

**Supporting Statement for  
the Reports of Deposits:  
Report of Transaction Accounts, Other Deposits and Vault Cash  
(FR 2900; OMB No. 7100-0087),  
Annual Report of Deposits and Reservable Liabilities (FR 2910a; OMB No. 7100-0175),  
Report of Foreign (Non-U.S.) Currency Deposits (FR 2915; OMB No. 7100-0237), and  
Allocation of Low Reserve Tranche and Reservable Liabilities Exemption  
(FR 2930; OMB No. 7100-0088)**

## Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the reports of deposits. This group of reports consists of:

- Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900; OMB No. 7100-0087)
- Annual Report of Deposits and Reservable Liabilities (FR 2910a; OMB No. 7100-0175)
- Report of Foreign (Non-U.S.) Currency Deposits (FR 2915; OMB No. 7100-0237)
- Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930; OMB No. 7100-0088)

Depository institutions submit deposit data either weekly, quarterly, or annually. Larger depository institutions generally must submit deposit data more frequently than smaller ones. These mandatory data are used by the Federal Reserve for administering Regulation D (Reserve Requirements of Depository Institutions) and for constructing, analyzing, and monitoring the monetary and reserve aggregates. The current annual burden for this information collection is estimated to be 553,697 hours.

## Background and Current Reporting Structure

The current system of reporting is designed to meet the requirements of the Federal Reserve Act as amended by both the Monetary Control Act of 1980 (MCA) and the Garn-St Germain Depository Institutions Act of 1982 (Garn-St Germain Act). The MCA imposes reserve requirements on all depository institutions that have transaction accounts or nonpersonal time deposits.<sup>1</sup> In implementing MCA, the Federal Reserve elected to limit the reporting burden on smaller institutions by reducing their frequency of reporting (reduced reporting). As a result, institutions with total transaction accounts, savings deposits, and small time deposits below a deposit cutoff submit FR 2900 data at a quarterly rather than at a weekly frequency.<sup>2</sup> The Garn-St Germain Act imposes a zero-percent reserve requirement on a specific amount of a depository institution's reservable liabilities (exemption amount), in effect exempting from reserve

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<sup>1</sup> The Federal Reserve imposes reserve requirements on U.S. branches and agencies of foreign banks under the authority of the International Banking Act of 1978.

<sup>2</sup> Prior to September 2007, an institution's total deposits were compared to the deposit cutoff to determine reporting frequency. The switch from total deposits to total transaction accounts, savings deposits, and small time deposits, occurred because of the elimination of the M3 monetary aggregate.

requirements all depository institutions whose total reservable liabilities are less than or equal to the exemption amount. The Garn-St Germain Act also requires that depository institutions with a zero-percent reserve requirement be subject to less overall reporting than other depository institutions consistent with the Federal Reserve's responsibility to monitor and control the monetary and reserves aggregates.

The current reporting framework for the deposit reports was implemented in April 1983. This framework originally comprised five reporting categories, but in 2000, the number of reporting categories was reduced to four.<sup>3</sup> Since September 2003, the boundaries of the four reporting categories have been defined by three measures: the exemption amount, the nonexempt deposit cutoff, and the reduced reporting limit.<sup>4</sup> Eligibility in the four reporting categories is reviewed annually, and the assignment of institutions to reporting panels (known as the annual panel shift) occurs each September.<sup>5</sup> A change to a depository institution's reporting frequency reflects movements in the institution's deposit levels across the prevailing boundaries that separate the reporting categories.

The exemption amount, the nonexempt deposit cutoff, and the reduced reporting limit are indexed annually. The exemption amount, which was initially set to \$2 million in 1983, is indexed by 80 percent of the annual growth rate of total reservable liabilities at all depository institutions.<sup>6</sup> The nonexempt deposit cutoff and reduced reporting limit are indexed by 80 percent of the annual growth rate of total transaction accounts, savings deposits, and small time deposits at all depository institutions.<sup>7</sup> The initial nonexempt deposit cutoff was set to \$5 million in 1983, while the initial reduced reporting limit was set to \$1 billion in 2003. Applying indexing procedures, the exemption amount, nonexempt deposit cutoff, and reduced reporting limit that will be used to select the reporting panels this year are \$11.5 million, \$271.5 million, and \$1.521 billion, respectively. Appendix A provides a history of the levels of these measures since their initial implementation.

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<sup>3</sup> The Quarterly Report of Selected Deposits, Vault Cash, and Reservable Liabilities (FR 2910q; OMB No. 7100-0175) was discontinued on September 25, 2000, thereby eliminating one of the reporting categories. Improved timeliness and processing procedures made it possible to use data from Call Reports, rather than data from the FR 2910q report, in the construction of the monetary aggregates.

<sup>4</sup> The reduced reporting limit was implemented by the Board in September 2003 to improve the coverage of weekly reported deposit data.

<sup>5</sup> The annual panel shift process includes three phases: (1) the March screening, (2) the July review, and (3) the September shift. The screening every March is used to determine if any depository institutions not currently submitting a deposit report should file the FR 2910a and be included in the July review or if any depository institution filing annually should be excluded from the July review. The July review is then used to assign depository institutions to either the weekly, quarterly, or annual reporting categories. If changes to depository institutions' reporting frequencies are required, these shifts take effect in September.

<sup>6</sup> No adjustment is made to the exemption amount if total reservable liabilities at all depository institutions decline. The annual growth rate is measured from June 30 one year to June 30 the next year, and then used in calculating the exemption amount for the subsequent year. The exemption amount is implemented for weekly deposit respondents beginning with the first maintenance period in the subsequent year that includes January 1. For quarterly deposit respondents, the new exemption amount takes effect with the first maintenance period that corresponds to the December report week.

<sup>7</sup> Prior to 2007, total deposits were used to index the nonexempt deposit cutoff and reduced reporting limit. The switch to total transaction accounts, savings deposits, and small time deposits was made because of the elimination of the M3 monetary aggregate.

In March 2006, the Federal Reserve discontinued compiling the M3 monetary aggregate. The construction and publication of M3—which consists of M2, large-denomination time deposits, repurchase agreements, Eurodollars, and institutional money market mutual funds—consumed resources beyond that required to construct and publish M2. In addition, M3 had not been closely tracked by policymakers for some time, nor was it routinely analyzed by the Federal Reserve. The Federal Reserve suggested that M3 did not convey any additional information about economic activity that was not already embedded in M2.

In conjunction with the discontinuance of M3, in 2006, the Federal Reserve revised the FR 2910a by replacing data item 1, total deposits, with total transaction accounts, savings deposits, and small time deposits. In addition, the Federal Reserve removed certain text from the FR 2910a instructions that raised negative values of net transaction accounts to zero. These revisions were implemented in June 2007. The Federal Reserve also combined the FR 2930 and FR 2930a into one reporting form to be used by all entity types.

In 2008, the Federal Reserve proposed amendments to Regulation D, including, but not limited to, allowing member banks to pass through reserve requirements and clarifying the definition of vault cash.<sup>8</sup> The FR 2900 and FR 2910a reporting instructions were revised to incorporate these amendments to Regulation D.<sup>9</sup> In addition, the FR 2900 instructions were consolidated to enhance clarity and promote consistent reporting.

### **Deposit Reports (FR 2900 and FR 2910a)**

With the exceptions noted below, an institution's reporting status is currently determined by the levels of its (1) net transaction accounts, (2) total transaction accounts, savings deposits, and small time deposits, and (3) total deposits.

Institutions with net transaction accounts greater than the exemption amount are called nonexempt institutions, and they do not qualify for reduced reporting. Institutions with total transaction accounts, savings deposits, and small time deposits greater than or equal to the reduced reporting limit, regardless of the level of their net transaction accounts, are also referred to as nonexempt institutions and do not qualify for reduced reporting. Nonexempt institutions submit FR 2900 data either weekly or quarterly. An institution is required to report weekly if its total transaction accounts, savings deposits, and small time deposits are greater than or equal to the nonexempt deposit cutoff. If the nonexempt institution's total transaction accounts, savings deposits, and small time deposits are less than the nonexempt deposit cutoff then the institution must report quarterly or may elect to report weekly.

Exempt institutions are institutions that are eligible for reduced reporting and therefore either submit the FR 2910a data annually or do not submit deposit data at all to the Federal Reserve. Exempt institutions have net transaction accounts less than or equal to the exemption amount and have total transaction accounts, savings deposits, and small time deposits less than

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<sup>8</sup> 73 FR 8009, February 12, 2008.

<sup>9</sup> The Board announced its approval of the final amendments to Regulation D on May 20, 2009 (74 FR 25620, May 29, 2009). The amendments to Regulation D were effective as of June 29, 2009. Excess balance accounts were first made available for the reserve maintenance period beginning July 2, 2009.

the reduced reporting limit. If an exempt institution's total deposits are greater than the exemption amount, then the institution is required to submit the FR 2910a. Exempt institutions with total deposits less than or equal to the exemption amount are not required to submit deposit data to the Federal Reserve if other data sources, such as Call Reports, are available.<sup>10</sup>

U.S. branches and agencies of foreign banks and banking Edge and agreement corporations submit the FR 2900 data weekly, regardless of their size. The relationship between these institutions and their parent organizations makes possible short-term transfers of liabilities and assets between reporting dates in order to avoid reserve requirements. To eliminate the possibility of reserve avoidance, submission of weekly data for these institutions is deemed necessary.

Tables 1.a and 1.b below show the number of institutions and the amount of total transaction accounts, savings deposits, and small time deposits, respectively, by data source—FR 2900 weekly, FR 2900 quarterly, FR 2910a, or Call Report—and by entity type, as of June 2011.

**Table 1.a**  
**Number of Institutions by Entity Type and Data Source**  
**(as of June 2011)**

<i>Entity type</i>	<i>Data source</i>				<i>All depository institutions</i>
	<i>FR 2900 weekly</i>	<i>FR 2900 quarterly</i>	<i>FR 2910a</i>	<i>Call Report</i>	
Commercial Banks	1,519	3,578	1,271	162	6,530
S&Ls, Savings Banks	386	354	311	27	1,078
Credit Unions	527	648	3,088	3,121	7,384
Corporate Central Credit Unions	26	0	0	0	26
Banking Edge and Agreement Corporations	6	Not eligible for quarterly or annual reporting			6
U.S. Branches & Agencies of Foreign Banks	205				205
All Depository Institutions	2,669	4,580	4,670	3,310	15,229

<sup>10</sup> In this document the term Call Report refers to the commercial bank Consolidated Reports of Condition and Income (FFIEC 031 and 041; OMB No. 7100-0036), the Thrift Financial Report (OTS 1313; OMB No. 1550-0023), and the credit union Statement of Financial Condition (NCUA 5300/5300SF; OMB No. 3133-0004). However, beginning with the reporting period ending March 31, 2012, collection of data through all schedules of the Thrift Financial Report will cease and the reporting panel for the Consolidated Reports of Condition and Income will be revised to include all savings associations previously filing the Thrift Financial Report.

**Table 1.b**  
**Volume of Total Transaction Accounts, Savings Deposits, and Small Time Deposits by**  
**Entity Type and Data Source**  
**(as of June 2011, billions of dollars)**

<i>Entity type</i>	<i>Data source</i>				<i>All depository institutions</i>
	<i>FR 2900 weekly</i>	<i>FR 2900 quarterly</i>	<i>FR 2910a</i>	<i>Call Report</i>	
Commercial Banks	6,096	375	65	54	6,590
S&Ls, Savings Banks	714	44	23	2	783
Credit Unions	474	80	170	13	737
Corporate Central Credit Unions	49	0	0	0	49
Banking Edge and Agreement Corporations	4	Not eligible for quarterly or annual reporting			4
U.S. Branches & Agencies of Foreign Banks	66				66
All Depository Institutions	7,403	499	258	69	8,229

#### **Foreign Currency Deposit Report (FR 2915)**

Foreign currency deposits are subject to reserve requirements and, therefore, are included in the FR 2900 data. However, because foreign currency deposits are not included in the monetary aggregates, the FR 2915 data are used to remove foreign currency deposits from aggregated FR 2900 data in constructing the monetary aggregates. All weekly and quarterly FR 2900 respondents offering foreign currency deposits file the FR 2915 quarterly, on the same reporting schedule as quarterly FR 2900 respondents.

#### **Allocation Report (FR 2930)**

Institutions with two or more offices (or groups of offices) that file separate FR 2900 reports at either a weekly or quarterly reporting frequency are required to file the FR 2930 at least annually. An institution's net transaction accounts up to the exemption amount (\$11.5 million in 2012) are reserved at zero percent. Net transaction accounts up to the low reserve tranche (\$71.0 million in 2012) are reserved at 3 percent, while amounts in excess of this amount are reserved at 10 percent. Only a single exemption amount and a single low reserve tranche are allowed per depository institution (including subsidiaries). Therefore, an institution that submits separate FR 2900 reports covering different groups of offices is required to file the FR 2930 at least annually to allocate its single exemption amount and low reserve tranche among its offices.

## Description of Information Collection

### Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900)

The FR 2900 is the primary source of data used for the calculation of required reserves and applied vault cash and for the construction and analysis of the monetary aggregates. Data are also used for indexing the exemption amount and low reserve tranche amount each year as required by statute and for indexing the nonexempt deposit cutoff and reduced reporting limit each year as determined by the Federal Reserve Board. The Federal Reserve recommends no changes to this report.

**Data Coverage.** The FR 2900 reporting form currently comprises 15 data items.<sup>11</sup> Twelve data items are reported at a daily frequency but are submitted weekly to the Federal Reserve Banks for report weeks that begin on a Tuesday and end the following Monday. These 12 data items are necessary for the calculation of reserve requirements, applied vault cash, and for the construction of the monetary aggregates. Three data items—those that supply data on the nontransaction components of total reservable liabilities—are submitted at an annual frequency for use in the indexation of the exemption amount and low reserve tranche amount.

**Reporting Frequency.** The Federal Reserve does not recommend any change to the FR 2900 reporting frequency. Weekly reporting of the current 12 daily FR 2900 data items by larger nonexempt institutions facilitates calculation of reserve requirements, construction of the monetary aggregates, and the implementation of monetary policy. Quarterly reporting of those same FR 2900 items by smaller nonexempt institutions reduces the reporting burden on these institutions.<sup>12</sup> All FR 2900 respondents, regardless of how frequently they submit the daily data items, submit the three annual FR 2900 report items one day each year.

For each of the 12 daily data items, the Federal Reserve also recommends the continued collection of seven days of data each report week, rather than data for a single day or weekly average data. Single-day data would increase the ability of institutions—in particular the larger ones—to avoid reserve requirements by managing their balance sheets to reduce net transaction accounts on the report date. In addition, single-day data—for example, levels submitted only for Monday—are more volatile than the weekly average of daily data currently used to construct the monetary aggregates.

Submitting data for each of the seven days separately is preferable to submitting seven-day averages only as respondents would still need to compile the daily data to compute the weekly average. For this reason, a shift toward collecting weekly average data would not result in a reduction in burden. Also, daily data, not weekly averages, are used in constructing final month-average levels of the monetary aggregates. Monthly figures could be constructed from

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<sup>11</sup> Refer to the table in Appendix B for a list of the 15 data items on the FR 2900 reporting form.

<sup>12</sup> The reporting weeks for the quarterly respondents begin on the third Tuesday of March, June, September, and December. For the purposes of constructing the monetary aggregates, weekly deposits and vault cash for quarterly respondents are estimated between quarterly report dates from reported movements of a class of small weekly FR 2900 respondents. When actual data from the quarterly FR 2900 respondents become available, these weekly estimates are adjusted. Reserve requirements for quarterly respondents are satisfied during weekly maintenance periods, and are set quarter-by-quarter based on the data reported for a single week each quarter.

prorating weekly-average figures, but such figures would only provide approximations. For those components of the monetary aggregates that have pronounced intra-weekly movements, such as vault cash and demand deposits, monthly averages of daily figures normally differ substantially from monthly figures constructed by prorating weekly averages.

In the past, daily data have been useful for measurement and analysis of the monetary aggregates. The availability of daily data has facilitated the interpretation of sharp movements in the monetary aggregates when the timing of these movements within a week coincided with major disturbances, such as quarter-end balance sheet adjustments by commercial banks, the terrorist attacks that occurred on September 11, 2001, the shutdown of a financial center due to a power failure, and weather-related disruptions to depository institutions. More recently, the availability of daily data has provided invaluable insight into the liability side of respondent balance sheets during the financial turmoil.

**Reporting Panel.** The nonexempt deposit cutoff and the reduced reporting limit are used to determine the frequency at which depository institutions submit deposit data. These values are indexed each year to the growth in total transaction accounts, savings deposits, and small time deposits. Based on that indexation procedure, the nonexempt deposit cutoff and reduced reporting limit for 2012 are \$271.5 million and \$1.521 billion, respectively.

#### **Annual Report of Deposits and Reservable Liabilities (FR 2910a)**

The FR 2910a is generally submitted by exempt institutions whose total deposits (as shown on their December Call Report) are greater than the exemption amount. Respondents submit single-day data as of June 30. The Federal Reserve recommends no changes to this report.

**Data Coverage.** The FR 2910a reporting form collects three data items: total transaction accounts, savings deposits, and small time deposits; reservable liabilities; and net transaction accounts. The first data item, total transaction deposits, savings deposits, and small time deposits, is used to determine whether an institution will continue to be eligible for reduced reporting and, if not, the frequency at which the institution must submit FR 2900 data (weekly or quarterly). In addition, these data are used in the annual indexation of the nonexempt deposit cutoff and the reduced reporting limit.

The second data item, reservable liabilities, is the sum of net transaction accounts, nonpersonal savings deposits, and nonpersonal time deposits, regardless of maturity. Data on reservable liabilities are used for the annual indexation of the exemption amount (as required by statute).

The third data item, net transaction accounts, comprises total transaction accounts plus ineligible acceptances and obligations issued by affiliates maturing in less than seven days, less demand balances due from depository institutions and cash items in process of collection. Data on net transaction accounts are used in the annual indexation of the low reserve tranche (as required by statute) and are used to determine whether an institution will continue to be eligible for reduced reporting.

**Reporting Panel and Frequency.** Any depository institution that does not submit FR 2900 data and that has total deposits greater than the exemption amount on its December Call Report must submit FR 2910a data the subsequent year on June 30.<sup>13,14</sup>

### **Report of Foreign (Non-U.S.) Currency Deposits (FR 2915)**

All FR 2900 respondents, both weekly and quarterly, that offer deposits denominated in foreign currencies at their U.S. offices file the FR 2915. The FR 2915 was implemented in January 1990 following the decision by the Federal Reserve in late 1988 not to object to issuance of foreign currency deposits at depository institutions in the United States after December 31, 1989. A procedure for converting the value of such deposits into dollars for reporting purposes also was established. Deposits denominated in foreign currencies are included on the FR 2900 for the purposes of calculating reserve requirements; however, such deposits are not included in the monetary aggregates. For this reason, the data collected on the FR 2915 are used to net foreign currency-denominated deposits from the FR 2900 data in order to exclude them from measures of the monetary aggregates. The FR 2915 is the only source of data on such deposits. The Federal Reserve recommends no changes to this report.

**Data Coverage.** The amounts of foreign currency deposits held at U.S. offices of a depository institution are converted to U.S. dollars and included in the appropriate existing data items on the institution's FR 2900, which collects outstanding balances as of the close of business each day of the seven-day reporting week that begins on Tuesday and ends the following Monday. The six data items (data item 1, total transaction accounts; data item 2, cash items in process of collection; data item 3, total savings and time deposits; memorandum item 4, demand deposits due to depository institutions; memorandum item 5, time and savings deposits due to depository institutions; and memorandum item 6, all time deposits with balances of \$100,000 or more) break out the amounts of these foreign currency-denominated deposits that are included in selected FR 2900 data items. Specific FR 2900 data items are referenced on the face of the FR 2915 reporting form.

The Federal Reserve has looked for alternative sources of quarterly data on foreign currency deposits. However, the data item on foreign currency deposits was removed from the Call Report in March 1996; therefore, the FR 2915 report is now the sole source of data on foreign currency deposits from depository institutions. The Federal Reserve has also examined whether the number of data items collected on the report could be reduced. Total foreign currency deposits must be broken out by major deposit type and must eliminate interbank transactions, consistent with the FR 2900 report, in order to construct the monetary aggregates. The present level of detail contained on the reporting form is required to obtain the minimum amount of data needed for construction of the monetary aggregates.

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<sup>13</sup> Institutions are added to the FR 2910a reporting panel based on total deposits (not total transaction accounts, savings deposits, and small time deposits) because nonpersonal savings and time deposits (a component of FR 2910a data item 2, Reservable Liabilities) typically include some large time deposits.

<sup>14</sup> Any exempt institution that does not submit a December Call Report, or whose Call Report is not readily available, must submit an FR 2910a report. Any institution that adjusts its FR 2910a reported values in order to qualify for reduced reporting will be shifted to an FR 2900 reporting panel.



**Reporting Panel and Frequency.** When the FR 2915 was introduced, weekly FR 2900 respondents filed the reporting form monthly while quarterly FR 2900 respondents filed the reporting form quarterly. Beginning in March 1995, the FR 2915 reporting frequency for weekly FR 2900 respondents was reduced from once a month to once a quarter, consistent with and on the same schedule as quarterly FR 2900 respondents. The change was made in response to the decline in the amount outstanding of foreign currency deposits, from \$4.3 billion in 1992 to \$2.8 billion at the time of the 1994 review of the report, with only small monthly fluctuations. The Federal Reserve determined that quarterly measures would suffice both for backing the data out of the monetary aggregates as well as for monitoring the overall volume of the deposits. It is considered necessary to continue monitoring foreign currency deposits, and the FR 2915 is the only source of data on foreign currency deposits. Although the amount outstanding of foreign currency deposits has increased again over the past decade, a quarterly collection frequency is still sufficient.

All FR 2900 respondents, both weekly and quarterly, that offer deposits denominated in foreign currencies at their U.S. offices (142 depositories as of December 29, 2011) file the FR 2915. However, while the FR 2900 collects daily data, the FR 2915 collects seven-day averages. All respondents file the FR 2915 on the same frequency as the quarterly FR 2900, which is one report week each March, June, September, and December. The reporting week begins on the third Tuesday of the given month and ends on the following Monday.

#### **Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930)**

Depository institutions with offices in more than one state or Federal Reserve District or those operating under operational convenience must file the FR 2930 report, which collects data on the allocation of the low reserve tranche and the reservable liabilities exemption.<sup>15</sup> The Federal Reserve recommends no changes to this report.

**Data Coverage.** As noted earlier, an institution's net transaction accounts up to the exemption amount are reserved at zero percent. In addition, net transaction accounts above the exemption amount and up to the low reserve tranche are reserved at a lower ratio than amounts in excess of this level. Only a single exemption and a single low reserve tranche, however, are allowed per chartered depository institution. Therefore, in order to calculate the reserve requirement of an institution that submits separate FR 2900 reports for two or more offices, that institution is required to allocate, using the FR 2930 data, its one low reserve tranche and one exemption amount among those offices. The FR 2930 must be submitted to each Reserve District in which a reporting office is located.

**Reporting Panel and Frequency.** The FR 2930 data are collected toward the end of each calendar year when the low reserve tranche and reservable liabilities exemption are adjusted, upon the implementation of operational convenience, or upon the establishment of an office outside the home state or Federal Reserve District. The data are required at least one week

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<sup>15</sup> Operational convenience is the term used to describe the transitional, multiple account arrangements that the Federal Reserve offers institutions to support organizational and operational restructuring after a merger for institutions that are not operationally prepared to close the nonsurvivor's master account or to convert the nonsurvivor's master account to a subaccount on the merger effective date.

before the beginning of the reserve computation period (a fourteen-day period beginning on Tuesday and ending two Mondays thereafter) in which the revised allocations are to be effective. The FR 2930 reporting panel consists of a single designated office from each family of U.S. branches and agencies of a foreign bank, a single designated office from each Edge or agreement corporation that has offices located in more than one state or Federal Reserve District, and depository institutions operating under operational convenience that file more than one FR 2900 report (126 respondents as of November 2011).

### **Time Schedule for Information Collection and Publication**

Reserve Banks collect and review the deposit data from respondents on a schedule that allows the Reserve Banks to meet the deadline for reporting those data to the Federal Reserve Board. FR 2900 weekly respondents submit daily data on a weekly basis for report weeks that begin on a Tuesday and end on the following Monday. FR 2900 quarterly respondents submit daily data for the week beginning with the third Tuesday and continuing through the following Monday in March, June, September, and December. FR 2910a respondents submit data annually, as of the close of business June 30 each year. FR 2915 respondents submit weekly average data on the same schedule as the FR 2900 quarterly respondents. The FR 2930 respondents must submit the FR 2930 at least annually. Reserve Banks transmit FR 2930 data to the Federal Reserve Board in a micro transmission that is due by 11:00 p.m. Eastern Time on the last day (Monday) of the reserve computation period related to the maintenance period in which the tranche and exemption allocation amounts are to be effective.

The data are used in the production of public statistical releases and internal reports. Aggregate data for deposits, reserves, or both are published in numerous publicly available statistical releases: *Aggregate Reserves of Depository Institutions and the Monetary Base* (H.3 statistical release), *Money Stock Measures* (H.6 statistical release), and *Assets and Liabilities of Commercial Banks in the United States* (H.8 statistical release).

### **Legal Status**

The Federal Reserve Board's Legal Division has determined that the deposit reports are required by the Federal Reserve Act (12 U.S.C. §§ 248(a), 347(d), 461, 603, and 615) and Regulation D (12 C.F.R. § 204). The data are given confidential treatment under section b(4) of the Freedom of Information Act (5 U.S.C. § 552(b)(4)).

### **Consultation Outside the Agency**

On May 23, 2012, the Federal Reserve published a notice in the *Federal Register* (77 FR 30532) requesting public comment for 60 days on the extension, without revision, for the FR 2900, FR 2910a, FR 2915, and FR 2930. The comment period for this notice expired on July 23, 2012. The Federal Reserve received one substantive comment letter from a U.S. Government agency. The commenter supported the continued collection of the FR 2900 data and described its use of the data in constructing quarterly and annual estimates of the net interest component of national income and the personal interest income component of personal income in the national income and product accounts. On August 10, 2012, the Federal Reserve

published a final notice in the *Federal Register* (77 FR 47841) for the FR 2900, FR 2910a, FR 2915, and FR 2930.

### Estimate of Respondent Burden

As shown in the table below, the current annual reporting burden for the reports of deposits is estimated to be 553,697 hours. The number of respondents for the FR 2900 and FR 2910a were calculated using data available as of June 2011 (the FR 2900 weekly respondents exclude the Federal Home Loan Banks). The number of respondents for the FR 2915 and the FR 2930 are as of December 2011 and November 2011, respectively. These reporting requirements represent 4.66 percent of the total Federal Reserve System paperwork burden.

	<i>Number of respondents</i> <sup>16</sup>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated Annual burden hours</i>
FR 2900 (weekly)	2,669	52	3.5	485,758
FR 2900 (quarterly)	4,580	4	3.5	64,120
FR 2910a	4,670	1	0.75	3,503
FR 2915	142	4	0.5	284
FR 2930	126	1	0.25	32
Total				553,697

The total cost to the public is estimated to be \$24,833,310.<sup>17</sup>

### Sensitive Questions

These reports contain no sensitive questions as defined by OMB guidelines.

### Estimated Cost to the Federal Reserve System

The current annual cost to the Federal Reserve System for collecting and processing the reports of deposits is estimated to be \$5,705,800.

<sup>16</sup> Of these respondents, 88 for the FR 2900 (weekly), 2,911 for the FR 2900 (quarterly), 4,326 for the FR 2910a, 9 for the FR 2915, and 31 for the FR 2930 are small entities as defined by the Small Business Administration (i.e., entities with less than \$175 million in total assets) [www.sba.gov/content/table-small-business-size-standards](http://www.sba.gov/content/table-small-business-size-standards).

<sup>17</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rate (30% Office & Administrative Support @ \$17, 45% Financial Managers @ \$52, 15% Legal Counsel @ \$55, and 10% Chief Executives @ \$81). Hourly rate for each occupational group are the median hourly wages (rounded up) from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages 2011*, [www.bls.gov/news.release/ocwage.nr0.htm](http://www.bls.gov/news.release/ocwage.nr0.htm). Occupations are defined using the BLS Occupational Classification System, [www.bls.gov/soc/](http://www.bls.gov/soc/).

## Appendix A

### Historical Levels of the Exemption Amount, Deposit Cutoff(s), and Reduced Reporting Limit

(Used to Define Reporting Category Boundaries for the Reports of Deposits)  
(millions of dollars)

Calendar year	Exemption amount	Deposit cutoff level(s)		Reduced reporting limit
		Nonexempt	Exempt	
1983	2.1 <sup>1</sup>	15.0 <sup>2</sup>	15.0 <sup>2</sup>	–
1984	2.2	15.0	15.0	–
1985	2.4	25.0 <sup>3</sup>	25.0 <sup>3</sup>	–
1986	2.6	26.8	26.8	–
1987	2.9	28.6	28.6	–
1988	3.2	40.0 <sup>4</sup>	40.0 <sup>4</sup>	–
1989	3.4	42.1	42.1	–
1990	3.4	43.4	43.4	–
1991	3.4	44.0	44.0	–
1992	3.6	44.8	44.8	–
1993	3.8	44.8	44.8	–
1994	4.0	55.0 <sup>5</sup>	44.8 <sup>5</sup>	–
1995	4.2	55.4	45.1	–
1996	4.3	57.0	46.4	–
1997	4.4	75.0 <sup>6</sup>	48.2 <sup>6</sup>	–
1998	4.7	78.9	50.7	–
1999	4.9	81.9	52.6	–
2000	5.0	95.0 <sup>7</sup>	–	–
2001	5.5	101.0	–	–
2002	5.7	106.9	–	–
2003	6.0	150.0 <sup>8</sup>	–	1,000 <sup>8</sup>
2004	6.6	161.2	–	1,074
2005	7.0	169.8	–	1,131
2006	7.8	229.1 <sup>9</sup>	–	1,206
2007	8.5	207.7 <sup>10</sup>	–	1,163 <sup>10</sup>
2008	9.3	216.2	–	1,211
2009	10.3	224.6	–	1,258
2010	10.7	243.1	–	1,362
2011	10.7	252.6	–	1,415
2012	11.5	271.5	–	1,521

Notes to table:

1. The exemption amount was implemented for the reserve computation period beginning December 9, 1982. The 1983 adjustment, from \$2.0 million to \$2.1 million, was made effective with its initial implementation.
2. The deposit cutoff was initially set at \$5 million. When the reduced reporting system was implemented in 1983, it was raised to \$15 million. This cutoff originally determined whether nonexempt institutions submitted the FR 2900 weekly or quarterly and whether exempt institutions submitted the FR 2910q or FR 2910a.

3. In conjunction with the triennial review of the deposit reports in 1985, the Federal Reserve raised the cutoff level to \$25.0 million, to be indexed each year thereafter at 80 percent of the June 30-to-June 30 growth rate of total deposits at all depository institutions.
4. In conjunction with the triennial review of the deposit reports in July 1988, the Federal Reserve raised the cutoff level to \$40.0 million from its indexed value of \$30.0 million.
5. In conjunction with the August 1994 triennial review of the deposit reports, the Federal Reserve elected to reduce reporting burden by replacing the single deposit cutoff level with two separate cutoffs—one for nonexempt institutions and the other for exempt institutions. The nonexempt deposit cutoff was raised from the indexed amount of \$44.8 million to \$55.0 million, while the exempt deposit cutoff was retained at the indexed level of \$44.8 million.
6. In conjunction with the August 1997 triennial review of the deposit reports, the Federal Reserve lifted the nonexempt deposit cutoff from the indexed amount of \$59.3 million to \$75.0 million, while the exempt deposit cutoff was kept at its indexed level of \$48.2 million.
7. In conjunction with the July 2000 triennial review of the deposit reports, the Federal Reserve discontinued the FR 2910q report, thereby eliminating the exempt deposit cutoff. In addition, the Federal Reserve raised the nonexempt deposit cutoff from the indexed amount of \$84.5 million to \$95.0 million.
8. In conjunction with the June 2003 triennial review of the deposit reports, the Federal Reserve raised the nonexempt deposit cutoff from the indexed amount of \$112.3 million to \$150.0 million, and implemented the reduced reporting limit with an initial value of \$1.0 billion.
9. In conjunction with the triennial review of deposit reports in July 2006, the Federal Reserve Board raised the nonexempt deposit cutoff to \$229.1 million from its indexed value of \$181.1 million.
10. Total transaction accounts, savings deposits, and small time deposits was used instead of total deposits to index the growth of the 2007 nonexempt deposit cutoff and reduced reporting limit. Total deposits include a component of the M3 monetary aggregate, which was eliminated in March 2006. The new measure is more closely aligned with the M2 monetary aggregate. Had this new measure been used in the previous year's indexation, the 2006 nonexempt deposit cutoff and reduced reporting limit would have been \$200 million and \$1.120 billion, respectively.

## Appendix B

### Uses of FR 2900 Data Items

The following table summarizes the current uses of each data item on the FR 2900. As shown in the table, the separate reporting of various deposit categories is needed because of the different treatment of particular data items in the definitions of reservable liabilities or monetary aggregates. For example, all demand deposits are classified as transaction accounts for calculating required reserves, but two data items—demand deposits due to depository institutions and U.S. government demand deposits—are not included in the monetary aggregates and, therefore, must be submitted separately. Similarly, time and savings deposits are treated the same way for purposes of reserve requirements, but separate data are needed for construction and publication of the monetary aggregates.

In 1991, the Federal Reserve reduced the number of data items collected on the FR 2900 from twenty-one to fifteen by consolidating some data items that were previously submitted separately. In addition, the definition of one data item was expanded.<sup>18</sup> In 2003, the reporting frequency of two data items was reduced from daily to only one day a year, and a new annual data item—net Eurocurrency liabilities—was added.<sup>19</sup>

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<sup>18</sup> Reservable time and savings deposits were combined into a new memorandum item nonpersonal time and savings deposits; personal time deposits and the breakdown of nonpersonal time deposits by maturity were combined into one item time deposits; data on MMDAs and other savings deposits were combined into one item savings deposits; telephone transfer accounts were combined with the item ATS accounts and NOW accounts/share drafts; and the definition of data item 2 in schedule AA was broadened to include all such transactions with original maturities of seven days or more.

<sup>19</sup> The two data items with reduced reporting frequency were nonpersonal savings and time deposits and ineligible acceptances and obligations issued by affiliates maturing in seven days or more.

## Current Uses of each FR 2900 Data Item

Data Item	Calculation of required reserves <sup>1</sup>	Construction of monetary aggregates <sup>2</sup>	Comment
<b>A. Transaction accounts:</b>			
1. Demand Deposits:			
a. Due to depository institutions	Reserved as transaction accounts (3%/10%) <sup>3</sup>	n.a.	Not included in the monetary aggregates.
b. Of U.S. government	Reserved as transaction accounts (3%/10%) <sup>3</sup>	n.a.	Not included in the monetary aggregates, but published as a memorandum item on the H.6.
c. Other demand	Reserved as transaction accounts (3%/10%) <sup>3</sup>	M1	<u>Monetary aggregates.</u> For banks, other demand (data item A.1.c) is used to calculate the demand deposits adjusted component of M1, which is published on the H.6. For thrifts, this item is a component of other checkable deposits.
2. ATS accounts and NOW accounts/share drafts, and telephone and preauthorized transfers	Reserved as transaction accounts (3%/10%) <sup>3</sup>	M1/M2	<u>Monetary aggregates.</u> ATS and NOW accounts (data item A.2) are included in the other checkable deposits component of M1, while telephone and preauthorized transfer accounts are included in M2. With all three types of accounts submitted as a single total on the FR 2900, the Federal Reserve estimates the amount of telephone and preauthorized transfer accounts to be subtracted from that total and included in M2.
3. Total transaction accounts	Reserved as transaction accounts (3%/10%) <sup>3</sup>	n.a.	<u>Reserve calculations.</u> Total transaction accounts (data item A.3) must equal the sum of data items A.1 through A.2 above.
<b>B. Deductions from transaction accounts:</b>			
1. Demand balances due from depository institutions in the U.S.	Deducted from transaction accounts before application of reserve requirement ratio.	n.a.	<u>Reserve calculations.</u> The sum of demand balances due from depository institutions in the U.S. and cash items in process of collection (data items B1 and B2) is deducted from gross transaction accounts (A.3—which is the sum of data items A.1.a, A.1.b, A.1.c, and A.2—plus A.A.1) in order to produce net transaction accounts, which is subject to reserve requirements.
2. Cash items in process of collection	Deducted from transaction accounts before application of reserve requirement ratio.	M1	<u>Monetary aggregates.</u> Cash items in process of collection (data item B.2) are deducted from other demand deposits in calculating the demand deposits adjusted component of M1 for banks and the other checkable deposits component of M1 for thrifts.

**Continued**

C. Total savings deposits (including MMDAs)	Personal accounts are not reservable; nonpersonal savings deposits are reservable, but with a reserve requirement ratio of zero. See Schedule BB.1 below.	M2	<u>Monetary aggregates.</u> Savings deposits are a major component of M2.
D. Total time deposits	Personal accounts are not reservable; nonpersonal or negotiable time deposits are reservable, but with a reserve ratio of zero. See Schedule BB.1 below.	M2 <sup>4</sup>	<u>Monetary aggregates.</u> Small-denomination time deposits (those in amounts less than \$100,000) are calculated by subtracting memorandum item F.1, large time deposits, from total time deposits (Item D).
E. Vault cash	Total required reserves less vault cash equals the amount of reserves to be maintained at the Federal Reserve Bank	M1	<u>Monetary aggregates.</u> Vault cash is deducted from currency in circulation to arrive at the currency component of M1.  <u>Reserve aggregates.</u> Vault cash is used to meet reserve requirements. The amount used is applied vault cash.
<b>F. Memorandum Item:</b>			
1. All time deposits with balances of \$100,000 or more (included in Item D above)	n.a.	M2 <sup>4</sup>	<u>Monetary aggregates.</u> See comments for item D above.  Also used in the construction of the Federal Reserve's weekly H.8 statistical release, <i>Assets and Liabilities of Commercial Banks in the United States.</i>



## Continued

<b>Schedule AA:</b>			
1. Ineligible acceptances and obligations issued by affiliates maturing in less than 7 days	Reserved as transaction accounts (3%/10%) <sup>3</sup>	n.a.	<u>Reserve calculations.</u> A depository institution is required to maintain reserves against ineligible acceptances and certain obligations issued by a nondepository affiliate if the proceeds of such obligations are channeled to the depository institution. These obligations are not direct obligations of the depository institution but are reservable obligations under Regulation D.
<b>Schedule BB: Nonpersonal data items</b>			
1. Total nonpersonal time and savings deposits (included in Items C and D above)	Reserved as nonpersonal time deposits (0%)	n.a.	A component of total reservable liabilities, used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)
2. Ineligible acceptances and obligations issued by affiliates maturing in 7 days or more (nonpersonal only)	Reserved as nonpersonal time deposits (0%)	n.a.	A component of total reservable liabilities that is used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)
<b>Schedule CC:</b>			
Net Eurocurrency liabilities	Reserved as non-transaction accounts (0%) <sup>5</sup>	n.a.	A component of total reservable liabilities that is used in the annual indexation of the exemption amount. (Annual indexation of the exemption amount is required by statute.)

### Notes to Table:

1. Detailed procedures for the calculation of required reserves are presented in the *Reserve Maintenance Manual* (<http://www.frb.services.org/>).
2. For additional information on the monetary aggregates, please see the H.6 statistical release.
3. The amount of total net transaction accounts equal to or below the low reserve tranche is reserved at 3 percent, while the amount in excess of the tranche is reserved at 10 percent. Total net transaction accounts are gross transaction accounts (Section A, Item 3 plus Schedule AA, Item 1) less deductions as submitted in Section B of the reporting form (Items B.1 and B.2). In addition to the ratios shown in the table, the first \$11.5 million of an institution's reservable liabilities are subject to a reserve requirement of 0 percent in 2012 (this amount is referred to as the exemption amount).
4. As of March 23, 2006, the Federal Reserve ceased construction and publication of M3. Given that daily data on small denomination time deposits (the difference between total time deposits and large time deposits) are necessary for use in constructing the M2 monetary aggregate, the Federal Reserve has determined that it is least burdensome for depository institutions to continue to collect total and large time deposit data on the FR 2900 reporting form.
5. Prior to 1991, the FR 2950 and FR 2951 were also used in the calculation of required reserves. These reports were discontinued in May 2004.