninterest-bearing transaction accounts with a balance of more than \$250,000 where the entire balance is not fully insured, an institution may exclude any amounts over \$250,000 that are otherwise insured under the FDIC’s 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 work papers for this report.

<i>Qualifying Noninterest-Bearing Transaction Accounts</i>	<i>Account Balance</i>	<i>FDIC Insurance Limit</i>	<i>TAG Program Reporting</i>
<i>Mr. John Smith</i>	<i>300,000</i>	<i>250,000</i>	<i>The entire account balance is included in TAG Program reporting calculations.</i>
<i>Mr. and Mrs. John Smith</i>	<i>300,000</i>	<i>500,000</i>	<i>Because the account balance would be fully insured under deposit insurance rules, coverage under the TAG Program is not needed. The account and the entire account balance may be excluded from TAG Program reporting calculations. Otherwise, the entire account balance is included in the TAG Program reporting calculations.</i>
<i>Mr. and Mrs. James Jones</i>	<i>1,000,000</i>	<i>500,000</i>	<i>The additional coverage afforded by the joint accountholder may be excluded from TAG Program reporting calculations. The institution may report \$750,000 for this account. Otherwise, the entire account balance is included in the TAG Program reporting calculations.</i>

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## **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 institution, 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.”

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; a money market deposit account (MMDA) as defined in Federal Reserve Regulation D; or an interest on Lawyers

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.

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However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearing 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.

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## SCHEDULE RM – ANNUAL SUPPLEMENTAL CONSOLIDATED DATA ON REVERSE MORTGAGES

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

Starting as of December 31, 2010 complete this schedule annually.

### RM010: DO YOU HAVE ANY REVERSE MORTGAGE LOAN ACTIVITY FOR THE CALENDAR YEAR TO REPORT IN THIS SCHEDULE?

Please read the entire set of instructions and Thrift Financial Report line items before responding to the initial inquiry RM010.

Respond **No** if you have no loans or referrals meeting the definitions of *reverse mortgage loans* as defined in this schedule. If you respond **No**, you **should not** complete any other lines in this schedule.

Respond **Yes**, if you have loans or referrals to report in Schedule RM. Please note that you report certain line items for the entire calendar year and certain line items as of the end of the year.

Reverse mortgages are used by homeowners age 62 or older to convert a portion of the equity in their homes into a source of income. The borrower receives the cash flow in monthly payments or a line of credit. A reverse mortgage is a non-recourse loan, which means if the balance of the loan exceeds the value of the property; the lender may not seek recourse for the excess amount owed. Furthermore, homeowners do not have to repay the reverse mortgage until they are no longer occupying the home as a primary residence. On August 16, 2010, OTS in conjunction with the federal banking agencies and Federal Financial Institutions Examination Council (FFIEC) issued *New Directions 10-20: Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks*.

The U.S. Department of Housing and Urban Development (“HUD”) created one of the first reverse mortgage programs administrated through the Federal Housing Administration (“FHA”). The FHA underwrites and insures the largest volume of reverse mortgages through its “Home Equity Conversion Mortgage” (“HECM”) product. On November 25, 2009, HUD announced that the national FHA loan limit

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for the HECM in 2010 remains at \$650,000.<sup>1</sup> **Report HECM loans on lines RM110, RM310, RM330, RM420, RM510, RM610, RM620, and RM630.**

**Report all other (Non-HECMs) reverse mortgage programs as “Proprietary” on lines RM112, RM312, RM332, RM422, RM512, RM612, RM622, and RM632.** This includes reverse mortgage loan products developed by private companies and Fannie Mae’s former reverse mortgage product known as “The Home Keeper Mortgage.” On September 3, 2008, FNMA announced to its reverse mortgage lenders that they planned to terminate “The Home Keeper Mortgage” product, effective December 31, 2008.<sup>2</sup> In addition, include any state or local government products.

Complete Schedule RM on a consolidated basis from the savings association downward to any consolidated service corporation involved in reverse mortgage activities. Do not consolidate your holding company in this schedule. You should apply generally accepted accounting principles (GAAP) unless we specifically state otherwise in these instructions.

**RM010: Do you have any reverse mortgage loan activity for the calendar year to report in this Schedule?**

### **AMOUNT OF MORTGAGE LOANS OUTSTANDING:**

#### **RM110: Amount of Home Equity Conversion Mortgage Loans**

Report the amount of outstanding HECMs as of December 31.

#### **RM112: Amount of Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the amount of outstanding Proprietary (Non-HECM) mortgage loans as of December 31.

### **ANNUAL INTEREST INCOME FROM:**

#### **RM310: Home Equity Conversion Mortgage Loans**

Report the annual interest income related to HECMs for the calendar year-to-date.

#### **RM312: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the annual interest income related to Proprietary (Non-HECM) reverse mortgages for the calendar year-to-date.

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<sup>1</sup> Reference HUDs MORTGAGEE LETTER 2009-50, dated November 25, 2009 at [www.hud.gov](http://www.hud.gov) for details.

<sup>2</sup> Fannie Mae’s Reverse Lender Letter 2008-3: Announcement to Terminate Purchase of Home Keeper Reverse Mortgages.

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**NUMBER OF REFERRALS OVER THE CALENDAR YEAR TO ANOTHER LENDER FROM WHOM YOU RECEIVED COMPENSATION FOR SERVICES PERFORMED FOR THE LENDER IN CONNECTION WITH THE LENDER'S ORIGINATION OF THE REVERSE MORTGAGE:****RM330: Home Equity Conversion Mortgage Loans**

Report the number of referrals to another lender over the calendar year from whom you received compensation for services performed for the lender in connection with the lender's origination of the reverse mortgage.

**RM332: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the number of referrals to other lenders during the calendar year from whom you received compensation for services performed for the other lender in connection with the other lender originating the reverse mortgage.

**ANNUAL ORIGINATION FEE INCOME FROM:****RM420: Home Equity Conversion Mortgage Loans**

Report the annual origination fee income related to HECMs for the calendar year-to-date.

**RM422: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the annual origination fee income related to Proprietary (Non-HECM) mortgage loans for the calendar year-to-date.

**COMMITMENTS OUTSTANDING TO ORIGINATE MORTGAGES SECURED BY:****RM510: Home Equity Conversion Mortgage Loans**

Report the amount of commitments outstanding to originate HECMs as of December 31.

**RM512: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the amount of commitments outstanding to originate Proprietary (Non-HECM) mortgage loans as of December 31.

**ANNUAL MORTGAGE LOANS DISBURSED FOR PERMANENT LOANS ON:****RM610: Home Equity Conversion Mortgage Loans**

Report the total originations of Home Equity Conversion Mortgage Loans for the calendar year.

**RM612: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the total originations of proprietary loans for the calendar year.

**ANNUAL LOANS AND PARTICIPATIONS PURCHASED  
SECURED BY:****RM620: Home Equity Conversion Mortgage Loans**

Report the annual loans and participations purchased secured by HECMs for the calendar year to date.

**RM622: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the annual loans and participations purchased secured by proprietary loans for the calendar year to date.

**ANNUAL LOANS AND PARTICIPATIONS SOLD SECURED  
BY:****RM630: Home Equity Conversion Mortgage Loans**

Report the annual loans and participations sold secured by HECMs for the calendar year to date.

**RM632: Proprietary (Non-HECM) Reverse Mortgage Loans**

Report the annual loans and participations sold secured by proprietary loans for the calendar year to date.