

SCHEDULE RC-P – CLOSED-END 1-4 FAMILY RESIDENTIAL MORTGAGE BANKING ACTIVITIES

General Instructions

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

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

For a bank with less than \$1 billion in total assets, the bank must complete Schedule RC-P beginning the second quarter in which the \$10 million threshold is exceeded and continue to complete the schedule through the end of the calendar year. For example, if the bank's closed-end first and junior lien 1-4 family residential mortgage loan originations and purchases for resale from all sources exceeded \$10 million during the quarter ended June 30, 2006, and the bank's sales of such loans exceeded \$10 million during the quarter ended September 30, 2006, the bank would be required to complete Schedule RC-P in its September 30 and December 31, 2006, Call Reports. If its total assets remain less than \$1 billion, the level of this bank's mortgage banking activities during the fourth quarter of 2006 and the first quarter of 2007 would determine whether it would need to complete Schedule RC-P each quarter during 2007 beginning March 31, 2007.

For purposes of Schedule RC-P, closed-end 1-4 family residential mortgage loans are defined in Schedule RC-C, part I, item 1.c.(2), "Closed-end loans secured by 1-4 family residential properties." All closed-end 1-4 family residential mortgage loans secured by junior (i.e., other than first) liens should be reported as junior liens in Schedule RC-P even if the bank has also originated or purchased a loan secured by a first lien on the same 1-4 family residential property and there are no intervening junior liens.

On the FFIEC 031 report form, report closed-end 1-4 family residential mortgage banking activities in domestic offices only.

Item Instructions

Item No. Caption and Instructions

- 1** **Retail originations during the quarter of closed-end 1-4 family residential mortgage loans for sale.** Report in the appropriate subitem the principal amount of retail originations of closed-end 1-4 family residential mortgage loans for resale during the calendar quarter ending on the report date. Include as retail originations those closed-end 1-4 family residential mortgage loans for which the origination and underwriting process was handled exclusively by the bank or a consolidated subsidiary of the bank.
- Exclude closed-end 1-4 family residential mortgage loans originated or purchased for the reporting bank's own loan portfolio.
- 1.a** **First liens.** Report the principal amount of retail originations of closed-end first lien 1-4 family residential mortgage loans for resale during the calendar quarter.
- 1.b** **Junior liens.** Report the principal amount of retail originations of closed-end junior lien 1-4 family residential mortgage loans for resale during the calendar quarter.

Item No. Caption and Instructions

2 Wholesale originations and purchases during the quarter of closed-end 1–4 family residential mortgage loans for sale. Report in the appropriate subitem the principal amount of wholesale originations and purchases of closed-end 1-4 family residential mortgage loans for resale during the calendar quarter ending on the report date. Include as wholesale originations and purchases those closed-end 1-4 family residential mortgage loans for resale for which the origination and underwriting process was handled in whole or in part by another party, such as a correspondent or mortgage broker, even if the loan was closed in the name of the bank or a consolidated subsidiary of the bank (often referred to as “table funding arrangements”). Also include acquisitions of closed-end 1-4 family residential mortgage loans for resale that were closed in the name of a party other than the bank or a consolidated subsidiary of the bank. However, if the reporting bank is acting merely as a broker or agent and forwards loan applications and supporting documentation to another party who closes or funds the loans in its name (even if the reporting bank has some involvement in processing and underwriting the loans), the reporting bank should not report these loans as originations or purchases in this schedule.

Exclude closed-end 1-4 family residential mortgage loans originated or purchased for the reporting bank’s own loan portfolio.

2.a First liens. Report the principal amount of wholesale originations and purchases of closed-end first lien 1-4 family residential mortgage loans for resale during the calendar quarter.

2.b Junior liens. Report the principal amount of wholesale originations and purchases of closed-end junior lien 1-4 family residential mortgage loans for resale during the calendar quarter.

3 Closed-end 1–4 family residential mortgage loans sold during the quarter. Report in the appropriate subitem the principal amount of closed-end 1-4 family residential mortgage loans sold during the calendar quarter ending on the report date. Include transfers of closed-end 1-4 family residential mortgage loans originated or purchased for resale from retail or wholesale sources that have been accounted for as sales in accordance with FASB Statement No. 140, i.e., those transfers where the loans are no longer included in the bank’s consolidated total assets. Also include all sales during the quarter of closed-end 1-4 family residential mortgage loans directly from the bank’s loan portfolio. For further information, see the Glossary entry for “transfers of financial assets.”

3.a First liens. Report the principal amount of closed-end first lien 1-4 family residential mortgage loans sold during the calendar quarter.

3.b Junior liens. Report the principal amount of closed-end junior lien 1-4 family residential mortgage loans sold during the calendar quarter.

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

4.a First liens. Report the carrying amount of closed-end first lien 1-4 family residential mortgage loans held for sale at quarter-end.

4.b Junior liens. Report the carrying amount of closed-end junior lien 1-4 family residential mortgage loans held for sale at quarter-end.

Item No. **Caption and Instructions**

- 5** **Noninterest income for the quarter from the sale, securitization, and servicing of closed-end 1-4 family residential mortgage loans.** Report the noninterest income earned during the calendar quarter ending on the report date from mortgage banking activities involving closed-end 1-4 family residential mortgage loans. Include the portion of the consolidated bank's "Net servicing fees," "Net securitization income," and "Net gains (losses) on sales of loans and leases" (items 5.f, 5.g, and 5.i of Schedule RI) earned during the quarter that is attributable to closed-end 1-4 family residential mortgage loans.