

**Supporting Statement for  
the Weekly Report of Selected Assets and Liabilities of Domestically Chartered  
Commercial Banks and U.S. Branches and Agencies of Foreign Banks  
(FR 2644; OMB No. 7100-0075)**

**Summary**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with major revision, the Weekly Report of Selected Assets (FR 2644; OMB No. 7100-0075). The FR 2644 is a 21-item balance sheet report that is collected as of each Wednesday from an authorized stratified sample of 1,100 domestically chartered commercial banks. The Federal Reserve also proposes to discontinue two reports:

- The Weekly Report of Assets and Liabilities for Large Banks (FR 2416; OMB No. 7100-0075)
- The Weekly Report of Assets and Liabilities for Large U.S. Branches and Agencies of Foreign Banks (FR 2069; OMB No. 7100-0030).

These three voluntary reports, which are commonly referred to as the bank credit reports, have been the primary source of high-frequency data used in the analysis of current banking developments. The FR 2416 data are used on a stand-alone basis to construct the large domestically chartered bank series. The other two reports collect sample data that are used to estimate universe levels using data from the quarterly commercial bank Consolidated Reports of Condition and Income (FFIEC 031 and 041; OMB No. 7100-0036) and the Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002; OMB No. 7100-0032) (Call Reports). Data from all three bank credit reports, together with data from other sources, are used to construct weekly estimates of bank credit, balance sheet data for the U.S. banking industry, sources and uses of banks' funds, and to analyze banking developments.

The Federal Reserve proposes to combine the three bank credit reporting forms into one reporting form, the proposed Weekly Report of Selected Assets and Liabilities of Domestically Chartered Commercial Banks and U.S. Branches and Agencies of Foreign Banks (FR 2644; OMB No. 7100-0075). This report would be collected from an authorized stratified sample of 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks. The new panel would be significantly smaller than the authorized sample of 1,220 respondents for the current family of reports. The proposed FR 2644 report would be filed by each institution selected for the reporting panel, regardless of its asset size or charter type, and would consist of 34 data items. Improvements to the reporting scheme would include increasing flexibility in analyzing weekly reported bank balance sheet data, adapting the report to fair value accounting as prescribed under the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), improving the data detail on securities, and eliminating data items that are no longer needed at a weekly frequency.

The annual reporting burden for the proposed FR 2644 report is estimated to be 120,575 hours, an increase of 2,977 hours from the current burden of 117,598 hours. Copies of the proposed

FR 2644 reporting form and instructions are attached. The current reporting forms and instructions for the bank credit reports are located on the Board's website at [www.federalreserve.gov/boarddocs/reportforms/default.cfm](http://www.federalreserve.gov/boarddocs/reportforms/default.cfm). The first report for the proposed FR 2644 would be as of July 1, 2009.

## **Background and Justification**

### **Weekly Report of Assets and Liabilities for Large Banks (FR 2416)**

The FR 2416 has had one of the longest histories among banking time series, beginning in 1917 when about 600 domestically chartered commercial banks began reporting weekly to inform those in charge of the war effort about changing monetary and credit conditions. Over the subsequent decades the FR 2416 evolved to reflect the changing needs for data to analyze loan and security portfolios, bank liquidity, deposit flows, liability management, and regional developments. Because commercial banks play a pivotal role in the transmission of monetary policy, the Federal Reserve System needs high frequency data from which a balance sheet for the whole banking system can be constructed. The FR 2416 has provided these data for large domestically chartered commercial banks for many years.

With industry assets increasingly concentrated at fewer banks, the number of banks on the FR 2416 panel has been reduced over time. Since the late 1970s, the FR 2416 reporting panels have been selected to include about 50 percent of the domestic assets at domestically chartered commercial banks.

### **Weekly Report of Assets and Liabilities for Large U.S. Branches and Agencies of Foreign Banks (FR 2069)**

The Federal Reserve began collecting monthly balance sheet data from U.S. branches and agencies of foreign banks in November 1972. In 1978 Congress passed the International Banking Act, which led to increased regulation of U.S. branches and agencies of foreign banks. Recognizing the growing importance of these entities in the U.S. banking system, in 1979 the Board broadened several statistical measures of banking activity to include these foreign-related institutions.

Weekly data on major asset and liability data items were collected from a sample of branches and agencies beginning in 1979 to provide advance estimates of bank credit and nondeposit funds. When the quarterly Call Report (FFIEC 002) was substituted for the monthly report in June 1980, the reporting panel for the weekly reporting form (at that time, the FR 2049) was expanded. In July 1981 the current FR 2069 replaced the FR 2049, providing a weekly balance sheet for the 50 largest branches and agencies. The FR 2069 was revised in January 1986, and about 15 large branches and agencies were added to the reporting panel.

The entire FR 2069 panel functions as a single sample for estimating the universe of branches and agencies. There is no stratification by size or by parent country. However, in the years preceding the 1995 renewal, the panel was over sampled with Japanese branches and agencies. As a result, when growth at these institutions differed noticeably from that at non-Japanese branches and agencies, the resulting universe estimates were distorted. In October 1996, this problem was

addressed with the addition of twenty large, non-Japanese institutions. As a result, the coverage of total assets at all U.S. branches and agencies rose from about two-thirds to about three-fourths.

### **Weekly Report of Selected Assets (FR 2644)**

Data from the FR 2644 are currently used to estimate the domestic balance sheet of domestically chartered banks that do not report on the FR 2416, commonly referred to as “small banks.” The Federal Reserve has collected data from small banks since January 1946. At first the panel consisted of the universe of small member banks, which reported on a monthly (last Wednesday) basis. Beginning in 1959 the panel reported on a semi-monthly basis (mid and last Wednesdays of the month). Then, beginning in 1969, the panel reported on a weekly basis (as of Wednesday).

In 1979 a two-tier system of reporting was adopted. A stratified sample of 400 member banks reported nine data items (including loans, securities, total assets, and large time deposits) on the FR 2644s. All other small member banks reported three data items (securities, loans, and total assets) on the FR 2644. Each Reserve Bank compiled an aggregate balance sheet for banks within their district, drawing on data from the FR 2644s and FR 2644 as well as from other surveys (including the FR 2416 and the quarterly Call Report). The district data were used to compile a national total.

The general framework for the current FR 2644 was established in 1984. At that time the Federal Reserve decided to use the sample approach to estimate bank credit for the universe of all small banks. A stratified sample of 1,100 banks, including nonmember banks for the first time, was selected. Over the years the respondent panel and data items collected on the FR 2644 were modified as appropriate.

### **Description of Information Collection**

The FR 2416 reporting form currently collects 44 balance sheet items from 33 respondents as of each Wednesday from an authorized sample of 50 large domestically chartered commercial banks. The FR 2069 reporting form currently collects 26 balance sheet items from 64 respondents as of each Wednesday from an authorized sample of 70 U.S. branches and agencies of foreign banks. The FR 2644 reporting form currently collects 21 balance sheet items from 984 respondents as of each Wednesday from an authorized stratified sample of 1,100 domestically chartered commercial banks that do not report the FR 2416.

### **Proposed Discontinuance of the FR 2416 and the FR 2069**

The Federal Reserve proposes to combine the three bank credit reports into a single reporting form to be filed by all weekly reporting institutions. The current FR 2416 and FR 2069 reporting forms would be discontinued. The current reporting panels for these reporting forms would be shifted to the proposed FR 2644 reporting panel and notified that either the FR 2416 or FR 2069 reporting form had been replaced with the proposed FR 2644 reporting form.

## Proposed Revisions to the FR 2644

The Federal Reserve proposes to combine the three bank credit reports into a single reporting form that would be filed by all selected weekly reporters of bank credit data (large domestically chartered commercial banks, small domestically chartered commercial banks, and U.S. branches and agencies of foreign banks). The Federal Reserve anticipates that this combination would remove the report-related constraints that make it difficult to analyze bank behavior without significantly reducing the accuracy of the resulting bank credit aggregates. If all reporters submit the same data, the Federal Reserve could more readily create balance sheet data for differing analysis panels of interest, which would be defined by current conditions. For example, an analysis panel might consist of: (1) all weekly reporters in the top ten holding companies; (2) the 25 largest domestically chartered banks or U.S. branches and agencies of foreign banks; (3) the top banks with highly concentrated real estate loan portfolios; (4) all weekly reporting commercial banks that are affiliated with large investment banks; or (5) regional banks. Currently, because respondents do not provide the same data item detail, the Federal Reserve must estimate some data item detail for individual banks when grouping institutions from different reporting panels. For example, in order to study a group of banks consisting of some large and some small domestic banks, the Federal Reserve must first estimate some data item detail for each small domestic bank.<sup>1</sup> If all reporters of bank credit data provided the same data item detail, institutions could be grouped for study without regard for reporting panels.

In addition to combining the reporting panels, the Federal Reserve proposes to:

- adapt this family of reports to fair value accounting by asking banks to include loans and securities held in trading accounts in the appropriate loan or security component<sup>2</sup>,
- include data items on securities by issuer and type of security instead of by account type (investment account versus trading account),
- include more detail on mortgage-backed securities (broken out by issuer and collected from all banks),
- include more data item detail for small domestically chartered banks and U.S. branches and agencies of foreign banks, and
- delete 10 data items, on net, currently collected on the FR 2416 reporting form that are no longer needed on a weekly basis.

The proposed FR 2644 reporting form would consist of 34 data items, an increase of 13 data items over the current FR 2644 reporting form. The 13 additional data items are:

- cash and balances due from depository institutions,
- mortgage-backed securities reported by issuer (U.S. and other),
- federal funds sold and reverse repurchase agreements reported by counterparty (commercial banks and others),
- allowance for loan and lease losses,
- trading assets,

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<sup>1</sup> Large domestically chartered commercial banks currently provide 44 balance sheet items each week while small domestically chartered banks provide 21 items.

<sup>2</sup> FAS 159 allows banks to apply the fair value option to loans they originate or purchase. Beginning in March 2008, banks may report these loans as either trading assets or loans on the Call Report.

- derivatives with a positive fair value,
- all other assets (a residual),
- total deposits,
- time deposits of \$100,000 or more,
- trading liabilities,
- derivatives with a negative fair value,
- all other liabilities (a residual), and
- net unrealized gains (losses) on available-for-sale securities.

The proposed additions include several data items that are currently collected from large domestically chartered banks on the FR 2416 and from U.S. branches and agencies of foreign banks on the FR 2069. The more detailed reporting form for small domestically chartered banks is preferred because some of these institutions are quite large, and many others are of interest for inclusion in various analysis panels. A comparison of the data item detail on the proposed FR 2644 reporting form with the data item detail on the existing reporting forms appears as Attachment 1.

The following is a discussion of each data item that would be collected on the proposed FR 2644 reporting form.

1. Cash and balances due from depository institutions. The proposed FR 2644 reporting form would include a new data item, Cash and balances due from depository institutions, because these data would provide a useful measure of banks' liquidity positions. This data item is included on the current FR 2416 and FR 2069 reporting forms.

2. Securities (including securities reported as trading assets on the Call Report). The proposed FR 2644 reporting form would include new data items on securities. As on the current FR 2644 reporting form, the securities data on the proposed FR 2644 reporting form would include securities held for both investment and trading purposes. Domestically chartered banks that do not report data on Call Report Schedule RC-D would continue to omit trading assets from the securities items on the proposed FR 2644 reporting form. These reporters would include all trading assets in new data item 5, Trading assets, other than loans and securities included above. In addition, the securities data items on the proposed reporting form would continue to be broken down by type of issuer, i.e., U.S. Treasury securities and U.S. Government agency obligations and Other securities. However, within-issuer data would be further subdivided by type of security, i.e., Mortgage-backed securities and Other.

The increased detail on mortgage-backed securities is needed in order to better analyze banks' investment strategies and their exposure to mortgage-backed securities. Both the FR 2416 and FR 2644 reporting forms collect data on mortgage-backed securities in investment accounts only. The FR 2416 reporting form includes these data items broken out by Pass-through securities and Collateralized Mortgage Obligations (CMOs) and Real Estate Mortgage Investment Conduits (REMICs). The FR 2069 reporting form does not collect any data on mortgage-backed securities. Under the proposed single reporting form, data on all mortgage-backed securities (whether held in investment or trading accounts) would be collected from all institutions.

The Federal Reserve proposes to continue to collect the securities items inclusive of securities held as trading assets and to implement the proper classification of other trading assets in order to accurately measure bank credit. Currently, FR 2416 and FR 2069 respondents report all trading assets, including loans and other non-security items held as trading assets, in data item 2, Trading assets, and FR 2644 respondents report trading assets in either data item 1, U.S. Treasury securities and U.S. Government agency obligations, data item 2, Other securities, or data item 5, Total assets.<sup>3</sup> On the proposed FR 2644 reporting form, trading assets would be reported in the appropriate security or loan component (data item 2 or 4, respectively) or be included in data item 5, Trading assets, other than securities and loans included above.

3. Federal funds sold and securities purchased under agreements to resell. The proposed FR 2644 reporting form would break out this data item by counterparty, i.e., With commercial banks in the U.S. (including U.S. branches and agencies of foreign banks) and With others (including nonbank brokers and dealers in securities and Federal Home Loan Bank (FHLB)). The detail is needed to construct bank credit, which excludes federal funds sold to and reverse repurchase agreements with banks. The FR 2416 and FR 2069 reporting forms include this detail and also include Federal funds sold and securities purchased under agreements to resell with nonbank brokers and dealers in securities.

4. Loans and leases (including loans reported as trading assets on the Call Report). The proposed FR 2644 reporting form would include the components of core loans (real estate, commercial and industrial, and consumer loans) at the existing level of detail, but each component would be redefined to include loans held for trading purposes. Core loans form the bulk of bank credit and are studied closely by the Federal Reserve.

The proposed FR 2644 reporting form would redefine each loan item to include loans measured at fair value and reported as trading assets on Call Report Schedule RC-D (for domestically chartered banks) or on Schedule RAL (for U.S. branches and agencies of foreign banks).<sup>4</sup> This inclusion should not prove burdensome for most banks since most do not book loans in their trading accounts. As of the June 2008 Call Report, only 10 domestically chartered banks included loans in trading assets. In addition, just 10 U.S. branches and agencies of foreign banks reported loans held in trading accounts on the September 2008 Call Report. Nonetheless, some large banks have taken up this practice, so including loans held as trading assets in the loan items is necessary to accurately measure bank credit. If a domestically chartered bank does not report data on Schedule RC-D of the Call Report but holds loans as trading assets, it would include those loans in data item 5, Trading assets, other than securities and loans included above.

The data item 4.b, Loans to, and acceptances of, commercial banks in the U.S. (including U.S. branches and agencies of foreign banks) would continue to be included as a separate data item, since interbank loans are excluded from bank credit. Data item 4.e, All other loans and leases,

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<sup>3</sup> Prior to the Call Report changes implemented in March 2008, trading assets did not include loans to which a fair value option had been applied. Beginning in March 2008, trading assets include these loans, as well as loans held for trading, derivatives with a positive fair value, and securities held for trading.

<sup>4</sup> FAS 159 allows banks to apply the fair value option to loans they originate or purchase, booking them as either trading assets or loans.

would be included to construct total loans and leases. The FR 2416 and FR 2069 include the data item, Loans for purchasing or carrying securities. The FR 2416 includes the data item, Lease financing receivables (net of unearned income). The proposed FR 2644 report would include these data items in All other loans and leases.

The proposed FR 2644 would define all loan components net of unearned income. The FR 2416 reporting form includes the data item Unearned income, if any, included in items (above). Under the proposed FR 2644 reporting form, this data item would not be reported separately, since all loan items would be reported net of unearned income.

The proposed FR 2644 would include new data item 4.f, Allowance for loan and lease losses. The FR 2416 reporting form includes this data item; however, the FR 2069 reporting form does not.<sup>5</sup> This data item has grown dramatically over the past year, reflecting losses in the troubled credit markets, and is needed to aid the Federal Reserve in monitoring the health of banks' loan portfolios.

5. Trading assets, other than securities and loans included above. The proposed FR 2644 reporting form would include two new data items: Trading assets, other than securities and loans included above (which includes derivatives, gold bullion, and other trading assets) and its subcomponent, data item 5.a, Derivatives with a positive fair value (included in item 5 above). The FR 2416 and FR 2069 include the identical data item, Derivatives with a positive fair value held for trading purposes. Domestically chartered commercial banks that do not report on Schedule RC-D of the Call Report would report total trading assets in data item 5, Trading assets, other than securities and loans included above, and would not report any balances in data item 5.a. These data items are needed to monitor trading assets and to better understand how interest rates and market valuations affect the fair value of derivatives.

6. Other assets. Net due from related foreign offices (if FFIEC 002 respondent, include head office and other related depository institutions in the U.S.) would be reported on the proposed FR 2644 because it is used in the construction of managed liabilities, an aggregate that is tracked by the Federal Reserve in order to understand the composition of banks' marginal funding sources over time.<sup>6</sup> The FR 2416 and FR 2644 include this data item as Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs. The FR 2069 includes this data item as Net due from head office and other related depository institutions in the U.S. and in foreign countries. The new data item 6.b, All other assets, is needed to complete the asset side of the balance sheet, thereby avoiding measurement problems inherent in collecting a partial balance sheet. All other assets includes premises and fixed assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, intangible assets (including goodwill), derivatives with a positive fair value held for purposes other than trading, and all remaining assets.

7. Total assets. This data item is reported net of any allowance for loan and lease losses. It equals the sum of data items 1 through 4.e, 5, 6.a, and 6.b minus data item 4.f. To avoid double

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<sup>5</sup> U.S. branches and agencies are not required to have allowances for loan and lease losses at the branch level.

<sup>6</sup> Managed liabilities include: net due to related foreign offices (aggregate net due to less aggregate net due from); nonbank borrowing; time deposits of \$100,000 or more; and banks' liability for short positions (approximated by the difference between total trading liabilities and derivatives with a negative fair value held for trading purposes).

counting, data item 5.a, Derivatives with a positive fair value (included in item 5 above), is ignored when constructing total assets.

8. Total deposits. The proposed FR 2644 would include the new data item 8, Total deposits, because it is a major component of the liabilities side of the balance sheet. The FR 2416 includes the data items Transaction accounts and Nontransaction accounts. The FR 2069 includes the data items Transaction accounts and credit balances and Nontransaction accounts. The proposed FR 2644 would also include data item 8.a, Time deposits of \$100,000 or more (included in item 8 above), because it is an important component of managed liabilities. The Federal Reserve may adjust the cutoff for large time deposits if and when the definition of large time deposits changes on the Call Reports.

9. Borrowings. The proposed FR 2644 would include borrowings by counterparty, i.e., From commercial banks in the U.S. (including U.S. branches and agencies of foreign banks) and From others (including FRB and FHLB). These borrowings items are included on the current FR 2416, FR 2644, and FR 2069 reporting forms. This detail is needed in order to construct managed liabilities.

10. Trading liabilities. The proposed FR 2644 would include two new data items: Trading liabilities and its subcomponent, data item 10.a, Derivatives with a negative fair value. The FR 2416 and FR 2069 include the identical data items. Domestically chartered commercial banks that do not report on Schedule RC-D of the Call Report would report total trading liabilities in data item 10, Trading liabilities, and would not report any balances in data item 10.a. These data items are needed to construct banks' liability for short positions, which is a component of managed liabilities.

11. Other liabilities. Net due to related foreign offices (if FFIEC 002 respondent, include head office and other related depository institutions in the U.S.) would be included on the proposed FR 2644 because it is used to construct managed liabilities. The FR 2416 and FR 2644 include this data item as Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs. The FR 2069 reporting form includes this data item as Net due to head office and other related depository institutions in the U.S. and in foreign countries. The new data item, All other liabilities (including subordinated notes and debentures), is needed to complete the liabilities side of the balance sheet, thereby avoiding measurement problems inherent in collecting a partial balance sheet. In addition to subordinated notes and debentures, All other liabilities includes net deferred tax liabilities, interest and other expenses accrued and unpaid, and derivatives with a negative fair value held for purposes other than trading.

12. Total liabilities. This data item is the sum of data items 8, 9.a, 9.b, 10, 11.a, and 11.b (that is, the sum of data items 8 through 11 excluding items 8.a and 10.a, to avoid double counting).

M.1. Net unrealized gains (losses) on available-for-sale securities. The proposed FR 2644 would include this new data item to better understand how interest rates and market valuations affect the fair value of available-for-sale securities. The FR 2416 includes this data item while the FR 2069 reporting form does not.



M.2. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements. The proposed FR 2644 would collect data for memorandum item M.2.a, Real estate loans, memorandum item M.2.b, Credit card receivables and other revolving credit plans, and memorandum item M.2.c, Other consumer loans. These data items are currently included on the FR 2416 and FR 2644. The data items, Credit cards and related plans and Other consumer loans, were added to the FR 2416 and FR 2644 in June 2000 to replace items previously included on the (discontinued) monthly Commercial Bank Survey of Consumer Credit (FR 2571; OMB No. 7100-0080). These data items are published on the monthly G.19 release, *Consumer Credit*. The data item Real estate loans was added to the FR 2416 and FR 2644 reporting forms in July 2007 to improve the Federal Reserve's understanding of residential real estate loan originations. These data items are needed to aid the Federal Reserve's interpretation of credit flows even though they are reported by relatively few institutions.

### **Instructions**

The instructions would be revised and clarified in accordance with changes made to the FR 2644 reporting form.

### **Reporting panel**

The FR 2416 reporting panel has an authorized size of 50 banks. This panel currently consists of 31 large domestically chartered banks and accounts for about 66 percent of domestic industry assets at all domestically chartered commercial banks.<sup>7</sup> The FR 2069 panel has an authorized size of 70 banks. This panel currently consists of 63 U.S. branches and agencies of foreign banks and accounts for about 89 percent of total assets at all U.S. branches and agencies of foreign banks. The current FR 2644 panel has an authorized size of 1,100 banks. This panel currently consists of 994 banks and accounts for about 20 percent of domestic assets at all domestically chartered commercial banks. The current FR 2416 and FR 2069 panel members would be shifted to the new FR 2644 reporting panel and would be notified that their weekly reporting form had been replaced with the new FR 2644 reporting form.

The proposal to revise the FR 2644 reporting form to include 13 additional data items and have all domestically chartered commercial banks and U.S. branches and agencies of foreign banks report the same form would result in a substantial increase in reporting burden unless the authorized size of the proposed single FR 2644 panel were reduced.

The Federal Reserve recommends that the authorized size of the reporting panel be set at 875 domestically chartered commercial banks and U.S. branches and agencies of foreign banks, a substantial reduction in the current total authorized panel size of 1,220 for this family of reports. Because there are only 1,088 total panel members at this time<sup>8</sup>, the reduction in authorized panel size translates to a reduction of about 200 current panel members. This reduction in total panel size

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<sup>7</sup> The coverage ratios cited in this section are based on September 2008 Call Report data.

<sup>8</sup> As of December 3, 2008, there were 1,088 domestically chartered commercial banks and U.S. branches and agencies of foreign banks that reported weekly bank credit data from the 1,220 authorized panel size.

would occur within the small domestically chartered commercial bank category of reporters, which, as noted above, account for a relatively small share of industry assets. Although the proposed FR 2644 reporting form would be initially sent to all current respondents, it is likely that the reduction in panel size will be achieved through attrition, as some smaller banks will be unable or unwilling to complete a more complex form. The relatively small increase in measurement error that would likely result from reducing the authorized panel size to 875 reporters is deemed acceptable given the gains in data content and analysis that would be generated.

### **Frequency**

The Federal Reserve recommends that the proposed FR 2644 report continue to be submitted weekly, as of the close of business each Wednesday. Weekly data are needed for accurate and timely construction of the key series used to analyze current banking developments. The balance sheet series are constructed and published weekly. The various series that would be constructed from the proposed report would continue to be included in the weekly materials prepared for the Board of Governors and in the periodic analyses provided to the Federal Open Market Committee. None of these series could be constructed on a sufficiently accurate or timely basis if the frequency of reporting were reduced, particularly in periods of market volatility and rapid change in banking conditions.

### **Time Schedule for Information Collection and Publication**

Respondents would continue to file the FR 2644 report weekly, as of Wednesday, with their Reserve Bank. Staff at the Reserve Banks would edit and transmit micro data to the Board by 12:00 noon Eastern Time on the first Wednesday after the as-of date of the report. Aggregate data would continue to be constructed at the Board by Thursday and the H.8 Statistical Release, *Assets and Liabilities of Commercial Banks in the United States*, would continue to be published on Friday afternoon with an as-of date of two Wednesdays prior. The H.8 Statistical Release provides a balance sheet for the banking industry as a whole as well as for several bank groups (large domestically chartered banks, small domestically chartered banks, and foreign-related institutions), and it is followed by other government agencies, the banking industry, the financial press, and other users.

### **Legal Status**

The Board's Legal Division has determined that the FR 2644 is authorized by section 2A and 11(a)(2) of the Federal Reserve Act [12 U.S.C. §§ 225(a) and 248(a)(2)] and by section 7(c)(2) of the International Banking Act [12 U.S.C. § 3105(c)(2)] and is voluntary. Individual respondent data are regarded as confidential under the Freedom of Information Act [5 U.S.C. § 552(b)(4)].

### **Consultation outside the Agency**

On December 15, 2008, the Federal Reserve published a notice in the *Federal Register* (73 FR 76027) requesting public comment for 60 days on the extension, with revision, of the bank credit reports. The comment period for this notice expired on February 13, 2009. The Federal Reserve received two comment letters, one from a U.S. Government agency and one from a

commercial bank. One commenter supported the proposed changes and described its use of the data in constructing a component of personal outlays in the national income and product accounts. One commenter stated that investment and loan information would be difficult to obtain on a weekly basis. On March 12, 2009, the Federal Reserve published a final notice in the *Federal Register* (74 FR 10739) on the bank credit reports.

### Estimate of Respondent Burden

As presented in the table below, the current annual reporting burden for the three bank credit reports is estimated to be 117,598 hours. The annual burden for the proposed FR 2644 would be 120,575 hours, an increase of 2,977 hours. The authorized panel size for the proposed FR 2644 would be 875, a decrease of 345 respondents. For FR 2644 reporters, there would be an increase of 13 data items. For FR 2416 reporters, there would be a decrease of 10 data items. For FR 2069 reporters, there would be an increase of 8 data items. For the proposed FR 2644, the Federal Reserve revised the methodology for determining the estimated average hours per response based on the weighted average of data items submitted with values greater than zero. The proposed total annual burden for the FR 2644 represents 2.5 percent of the total Federal Reserve System burden.

	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
FR 2644	1,100	52	1.41	80,652
FR 2416	50	52	8.61	22,386
FR 2069	70	52	4.00	14,560
<i>Total</i>	1,220			117,598
<b>Proposed</b>				
FR 2644	875	52	2.65	120,575
<i>Change</i>				2,977

The total cost to the public is estimated to increase from the current level of \$7,249,917 to \$7,433,449 for the revised FR 2644.<sup>9</sup>

<sup>9</sup> Total cost to the public was estimated using the following formula. Percent of staff time, multiplied by annual burden hours, multiplied by hourly rate: 30% Administrative or Junior Analyst @ \$25, 45% Managerial or Technical @ \$55, 15% Senior Management @ \$100, and 10% Legal Counsel @ \$144. Hourly rate estimates for each occupational group are averages using data from the Bureau of Labor and Statistics, *Occupational Employment and Wages*, news release.

## **Sensitive Questions**

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

## **Estimate of Cost to the Federal Reserve System**

The proposed cost to the Federal Reserve System for collecting and processing the FR 2644 is estimated to be \$1,713,900 per year, an increase of \$326,400 from the current cost of \$1,387,500. The one-time cost to implement the revised report is estimated to be \$38,500.

# Attachment 1

## Comparison of Proposed FR 2644 Reporting Form with the Existing Reporting Forms

	Line Number		
	Current 2416	Current 2644	Current 2069
<b>ASSETS</b>			
1. Cash and balances due from depository institutions.....	1		1
2. Securities (including securities reported as trading assets on the Call Report)			
a. U.S. Treasury securities and U.S. Government agency obligations			
(1) Mortgage-backed securities.....			
(2) Other U.S. Treasury and U.S. Government agency securities.....			
b. Other securities			
(1) Mortgage-backed securities .....			
(2) All other securities.....			
3. Federal funds sold and securities purchased under agreements to resell			
a. With commercial banks in the U.S. (including U.S. branches and agencies of foreign banks).....	4.a		4.a
b. With others (including nonbank brokers and dealers in securities and FHLB)...	4.b+4.c		4.b+4.c
4. Loans and leases (including loans reported as trading assets on the Call Report)			
a. Loans secured by real estate			
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit *.....	5.a(1)	4.a(1)	5.a
(2) Commercial real estate loans *.....	5.a(2)	4.a(2)	5.a
(3) All other loans secured by real estate (including closed-end loans secured by 1-4 family residential properties)*.....	5.a(3)	4.a(3)	5.a
b. Loans to, and acceptances of, commercial banks in the U.S. (including U.S. branches and agencies of foreign banks).....	5.b	4.b	5.b
c. Commercial and industrial loans *.....	5.f	4.c	5.e
d. Loans to individuals for household, family, and other personal expenditures			
(1) Credit cards and other revolving credit plans *.....	5.g(1)	4.d(1)	
(2) Other consumer loans (including single payment, installment, and all student loans) *.....	5.g(2)	4.d(2)	
e. All other loans and leases *.....	5.i	4.e	5.f
f. Allowance for loan and lease losses.....	5.k(2)		
5. Trading assets, other than securities and loans included above.....			
a. Derivatives with a positive fair value (included in item 5 above).....	M.1		M.1
6. Other assets			
a. Net due from related foreign offices (if FFIEC 002 respondent, include head office and other related depository institutions in the U.S.).....	6.a	M.5	7
b. All other assets **.....	6.b		6
7. Total assets (sum of items 1 through 6 excluding items 4.f and 5.a minus item 4.f)	7	5	8

*\*On the existing reporting forms, loan items exclude loans held in trading accounts.*

**Attachment 1**

		Line Number		
		Current 2416	Current 2644	Current 2069
<b>LIABILITIES</b>				
8.	Total deposits.....	8+9		9.a+9.b
	a. Time deposits of \$100,000 or more (included in item 8 above).....	M.4		
9.	Borrowings (including federal funds purchased and securities sold under agreements to repurchase and other borrowed money)			
	a. From commercial banks in the U.S. (including U.S. branches and agencies of foreign banks).....	10.a	M.1.a	10.a
	b. From others (including FRB and FHLB).....	10.b	M.1.b	10.b
10.	Trading liabilities.....	11		11
	a. Derivatives with a negative fair value included in item 10 above.....	M.5		M.2
11.	Other liabilities			
	a. Net due to related foreign offices (if FFIEC 002 respondent, include head office and other related depository institutions in the U.S.).....	12.a	M.6	13
	b. All other liabilities (including subordinated notes and debentures) ** .....	12.b		12
12.	Total liabilities (sum of items 8 through 11 excluding items 8.a and 10.a).....	13		14

**MEMORANDA**

M.1	Net unrealized gains (losses) on available-for-sale securities.....	M.6		
M.2	Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements			
	a. Real estate loans.....	M.8	M.4	
	b. Credit card receivables and other revolving credit plans.....	M.7.a	M.3.a	
	c. Other consumer loans.....	M.7.b	M.3.b	

## Attachment 1

### Data items eliminated from the existing FR 2416 reporting form:

- 2.a Trading assets: U.S. Treasury securities and U.S. Government agency obligations
- 2.b Trading assets: Other trading assets
- 3.a Securities held in investment accounts: U.S. Treasury securities and U.S. Government agency obligations
- 3.b(1) Securities held in investment accounts: Other securities: Securities issued by states and political subdivisions in the U.S.
- 3.b(2) Securities held in investment accounts: Other securities: Other
- 4.b Federal funds sold and securities purchased under agreements to resell: With nonbank brokers and dealers in securities
- 4.c Federal funds sold and securities purchased under agreements to resell: With others
- 5.c Loans for purchasing or carrying securities
- 5.j Lease financing receivables (net of unearned income)
- 5.k(1) Unearned income, if any, included in data items 5.a through 5.i (loans)
- 5.l Total loans and leases, net (*can be derived by summing the components of proposed reporting form data item 4*)
- 8. Transaction accounts
- 9. Nontransaction accounts
- 14. Residual (data item 7, Total assets, minus data item 13, Total liabilities) (*can be derived by taking proposed reporting form data item 7 minus data item 12*)
- M.2 U.S. Treasury securities and U.S. Government agency obligations included in investment accounts (excluding MBS and trading assets)
- M.3.a MBS included in investment accounts (excluding trading assets): Pass-through securities
- M.3.b MBS included in investment accounts (excluding trading assets): CMOs and REMICs

### Data items eliminated from the existing FR 2644 reporting form:

- 1. U.S. Treasury securities and U.S. Government agency obligations (*can be derived by summing proposed reporting form data items 2.a(1) and 2.a(2)*)
- 2. Other securities (*can be derived by summing proposed reporting form data items 2.b(1) and 2.b(2)*)
- 3. Federal funds sold and securities purchased under agreements to resell (*can be derived by summing proposed reporting form data items 3.a and 3.b*)
- 4. Loans and leases (*can be derived by summing reporting form data items 4.a through 4.e*)
- M.2 Mortgage-backed securities (included in data items 1 and 2)

### Data items eliminated from the existing FR 2069 reporting form:

- 2.a Trading assets: U.S. Treasury securities and U.S. Government agency obligations
- 2.b Trading assets: Other trading assets
- 3.a Securities held in investment accounts: U.S. Treasury securities and U.S. Government agency obligations
- 3.b Securities held in investment accounts: Other bonds, notes, debentures, and corporate stock (including state and local securities)
- 5.a Loans secured by real estate (*comparable to the sum of proposed reporting form data items 4.a(1) + 4.a(2) + 4.a(3)*)
- 5.c Loans for purchasing or carrying securities
- 9.a Deposit liabilities and credit balances: Transaction accounts and credit balances
- 9.b Deposit liabilities and credit balances: Nontransaction accounts