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**Draft Instructions
for the Proposed New and Revised Call Report Items
for March 31, 2009**

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NOTE: Draft instructions for the other proposed revisions to the Call Report for March 31, 2009 (new items for held-for-investment loans and leases acquired in business combinations, revisions to several report schedules for financial reporting changes applicable to noncontrolling (minority) interests in consolidated subsidiaries, and instructional guidance on quantifying misstatements in the Call Report) will be released as they become available.

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NOTE: The agencies have proposed that, effective March 31, 2009, the following Call Report items will be completed only by banks with \$1 billion or more in total assets:

- Schedule RI, Memorandum item 2, "Income from the sale and servicing of mutual funds and annuities (in domestic offices)."
- Schedule RC-B, Memorandum items 5.a through 5.f, "Asset-backed securities," on the FFIEC 031 report. (Banks with less than \$1 billion in total assets are currently exempt from completing these Memorandum items on the FFIEC 041 report.)
- Schedule RC-L, item 2.a, "Amount of financial standby letters of credit conveyed to others."
- Schedule RC-L, item 3.a, "Amount of performance standby letters of credit conveyed to others."

Schedule RC – Balance Sheet

Memoranda

Item No. Caption and Instructions

- 2 **Bank's fiscal year-end date.** *(To be reported only with the March Report of Condition.)*
Report the bank's fiscal year-end date (month and day) for financial reporting purposes. For example, a bank whose fiscal year ends on June 30 would report 0630 in this Memorandum item.

Schedule RC-L – Derivatives and Off-Balance Sheet Items

Item No. Caption and Instructions

- 1 **Unused commitments.** Report in the appropriate subitem the unused portions of commitments. Unused commitments are to be reported gross, i.e., include in the appropriate subitem the amounts of commitments acquired from and conveyed to others.

For purposes of this item, commitments include:

- (1) Commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions.
- (2) Commitments for which the bank has charged a commitment fee or other consideration.
- (3) Commitments that are legally binding.
- (4) Loan proceeds that the bank is obligated to advance, such as:
 - (a) Loan draws;
 - (b) Construction progress payments; and
 - (c) Seasonal or living advances to farmers under prearranged lines of credit.
- (5) Rotating, revolving, and open-end credit arrangements, including, but not limited to, retail credit card lines and home equity lines of credit.
- (6) Commitments to issue a commitment at some point in the future, including commitments that have been entered into even though the related loan agreement has not yet been signed.

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Schedule RC-L – Derivatives and Off-Balance Sheet Items (cont.)

Item No. Caption and Instructions

- 1
(cont.)
- (7) Overdraft protection on depositors' accounts offered under a program where the bank advises account holders of the available amount of overdraft protection, for example, when accounts are opened or on depositors' account statements or ATM receipts.
 - (8) The bank's own takedown in securities underwriting transactions.
 - (9) Revolving underwriting facilities (RUFs), note issuance facilities (NIFs), and other similar arrangements, which are facilities under which a borrower can issue on a revolving basis short-term paper in its own name, but for which the underwriting banks have a legally binding commitment either to purchase any notes the borrower is unable to sell by the rollover date or to advance funds to the borrower.

Exclude forward contracts and other commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133, which should be reported in Schedule RC-L, item 12. Include the amount (not the fair value) of the unused portions of loan commitments that do not meet the definition of a derivative that the bank has elected to report at fair value under a fair value option. Also include forward contracts that do not meet the definition of a derivative.

The unused portions of commitments are to be reported in the appropriate subitem regardless of whether they contain "material adverse change" clauses or other provisions that are intended to relieve the issuer of its funding obligations under certain conditions and regardless of whether they are unconditionally cancelable at any time.

In the case of commitments for syndicated loans, report only the bank's proportional share of the commitment.

For purposes of reporting the unused portions of revolving asset-based lending commitments, the commitment is defined as the amount a bank is obligated to fund – as of the report date – based on the contractually agreed upon terms. In the case of revolving asset-based lending, the unused portions of such commitments should be measured as the difference between (a) the lesser of the contractual borrowing base (i.e., eligible collateral times the advance rate) or the note commitment limit, and (b) the sum of outstanding loans and letters of credit under the commitment. The note commitment limit is the overall maximum loan amount beyond which the bank will not advance funds regardless of the amount of collateral posted. This definition of "commitment" is applicable only to revolving asset-based lending, which is a specialized form of secured lending in which a borrower uses current assets (e.g., accounts receivable and inventory) as collateral for a loan. The loan is structured so that the amount of credit is limited by the value of the collateral.

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Schedule RC-T – Fiduciary and Related Services

General Instructions

This schedule should be completed on a fully consolidated basis, i.e., including any trust company subsidiary (or subsidiaries) of the reporting institution. For report dates through December 31, 2008, the information reported in Schedule RC-T, items 12 through 18, 19.a (on the FFIEC 031), and 20 through 23, on fiduciary and related services income and in all of Memorandum item 4 on fiduciary settlements, surcharges, and other losses will not be made available to the public on an individual institution basis. Beginning with the March 31, 2009, report date, all of the information reported in Schedule RC-T for each bank will be publicly available.

NOTE: Comparable changes would be made to the instructions for reporting Fiduciary and Related Services Income and “Fiduciary settlements, surcharges, and other losses” in Schedule RC-T.

Glossary

Loan Secured by Real Estate: For purposes of these reports, a loan secured by real estate is a loan secured wholly or substantially by a lien or liens on real property for which the lien or liens are central to the extension of the credit – that is, the borrower would not have been extended credit in the same amount or on terms as favorable without the lien or liens on real property. To be considered wholly or substantially secured by a lien or liens on real property, the estimated value of the real estate collateral (after deducting any more senior liens) must be greater than 50 percent of the principal amount of the loan at origination. A loan satisfying the criteria above, except a loan to a state or political subdivision in the U.S., is to be reported as a loan secured by real estate in the Reports of Condition and Income, (1) regardless of whether the loan is secured by a first or a junior lien; (2) regardless of the department within the bank or bank subsidiary that made the loan; (3) regardless of how the loan is categorized in the bank’s records; (4) and regardless of the purpose of the financing. Only in a transaction where a lien or liens on real property (with an estimated collateral value greater than 50 percent of the loan’s principal amount at origination) have been taken as collateral solely through an abundance of caution and where the loan terms as a consequence have not been made more favorable than they would have been in the absence of the lien or liens, would the loan not be considered a loan secured by real estate for purposes of the Reports of Condition and Income. In addition, when a loan is partially secured by a lien or liens on real property, but the estimated value of the real estate collateral (after deducting any more senior liens) is 50 percent or less of the principal amount of the loan at origination, the loan should not be categorized as a loan secured by real estate. Instead, the loan should be reported in one of the other loan categories used in these reports based on the purpose of the loan.