

Consolidated Reports of Condition and Income
Instructions for Reporting Transaction Account Guarantee Program Items
and Reciprocal Brokered Deposits

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

Item No. Caption and Instructions

- 9** **Reciprocal brokered deposits.** Report the amount of reciprocal deposits included in the amount of brokered deposits reported in Schedule RC-E, (part I,) Memorandum item 1.b, “Total brokered deposits.”

As defined in Section 327.8(s) of the FDIC’s regulations, “reciprocal deposits” are “[d]eposits that an insured depository institution receives through a deposit placement network on a reciprocal basis, such that: (1) for any deposit received, the institution (as agent for depositors) places the same amount with other insured depository institutions through the network; and (2) each member of the network sets the interest rate to be paid on the entire amount of funds it places with other network members.”

Memoranda

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Memorandum items 4.a and 4.b are to be completed by all institutions participating in the FDIC Transaction Account Guarantee Program.

- 4** **Noninterest-bearing transaction accounts (as defined in Part 370 of the FDIC’s regulations) of more than \$250,000.** Report in the appropriate subitem the amount outstanding and the number of noninterest-bearing transaction accounts with a balance on the report date of more than \$250,000. An institution may exclude noninterest-bearing transaction accounts with a balance of more than \$250,000 if the entire balance in the account is fully insured under the FDIC’s deposit insurance rules, such as joint account relationship rules or “pass-through” insurance coverage rules. In noninterest-bearing transaction accounts with a balance of more than \$250,000 where the entire balance is not fully insured, an institution may exclude any amounts over \$250,000 that are otherwise insured under the FDIC’s deposit insurance rules. These amounts may be excluded to the extent that they can be determined by the institution and fully supported in the institution’s workpapers for this report. An institution is not required to make a determination of amounts otherwise insured but may do so at its option.

For purposes of Memorandum items 4.a and 4.b and the FDIC’s Transaction Account Guarantee Program, the term “noninterest-bearing transaction account” means a transaction account as defined in Federal Reserve Regulation D that is:

- (1) Maintained at an insured depository institution (in a domestic office or an insured branch in Puerto Rico or a U.S. territory or possession);
- (2) With respect to which interest is neither accrued nor paid; and
- (3) On which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal.

Thus, the term “noninterest-bearing transaction account” includes all demand deposits, including certified checks and official checks (such as cashiers’ checks and money orders) drawn on the reporting institution.

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4 In addition, for purposes of Memorandum items 4.a and 4.b and the Transaction Account
(cont.) Guarantee Program, the term “noninterest-bearing transaction account” also includes:

- (1) Accounts commonly known as Interest on Lawyers Trust Accounts (IOLTAs) (or functionally equivalent accounts); and
- (2) Negotiable order of withdrawal (NOW) accounts with interest rates no higher than 0.50 percent for which the insured depository institution at which the account is held has committed to maintain the interest rate at or below 0.50 percent.¹

For purposes of Memorandum items 4.a and 4.b and the FDIC’s Transaction Account Guarantee Program, a “noninterest-bearing transaction account” does not include, for example, a money market deposit account (MMDA) as defined in Federal Reserve Regulation D.

Account features such as the waiver of fees or the provision of fee-reducing credits do not prevent an account from qualifying as noninterest-bearing as long as the account is otherwise noninterest-bearing.

In determining whether funds are in a noninterest-bearing transaction account for purposes of Memorandum items 4.a and 4.b and the Transaction Account Guarantee Program, the FDIC will apply its normal rules and procedures under Section 360.8 of the FDIC’s regulations for determining account balances at a failed insured depository institution. Under these procedures, funds may be swept or transferred from a noninterest-bearing transaction account to another type of deposit or nondeposit account. Except as described in the following sentence, unless the funds are in a noninterest-bearing transaction account after the completion of a sweep under Section 360.8, the funds will not be guaranteed under the Transaction Account Guarantee Program and they should not be reported in Memorandum items 4.a and 4.b. However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearing savings deposit account as defined in Federal Reserve Regulation D, the FDIC will treat the swept funds as being in a noninterest-bearing transaction account. If the sum of the swept funds in the noninterest-bearing savings deposit account plus any amount remaining in the related noninterest-bearing transaction account is more than \$250,000, this sum should be reported in Memorandum item 4.a and the swept funds and the related noninterest-bearing transaction account should be reported as one account in Memorandum item 4.b.

Include public funds held in noninterest-bearing transaction accounts of more than \$250,000 whether or not they are collateralized with pledged securities or other pledged assets.

4.a **Amount of noninterest-bearing transaction accounts of more than \$250,000.** Report the aggregate balance of all noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 4, above) with a balance on the report date of more than \$250,000. This amount should represent the total of the balances of the noninterest-bearing transaction accounts enumerated in Schedule RC-O, Memorandum item 4.b, below.

¹ A NOW account with an interest rate above 0.50 percent as of November 21, 2008, may be treated as a noninterest-bearing transaction account for purposes of the Transaction Account Guarantee Program if the insured depository institution at which the account is held reduces the interest rate on that account to 0.50 percent or lower before January 1, 2009, and commits to maintain that interest rate at no more than 0.50 percent at all times through December 31, 2009.

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- 4.b Number of noninterest-bearing transaction accounts of more than \$250,000.** Report the total number of noninterest-bearing transaction accounts (as defined in Schedule RC-O, Memorandum item 4, above) with a balance on the report date of more than \$250,000.