



4 REPORTERS

KEEPING FOURTH DISTRICT INSTITUTIONS UP-TO-DATE ON REGULATORY REPORTING



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June 2011 Proposed Call Report Changes

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, the FDIC has redefined the deposit insurance assessment base for all insured depository institutions.

A Few Points to Highlight:

- The FDIC final rule was adopted on February 7, 2011 and became effective April 1, 2011.
- An institution's assessment base will no longer be derived from its domestic deposits, but rather defined as average consolidated total assets less average tangible equity capital.
- Tangible equity capital is defined as Tier 1 capital for insurance assessment purposes.
- The final rule creates a depository institution debt adjustment to assessment rates.
- The risk-based assessment system is revised for all "large" institutions, generally defined as those with at least \$10 billion in total assets.
- For further information, see the FDIC Financial Institution Letter FIL-8-2011 dated February 9, 2011.

The banking agencies have proposed revisions to the June 2011 Call Report, Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments, to collect data needed to implement the redefined assessment base and the revised large institution assessment system. The changes being proposed for Schedule RC-O include adding some additional line items pertaining to the new assessment base along with the deletion of line items 4, 5, and 6, Other Data for Deposit Insurance and FICO Assessment.

Please refer to the [Federal Register Notice](#) or the Supplemental Guidance for the March 2011 Call Report for additional details on the changes being proposed.

Supplemental Guidance Resource

Trust Preferred Securities and Limits on Restricted Core Capital Elements

Compliance for the stricter quantitative limits and qualitative standards on the continued inclusion of outstanding and prospective issuances of trust preferred securities in the Tier 1 capital of bank holding companies became effective March 31, 2011. The revised quantitative limits also applied to the bank holding companies aggregate amount of qualifying cumulative perpetual preferred stock, qualifying trust preferred securities, and Class B and Class C minority interest included in Tier 1 capital.

Please review the revised FR Y-9C report instructions for additional information on items affected by the implementation of these stricter limits.

Accounting for Loan Participations

As a reminder, banks and bank holding companies with a calendar year end December 31, 2010, must account for transfers of loan participations on or after January 1, 2010 in accordance with amended ASC Topic 860. The guidance also includes advances under lines of credit that are transferred on or after the effective date, even if the line of credit agreements were entered into before the effective date. Loan participations transferred before the effective date of the amended ASC Topic 860 generally are not affected by this amended accounting standard.

Please refer to the revised [Call Report | FR Y-9C](#) glossary entry for "Transfers of Financial Assets" for additional details. This glossary entry also addresses related reporting issues.



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FR Y-11/S and FR 2314/S Reportability

Please verify the total assets of nonbank subsidiaries held directly under the bank holding company to determine if they meet—FR Y-11/S, Financial Statement for US Nonbank Subsidiaries, or FR 2314/S, Financial Statement for Foreign Nonbank Subsidiaries, reportability requirements as of the June 30, 2011 report date.

General Criteria Chart

Quarterly Filers-Detailed Report | FR Y-11 and FR 2314

Parent BHC files the FR Y-9C and any one of the following:

- (1) Nonbank's total assets are greater than or equal to \$1 billion
- (2) Nonbank's off-balance-sheet activities are greater than or equal to \$5 billion
- (3) Nonbank's equity capital is greater than or equal to 5% of top-tier consolidated equity capital or
- (4) Nonbank's operating revenue is greater than or equal to 5% of top-tier consolidated operating revenue

Annual Filers-Detailed Report | FR Y-11 and FR 2314

Nonbank does not meet any of the quarterly filing criteria, but has total assets greater than or equal to \$250 million and less than \$1 billion

Annual Filers-Abbreviated Report | FR Y-11S and FR 2314S

Nonbank does not meet any of the detailed report filing criteria, but does meet the following:

- (1) Nonbank's total assets are greater than or equal to \$50 million and less than \$250 million or
- (2) Nonbank's total assets are greater than 1% of top-tier total consolidated assets

For more detailed reporting criteria and subsidiary exemptions for each report, please refer to the [FR Y-11/S](#) and [FR 2314/S](#) instructions.

Annual Review of Deposit Reporting Status

Be on the lookout for information pertaining to your deposit reporting status for September 2011–September 2012. In July, the Federal Reserve System will conduct its annual review of total reservable liabilities and transaction accounts, savings, and small time deposits to determine each institution's reporting status on the FR 2900 weekly, FR 2900 quarterly, and FR 2910a. Your institution will be notified by mail if you are affected by this review. For more information, please visit [Reporting Guidance \(FR 2900\)](#).

Electronic Filing

IESUB Account Reviews

As a requirement of the Federal Information Security Management Act (FISMA), the Federal Reserve conducts a review of the IESUB application to identify those users that have not logged on to the application for at least 2 years. As part of the review, institutions were contacted regarding those inactive users to determine if their access was or was not still required.

Even though this year's review has been completed, we encourage you to keep us informed of your IESUB access needs. The submission of an Internet User Request Form is required in order to add, delete, or change a user's access. Click on this [IESUB link](#) to access the form.

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