

**Draft Instructions
for the Proposed New and Revised Call Report Items
for June and December 2013**

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NOTE: These draft instructions apply to the Call Report revisions as proposed in the Federal Register on February 21, 2013 (http://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_20130221_ifr.pdf). The proposed effective date for the new and revised Call Report items is June 30, 2013, except for new item 17 of Schedule RC-M, for which the proposed effective date is December 31, 2013. These draft instructions are subject to change based on questions and comments received on this draft and also based on comments received on the proposed Call Report revisions.

Questions and comments on these draft instructions may be submitted to the FFIEC by going to <http://www.ffiec.gov/contact/default.aspx>, clicking on “Reporting Forms” near the middle of the Web page, and completing the Feedback Form.

**Draft Instructions
for the Proposed New and Revised Call Report Items
for June and December 2013**

Schedule RI – Income Statement

Memoranda

Item No. Caption and Instructions

- 15** **Service charges on deposit accounts (in domestic offices).** Memorandum items 15.a through 15.d are to be completed by institutions that answered “Yes” to Schedule RC-E, (part I,) Memorandum item 5, “Does your institution offer consumer deposit accounts, i.e., transaction account or nontransaction savings account deposit products intended for individuals for personal, household, or family use?” Such institutions should report in the appropriate subitem service charges on deposit accounts (in domestic offices) included in Schedule RI, item 5.b, “Service charges on deposit accounts (in domestic offices).”

The sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b.

- 15.a** **Consumer overdraft-related service charges on deposit accounts.** For deposit account products specifically intended for individuals for personal, household, and family use, report the amount of service charges and fees related to the processing of payments and debits against insufficient funds, including “nonsufficient funds (NSF) check charges,” that the reporting institution assesses with respect to items that it either pays or returns unpaid, and all subsequent charges levied against overdrawn accounts, such as extended or sustained overdraft fees charged when accounts maintain a negative balance for a specified period of time, but excluding those fees equivalent to interest and reported in Schedule RI, item 1, “Interest and fee income on loans.”

- 15.b** **Consumer account monthly maintenance charges.** For deposit account products specifically intended for individuals for personal, household, and family use, report the amount of service charges for account holders’ maintenance of their deposit accounts with the reporting institution (often labeled “monthly maintenance charges”), including charges resulting from the account owners’ failure to maintain specified minimum deposit balances or meet other requirements (e.g., requirements related to transacting and purchasing other services), as well as fees for transactional activity in excess of specified limits for an account and recurring fees not subject to waiver. Recurring fees not subject to waiver include monthly or other periodic charges levied against a consumer deposit account that the account owner cannot avoid under any circumstances, for example, by maintaining other deposit or loan accounts with the institution or by maintaining a minimum deposit balance or engaging in a specified level of account activity (such as the number of debit card transactions) during a month or other period.

- 15.c** **Consumer customer automated teller machine (ATM) fees.** For deposit account products maintained at the reporting institution and specifically intended for individuals for personal, household, and family use, report the amount of service charges for transactions, including deposits to or withdrawals from deposit accounts, conducted through the use of ATMs or remote service units (RSUs) owned, operated, or branded by the institution or other institutions.

Exclude service charges levied against deposit accounts maintained at other institutions for transactions conducted through the use of ATMs or RSUs owned, operated, or branded by

Schedule RI – Income Statement (cont.)

Memoranda

Item No. Caption and Instructions

15.c the reporting institution. Also exclude debit card interchange fees. Such service charges and
(cont.) interchange fees should be reported in Schedule RI, item 5.l, “Other noninterest income,” not
 in Schedule RI, item 5.b.

15.d **All other service charges on deposit accounts.** Report all other service charges on
 deposit accounts (in domestic offices) not reported in Schedule RI, Memorandum items 15.a,
 15.b, and 15.c. Include service charges and fees on the reporting institution’s deposit
 account products intended for use by a broad range of depositors (which may include
 individuals), rather than being specifically intended for individuals for personal, household,
 and family use. For deposit account products intended for use by a broad range of
 depositors, the reporting institution need not identify the fees charged to accounts held by
 individuals for personal, household, or family use and need not report these fees in one of the
 three categories of consumer deposit account fees above.

Schedule RI-A – Changes in Bank Equity Capital

<u>Item No.</u>	<u>Caption and Instructions</u>
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11	<p><u>Other transactions with stockholders (including a parent holding company).</u> Report the net aggregate amount of transactions with the institution's stockholders, including its parent holding company, if any, that affect equity capital directly (other than those transactions reported in Schedule RI-A, items 5, 6, 8, and 9, above), such as:</p>
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| | <p>(1) Capital contributions other than those for which stock has been issued to stockholders (report issuances of perpetual preferred and common stock and sales of treasury stock in Schedule RI-A, items 5 and 6, respectively; issuances of limited-life preferred stock are not reported in Schedule RI-A).</p> <p>(2) Dividends distributed to stockholders in the form of property rather than cash (report cash dividends in Schedule RI-A, items 8 or 9, as appropriate). Record such property dividends at the fair value of the transferred asset. Include any gain or loss recognized on the disposition of the asset in the determination of net income for the calendar year-to-date in Schedule RI, Income Statement. Refer to the Glossary entry for "dividends" for additional information on property dividends.</p> <p>(3) Return-of-capital transactions in which contributed capital (i.e., surplus) is reduced without retiring stock and cash is distributed to the institution's stockholders.</p> |
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	<p>State the dollar amount of and describe each transaction included in this item in Schedule RI-E, item 5.</p>
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Schedule RC-E – Deposit Liabilities

Memoranda

Item No. Caption and Instructions

- 5** **Does your institution offer consumer deposit accounts, i.e., transaction account or nontransaction savings account deposit products intended for individuals for personal, household, or family use?** Indicate in the boxes marked “Yes” and “No” whether your institution offers one or more transaction account or nontransaction savings account deposit products specifically intended for consumer use, i.e., deposit products specifically offered to individuals for personal, household, and family use. For purposes of this item, consumer deposit accounts exclude time deposits.

Your institution should answer “Yes” if it offers one or more transaction account or nontransaction savings account deposit products for consumer use even if it also offers other transaction account or nontransaction savings account deposit products intended for use by a broad range of depositors (which may include individuals) rather than being specifically intended for individuals for consumer use.

Your institution should answer “No” if all of the transaction account and nontransaction savings account deposit products it offers are intended for use by a broad range of depositors (which may include individuals) or by non-consumer depositors and none of these products is specifically intended for individuals for personal, household, and family use.

Transaction accounts include demand deposits, negotiable order of withdrawal (NOW) accounts, automatic transfer service (ATS) accounts, and telephone and preauthorized transfer accounts. Nontransaction savings accounts include money market deposit accounts (MMDAs) and other savings deposits. For the definitions of these types of accounts, see the Glossary entry for “deposits.”

NOTE: Memorandum items 6 and 7 are to be completed by institutions with \$1 billion or more in total assets that answered “Yes” to Schedule RC-E, Memorandum item 5, above.

- 6** **Components of total transaction account deposits of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of total transaction account deposits of individuals, partnerships, and corporations. The sum of Memorandum items 6.a, 6.b, and 6.c must equal Schedule RC-E, item 1, column A, above.

If an institution offers one or more transaction account deposit products intended for individuals for personal, household, or family use, but has other transaction account deposit products intended for a broad range of depositors (which may include individuals who would use the product for personal, household, or family use), the institution should report the entire amount of these latter transaction account deposit products in Memorandum item 6.c. For example, if an institution has a single negotiable order of withdrawal (NOW) account deposit product that it offers to all depositors eligible to hold such accounts, including individuals, sole proprietorships, certain nonprofit organizations, and certain government units, the institution would report the entire amount of its NOW accounts in Memorandum item 6.c. The institution should not identify the NOW accounts held by individuals for personal, household, or family use and report the amount of these accounts in Memorandum item 6.b, above.

Schedule RC-E – Deposit Liabilities (cont.)

Memoranda

<u>Item No.</u>	<u>Caption and Instructions</u>
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| 6.a | <u>Deposits in noninterest-bearing transaction accounts intended for individuals for personal, household, or family use.</u> Report the amount of deposits reported in Schedule RC-E, item 1, column A, held in noninterest-bearing <i>transaction</i> accounts specifically intended for individuals for personal, household, or family use. Exclude certified and official checks as well as pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing. |
| 6.b | <u>Deposits in interest-bearing transaction accounts intended for individuals for personal, household, or family use.</u> Report the amount of deposits reported in Schedule RC-E, item 1, column A, held in interest-bearing <i>transaction</i> accounts specifically intended for individuals for personal, household, or family use. Exclude pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing. |
| 6.c | <u>Deposits in all other transaction accounts of individuals, partnerships, and corporations.</u> Report the amount of all other transaction account deposits included in Schedule RC-E, item 1, column A, that were not reported in Schedule RC-E, Memorandum items 6.a and 6.b, above. |

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| 7 | <u>Components of total nontransaction savings account deposits of individuals, partnerships, and corporations.</u> Report in the appropriate subitem the specified component of total nontransaction savings account deposits of individuals, partnerships, and corporations. Exclude all time deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C. The sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal Schedule RC-E, item 1, column C, above. |
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If an institution offers one or more nontransaction savings account deposit products intended for individuals for personal, household, or family use, but has other nontransaction savings account deposit products intended for a broad range of depositors (which may include individuals who would use the product for personal, household, or family use), the institution should report the entire amount of these latter nontransaction savings account deposit products in Memorandum item 7.a.(2) or 7.b.(2), as appropriate.

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| 7.a | <u>Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations.</u> Report in the appropriate subitem the specified component of MMDA deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C, above. The sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Schedule RC-E, Memorandum item 2.a.(1), above. |
| 7.a.(1) | <u>Deposits in MMDAs intended for individuals for personal, household, or family use.</u> Report the amount of deposits reported in Schedule RC-E, item 1, column C, held in MMDAs intended for individuals for personal, household, or family use. Exclude MMDAs in the form of pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing. |

Schedule RC-E – Deposit Liabilities (cont.)

Memoranda

Item No. Caption and Instructions

- 7.a.(2) **Deposits in all other MMDAs of individuals, partnerships, and corporations.** Report the amount of all other MMDA deposits of individuals, partnerships, and corporations included in Schedule RC-E, item 1, column C, that were not reported in Memorandum item 7.a.(1).
- 7.b **Other savings deposit accounts of individuals, partnerships, and corporations.** Report in the appropriate subitem the specified component of other savings deposits of individuals, partnerships, and corporations reported in Schedule RC-E, item 1, column C, above. The sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Schedule RC-E, Memorandum item 2.a.(2), above.
- 7.b.(1) **Deposits in other savings deposit accounts intended for individuals for personal, household, or family use.** Report the amount of deposits reported in Schedule RC-E, item 1, column C, held in other savings deposit accounts intended for individuals for personal, household, or family use. Exclude other savings deposit accounts in the form of pooled funds and commercial products with sub-account structures, such as escrow accounts, that are held for individuals but not eligible for consumer transacting, saving, or investing.
- 7.b.(2) **Deposits in all other savings deposit accounts of individuals, partnerships, and corporations.** Report the amount of all other savings deposits of individuals, partnerships, and corporations included in Schedule RC-E, item 1, column C, that were not reported in Memorandum item 7.b.(1).

Schedule RC-M – Memoranda

Item No. **Caption and Instructions**

- 8** **Internet Website addresses and physical office trade names.** Because the Uniform Resource Locators (URLs) of Internet Website addresses and the physical office trade names reported in items 8.a, 8.b, and 8.c are publicly available, each institution should ensure that it accurately reports its URLs and physical office trade names, if any. URLs of Website addresses and physical office should not exceed 75 characters in length.

Examples of URLs are www.bank.com, www.isp.com/bank/, and bank.isp.com. When entering the URL of a Website address in this item, the URL should not be prefaced with http:// because this is already included on the form. Do not provide e-mail addresses in the spaces for URLs of Internet Website addresses.

- 8.a** **Uniform Resource Locator (URL) of the reporting institution's primary Internet Website address (home page), if any.** An institution's primary Internet Website address is the URL of the public-facing Internet Website address that the institution's customers or potential customers enter into Internet browser software in order to find the first page of the institution's principal Website.

If the reporting institution has a primary Internet Website or home page, report in this item the URL of this Website or home page. If the reporting institution does not have its own Website or home page, but information on or functions of the institution can be accessed through an affiliate's Website address, the URL of that affiliate's primary Website address should be reported. An institution that maintains more than one Website that prominently displays the institution's legal title should provide the URL of the Website address that best represents the institution.

If an institution has no Website or home page of its own and the institution cannot be accessed through the URL of an affiliate's Website address, this item should be left blank.

- 8.b** **URLs of all public-facing Internet Website addresses affiliated with the reporting institution where the Web page more prominently displays a trade name other than the institution's legal title, if any.** An institution may use a trade name other than its legal title as reflected in its charter to identify certain of its public-facing Internet Websites, for example, due to a merger or as part of its specific marketing efforts to target particular groups of potential depositors or borrowers.

If the reporting institution directly or indirectly operates one or more public-facing Internet Websites to solicit deposits or other business under a trade name other than its legal title and the trade name is more clearly and prominently displayed on the Website than the institution's legal title (if the legal title is disclosed at all), the institution should report the URLs for each of these public-facing Website addresses in the text fields for items 8.b.(1) through 8.b.(5).

For example, if an institution's legal title is ABC State Bank, but it operates a public-facing Internet Website to solicit deposits or other business under the trade name of "Your Safe and Sound Bank" (where this trade name is more clearly and prominently displayed on the Website than the institution's legal title, if the legal title is disclosed at all), the institution should report the URL for this Website (and the URLs for any other public-facing Websites used to solicit business under a trade name) in the text fields for items 8.b.(1) through 8.b.(5) of Schedule RC-M.

Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

8.c Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical branch offices, if any. An institution may use a trade name other than its legal title as reflected in their charter to identify certain of its physical branch offices, for example, due to a merger and an interest in maintaining the presence of the acquired institution's well recognized name in the community or communities it served.

If the reporting institution operates one or more physical branch offices to conduct banking activities, including taking deposits and making loans, and uses one or more trade names other than its legal title to identify these branch offices (for example, via signage displayed on the facilities), the institution should report each trade name used by one or more of its physical branch offices in the text fields for items 8.c.(1) through 8.c.(5).

For example, if an institution's legal title is DEF National Bank, but it operates one or more office locations under the trade name of "Community Bank of XYZ" (as identified by the signage displayed on these facilities), the institution would report this trade name (and any other trade names the institution uses at other office locations) in the text fields for items 8.c.(1) through 8.c.(5).

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Item No. Caption and Instructions

16 Remittance transfers offered to consumers. In general, a "remittance transfer" is an electronic transfer of funds requested by a sender to a designated recipient that is sent by a remittance transfer provider. The term applies regardless of whether the sender holds an account with the remittance transfer provider, and regardless of whether the transaction is also an "electronic fund transfer," as defined in Regulation E. See 12 CFR § 1005.30(e).

A "remittance transfer provider" is any person that provides remittance transfers for a consumer in the normal course of its business, regardless of whether the consumer holds an account with such person. See 12 CFR § 1005.30(f).

Examples of remittance transfers include:

- (1) Transfers where the sender provides cash or another method of payment to a money transmitter or financial institution and requests that funds be sent to a specified location or account in a foreign country.
- (2) Consumer wire transfers, where a financial institution executes a payment order upon a sender's request to wire money from the sender's account to a designated recipient.
- (3) An addition of funds to a prepaid card by a participant in a prepaid card program, such as a prepaid card issuer or its agent, that is directly engaged with the sender to add these funds, where the prepaid card is sent or was previously sent by a participant in the prepaid card program to a person in a foreign country, even if a person located in a State (including a sender) retains the ability to withdraw such funds.
- (4) International automated clearing house (ACH) transactions sent by the sender's financial institution at the sender's request.
- (5) Online bill payments and other electronic transfers that a sender schedules in advance, including preauthorized remittance transfers, made by the sender's financial institution at the sender's request to a designated recipient.

Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

- 16** The term “remittance transfer” does not include, for example:
- (cont.)
- (1) Small value transactions, i.e., transfer amounts, as described in 12 CFR § 1005.31(b)(1)(i), of \$15 or less.
 - (2) Securities and commodities transfers that are excluded from the definition of electronic fund transfer under 12 CFR § 1005.3(c)(4).
 - (3) A consumer’s provision of a debit, credit or prepaid card, directly to a foreign merchant as payment for goods or services because the issuer is not directly engaged with the sender to send an electronic transfer of funds to the foreign merchant when the issuer provides payment to the merchant.
 - (4) A consumer’s deposit of funds to a checking or savings account located in a State, because there has not been a transfer of funds to a designated recipient.
 - (5) Online bill payments and other electronic transfers that senders can schedule in advance, including preauthorized transfers, made through the Web site of a merchant located in a foreign country and via direct provision of a checking account, credit card, debit card or prepaid card number to the merchant, because the financial institution is not directly engaged with the sender to send an electronic transfer of funds to the foreign merchant when the institution provides payment to the merchant.

NOTE: Items 16.a.(1)(a) through (e) are to be completed by all institutions as of June 30, 2013, only. Items 16.a.(2)(a) through (e) are to be completed quarterly by all institutions beginning as of June 30, 2013, and will be renumbered as items 16.a.(1)(a) through (e) effective September 30, 2013.

- 16.a Mechanisms offered to consumers in any state for sending money to recipients abroad:**
- 16.a.(1) In 2012, did your institution offer to consumers in any state any of the following mechanisms for sending money to recipients abroad?** Indicate in the boxes marked “Yes” and “No” whether your institution offered to consumers in any state in 2012 any of the specified mechanisms for sending money to recipients abroad.
- 16.a.(1)(a) International wire transfers.** Indicate in the boxes marked “Yes” and “No” whether your institution offered international wire transfers to consumers in any state in 2012 for purposes of sending money to recipients abroad.
- 16.a.(1)(b) International ACH transactions.** Indicate in the boxes marked “Yes” and “No” whether your institution offered international automated clearing house (ACH) transactions to consumers in any state in 2012 for purposes of sending money to recipients abroad.
- 16.a.(1)(c) Other proprietary services operated by your institution.** Indicate in the boxes marked “Yes” and “No” whether your institution offered other proprietary services operated by your institution to consumers in any state in 2012 for purposes of sending money to recipients abroad.
- 16.a.(1)(d) Other proprietary services operated by another party for which your institution is an agent or similar type of business partner.** Indicate in the boxes marked “Yes” and “No” whether your institution, acting as an agent or similar type of business partner, offered other proprietary services operated by another party (such as a correspondent bank, payment network, or state-licensed money transmitter) to consumers in any state in 2012 for purposes of sending money to recipients abroad.

Schedule RC-M – Memoranda (cont.)

Item No. **Caption and Instructions**

- 16.a.(1)(e) Other mechanisms.** Indicate in the boxes marked “Yes” and “No” whether your institution offered mechanisms other than those covered in items 16.a.(1)(a) through 16.a.(1)(d) above to consumers in any state in 2012 for purposes of sending money to recipients abroad.
- 16.a.(2) As of the report date, did your institution currently offer to consumers in any state any of the following mechanisms for sending money to recipients abroad?** Indicate in the boxes marked “Yes” and “No” whether as of the report date your institution currently offers to consumers in any state any of the specified mechanisms for sending money to recipients abroad.
- 16.a.(2)(a) International wire transfers.** Indicate in the boxes marked “Yes” and “No” whether your institution currently offers international wire transfers to consumers in any state for purposes of sending money to recipients abroad.
- 16.a.(2)(b) International ACH transactions.** Indicate in the boxes marked “Yes” and “No” whether your institution currently offers international automated clearing house (ACH) transactions to consumers in any state for purposes of sending money to recipients abroad.
- 16.a.(2)(c) Other proprietary services operated by your institution.** Indicate in the boxes marked “Yes” and “No” whether your institution currently offers other proprietary services operated by your institution to consumers in any state for purposes of sending money to recipients abroad.
- 16.a.(2)(d) Other proprietary services operated by another party for which your institution is an agent or similar type of business partner.** Indicate in the boxes marked “Yes” and “No” whether your institution, acting as an agent or similar type of business partner, currently offers other proprietary services operated by another party (such as a correspondent bank, payment network, or state-licensed money transmitter) to consumers in any state for purposes of sending money to recipients abroad.
- 16.a.(2)(e) Other mechanisms.** Indicate in the boxes marked “Yes” and “No” whether your institution currently offers mechanisms other than those covered in items 16.a.(2)(a) through 16.a.(2)(d) above to consumers in any state for purposes of sending money to recipients abroad.

NOTE: Item 16.b is to be completed by all institutions as of June 30, 2013, and annually thereafter beginning as of March 31, 2014.

- 16.b Did your institution provide more than 100 remittance transfers in the previous calendar year or does your institution estimate that it will provide more than 100 remittance transfers in the current calendar year?** Indicate in the boxes marked “Yes” and “No” whether your institution provided more than 100 remittance transfers in the previous calendar year or estimates that it will provide more than 100 remittance transfers in the current calendar year.

Schedule RC-M – Memoranda (cont.)

Item No. **Caption and Instructions**

NOTE: Item 16.c is to be completed by institutions that answered “Yes” to items 16.a.(2)(a) and 16.b.

- 16.c** **As of the report date, indicate whether your institution uses the following payment, messaging, or settlement systems to process none, some, or all of its outbound international wire transfers for consumers.** Indicate whether your institution uses the following payment, messaging, or settlement systems to process outbound international wire transfers for consumers as of the report date. If your institution does not use the specified system to process any outbound international wire transfers for consumers, enter the number “1.” If your institution uses the specified system to process some, but not all, outbound international wire transfers for consumers, enter the number “2.” If your institution uses the specified system to process all outbound international wire transfers for consumers, enter the number “3.”
- 16.c.(1)** **FedWire.** Indicate whether your institution uses FedWire to process none, some, or all of its outbound international wire transfers for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.c.(2)** **CHIPS.** Indicate whether your institution uses CHIPS to process none, some, or all of its outbound international wire transfers for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.c.(3)** **SWIFT.** Indicate whether your institution uses SWIFT to process none, some, or all of its outbound international wire transfers for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.c.(4)** **Correspondent bank of which your institution is a client.** Indicate whether your institution uses a correspondent bank of which your institution is a client to process none, some, or all of its outbound international wire transfers for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.c.(5)** **Other.** If your institution uses a payment, messaging, or settlement system other than a system identified in items 16.c.(1) through 16.c.(4) above to process some or all of its outbound international wire transfers for consumers, describe the systems with a clear but concise caption in items 16.c.(5)(i) and (ii) and enter “2” or “3” for some or all of its transfers, respectively. The description of a system should not exceed 75 characters in length (including spacing between words).

NOTE: Item 16.d is to be completed by institutions that answered “Yes” to items 16.a.(2)(b) and 16.b.

- 16.d** **As of the report date, indicate whether your institution uses the following payment, messaging, or settlement systems to process none, some, or all of its outbound international ACH transactions for consumers.** Indicate whether your institution uses the following payment, messaging, or settlement systems to process outbound international automated clearing house (ACH) transactions for consumers as of the report date. If your institution does not use the specified system to process any outbound international ACH transactions for consumers, enter the number “1.” If your institution uses the specified system to process some, but not all, outbound international ACH transactions for consumers, enter the number “2.” If your institution uses the specified system to process all outbound international ACH transactions for consumers, enter the number “3.”

Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

- 16.d.(1)** **FedACH.** Indicate whether your institution uses FedACH to process none, some, or all of its outbound international ACH transactions for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.d.(2)** **EPN.** Indicate whether your institution uses EPN to process none, some, or all of its outbound international ACH transactions for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.d.(3)** **SWIFT.** Indicate whether your institution uses SWIFT to process none, some, or all of its outbound international ACH transactions for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.d.(4)** **Correspondent bank of which your institution is a client.** Indicate whether your institution uses a correspondent bank of which your institution is a client to process none, some, or all of its outbound international ACH transactions for consumers as of the report date by entering the number “1,” “2,” or “3,” respectively.
- 16.d.(5)** **Other.** If your institution uses a payment, messaging, or settlement system other than a system identified in items 16.d.(1) through 16.d.(4) above to process some or all of its outbound international ACH transactions for consumers, describe the systems with a clear but concise caption in items 16.d.(5)(i) and (ii) and enter “2” or “3” for some or all of its transfers, respectively. The description of a system should not exceed 75 characters in length (including spacing between words).

NOTE: Item 16.e is to be completed by institutions that answered “Yes” to item 16.b.

16.e **Number and dollar volume of remittance transfers provided during the quarter.** For each of the mechanisms identified in items 16.e.(1) through 16.e.(5) below, report:

- (1) In columns A and B the number and dollar volume (in U.S. dollars), respectively, of remittance transfers provided during the quarter to consumers in any state for purposes of sending money to recipients abroad; and
- (2) In column C the number of remittance transfers (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a) under which insured institutions may provide estimates for certain disclosures in some instances.

The number of transactions and the related dollar values to be reported in items 16.e.(1) through 16.e.(5) should include:

- (1) All transfers that are “remittance transfers” as defined in 12 CFR § 1005.30(e), regardless of whether your institution or another party is the remittance transfer provider; and
- (2) All transfers that your institution does not know for certain are remittance transfers, but for which the disclosures described in 12 CFR § 1005.31 (Subpart B of Regulation E—Requirements for Remittance Transfers) were provided.

Exclude remittance transfer services your institution provided to other institutions on a correspondent basis.

Schedule RC-M – Memoranda (cont.)

Item No. **Caption and Instructions**

- 16.e.(1)** **International wire transfers.** Report in columns A and B the number and dollar volume (in U.S. dollars), respectively, of international wire transfers provided to consumers during the quarter. Report in column C the number of international wire transfers (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a).
- 16.e.(2)** **International ACH transactions.** Report in columns A and B the number and dollar volume (in U.S. dollars), respectively, of international ACH transactions provided to consumers during the quarter. Report in column C the number of international ACH transactions (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a).
- 16.e.(3)** **Other proprietary services operated by your institution.** Report in columns A and B the number and dollar volume (in U.S. dollars), respectively, of remittance transfers provided during the quarter to consumers in any state for purposes of sending money to recipients abroad by means of other proprietary services operated by your institution. Report in column C the number of remittance transfers (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a).
- 16.e.(4)** **Other proprietary services operated by another party for which your institution is an agent or similar type of business partner.** Report in columns A and B the number and dollar volume (in U.S. dollars), respectively, of remittance transfers provided during the quarter to consumers in any state for purposes of sending money to recipients abroad by means of other proprietary services operated by another party (such as a correspondent bank, payment network, or state-licensed money transmitter) for which your institution is an agent or similar type of business partner. Report in column C the number of remittance transfers (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a).
- 16.e.(5)** **Other mechanisms.** Report in columns A and B the number and dollar volume (in U.S. dollars), respectively, of remittance transfers provided during the quarter to consumers in any state for purposes of sending money to recipients abroad by means of mechanisms other than those covered in items 16.e.(1) through 16.e.(4) above. Report in column C the number of remittance transfers (included in column A) provided to consumers during the quarter for which your institution applied the temporary exception set forth in 12 CFR § 1005.32(a).

Schedule RC-M – Memoranda (cont.)

Item No. Caption and Instructions

NOTE: Item 17 and its related attestation are to be completed for the December report only by banks and savings associations that are a subsidiary of a parent holding company that is not a bank holding company or a savings and loan holding company.

17 Total consolidated liabilities of the reporting institution's parent holding company.

For a reporting institution that is a subsidiary of a depository institution holding company domiciled in the United States that is not a bank holding company or a savings and loan holding company, report the total consolidated liabilities of the parent depository institution holding company as determined under U.S. generally accepted accounting principles (GAAP) as of the December 31 report date, as communicated to the institution by its depository institution holding company.

For a reporting institution that is a subsidiary of a depository institution holding company domiciled in a country other than the United States, report the total consolidated liabilities of the combined U.S. operations of the depository institution holding company as of the December 31 report date, as communicated to the institution by the parent. "Total consolidated liabilities of the combined U.S. operations of the depository institution holding company" means the sum of the total consolidated liabilities of each top-tier U.S. subsidiary of the depository institution holding company, as determined under U.S. GAAP. A subsidiary depository institution is permitted, but is not required, to reduce "total consolidated liabilities of the combined U.S. operations of the depository institution holding company" by amounts corresponding to balances and transactions between U.S. subsidiaries of the depository institution holding company to the extent such items would not already be eliminated in consolidation.

When completing this item, an institution that is a subsidiary of a depository institution holding company that is not a bank holding company or a savings and loan holding company can rely on a reasonable estimate of the total consolidated liabilities of its parent depository institution holding company obtained on a best efforts basis.

Because a depository institution must obtain the amount of its parent depository institution holding company's total consolidated liabilities from the parent in order to report this amount in Schedule RC-M, item 17, this item has been excluded from the scope of the attestations on the cover page of the Consolidated Reports of Condition and Income for the institution's chief financial officer (or equivalent) and directors, which state that the reports have been prepared in conformance with the instructions and are true and correct to the best of the officer's or director's knowledge and belief. Instead, Schedule RC-M, item 17, is accompanied by a separate attestation to be signed by the chief financial officer (or equivalent) of each depository institution subsidiary of a depository institution holding company that is not a bank holding company or a savings and loan holding company stating that item 17 has been prepared in conformance with the instructions for this item.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments

General Instructions for Schedule RC-O, Memorandum items 6 through 19

Memorandum items 6 through 19 are applicable only to large institutions and/or highly complex institutions as defined below. Amounts reported in Memorandum items 6 through 9, 14, 15, and 19 will not be made available to the public on an individual institution basis. Large institutions and highly complex institutions should complete Memorandum items 6 through 19, as appropriate, on a fully consolidated basis. Thus, when a large institution or highly complex institution owns another FDIC-insured institution as a subsidiary, it should complete Memorandum items 6 through 19, as appropriate, on a fully consolidated basis.

According to Section 327.8(f) of the FDIC's regulations, a large institution is an FDIC-insured bank or savings association that reported total assets of \$10 billion or more as of December 31, 2006, that does not meet the definition of a highly complex institution. After December 31, 2006, if a bank or savings association not previously classified as a large institution reports total assets of \$10 billion or more for four consecutive quarters, the bank or savings association will be classified as a large institution beginning the following quarter. In the Consolidated Reports of Condition and Income, an FDIC-insured depository institution's total assets are reported in Schedule RC, item 12.

According to Section 327.8(g) of the FDIC's regulations, a highly complex institution is an FDIC-insured bank or savings association (excluding a credit card bank¹) that:

- (1) Has had \$50 billion or more in total assets for at least four consecutive quarters that either is controlled by a U.S. parent holding company that has had \$500 billion or more in total assets for four consecutive quarters, or is controlled by one or more intermediate U.S. parent holding companies that are controlled by a U.S. holding company that has had \$500 billion or more in total assets for four consecutive quarters; or
- (2) Is a processing bank or trust company that has had \$10 billion or more in total assets for at least four consecutive quarters. According to Section 327.8(s) of the FDIC's regulations, a processing bank or trust company is "an institution whose last three years' non-lending interest income, fiduciary revenues, and investment banking fees, combined, exceed 50 percent of total revenues (and its last three years fiduciary revenues are non-zero), and whose total fiduciary assets total \$500 billion or more."

If, after December 31, 2010, a bank or savings association classified as a highly complex institution falls below \$50 billion in total assets for four consecutive quarters, or its parent company or companies fall below \$500 billion in total assets for four consecutive quarters, or a processing bank or trust company falls below \$10 billion in total assets for four consecutive quarters, the FDIC will reclassify the bank or savings association as a large institution or a small institution, as appropriate, beginning the quarter after the fourth consecutive quarter.

¹ As defined in Section 327.8(t) of the FDIC's regulations, a credit card bank is "a bank for which credit card receivables plus securitized receivables exceed 50 percent of assets plus securitized receivables."

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

General Instructions for Schedule RC-O, Memorandum items 6 through 19 (cont.)

Amounts Guaranteed or Insured by the U.S. Government, its Agencies, or its Government-Sponsored Agencies – The instructions for Schedule RC-O, Memorandum items 6, 11, and 16 refer to amounts recoverable from, or guaranteed or insured by, the U.S. government, its agencies, or its government-sponsored agencies under guarantee or insurance provisions. Examples include guarantees or insurance (or reinsurance) provided by the Department of Veterans Affairs, the Federal Housing Administration, the Small Business Administration (SBA), the Department of Agriculture Rural Development Loan Program, and the Department of Education for individual loans as well as coverage provided by the FDIC under loss-sharing agreements. For loan securitizations and securities, examples include those guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac) as well as SBA Guaranteed Loan Pool Certificates and securities covered by FDIC loss-sharing agreements. However, if an institution holds securities backed by mortgages it has transferred to Fannie Mae or Freddie Mac with recourse or other transferor-provided credit enhancements, these securities should not be considered guaranteed to the extent of the institution's maximum contractual credit exposure arising from the credit enhancements.

Amounts Guaranteed or Insured by the U.S. Government – The instructions for Schedule RC-O, Memorandum items 7 through 10, 13, and 19 refer to the maximum amounts recoverable from the U.S. Government. Amounts recoverable from the U.S. government do *not* include amounts recoverable from government-sponsored agencies including the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Federal Home Loan Banks, and the Farm Credit System.

NOTE: Because certain information on coverage under FDIC loss-sharing agreements is reported elsewhere in the Consolidated Reports of Condition and Income, the treatment of FDIC loss-sharing agreements varies in Schedule RC-O, Memorandum items 6 through 9, 10.b, 11, 13, 16, and 19.

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Memoranda

Item No. Caption and Instruction

- 7 “Nontraditional 1-4 family residential mortgage loans” as defined for assessment purposes only in FDIC regulations.** Report on a fully consolidated basis the balance sheet amount of nontraditional 1-4 family residential mortgage loans, as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC's regulations, which includes all 1-4 family residential loan products (as defined for Schedule RC-C, part I, item 1.c) that allow the borrower to defer repayment of principal or interest and includes all interest-only products, teaser rate mortgages, and negative amortizing mortgages, with the exception of home equity lines of credit and reverse mortgages. Nontraditional mortgage loans do not include loans reported as trading assets in Schedule RC, item 5; conventional fully amortizing adjustable rate mortgage loans that do not have a teaser rate; and interest-only residential construction loans, but include conventional fully amortizing adjustable rate mortgage loans that have a teaser rate.

A teaser-rate mortgage loan is defined for assessment purposes as a mortgage with a discounted initial rate. A discounted initial rate is an effective interest rate at the time of origination or refinancing that is less than the rate the bank is willing to accept for an otherwise similar extension of credit with comparable risk. A mortgage loan is no longer

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

<u>Item No.</u>	<u>Caption and Instruction</u>
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7 (cont.)	considered a nontraditional mortgage once the teaser rate has expired, or in the case of an escalating interest rate, once the rate is no longer discounted and the borrower is making full principal and interest payments (has not been granted any principal and interest concessions). Nontraditional mortgage loans can be reclassified as traditional loans once they become fully amortizing loans, provided they no longer have a teaser rate.
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The amount to be reported in this item for nontraditional mortgage loans should include purchased credit-impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”), provided they meet the characteristics of nontraditional mortgage loans as described above.

The amount to be reported in this item should exclude the maximum amount recoverable on nontraditional mortgage loans under guarantee or insurance provisions from the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.

For securitizations issued before April 1, 2013, the amount to be reported in this item should also include those securitizations where more than 50 percent of the assets backing the securitization meet one or more of the preceding criteria for nontraditional 1-4 family residential mortgage loans, with the exception of those securities reported as trading assets in Schedule RC, item 5. Alternatively, an institution may apply the definitions in Appendix C to Subpart A to Part 327 of the FDIC’s regulations to all of its securitizations. For securitizations issued on or after April 1, 2013, the amount to be reported in this item should include those securitizations (with the exception of those securities reported as trading assets in Schedule RC, item 5) where more than 50 percent of the assets backing the securitization meet either the criteria for nontraditional 1-4 family residential mortgage loans or the criteria for higher-risk consumer loans (described below in the instructions to Schedule RC-O, Memorandum item 8), and the amount of nontraditional mortgage loans exceeds the amount of higher-risk consumer loans.

8	<p><u>“Higher-risk consumer loans” as defined for assessment purposes only in FDIC regulations.</u> Report on a fully consolidated basis the balance sheet amount of higher-risk consumer loans, as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC’s regulations, but excluding higher-risk consumer loans that have been reported as nontraditional 1-4 family residential mortgage loans in Schedule RC-O, Memorandum item 7, above. For assessment purposes, higher-risk consumer loans are loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c) and loans and leases to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, items 6 and 10.a) where, as of origination, or, if the loan has been refinanced, as of refinance, the probability of default (PD) within two years is greater than 20 percent, excluding loans that meet the definition of a nontraditional mortgage loan (described above in the instructions to Schedule RC-O, Memorandum item 7). The PD must be calculated in accordance with the requirements of Appendix C to Subpart A to Part 327 of the FDIC’s regulations.</p>
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The amount to be reported in this item for higher-risk consumer loans should include purchased credit-impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

<u>Item No.</u>	<u>Caption and Instruction</u>
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8 (cont.)	Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”), provided they meet the characteristics of higher-risk consumer loans described above.
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As provided in Appendix C to Subpart A to Part 327 of the FDIC’s regulations, higher-risk consumer loans as defined for assessment purposes also include securitizations (other than those securities reported as trading assets in Schedule RC, item 5) that are issued on or after April 1, 2013, where more than 50 percent of the assets backing the securitization meet either the criteria for higher-risk consumer loans or the criteria for nontraditional 1-4 family residential mortgage loans (described above in the instructions to Schedule RC-O, Memorandum item 7) and the amount of higher-risk consumer loans exceeds the amount of nontraditional mortgage loans.

For securitizations issued before April 1, 2013, that contain consumer loans, the reporting institution must either:

- (1) Report the securitizations using the definition of subprime loans contained in the FDIC’s final rule on assessments and large bank pricing, 76 Fed. Reg. 10672 (February 25, 2011), or
- (2) Report the securitizations if more than 50 percent of the assets backing the securitization were identified as subprime loans by the institution’s then existing internal methodology for identifying loans as subprime loans.¹

Alternatively, an institution may apply the definitions in Appendix C to Subpart A to Part 327 of the FDIC’s regulations to all of its securitizations.

The amount to be reported in this item should exclude:

- (1) Consumer loans reported as trading assets in Schedule RC, item 5.
- (2) The maximum amounts recoverable on higher-risk consumer loans and securitizations under guarantee or insurance provisions from the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- (3) Loans fully secured by cash collateral (provided the requirements regarding loans fully secured by cash collateral that are detailed in Appendix C to Subpart A to Part 327 are met).

¹ Institutions that did not have an existing methodology in place to identify subprime consumer loans and securities (because they were not required to report on these exposures to their primary federal regulator for examination or other supervisory purposes or did not measure and monitor loans and securities with these characteristics for internal risk management purposes) may, as an alternative to applying the definitions in the FDIC’s assessment regulations to loans backing securitizations issued before April 1, 2013, apply then existing guidance provided by their primary federal regulator or the agencies’ 2001 Expanded Guidance for Subprime Lending Programs to determine whether more than 50 percent of the assets backing the securitization are subprime consumer loans, thus requiring that the securitization be reported as a higher-risk consumer loan in Schedule RC-O, Memorandum item 8.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

Item No. Caption and Instruction

- 9 “Higher-risk commercial and industrial loans and securities” as defined for assessment purposes only in FDIC regulations.** Report on a fully consolidated basis the balance sheet amount of, plus the amount of unfunded commitments for, higher-risk commercial and industrial (C&I) loans and securities as defined for assessment purposes only in Appendix C to Subpart A to Part 327 of the FDIC’s regulations.

The amount to be reported in this item for higher-risk C&I loans and securities should include purchased credit-impaired loans and securities as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, “Accounting for Certain Loans or Debt Securities Acquired in a Transfer”), provided the purchased credit-impaired loans and securities meet the definition of a higher-risk C&I loan or security.

For assessment purposes, higher-risk C&I loans also include securitizations issued on or after April 1, 2013, where more than 50 percent of the assets backing the securitization meet the definition of a higher-risk C&I loan, excluding those securities reported as trading assets in Schedule RC, item 5. Higher-risk C&I loan securitizations are to be identified in accordance with the requirements in Appendix C to Subpart A to Part 327 of the FDIC’s regulations.

The amount to be reported in this item should exclude:

- (1) The maximum amounts recoverable on higher-risk C&I loans and securities under guarantee or insurance provisions from the U.S. government, including amounts recoverable under FDIC loss-sharing agreements.
- (2) Loans fully secured by cash collateral (provided the loans meet the requirements regarding loans fully secured by cash collateral that are detailed in Appendix C to Subpart A to Part 327 of the FDIC’s regulations).
- (3) Loans that are eligible for the asset-based or floor plan lending exclusions detailed in Appendix C to Subpart A to Part 327 of the FDIC’s regulations, provided the institution’s primary federal regulator has not cited a criticism (included in the Matters Requiring Attention) of the institution’s controls or administration of its asset-based or floor plan loan portfolios.

For C&I loans originated, refinanced, or purchased by the reporting institution before April 1, 2013, that are owed to the reporting institution by a borrower that does not meet the definition of a higher-risk C&I borrower as that term is defined in Appendix C to Subpart A to Part 327 of the FDIC’s regulations, the reporting institution must continue to report these loans using:

- (1) The definition of leveraged loans and securities contained in the FDIC’s final rule on assessments and large bank pricing, 76 Fed. Reg. 10672 (February 25, 2011), or
- (2) The institution’s then existing internal methodology for identifying leveraged loans.¹

¹ Institutions that did not have an existing methodology in place to identify leveraged loans and securities (because they were not required to report on these exposures to their primary federal regulator for examination or other supervisory purposes or did not measure and monitor loans and securities with these characteristics for internal risk management purposes) may, as an alternative to applying the definitions in the FDIC’s assessment regulations to loans and securities originated or refinanced before April 1, 2013, apply then existing guidance provided by their primary federal regulator or the February 2008 Comptroller’s Handbook on Leveraged Lending to determine whether the loans or securities are to be reported as higher-risk C&I loans in Schedule RC-O, Memorandum item 9.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

Item No. Caption and Instruction

- 9**
(cont.) Alternatively, a reporting institution may opt to apply the definition of higher-risk C&I loans and securities in Appendix C to Subpart A to Part 327 of the FDIC's regulations to all of its C&I loans and securities without regard to when the loan was originated or refinanced (i.e., whether the loan was originated or refinanced before or after April 1, 2013).
- For securitizations issued before April 1, 2013, that contain leveraged loans or securities, the reporting institution must either:
- (1) Report the securitizations using the definition of leveraged loans and securities contained in the FDIC's final rule on assessments and large bank pricing, 76 Fed. Reg. 10672 (February 25, 2011), or
 - (2) Report the securitizations if more than 50 percent of the assets backing the securitization are identified as leveraged loans or securities by the institution's then existing internal methodology for identifying leveraged loans.²
- Alternatively, an institution may apply the definitions in Appendix C to Subpart A to Part 327 of the FDIC's regulations to all of its securitizations.
- 10** **Commitments to fund construction, land development, and other land loans secured by real estate (for the consolidated bank).** For purposes of Memorandum items 10.a and 10.b, construction, land development, and other land loans are defined in the instructions for Schedule RC-C, part I, item 1.a, "Construction, land development, and other land loans." Commitments are defined in the instructions for Schedule RC-L, item 1, "Unused commitments."
- 10.a** **Total unfunded commitments.** Report on a fully consolidated basis the unused portion of commitments to extend credit to fund construction, land development, and other land loans in domestic and foreign offices that, when funded, would be reportable as loans secured by real estate in Schedule RC-C, part I, item 1.a. The amount reported in this item should also have been included in the amounts reported in Schedule RC-L, items 1.c.(1)(a) and (b).
- 10.b** **Portion of unfunded commitments guaranteed or insured by the U.S. government.** Report on a fully consolidated basis the maximum amount of the unused portion of the construction, land development, and other land loan commitments in domestic and foreign offices reported in Schedule RC-O, Memorandum item 10.a, above that is recoverable from the U.S. government under guarantee or insurance provisions, including the maximum amount recoverable under FDIC loss-sharing agreements.
- Exclude amounts recoverable from state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations.

* * * * *

² Institutions that did not have an existing methodology in place to identify leveraged loans and securities (because they were not required to report on these exposures to their primary federal regulator for examination or other supervisory purposes or did not measure and monitor loans and securities with these characteristics for internal risk management purposes) may, as an alternative to applying the definitions in the FDIC's assessment regulations to C&I loans and securities backing securitizations issued before April 1, 2013, apply then existing guidance provided by their primary federal regulator or the February 2008 Comptroller's Handbook on Leveraged Lending to determine whether more than 50 percent of the assets backing a securitization are leveraged loans, thus requiring that the securitization be reported as a higher-risk C&I loan in Schedule RC-O, Memorandum item 9.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

Item No. Caption and Instruction

NOTE: Memorandum item 13.a is to be completed by “large institutions” and “highly complex institutions.” Memorandum items 13.b through 13.h are to be completed by “large institutions” only.

- 13 Portion of funded loans and securities (in domestic and foreign offices) guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements).** Report in the appropriate subitem on a fully consolidated basis the portion of the balance sheet amount of funded loans and securities that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- Exclude loans guaranteed or insured by state or local governments, state or local government agencies, foreign (non-U.S.) governments, and private agencies or organizations as well as loans collateralized by securities issued by the U.S. government.
- 13.a Construction, land development, and other land loans secured by real estate.** Report on a fully consolidated basis the portion of the balance sheet amount of construction, land development, and other land loans (in domestic and foreign offices) (as defined for Schedule RC-C, part I, item 1.a) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.b Loans secured by multifamily residential and nonfarm nonresidential properties.** Report on a fully consolidated basis the portion of the balance sheet amount of loans secured by multifamily (5 or more) residential properties and loans secured by nonfarm nonresidential properties (in domestic and foreign offices) (as defined for Schedule RC-C, part I, items 1.d and 1.e., respectively) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.c Closed-end loans secured by first liens on 1-4 family residential properties.** Report on a fully consolidated basis the portion of the balance sheet amount of closed-end loans secured by first liens on 1-4 family residential properties (in domestic and foreign offices) (as defined for Schedule RC-C, part I, item 1.c.(2)(a)) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.d Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report on a fully consolidated basis the portion of the balance sheet amount of closed-end loans secured by junior liens on 1-4 family residential properties revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (in domestic and foreign offices) (as defined for Schedule RC-C, part I, items 1.c.(2)(b) and 1.c.(1), respectively) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.e Commercial and industrial loans.** Report on a fully consolidated basis the portion of the balance sheet amount of commercial and industrial loans (as defined for Schedule RC-C, part I, item 4) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

Item No. Caption and Instruction

- 13.f Credit card loans to individuals for household, family, and other personal expenditures.** Report on a fully consolidated basis the portion of the balance sheet amount of credit card loans to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, item 6.a) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.g Revolving credit plans other than credit cards, automobile loans, and other consumer loans.** Report on a fully consolidated basis the portion of the balance sheet amount of revolving credit plans other than credit cards, automobile loans, and other consumer loans (as defined for Schedule RC-C, part I, items 6.b, 6.c, and 6.d) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.
- 13.h Non-agency residential mortgage-backed securities.** Report on a fully consolidated basis the portion of the balance sheet amount of residential mortgage-backed securities (as defined for Schedule RC-B, items 4.a.(3) and 4.b.(3)) that is guaranteed or insured by the U.S. government, including the maximum amount recoverable under FDIC loss-sharing agreements.

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Memoranda

Item No. Caption and Instruction

NOTE: Memorandum item 18 is to be completed on a fully consolidated basis by “large institutions” and “highly complex institutions” filing the FFIEC 031 report forms. Memorandum item 18 is not applicable to institutions filing the FFIEC 041 report forms.

- 18 Loans secured by real estate for the consolidated bank.** Report a breakdown of all loans secured by real estate reported for the consolidated bank in Schedule RC-C, part I, item 1, into the nine categories specified in Memorandum items 18.a.(1) through 18.e.(2) below.
- 18.a Construction, land development, and other land loans:**
- 18.a.(1) 1-4 family residential construction loans.** Report for the consolidated bank the amount of 1-4 family residential construction loans (as defined for Schedule RC-C, part I, item 1.a.(1)) included in Schedule RC-C, part I, item 1, column A.
- 18.a.(2) Other construction loans and all land development and other land loans.** Report for the consolidated bank the amount of other construction loans and all land development and other land loans (as defined for Schedule RC-C, part I, item 1.a.(2)) included in Schedule RC-C, part I, item 1, column A.
- 18.b Secured by farmland.** Report for the consolidated bank the amount of loans secured by farmland (as defined for Schedule RC-C, part I, item 1.b) included in Schedule RC-C, part I, item 1, column A.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

Memoranda

<u>Item No.</u>	<u>Caption and Instruction</u>
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|--|---|
| 18.c | <u>Secured by 1-4 family residential properties:</u> |
| 18.c.(1) | <u>Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.</u> Report for the consolidated bank the amount of revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit (as defined for Schedule RC-C, part I, item 1.c.(1)) included in Schedule RC-C, part I, item 1, column A. |
| 18.c.(2) | <u>Closed-end loans secured by 1-4 family residential properties:</u> |
| 18.c.(2)(a) | <u>Secured by first liens.</u> Report for the consolidated bank the amount of closed-end loans secured by first liens on 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2)(a)) included in Schedule RC-C, part I, item 1, column A. |
| 18.c.(2)(b) | <u>Secured by junior liens.</u> Report for the consolidated bank the amount of closed-end loans secured by junior liens on 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c.(2)(b)) included in Schedule RC-C, part I, item 1, column A. |
| 18.d | <u>Secured by multifamily (5 or more) residential properties.</u> Report for the consolidated bank the amount of loans secured by multifamily (5 or more) residential properties (as defined for Schedule RC-C, part I, item 1.d) included in Schedule RC-C, part I, item 1, column A. |
| 18.e | <u>Secured by nonfarm nonresidential properties:</u> |
| 18.e.(1) | <u>Loans secured by owner-occupied nonfarm nonresidential properties.</u> Report for the consolidated bank the amount of loans secured by owner-occupied nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(1)) included in Schedule RC-C, part I, item 1, column A. |
| 18.e.(2) | <u>Loans secured by other nonfarm nonresidential properties.</u> Report for the consolidated bank the amount of loans secured by other nonfarm nonresidential properties (as defined for Schedule RC-C, part I, item 1.e.(2)) included in Schedule RC-C, part I, item 1, column A. |
|
NOTE: Memorandum item 19 is to be completed on a fully consolidated basis by “large institutions” and “highly complex institutions.” | |
| 19 | <u>Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default.</u> Report on a fully consolidated basis the balance sheet amount of all consumer loans, as defined for assessment purposes below, segmented by 10 product types and 12 two-year probability of default (PD) bands. This information is intended to supplement the amount of higher-risk consumer loans reported in Schedule RC-O, Memorandum items 7 and 8, above, and should include all consumer loans, as defined for assessment purposes, regardless of whether they have a two-year PD of more than 20 percent. Institutions must calculate the PD for each consumer loan in accordance with the requirements set forth in Appendix C to Subpart A to Part 327 of the FDIC’s regulations. When determining the PD band to which a consumer loan should be assigned, institutions must round the PD of the loan to the nearest hundredth of a percentage point (e.g., round a PD of 5.6789 percent to 5.68 percent). |

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

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19 (cont.)	Amounts reported in Memorandum item 19 will not be made available to the public on an individual institution basis.
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For assessment purposes, consumer loans are defined as loans secured by 1-4 family residential properties (as defined for Schedule RC-C, part I, item 1.c) and loans and leases to individuals for household, family, and other personal expenditures (as defined for Schedule RC-C, part I, items 6 and 10.a). However, when completing Memorandum item 19, exclude:

- (1) Consumer loans reported as trading assets in Schedule RC, item 5;
- (2) The maximum amounts recoverable on consumer loans from the U.S. government under guarantee or insurance provisions, including the maximum amount recoverable under FDIC loss-sharing agreements; and
- (3) Consumer loans fully secured by cash collateral, provided the requirements regarding loans fully secured by cash collateral that are detailed in Appendix C to Subpart A to Part 327 of the FDIC's regulations are met.
- (4) All securitizations.

The amounts to be reported in Memorandum item 19 should include purchased credit-impaired loans as defined in ASC Subtopic 310-30, Receivables – Loans and Debt Securities Acquired with Deteriorated Credit Quality (formerly AICPA Statement of Position 03-3, "Accounting for Certain Loans or Debt Securities Acquired in a Transfer").

The total amount reported in Memorandum item 19.k, column N, may be less than the balance sheet amount of consumer loans reported in Schedule RC-C, part I, due to the exclusions noted above as well as the reporting exceptions detailed in Appendix C to Subpart A to Part 327 of the FDIC's regulations.

Column Instructions:

Columns A through L, Two-Year Probability of Default: Report each consumer loan by product type in the appropriate two-year PD band column based on the two-year PD assigned to the loan in accordance with the requirements in Appendix C to Subpart A to Part 327 of the FDIC's regulations, unless the loan is unscorable.

Column M, Unscorable: Report in column M the total amount of unscorable loans by product type. Unscorable loans are defined for assessment purposes as consumer loans where the available information about the borrower is insufficient to determine a credit score and, consequently, the loan cannot be assigned a two-year PD in accordance with the requirements in Appendix C to Subpart A to Part 327 of the FDIC's regulations.

Column N, Total: Report in column N the total amount of scorable and unscorable consumer loans by product type, i.e., the sum of columns A through M for each product type.

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

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| 19
(cont.) | <i>Column O, PDs Were Derived Using:</i> Report in column O for each product type the method or methods used to assign PDs to the consumer loans within that product type. For each product type, enter a 1 in column O if the PDs assigned to the loans were derived using a credit score-to-default rate mapping provided by a third party vendor; enter a 2 in column O if the PDs assigned to the loans were derived using an internally developed mapping approach; and enter a 3 in column O if third party and internal mapping were applied to derive the PDs for different segments of loans within the product type. |
| 19.a | <u>“Nontraditional 1-4 family residential mortgage loans” as defined for assessment purposes only in FDIC regulations.</u> For “nontraditional 1-4 family residential mortgage loans,” as defined for assessment purposes in Schedule RC-O, Memorandum item 7, above, report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The amount reported in Memorandum item 19.a, column N, should be less than or equal to the amount reported in Schedule RC-O, Memorandum item 7. |
| 19.b | <u>Closed-end loans secured by first liens on 1-4 family residential properties.</u> For closed-end loans secured by first liens on 1-4 family residential properties, as defined for Schedule RC-C, part I, item 1.c.(2)(a) (but excluding first liens reported as “nontraditional 1-4 family residential mortgage loans” in Memorandum item 19.a, above), report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The amount reported in Memorandum item 19.b, column N, should be less than or equal to the amount reported in Schedule RC-O, Memorandum item 18.c.(2)(a), on the FFIEC 031; Schedule RC-C, part I, item 1.c.(2)(a), on the FFIEC 041. |
| 19.c | <u>Closed-end loans secured by junior liens on 1-4 family residential properties.</u> For closed-end loans secured by junior liens on 1-4 family residential properties, as defined for Schedule RC-C, part I, item 1.c.(2)(b) (but excluding junior liens reported as “nontraditional 1-4 family residential mortgage loans” in Memorandum item 19.a, above), report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The amount reported in Memorandum item 19.c, column N, should be less than or equal to the amount reported in Schedule RC-O, Memorandum item 18.c.(2)(b), on the FFIEC 031; Schedule RC-C, part I, item 1.c.(2)(b), on the FFIEC 041. |
| 19.d | <u>Revolving, open-end loans secured by first liens on 1-4 family residential properties and extended under lines of credit.</u> For revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit, as defined for Schedule RC-C, part I, item 1.c.(1), for which the reporting institution holds a first lien, report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. |

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

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| 19.e | <u>Revolving, open-end loans secured by junior liens on 1-4 family residential properties and extended under lines of credit.</u> For revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit, as defined for Schedule RC-C, part I, item 1.c.(1), for which the reporting institution holds a junior lien, report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The sum of the amounts reported in Memorandum items 19.d and 19.e, column N, should be less than or equal to the amount reported in Schedule RC-O, Memorandum item 18.c.(1), on the FFIEC 031; Schedule RC-C, part I, item 1.c.(1), on the FFIEC 041. |
| 19.f | <u>Credit cards.</u> For credit cards to individuals for household, family, and other personal expenditures, as defined for Schedule RC-C, part I, item 6.a, report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The amount reported in Memorandum item 19.f, column N, should be less than or equal to the amount reported in Schedule RC-C, part I, item 6.a. |
| 19.g | <u>Automobile loans.</u> For automobile loans to individuals for household, family, and other personal expenditures, as defined for Schedule RC-C, part I, item 6.c, report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The amount reported in Memorandum item 19.g, column N, should be less than or equal to the amount reported in Schedule RC-C, part I, item 6.c. |
| 19.h | <u>Student loans.</u> For student loans included in Schedule RC-C, part I, item 6.d, “Other consumer loans,” report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. |
| 19.i | <u>Other consumer loans and revolving credit plans other than credit cards.</u> For revolving credit plans other than credit cards to individuals for household, family, and other personal expenditures and other consumer loans, as defined for Schedule RC-C, part I, items 6.b and 6.d, respectively (but excluding student loans), report in the appropriate column the amount of such loans to which a two-year PD has been assigned, the amount of unscorable loans within this product type, the total amount of loans in this product type, and the method(s) used to assign PDs to the loans in this product type. The sum of the amounts reported in Memorandum items 19.h and 19.i, column N, should be less than or equal to the sum of the amounts reported in Schedule RC-C, part I, items 6.b and 6.d. |
| 19.j | <u>Consumer leases.</u> For leases to individuals for household, family, and other personal expenditures, as defined for Schedule RC-C, part I, item 10.a, report in the appropriate column the amount of such leases to which a two-year PD has been assigned, the amount of unscorable leases within this product type, the total amount of leases in this product type, and the method(s) used to assign PDs to the leases in this product type. The amount reported in Memorandum item 19.j, column N, should be less than or equal to the amount reported in Schedule RC-C, part I, item 10.a. |

Schedule RC-O – Other Data for Deposit Insurance and FICO Assessments (cont.)

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19.k **Total.** For each of columns A through N, report the sum of Memorandum items 19.a through 19.j. Memorandum item 19.k, column N, must equal the sum of columns A through M for Memorandum item 19.k.

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