

FEDERAL RESERVE BANK *of* NEW YORK

33 LIBERTY STREET, NEW YORK, NY 10045-0001

PATRICIA SELVAGGI
STATISTICS OFFICER

April 7, 2011

TO: The Chief Executive Officer of Each State Member Bank Located in the Second Federal Reserve District

As part of the joint mailing with other supervisory agencies, state member banks received their Consolidated Report of Condition and Income (“Call Report”) materials for the March 31, 2011 report date from the Federal Financial Institutions Examination Council (“FFIEC”). The agencies are not sending a sample set of the March 31, 2011 report forms to banks.

Please plan to complete the preparation, review, and submission of your Call Report data to the Central Data Repository (“CDR”) as early as possible. Starting your preparation early will aid you in identifying and resolving any edit exceptions prior to the submission deadline.

As the FFIEC previously advised you, the agencies are implementing revisions to the Call Report this quarter (see FIL 19 2011, dated April 6, 2011). These reporting changes, which have been approved by the U.S. Office of Management and Budget, include new items pertaining to:

- Loans that are troubled debt restructurings in Schedule RC-C, Loans and Lease Financing Receivables and Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets;
- Certain deposits with a remaining maturity of one year or less in Schedule RC-E, Deposit Liabilities;
- Commercial mortgage-backed securities in Schedule RC-B, Securities and Schedule RC-D, Trading Assets and Liabilities;
- Loans and other real estate covered by Federal Deposit Insurance Corporation (FDIC) loss-sharing agreements in Schedule RC-M, Memoranda, and Schedule RC-N;
- Bank-owned life insurance in Schedule RC-F, Other Assets;
- Consumer automobile loans in Schedule RI-B, Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses;
- Nonbrokered deposits obtained through deposit listing services in Schedule RC-E;

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- Assets and Liabilities of consolidated variable interest entities in Schedule RC-V, Variable Interest Entities;
- Captive insurance and reinsurance subsidiaries in Schedule RC-M; and
- Credit and debit valuation adjustments included in trading revenues (for banks with total assets of \$100 billion or more) in Schedule RI, Income Statement.
- The instructions for reporting of construction loans and residential mortgage banking activities in Schedule RC-C have been clarified.

In addition, the instructions for the for Schedule RC-K, Quarterly Averages, Item 6.a.(5)(b) Other Loans to individuals were not updated to reference the new data item on Schedule RC-C for item 6.d, other consumer loans. The June 30, 2011 instructions will be updated for Schedule RC-K, Item 6.a.(5)(b), to include this reference. Schedule RC-T, Fiduciary and Related Service, will collect data on collective investment funds quarterly rather than annually beginning March 31, 2011, for institutions that meet the thresholds. Banks should also note, memorandum items on Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, related to participation in the FDIC Transaction Account Guarantee Program were deleted.

On February 7, 2011, the FDIC adopted a final rule that redefines the deposit insurance assessment base for all insured depository institutions as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act. The final rule also revises the risk-based assessment system for all large institutions, generally, those institutions with at least \$10 billion in total assets (see FIL-8-2011, dated February 9, 2011). To provide the data needed to implement the redefined assessment base and the revised large institution assessment system, the agencies have proposed revisions to Schedule RC-O that would take effect June 30, 2011.

Consolidated Variable Interest Entities

Beginning this quarter, banks must begin to report data on the assets and liabilities of their consolidated variable interest entities (VIEs) in new Call Report Schedule RC-V, Variable Interest Entities. In Schedule RC-V, a bank must report separately by balance sheet category (a) the assets of its consolidated VIEs that can be used only to settle obligations of the consolidated VIE and (b) the liabilities of its consolidated VIEs for which creditors do not have recourse to the general credit of the primary beneficiary. A bank must also report the total amounts of all other assets and all other liabilities of its consolidated VIEs that do not meet these conditions. For further information, please refer to the instructions for Schedule RC-V that are included in the Call Report instruction book update for March 2011. The assets and liabilities of a bank's

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consolidated VIE, if any, should be reported on the balance sheet (Schedule RC) and similarly, the interest and noninterest income and expenses of consolidated VIEs, should be reported on the income statement (Schedule RI) in the appropriate categories.

Report Submission

Except for certain banks with foreign offices, a completed Call Report must be submitted electronically to the CDR no later than **Saturday, April 30, 2011**. However, banks with more than one foreign office must electronically transmit its Call Report data to CDR no later than **Thursday, May 5, 2011**. To be considered timely, the report must pass FFIEC published validity edits and quality edits, or where necessary, contain explanations for any quality edits that are not passed. Explanatory comments should be prepared consistent with the “Guidelines for Resolving Edits” that are published on the FFIEC’s web site:

<http://www.ffiec.gov/find/documents/resolvingedits.pdf>

Please note that the timeliness of receipt of the Call Report will be monitored. Any report at the CDR after 5:00 p.m. on April 30th will be considered late. The staff of this bank will monitor whether banking organizations are meeting their basic reporting requirements through the use of validity edits.

Each bank must file its March 31, 2011, Call Report data in one of the following two ways:

- A bank may use computer software to prepare and edit its report data and then electronically submit the data directly to the CDR (<https://cdr.ffiec.gov/cdr/>).
- A bank may complete its report in paper form and arrange with a software vendor or another party to convert its paper report into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank’s Call Report data file to the CDR.

Website

Report forms and instructions for the Call Report can be obtained from the FFIEC internet website at the following address: www.ffiec.gov/ffiec_report_forms.htm. In addition, we have enclosed a copy of the supplemental instructions for your review.

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Any questions about this report may be directed to Jamie Ferkov, Reports Analyst in the Regulatory Reports Division at (212) 720-1862 or Monica Posen, Team Leader of that Division at (212) 720-8239.

Sincerely,

- Signed by Patricia Selvaggi -

Patricia Selvaggi
Statistics Officer