Office of Thrift Supervision
Financial Reporting Division (FRD)

June 2008

http://www.ots.treas.gov

Financial Reporting Bulletin

- **It is important that you read this bulletin and the attached materials before preparing and submitting your quarterly Thrift Financial Report.**

- ***Please share this bulletin with all staff members who are involved in preparing and transmitting reports to the OTS.***

June TFR (including Schedule SB)
Filing *Deadline* – Wednesday, July 30, 2008

(Remember - you must transmit TFR before any other quarterly or annual reports.)

June COF **Filing Deadline – Wednesday, July 30, 2008**

June CMR **Filing Deadline – Thursday, August 14, 2008**
June HC **Filing Deadline – Thursday, August 14, 2008**

2008 BOS (Branch Office Survey) **Filing Deadline – Monday, August 25, 2008**

IN THIS ISSUE

The Office of Thrift Supervision publishes the Financial Reporting Bulletin quarterly and distributes it to all OTS-regulated institutions. The bulletin's purpose is to provide the Thrift Financial Report preparer with reporting information and guidelines. Please send comments and suggestions on this bulletin to the Office of Thrift Supervision, by e-mail to OTSFinancialBulletin@ots.treas.gov.

SECOND QUARTER FILING *DEADLINES*

You should complete and transmit your June 2008 TFR including Schedule SB, and COF as soon as possible after the close of the quarter:

Filing ***deadline*** for all schedules *except* HC, CMR, and BOS is ***Wednesday, July 30, 2008***.

Filing ***deadline*** for Schedules HC and CMR is ***Thursday, August 14, 2008***.

Filing ***deadline*** for Branch Office Survey (BOS) is ***Monday, August 25, 2008***.

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines above. Interest Rate Risk reports will not be available for download by institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at 972.277.9618 or doris.jackson@ots.treas.gov, after transmitting CMR for confirmation of receipt.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division analyst in Dallas, Texas. A contact listing is provided near the end of this bulletin. You may e-mail reporting questions to tfr.instructions@ots.treas.gov. If you need assistance with Electronic Filing System (EFS) including Quick Importer, or Financial Reports Subscriber (FRS), software or transmission, contact the EFS Helpline Message Center by e-mail at efs-info@ots.treas.gov or by phone toll free at 866.314.1744. If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at scott.ciardi@ots.treas.gov, or call 202.906.6960.

**** EFS VERSION 6.5.0 SOFTWARE UPDATE FOR JUNE REPORTS AVAILABLE FOR *DOWNLOAD* ****

The new EFS ***Version 6.5*** update is now available for download via EFS Net, ***and must be used to prepare and transmit all June 2008 reports***. There is no new EFS CD for June 2008.

Also, be sure you have signed up in EFS Net under My EFS Notification Recipients to receive e-mail notification when a new software update is available for download, or other important information is placed on EFS Net. If you do not sign up for e-mail notification, you should go to EFS Net frequently to check for any software updates or news about preparing your reports.

For any software issues you encounter, you should run the OTS Diagnostics from Start, Programs, Office of Thrift Supervision, OTS Diagnostics. If the Diagnostics tool does not identify and offer solutions for your problem, contact the EFS Helpline at efs-info@ots.treas.gov or by phone toll free at 866.314.1744.

WHAT'S NEW IN EFS VERSION 6.5.0

Edit Changes for June 2008

Eight new data quality edits were added in June 2008.

TFR Report Modifications

The caption for line SO411 should read **Amortization of and Fair Value Adjustments to Loan Servicing Assets and Loan Servicing Liabilities**. The caption will now correspond to the TFR instructions.

All the headers on the printed version of Schedule CMR now correctly state **2008 Thrift Financial Report**.

New User Report and Output File

A new Usage Audit Report is available through the "System" menu. This option produces a printed report of all activity within the EFS application for a period of time. Users select the "To" and "From" dates to be audited, and the report lists activity by date of occurrence and report cycle.

Users now have the option to export a report in XML format in addition to the tab-delimited or column-defined ASCII formats previously available. After selecting a report tab, click on System > Financial Data > Export to ASCII. The new XML format is included in the "Export Options" box on the right of the next screen.

NOTE: The XML output file is for the user's own purposes, and is not intended to be imported back into the EFS application or transmitted to OTS.

ANNUAL BRANCH OFFICE SURVEY (BOS)

The OTS Branch Office Survey (BOS) is an annual report of deposits and escrow data for the main office and each facility that accepted deposits on behalf of the institution as of June 30th, regardless of the fiscal year-end of the institution. You must prepare your BOS report using the Electronic Filing System (EFS) software, and ***can transmit it at any time after you have submitted your June 2008 Thrift Financial Report (TFR)***.

The BOS filing deadline is Monday, August 25, 2008. Paper copies will not be accepted, however, you should retain a printed copy of the completed and signed Branch Office Survey (OTS Form 248) for review during the examination process. Electronic amendments to the BOS report are due to the OTS no later than Tuesday, September 30, 2008.

The Office of Thrift Supervision provides Branch Office Survey data directly to the Federal Deposit Insurance Corporation (FDIC) for publication on the FDIC website. OTS-regulated institutions do not file the Summary of Deposits report with the FDIC. Trust-only institutions and institutions reporting zero for total deposits on TFR line SC710 for the reporting period ending June 30th, 2008, are exempt from filing the Branch Office Survey. Complete updated instructions for the 2008 Branch Office Survey and a copy of OTS Form 248 are available on the OTS website at http://www.ots.treas.gov under TFR, Report Forms/Bulletins, Branch Office Survey. For assistance with the BOS, contact Cheyann Houts at (972) 277-9617, or cheyann.houts@ots.treas.gov.

FDIC WEBSITE UPDATES

Per the FDIC, updates are made to the Industry Analysis portion of their website (http://www.fdic.gov/) on the third Friday after the close of the quarter and weekly thereafter. This update is based on individual OTS TFR data as of the previous Tuesday night. The FDIC will post June 2008 data to their website for the first time on Friday, July 18, 2008. The last update of the FDIC website for the June 2008 cycle will be approximately 60 days after the close of the quarter.

AMENDING PRIOR-CYCLE DATA

Before you transmit any prior-period amendments to TFR, CMR, or HC reports, be sure to discuss them with your Financial Reporting Analyst, who may have further instructions for you to follow. All amendments must be filed electronically and should include a detailed EFS Message to OTS explaining the reason for the amendment.

Although the instructions allow for 135 days after the cycle close for prior-cycle amendments, FRD analysts may need several days to analyze and process your data. Therefore, we encourage you to file any March 2008 amendments no later than close of business, Friday, August 8, 2008.

JUNE 2008 TFR INSTRUCTION MANUAL UPDATES

The following sections of the TFR Instruction manual have been revised and updated. Please refer to the revised instruction pages included with this Bulletin for details. Delete only the pages that have a replacement page.

Schedule SC - Consolidated Statement of Condition

- Page 224, deleted references to DI720 – 730
- Page 225, deleted references to DI620

Schedule DI- Consolidate Deposit Information

- Page 906, item 4, deleted the reference to DI620 and DI640

Schedule CCR - Consolidated Capital Requirements

- Page 1625, Zero Percent Credit Conversion Factor (not risk weighted) added the word “and” to item 2(a) and 4(a)

You can go to the OTS website, http://www.ots.treas.gov at any time, click on the TFR section, find Reports/Forms and print a blank copy of TFR 2008 Form 1313 to use as a worksheet.

SEPTEMBER 2008 INSTRUCTIONAL CHANGES TO CONSOLIDATED DEPOSIT INFORMATION (SCHEDULE DI)

Beginning with the September 2008 reporting cycle, the instructions for schedule DI120 - DI185 will be revised to include the Section 3(l) definition of deposits as referenced for Total Deposit Liabilities Before Exclusions (Gross) as Defined in Section 3(l) of the FDI Act and FDIC Regulations, DI510. The sum of DI120, DI130, DI170, and DI175 must equal the institution’s assessable deposits, i.e. line DI510, less DI520. For example, the interest accrued and unpaid, SC763, that is included in the institution’s assessable deposits will be reported with the related account in lines DI120, DI130, DI170 and DI175.

If you are required to report Uninsured Deposits, DI210, then report them, including accrued interest, as unconsolidated on a single FDIC certificate number basis. When an insured institution owns another depository institution as a subsidiary, each institution files a separate TFR and should not combine the subsidiary institution’s deposit liabilities with its own in this section.

For assistance or questions about these changes, please contact your Financial Reporting Analyst in Dallas.

FINANCIAL REPORTING DIVISION - (FRD-DALLAS) CONTACT LIST

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GENERAL QUESTIONS AND SOFTWARE DISTRIBUTION

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The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

TFR REPORTING QUESTIONS AND ANSWERS

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at http://www.ots.treas.gov/ (click TFR). If you have a question that you would like answered, you may submit it to tfr.instructions@ots.treas.gov. Be sure to include your docket number in your Subject line. For security reasons, **FRD staff does not respond to e-mails with blank or illogical Subject lines.**

EFS HELPLINE MESSAGE CENTER

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at efs-info@ots.treas.gov or call the toll-free 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always include your 5-digit docket number in your e-mail Subject line or your voice-mail message, and provide your name and phone number. **FRD staff does not respond to e-mails with blank or illogical Subject lines.**

INTEREST-RATE RISK REPORTS

Questions about your Interest Rate Risk Report may be directed to Scott Ciardi at scott.ciardi@ots.treas.gov, or 202.906.6960.

COPIES OF TFR MANUAL The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at http://www.ots.treas.gov/ (click TFR).

PREFERRED AND MINIMUM REQUIREMENTS FOR ELECTRONIC FILING OF REGULATORY REPORTS

Preferred Requirements:

Application

- **IBM-compatible PC - Pentium 566+ processor**
- **Windows NT4.0 Workstation, Windows 2000, XP, Me**
- **256 Meg of installed RAM memory**
- **200+ Meg of available hard drive memory**
- **SVGA enhanced color monitor 1024x768, 256 colors or 24 bit true colors**
- **CD-Rom drive**
- **HP LaserJet or Ink Jet-compatible printer**

Communications - EFS-NET

- **DSL, Internet Cable, or T1-T3 Direct Line with online Internet access**
- **Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)**

PLEASE NOTE *The OTS has tested the Electronic Filing System on the new Microsoft Vista operating system, and at this time issues exist which prevent EFS from being fully functional on it. The OTS is working on the issue but at this time cannot support EFS and Financial Reports Subscriber (FRS) on Microsoft Vista workstations. The OTS advises anyone considering upgrading a machine hosting either the EFS and/or FRS software to Vista or installing either the EFS and/or FRS software on a new Vista machine to postpone this action until further notice.*

Minimum Requirements:

Application

- IBM-compatible PC - Pentium 200+ processor
- 128 Meg of installed RAM memory
- 150 Meg of available hard drive memory
- VGA or SVGA color monitor - 640x480, 256 colors screen
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

Communications - EFS-NET

- 56K bps modem and active account with an Internet Access Service Provider
- Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)

For quick reference to this page at any time, save this link in your Favorites:
<https://xnet.ots.treas.gov/efsnet/bulletins/efs_6x_requirements.pdf>

Office of Thrift Supervision

Filing Schedule for 2008 Regulatory Reports

You can and should complete and transmit your reports as soon as possible after the close of the quarter.

To preclude the OTS's consideration of the assessment of civil money penalties, pursuant to the provisions in 12 U.S.C. § 1464(v)(4)-(7), Reports of condition, please ensure that all TFR reports are filed before the filing deadlines shown below, and are filed accurately in accordance with the instructions.

Reporting "As Of" Date	FILING DEADLINE			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Monday March 3	
February 29			Monday March 31	
March 31	Wednesday April 30	Thursday May 15	Wednesday April 30	
April 30			Friday May 30	
May 31			Monday June 30	
June 30	Wednesday July 30	Thursday August 14	Wednesday July 30	Monday August 25
July 31			Tuesday September 2	
August 31			Tuesday September 30	
September 30	Thursday October 30	Friday November 14	Thursday October 30	
October 31			Monday December 1	
November 30			Tuesday December 30	
December 31	Friday January 30, 2009	Tuesday February 17, 2009	Friday January 30, 2009	

THRIFT FINANCIAL REPORT INSTRUCTION MANUAL

JUNE 2008

Insert the attached revised pages into your Thrift Financial Report Instruction Manual. Delete **only** the pages that have a replacement. Refer to the summary of these changes in the June 2008 Financial Reporting Bulletin.

Direct questions to your Financial Reporting Analyst in Dallas, Texas, or e-mail tfr.instructions@ots.treas.gov

LIABILITIES

For the following liabilities that may be included on various lines on this schedule, also report the balance on Schedule SI if the liability is recorded under a fair value option on:

SI377, Liabilities Recorded on Schedule SC Under a Fair Value Option

To be renamed (in 2008) - Financial Liabilities Carried at Fair Value

DEPOSITS AND ESCROWS:

SC71: Total Deposits and Escrows

The EFS software will compute this line as the sum of Deposits (SC710), Escrows (SC712), and Unamortized Yield Adjustments on Deposits and Escrows (SC715).

SC710: Deposits

Report all deposits at their face value except zero-coupon deposits, which you report at face value net of the unamortized discount.

Include:

1. All deposits whether interest-bearing or not.
2. Deposits exceeding DIF insurance limits, including those collateralized by your assets, such as deposits of public funds.
3. Unposted credits, such as:
   a. Deposit transactions that you include in a general ledger account and have not yet posted to a deposit account.
   b. Deposits you received in one branch for deposit into another branch, typically another branch in another state or outside of continental USA.

      You should report unposted credits net of unposted debits. We define unposted debits as cash items in your possession that are drawn on you and immediately chargeable, but not yet charged, against your deposits at the close of business on the reporting date.

   Exclude the following from unposted credits:
   a. Cash items drawn on other financial institutions.
   b. Overdrafts and nonsufficient fund (NSF) items.
   c. Cash items returned unpaid to the last endorser for any reason.
   d. Drafts and warrants that are payable at or payable through you for which there is no written authorization from the depositor and no state statute allowing you at your discretion to charge the items against the deposit accounts of the drawees.

   Report the above excluded unposted debit amounts in assets on SC110. **Note:** If the total of unposted credits is negative, that is, a debit, you can deduct it from SC710.

4. Outstanding cashier’s checks, money orders, or other official checks drawn on an internal account issued in the usual course of business for any purpose, including, without being limited to, those that you issued in payment for your debts or expenses, or payable to a third party named by a customer making the withdrawal.
5. Accounts pledged by your directors and organizers as protection against operating deficits and other nonwithdrawable accounts, whether or not they are used in determining compliance with minimum capital requirements.

6. U.S. Treasury tax and loan accounts that represent funds received as of the close of business of the reporting date. Do not include funds credited prior to the reporting date that are automatically converted into open-ended interest-bearing notes. Report such balances on SC796, Other Liabilities and Deferred Income.
7. Unapplied loan balances, such as receipts from borrowers that have not yet been classified as principal, or interest, unless you credit the applicable customer accounts as of the date you initially received the funds.
8. Credit balances in credit card accounts, credit card customer overpayments.
9. Funds you received or held in connection with drafts or checks that you have drawn on another depository institution, a Federal Home Loan Bank, or a Federal Reserve Bank. The funds reported here are only those drawn either on a zero-balance account or on an account that is not routinely maintained with sufficient balances to cover checks drawn in the normal course of business, including accounts where you remit funds only when the checks or drafts are presented. For example, funds received from a customer for a cashier's check that is drawn on a zero-balance account in another financial institution.
10. Dealer reserve accounts, when considered a liability under GAAP. **Dealer reserve accounts** are refundable amounts held as collateral in the purchase of installment notes from a dealer. For example, a savings association purchases $100,000 in installment notes from a dealer for the full face amount, for which it pays $90,000 to the dealer and holds the remaining $10,000 as collateral. The $10,000 held is a dealer reserve account, which you should report as a deposit. If you hold dealer reserves that under GAAP are reported as contra-assets, then you should report the assets net of these dealer reserves in Schedule SC.
11. Outstanding travelers' letters of credit and other letters of credit you issued for cash or its equivalent (prepaid letters of credit), less outstanding drafts accepted against the letters of credit.
12. Funds you hold as security for an obligation due to the bank or others, except hypothecated deposits, and funds deposited by a debtor to meet maturing obligations, such as amounts pledged against sinking fund mortgages and as collateral for loans.

Certain items should be added back to the appropriate deposit control totals and reported on SC689, Other Assets, as Code 99. Such items are: the gross amount of debit items (rejects) that you cannot post to the individual deposit accounts without creating overdrafts or that you cannot post for some other reason, such as stop payment, missing endorsement, post or stale date, or account closed, but which have been charged to the control accounts of the various deposit categories on the general ledger.

You should report assets and liabilities in Schedule SC in accordance with GAAP. Certain items defined in the Federal Deposit Insurance Act as includable in the deposit premium assessment base may, under GAAP, be considered contra-assets rather than liabilities. Report assets in Schedule SC net of such items, but you must also report these items on Schedule DI, as appropriate, so that they will be included in the deposit premium assessment base.

You should report reciprocal balances with commercial banks and other savings associations on a net basis where the right of set-off exists. Reciprocal demand balances arise when two depository institutions maintain deposit accounts with each other. In certain cases you will need to report reciprocal demand balances on DI520, Total Allowable Exclusions (Including Foreign Deposits).

Do not include:

1. Escrow accounts. Report on SC712, Escrows.
2. Custodial accounts established pursuant to loan servicing agreements. Report on SC712, Escrows.
3. Deposit accounts that you set up in your own name for which there is a corresponding cash account in assets. Eliminate the cash account from assets and the same amount from deposits. See item 4 under **Include** above concerning outstanding checks.

4. Outstanding checks drawn on, or payable at or through, a non-zero-balance account at a Federal Reserve Bank or a Federal Home Loan Bank. Deduct these amounts from cash-in-bank, typically, from amounts on SC110 or SC112, as appropriate, and also report them on DI510 for inclusion in the deposit base for FDIC insurance assessment purposes. See item 9 under **Include** above concerning outstanding checks drawn on zero-balance accounts.
5. Outstanding checks written against accounts in other depository institutions, as defined by the Federal Deposit Insurance Act. Deduct these from the related deposit reported on SC110 or SC118.
6. Discounts and premiums that result from marking assets and liabilities to fair value because of an acquisition, merger, or change in control. Report on SC715, Unamortized Yield Adjustments on Deposits and Escrows.
7. Deductions for commissions and other capitalized items. Report on SC715, Unamortized Yield Adjustments on Deposits and Escrows.
8. Deductions for customers' overdrafts in NOW and demand accounts unless the right of set-off under a valid cash management arrangement exists for accounts of the same legal entity. Report as loans on SC303, Unsecured Commercial Loans, or SC330 Other Consumer Loans.
9. U.S. Treasury tax and loan account balances credited prior to the reporting date that are automatically converted into open-ended interest-bearing notes. Report such balances in liabilities on SC796, Other Liabilities and Deferred Income.
10. Hypothecated deposits, deposits accumulated for the payment of loans. Deduct these from the related loan.
11. Accumulated gain or loss, change in fair value, on deposits attributable to the designated risk being hedged on a qualifying fair-value hedge under FASB Statement No. 133. Report on SC715, Unamortized Yield Adjustments on Deposits and Escrows.

SC712: Escrows

Report all escrow funds held by your savings association and your consolidated subsidiaries on behalf of others. Include only those accounts where the institution or its consolidated subsidiary is a party to the escrow agreement.

Include:

1. Tax and insurance escrows for mortgage loans.
2. Escrow accounts you have established pursuant to loan servicing agreements, including both tax and insurance and principal and interest escrows.
3. Custodial accounts you have established pursuant to loan servicing agreements.
4. Credit balances of uninvested trust funds that you hold. Do not offset balances of different accounts. Report only accounts with credit balances; accounts with debit balances should be reported as loans. However, we permit netting for overdrafts in principal or income cash in individual trust accounts maintained in the same right and capacity.
5. Amounts that you hold in conjunction with the sale of travelers' checks, money orders, and similar instruments.
6. Amounts you hold and have not yet remitted in conjunction with the sale or issuance of government bonds, mutual funds, or other securities.
7. Refundable loan commitment fees you have received prior to loan disbursement.
8. Refundable amounts you received from stock subscribers for unissued stock.
9. Amounts that you have withheld from employee compensation for payment to a third party such as withholding taxes, health and life insurance premiums, and pension funds.
10. Interest you have withheld from deposits for remittance to taxing authorities. .
11. Interest you have accrued on escrows included above.

Do not include:

1. Advances for borrowers' taxes and insurance, T&I escrow accounts with debit balances. If you or your consolidated subsidiaries own the related loan, report the advances on SC275, Advances for Taxes and Insurance. If you service the related loan for others, report them on SC689, Other Assets, as Code 09.
2. Advances to investors for loans you serviced for others prior to receipt from the borrower. Report as assets on SC689, Other Assets, Code 09.
3. Custodial accounts held by a depositor for another for example, a custodial account held for a minor where the parent or some other depositor is the custodian. Report as deposits on SC710.
4. IRA and Keogh accounts. Report as deposits on SC710.
5. Escrows where the funds are deposited in other depository institutions. Report as liabilities on SC796, Other Liabilities, Code 99.
6. Accumulated gain or loss on escrows attributable to the designated risk being hedged on a qualifying fair-value hedge under FASB Statement No. 133. Report on SC715, Unamortized Yield Adjustments on Deposits and Escrows.
7. Escrows where your holding company or unconsolidated affiliate is a party to the escrow agreement and where you are not a party to the escrow agreement. Report on SC710, Deposits.

SC715: Unamortized Yield Adjustments on Deposits and Escrows

Report the unamortized balance of discounts and premiums on deposits. Report the face amounts of the related deposits on SC710 and SC712. These yield adjustments are amortized to interest expense on SO215, Interest Expense on Deposits. This data field may be negative, representing a debit. .

Include:

1. Discounts and premiums resulting from initially recording purchased deposits and escrows at fair value.
2. Discounts and premiums related to accounting for a derivative instrument embedded in deposits and escrows as either a separate asset or liability, when required by FASB Statement No. 133.
3. The accumulated gain or loss (the change in fair value) on deposits and escrows attributable to the designated risk being hedged on a qualifying fair value hedge under FASB Statement No. 133.
4. Unamortized brokers fees.

Do not include:

1. Yield adjustments related to advances and borrowings; these directly reduce the related borrowing.
2. Core deposit intangibles resulting from an acquisition, merger, or change in control. Report on SC660, Goodwill and Other Intangible Assets.

BORROWINGS

Adjust the balance due for (1) discounts and premiums in accordance with APB No. 21, Paragraph 16; and (2) the accumulated gain or loss on borrowings attributable to the designated risk being hedged on a qualifying fair-value hedge under FASB Statement No. 133. Amortize the discounts and premiums to interest expense. Report issuance costs related to borrowings in SC689, Other Assets.

SC72: Total

The EFS software will compute this line as the sum of SC720 through SC760

DI340: Time Deposits

Report the balance of time deposits. Time deposits are nontransactional savings deposits payable at a specified future date with earnings at a specified rate of interest. The interest specified may adjust periodically according to a predetermined formula or index or may be fixed for the term of the deposit. The specified maturity date must be not less than seven days after the date of the deposit. Time deposits may be an open savings deposit or may be evidenced by a negotiable or nonnegotiable instrument or receipt commonly known as a certificate of deposit (CD). Open time deposits include club accounts, such as Christmas club and vacation club accounts, are made under written contracts that provide that no withdrawal may be made until the customer makes a certain number of periodic deposits or a certain period of time has elapsed.

Data reported in lines DI350 and DI360 are used by the Federal Reserve to ensure accurate construction of the monetary aggregates for monetary policy purposes.

DI350: Time Deposits of $100,000 or Greater (Excluding Brokered Time Deposits Participated Out by the Broker in Shares of Less Than $100,000 and Brokered Certificates of Deposit Issued In $1,000 Amounts Under a Master Certificate of Deposit)

Report the balance of time deposits of $100,000 or greater. Do not include brokered time deposits participated out by the broker in shares of less than $100,000 and brokered certificates of deposit issued in $1,000 amounts under a master certificate of deposit.

DI360: IRA/Keogh Accounts of $100,000 or Greater Included in Time Deposits

Report the balance of IRA / Keogh accounts of $100,000 or greater included in time deposits.

DI610: NON-INTEREST-BEARING DEMAND DEPOSITS

Report all demand deposits reported on SC710, Deposits, and SC712, Escrows. FDIC Regulations 12 CFR § 329.1, 329.101, and 329.102 define the demand deposits to report on this line.

A demand deposit is a non-interest-bearing deposit with the following characteristics:

1. Is payable immediately on demand.
2. Is issued with an original maturity or required notice period of less than seven days.
3. Where the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.

Demand deposits include:

1. Matured time deposits that do not have automatic renewal provisions, unless the deposit agreement provides for the transfer of funds at maturity to another type of account.
2. Escrow accounts reported on SC712 that meet the definition of demand deposits.
3. Outstanding checks drawn against zero-balance accounts reported on SC710, including those at Federal Home Loan Banks.

Demand deposits do not include:

1. Money market deposit accounts, MMDAs.
2. NOW accounts not meeting the three criteria listed above for demand deposits.

3. Deposits held either in branches outside of the territories and possessions of the U.S. or by an Edge or Agreement Subsidiary or by an International Banking Facility (IBF).
4. Amounts not included in SC710 or SC712, such as outstanding checks drawn against Federal Home Loan Banks.

DEPOSIT DATA FOR DEPOSIT INSURANCE PREMIUM ASSESSMENTS

GENERAL INSTRUCTIONS

Each institution must complete lines DI510, DI520, and DI530 on an unconsolidated single FDIC certificate number basis. Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When an insured institution owns another depository institution as a subsidiary, each institution should report only its own deposit liabilities in this section (i.e., the parent institution should not combine the subsidiary institution's deposit liabilities with its own in this section).

In addition, an institution that meets one of the criteria discussed below must complete lines DI540, DI550, and DI560 on an unconsolidated single FDIC certificate number basis each quarter.

Effective March 31, 2008, an institution that (a) reported $1 billion or more in total assets as of the March 31, 2007, report date (regardless of its asset size in subsequent quarters) or (b) became insured by the FDIC on or after April 1, 2007, but before January 1, 2008, must report both quarter-end balances and daily averages for the quarter in this section of Schedule DI. In addition, an institution that meets one of the following criteria must report both quarter-end deposit totals and daily averages in Schedule DI:

1. If an institution reports $1 billion or more in total assets in two consecutive Thrift Financial Reports subsequent to its March 31, 2007, report, the institution must begin reporting both quarter-end balances and daily averages for the quarter beginning on the later of the March 31, 2008, report date or the report date six months after the second consecutive quarter in which it reports total assets of $1 billion or more. For example, if an institution reports $1 billion or more in total assets in its reports for June 30 and September 30, 2007, it would have to begin reporting daily averages in its report for March 31, 2008. If the institution reports $1 billion or more in total assets in its reports for December 31, 2008, and March 31, 2009, it would have to begin reporting daily averages in its report for September 30, 2009.
2. If an institution becomes newly insured by the FDIC on or after January 1, 2008, the institution must report daily averages in Schedule DI beginning in the first quarterly Thrift Financial Report that it files. The daily averages reported in the first report the institution files after becoming FDIC-insured would include the dollar amounts for the days since the institution began operations and zero for the days prior to the date the institution began operations, effectively pro-rating the first quarter's assessment base.

Any institution that reports less than $1 billion in total assets in its March 31, 2007, report may continue to report only quarter-end total deposits and allowable exclusions until it meets the two-consecutive-quarter asset size test for reporting daily averages. Alternatively, the institution may opt permanently at any time to begin reporting daily averages for purposes of determining its assessment base. After an institution begins to report daily averages for its total deposits and allowable exclusions, either voluntarily or because it is required to do so, the institution is not permitted to switch back to reporting only quarter-end balances.

The amounts to be reported as daily averages are the sum of the gross amounts of total deposits (domestic and foreign) and allowable exclusions for each calendar day during the quarter divided by the number of calendar days in the quarter (except as noted above for an institution that becomes insured on

2. LIP that you may disburse over a period of time exceeding one year and that meets both of the following criteria:
   a. You may unconditionally cancel the agreement.
   b. You make a separate credit decision before each draw.

Convert all LIP that does not meet the criteria in #1 or #2 above at a 50 percent conversion factor and place in the risk-weight category appropriate for the related loan, except as follows:

1. When the borrower pays interest on the full amount of the loan, including both the disbursed and undisbursed portions, you must convert the LIP to an on-balance-sheet equivalent at a 100 percent credit conversion factor.
2. When the LIP is a direct credit substitute, you must convert it to an on-balance-sheet equivalent at a 100 percent credit conversion factor.

Table of Conversion Factors for Off-Balance-Sheet Items

This calculation translates the face amount of an off-balance-sheet exposure into an on-balance-sheet credit equivalent amount.

Zero Percent Credit Conversion Factor (not risk weighted)

Include:

1. Unused commitments with an original maturity of one year or less.
2. Unused commitments with an original maturity of greater than one year:
   a. That you may unconditionally cancel at any time, and
   b. You have the contractual right to make, and you do make, either:
      i. A separate credit decision based upon the borrower's current financial condition before each draw, or,
      ii. An annual, or more frequent credit review, based upon the borrower's current financial condition to determine whether or not to continue the lending arrangement.
3. Unused portions of retail credit card lines of credit that you may unconditionally cancel to the extent allowed by applicable law.
4. Unused portion of home equity lines of credit:
   a. That you may unconditionally cancel at any time to the extent allowed by federal law, and
   b. You have the contractual right to make, and you do make, either:
      i. A separate credit decision based upon the borrower's current financial condition before each draw, or,
      ii. An annual, or more frequent credit review, based upon the borrower's current financial condition to determine whether to continue the lending arrangement.
5. A commitment to make a permanent loan, where either the balance sheet or off-balance-sheet includes the construction loan. If the commitment to make the permanent loan exceeds the construction loan, treat the excess as a separate commitment and convert it to an on-balance-sheet equivalent.

Twenty Percent Credit Conversion Factor

Trade-related contingencies are short term, self-liquidating instruments used to finance the movement of goods and collateralized by the underlying shipment. For example, a commercial letter of credit.

Fifty Percent Credit Conversion Factor

Include:

1. Transaction-related contingencies, including performance bonds and performance-based standby letters of credit.
2. Unused commitments with an original maturity greater than one year, including home equity lines of credit that are not in the zero percent credit conversion factor category because they are not unconditionally cancelable.
3. Revolving underwriting facilities, note issuance facilities, and similar arrangements where the customer can issue short-term debt in its own name, but where you have a legally binding commitment to either:
    a. Purchase the obligations the customer is unable to sell by a certain date.
    b. Advance funds to its customer if the customer is unable to sell the obligations.

Example:

You have a $1 million off-balance-sheet letter of credit guaranteeing the completion of a road in a residential construction project. Letters of credit that guarantee performance have a conversion factor of 50 percent. You convert the $1 million off-balance-sheet item into a $500,000 on-balance-sheet equivalent ($1 million times 50 percent), and place this in the 100 percent risk-weight category on CCR506, which is the same risk-weight category as on-balance-sheet residential construction loans.

One Hundred Percent Credit Conversion Factor

Include:

1. Financial guarantee-type standby letters of credit. Convert the face amount to a credit-equivalent amount.
2. Assets sold with recourse:
    a. If you sell a $100 loan with ten percent recourse, you must convert the full $100 – the grossed up amount – at 100 percent, except where the amount of recourse liability that you retain is less than the capital requirement for credit-risk exposure. In that situation, the low-level recourse provision limits your capital charge to a dollar-for-dollar requirement against the amount of credit-risk exposure retained. For example, in the sale of most assets with one percent recourse, the amount of liability retained is less than the capital requirement. Therefore, one percent of the assets sold would be the capital requirement. Report this low-level recourse amount on CCR375 or CCR605. No off-balance-sheet conversion is necessary.
    b. Loans serviced for others where you or your subsidiaries are liable for credit losses on the loans serviced. In general, do not consider servicing of VA loans in GNMA pools as recourse servicing; however, we reserve the right on a case-by-case basis to treat such servicing as recourse. ***Note***: You should not risk weight the on-balance-sheet asset. You should convert the full outstanding balance of the loans serviced at 100 percent.
    c. Treat the subordinated portions of senior/subordinated securities, both retained and purchased subordinated pieces, identically to assets sold with partial, first-loss recourse under 2(a) above. You generally should not risk weight the on-balance-sheet-subordinated security. You should convert the full amount of both the senior and subordinate portions of the mortgage pool security at 100 percent.
    d. You may elect to apply the 100 percent credit conversion factor to only the retained recourse amount related to transfers of small business loans and leases of personal property, according to § 208 of the Riegle Community Development and Regulatory Improvement Act of 1994. Qualifying savings associations may apply the treatment under