Draft Revisions to the Call Report Instructions

for Proposed Burden-Reducing Revisions to

the FFIEC 051 Call Report

Proposed to Take Effect June 30, 2018

These draft instructions reflect the proposed burden-reducing revisions to the FFIEC 051 Call Report that would take effect June 30, 2018, as described in the federal banking agencies' initial Paperwork Reduction Act Federal Register notice for this proposal, which was published November 8, 2017.

The Federal Register notice and the redlined draft reporting forms for these proposed Call Report revisions are available at https://www.ffiec.gov/forms051.htm.

Draft as of November 21, 2017

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Draft Revisions to the Call Report Instructions for Proposed Burden-Reducing Revisions to the FFIEC 051 Call Report Proposed to Take Effect June 30, 2018

Contents

NOTE: These draft instructions reflect the proposed burden-reducing revisions to the FFIEC 051 Call Report that would take effect June 30, 2018, as described in the federal banking agencies' initial Paperwork Reduction Act Federal Register notice for this proposal, which was published November 8, 2017. The Federal Register notice and the redlined draft reporting forms for these proposed Call Report revisions are available at https://www.ffiec.gov/forms051.htm.

These draft instructions do not include the draft instructions for the proposed revisions to the FFIEC 051 Call Report that would take effect March 31, 2018, as described in the federal banking agencies' initial Paperwork Reduction Act Federal Register notice for this proposal, which was published June 27, 2017. The draft instructions for the proposed revisions to the FFIEC 051 Call Report published June 27, 2017, are available at https://www.ffiec.gov/pdf/FFIEC_forms/FFIEC051_20170811_i_draft.pdf.

Questions concerning these draft instructions may be submitted to the FFIEC by going to https://www.ffiec.gov/contact/default.aspx, clicking on "Reporting Forms" under the "Reports" caption on the Web page, and completing the Feedback Form.

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LINE ITEM INSTRUCTIONS FOR THE CONSOLIDATED REPORT OF INCOME

LINE ITEM INSTRUCTIONS FOR THE CONSOLIDATED REPORT OF CONDITION

LINE ITEM INSTRUCTIONS FOR SCHEDULE SU

DRAFT

Item No. **Caption and Instructions**

4.a.(1) **Issued or ~~g~~Guaranteed by FNMA, FHLMC, or GNMA.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities issued or guaranteed by the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or ~~guaranteed by~~ the Government National Mortgage Association (GNMA) that are not held for trading. ~~Exclude 1-4 family residential mortgage pass-through securities issued by FNMA and FHLMC (report in Schedule RC-B, item 4.a.(2), below).~~

~~**4.a.(2)**~~ ~~**Issued by FNMA and FHLMC.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) that are not held for trading. Exclude 1-4 family residential mortgage pass-through securities that are guaranteed by the Government National Mortgage Association (GNMA) (report in Schedule RC-B, item 4.a.(1), above).~~

4.a.(~~3~~2) **Other pass-through securities.** Report in the appropriate columns the amortized cost and fair value of all holdings of 1-4 family residential mortgage pass-through securities issued by others (e.g., other depository institutions, insurance companies, state and local housing authorities in the U.S.) that are not guaranteed by the U.S. Government and are not held for trading.

If the bank has issued pass-through securities backed by a pool of its own 1-4 family residential mortgages and the certificates are not guaranteed by the U.S. Government, any holdings of these pass-through securities (not held for trading) are to be reported in this item.

4.b **Other residential mortgage-backed securities.** Report in the appropriate columns of the appropriate subitems the amortized cost and fair value of all 1-4 family residential mortgage-backed securities other than pass-through securities that are not held for trading.

Other residential mortgage-backed securities include:

(1) All classes of collateralized mortgage obligations (CMOs) and real estate mortgage investments conduits (REMICs) backed by loans secured by 1-4 family residential properties.

(2) CMO and REMIC residuals and similar interests backed by loans secured by 1-4 family residential properties.

(3) Stripped 1-4 family residential mortgage-backed securities (such as interest-only strips (IOs), principal-only strips (POs), and similar instruments).

(4) Commercial paper backed by loans secured by 1-4 family residential properties.

4.b.(1) **Issued or guaranteed by U.S. Government agencies or sponsored agencies.** Report in the appropriate columns the amortized cost and fair value of all classes of CMOs and REMICs, CMO and REMIC residuals, and stripped mortgage-backed securities issued or guaranteed by U.S. Government agencies or U.S. Government-sponsored agencies that are backed by loans secured by 1-4 family residential properties. For purposes of these reports, include REMICs issued by the U.S. Department of Veterans Affairs (VA) that are backed by 1-4 family residential mortgages in this item.

DRAFT

SCHEDULE RC-F – OTHER ASSETS

Item Instructions

Item No. **Caption and Instructions**

1 **Accrued interest receivable.** Report the amount of interest earned or accrued on earning assets and applicable to current or prior periods that has not yet been collected.

Exclude retained interests in accrued interest receivable related to securitized credit cards (report in Schedule RC-F, item 6, "All other assets").

2 **Net deferred tax assets.** Report the net amount after offsetting deferred tax assets (net of valuation allowance) and deferred tax liabilities measured at the report date for a particular tax jurisdiction if the net result is a debit balance. If the result for a particular tax jurisdiction is a net credit balance, report the amount in Schedule RC-G, item 2, "Net deferred tax liabilities." If the result for each tax jurisdiction is a net credit balance, enter a zero in this item. (A bank may report a net deferred tax debit, or asset, for one tax jurisdiction, such as for federal income tax purposes, and also report at the same time a net deferred tax credit, or liability, for another tax jurisdiction, such as for state or local income tax purposes.)

For further information on calculating deferred taxes for different tax jurisdictions, see the Glossary entry for "income taxes."

3 **Interest-only strips receivable (not in the form of a security) ~~on~~.** Report the fair value of interest-only strips receivable (not in the form of a security) on mortgage loans and all other financial assets. As defined in ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," as amended), an interest-only strip receivable is the contractual right to receive some or all of the interest due on a bond, mortgage loan, collateralized mortgage obligation, or other interest-bearing financial asset. This includes, for example, contractual rights to future interest cash flows that exceed contractually specified servicing fees on financial assets that have been sold. Report in the appropriate subitem interest-only strips receivable not in the form of a security that are measured at fair value like available-for-sale securities.[1] Report unrealized gains (losses) on these interest-only strips receivable in Schedule RC, item 26.b, "Accumulated other comprehensive income."

Exclude from this item interest-only strips receivable in the form of a security, which should be reported as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate. Also exclude interest-only strips not in the form of a security that are held for trading, which should be reported in Schedule RC, item 5.

~~3.a **Mortgage loans.** Report the fair value of interest-only strips receivable (not in the form of a security) on mortgage loans.~~

~~3.b **Other financial assets.** Report the fair value of interest-only strips receivable (not in the form of a security) on financial assets other than mortgage loans.~~

[1] An interest-only strip receivable is not in the form of a security if the strip does not meet the definition of a security in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities").

DRAFT

Item No. **Caption and Instructions**

5.b **Separate account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with separate account insurance policies. In a separate account policy, the policy's cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account, but does assume all investment and price risk.

Separate accounts are employed by life insurers to meet specific investment objectives of policyholders. The accounts are often maintained as separate accounting and reporting entities for pension plans as well as fixed benefit, variable annuity, and other products. Investment income and investment gains and losses generally accrue directly to such policyholders and are not accounted for on the general accounts of the insurer. On the books of the insurer, the carrying values of separate account assets and liabilities usually approximate each other with little associated capital. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company.

5.c **Hybrid account life insurance assets.** Report the amount of the bank's holdings of life insurance assets associated with hybrid account insurance policies. A hybrid account insurance policy combines features of both general and separate account insurance products. Similar to a general account life insurance policy, a hybrid policy offers a guaranteed minimum crediting rate, does not carry market value risk, and does not require stable value protection. However, like a separate account life insurance policy, a hybrid policy's cash surrender value is supported by assets segregated from the general assets of the insurance carrier. Because they are legally segregated, the assets of each separate account are not subject to claims on the insurer that arise out of any other business of the insurance company. Additionally, the bank holding the hybrid account life insurance policy is able to select the investment strategy in which the insurance premiums are invested. Under such an arrangement, the policyholder neither owns the underlying separate account created by the insurance carrier on its behalf nor controls investment decisions in the underlying account.

NOTE: Items 6.a through 6.~~k~~j are to be completed semiannually in the June and December reports only.

6 **All other assets.** Report the amount of all other assets (other than those reported in Schedule RC-F, items 1, 2, 3, 4, and 5, above) that cannot properly be reported in Schedule RC, items 1 through 10.

Disclose in Schedule RC-F, items 6.a through 6.~~k~~j, each component of all other assets, and the dollar amount of such component, that is greater than $100,000 and exceeds 25 percent of the amount of all other assets reported in this item.

For each component of all other assets that exceeds the reporting threshold for which a preprinted caption has not been provided in Schedule RC-F, items 6.a through 6.~~h~~g, describe the component with a clear but concise caption in Schedule RC-F, items 6.~~i~~h through 6.~~k~~j. These descriptions should not exceed 50 characters in length (including spacing between words).

DRAFT

Item No.	**Caption and Instructions**

6 (cont.)

Include as all other assets:

(1) Prepaid expenses, i.e., those applicable as a charge against earnings in future periods.[1] (Report the amount of such assets in Schedule RC-F, item 6.a, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)

(2) Automobiles, boats, equipment, appliances, and similar personal property repossessed or otherwise acquired for debts previously contracted. (Report the amount of such assets in Schedule RC-F, item 6.b, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)

(3) Derivative instruments that have a positive fair value that the bank holds for purposes other than trading. For further information, see the Glossary entry for "derivative contracts." (Report this positive fair value in Schedule RC-F, item 6.c, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)

(4) Retained interests in accrued interest receivable related to securitized credit cards. For further information, see the Glossary entry for "accrued interest receivable related to credit card securitizations." ~~(Report the amount of such retained interests in Schedule RC-F, item 6.d, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)~~

(5) Accrued interest on securities purchased (if accounted for separately from “accrued interest receivable” in the bank’s records).

(6) Cash items not conforming to the definition of "Cash items in process of collection" found in the instruction to Schedule RC, item 1.a.

(7) The *full* amount (with the exceptions noted below) of customers' liability to the reporting bank on drafts and bills of exchange that have been accepted by the reporting bank, or by others for its account, and are outstanding. The amount of customers' liability to the reporting bank on its acceptances that have not yet matured should be reduced *only* when: (a) the customer anticipates its liability to the reporting bank on an outstanding acceptance by making a payment to the bank in advance of the acceptance's maturity that immediately reduces the customer's indebtedness to the bank on such an acceptance; or (b) the reporting bank acquires and holds its own acceptance. See the Glossary entry for "bankers acceptances" for further information.

(8) Credit or debit card sales slips in process of collection until the reporting bank has been notified that it has been given credit (report thereafter in Schedule RC, item 1.a, "Noninterest-bearing balances and currency and coin," and, if applicable, in Schedule RC-A, item 2, "Balances due from depository institutions in the U.S.," or item 3, "Balances due from banks in foreign countries and foreign central banks," as appropriate).

[1] For banks involved in insurance activities, examples of prepaid expenses include ceding fees and acquisition fees paid to insurance carriers external to the consolidated bank.

DRAFT

Item No. **Caption and Instructions**

6 (cont.)

(9) Purchased computer software, net of accumulated amortization, and unamortized costs of computer software to be sold, leased, or otherwise marketed capitalized in accordance with the provisions of ASC Subtopic 985-20, Software – Costs of Software to Be Sold, Leased or Marketed (formerly FASB Statement No. 86, "Accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed"). (Report the amount of computer software in Schedule RC-F, item 6.~~f~~e, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)

(10) Bullion (e.g., gold or silver) not held for trading purposes.

(11) Original art objects, including paintings, antique objects, and similar valuable decorative articles (report at cost unless there has been a decline in value, judged to be other than temporary, in which case the object should be written down to its fair value).

(12) Securities or other assets held in charitable trusts (e.g., Clifford Trusts).

(13) Debt issuance costs related to line-of-credit arrangements, net of accumulated amortization. Debt issuance costs related to a recognized debt liability that is not a line-of-credit arrangement should be presented as a direct deduction from the face amount of the related debt, not as an asset. For debt reported at fair value under a fair value option, debt issuance costs should be expensed as incurred.[1]

(14) Furniture and equipment rented to others under operating leases, net of accumulated depreciation.

(15) Ground rents.

(16) Customers' liability for deferred payment letters of credit.

(17) Reinsurance recoverables from reinsurers external to the consolidated bank.

(18) "Separate account assets" of the reporting bank's insurance subsidiaries.

(19) The positive fair value of unused loan commitments (not accounted for as derivatives) that the bank has elected to report at fair value under a fair value option.

(20) FDIC loss-sharing indemnification assets. These indemnification assets represent the carrying amount of the right to receive payments from the FDIC for losses incurred on specified assets acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC. (Report the amount of such assets in Schedule RC-F, item 6.~~e~~d, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F,

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[1] Refer to Accounting Standards Update (ASU) No. 2015-03, "Simplifying the Presentation of Debt Issuance Costs," for transition guidance. For institutions with a calendar year fiscal year, the ASU must be applied by public business entities in their March 2016 Call Reports and by private companies in their December 2016 Call Reports. Early adoption of the ASU is permitted. Until an institution has adopted the ASU in accordance with its applicable effective date, all debt issuance costs should be reported on the balance sheet as an asset (i.e., a deferred charge). The ASU is limited to the presentation of debt issuance costs; therefore, the recognition and measurement guidance for such costs is unaffected.

Item No.	Caption and Instructions

6 (cont.)

item 6.) (Exclude the assets covered by the FDIC loss-sharing agreements from this component of “All other assets.” Instead, report each covered asset in the balance sheet category appropriate to the asset on Schedule RC, e.g., report covered held-for-investment loans in Schedule RC, item 4.b, “Loans and leases held for investment.”)

(21) Receivables arising from foreclosures on fully and partially government-guaranteed mortgage loans if the guarantee is not separable from the loan before foreclosure and, at the time of foreclosure, (a) the institution’s intent is to convey the property to the guarantor and make a claim on the guarantee and the institution has the ability to recover under that claim, and (b) any amount of the claim that is determined on the basis of the fair value of the real estate is fixed. For further information, see the Glossary entry for “Foreclosed assets.” (Report these receivables in Schedule RC-F, item 6.~~h~~g, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.)

(22) The reporting institution’s own accounts receivable. (Report these receivables in Schedule RC-F, item 6.~~g~~f, if this amount is greater than $100,000 and exceeds 25 percent of the amount reported in Schedule RC-F, item 6.) (Exclude factored accounts receivable, which should be reported as loans in Schedule RC-C.)

Exclude from all other assets:

(1) Redeemed U.S. savings bonds and food stamps (report in Schedule RC, item 1.a, "Noninterest-bearing balances and currency and coin," and, if applicable, in Schedule RC-A, item 1, "Cash items in process of collection, unposted debits, and currency and coin").

(2) Real estate owned or leasehold improvements to property intended for future use as banking premises (report in Schedule RC, item 6, "Premises and fixed assets").

(3) Accounts identified as "building accounts," "construction accounts," or "remodeling accounts" (report in Schedule RC, item 6, "Premises and fixed assets").

(4) Real estate acquired in any manner for debts previously contracted (including, but not limited to, real estate acquired through foreclosure and real estate acquired by deed in lieu of foreclosure), even if the bank has not yet received title to the property, and real estate collateral underlying a loan when the bank has obtained physical possession of the collateral (report as "Other real estate owned" in Schedule RC, item 7).

(5) Due bills representing purchases of securities or other assets by the reporting bank that have not yet been delivered (report as loans in Schedule RC-C).

(6) Factored accounts receivable (report as loans in Schedule RC-C).

7 **Total.** Report the sum of items 1 through 6. This amount must equal Schedule RC, item 11, "Other assets."

DRAFT

SCHEDULE RC-T – FIDUCIARY AND RELATED SERVICES

General Instructions

This schedule should be completed on a fully consolidated basis, i.e., including any trust company subsidiary (or subsidiaries) of the reporting institution.

Item No. **Caption and Instructions**

1 **Does the institution have fiduciary powers?** Federally-chartered institutions granted trust powers by the OCC to administer accounts in a fiduciary capacity should answer "Yes." State-chartered institutions should answer "Yes" if (a) the state has granted trust powers to the institution to offer fiduciary services as defined by the state ***and*** (b) the institution's federal supervisory agency (the FDIC or the Federal Reserve) has granted consent to exercise the trust powers (see Sections 333.2 and 333.101 of the FDIC's regulations and Federal Reserve Regulation H). Institutions with trust company subsidiaries should also answer "Yes." Institutions responding "No" should not complete the remainder of this schedule. Fiduciary capacity generally means trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, custodian under a uniform gifts to minors act, investment adviser (if the institution receives a fee for its investment advice), any capacity in which the institution possesses investment discretion on behalf of another, or any other similar capacity.

2 **Does the institution exercise the fiduciary powers it has been granted?** Institutions exercising their fiduciary powers should respond "Yes." Exercising fiduciary powers means that an institution, or a trust company subsidiary of the institution, serves in a fiduciary capacity as defined in the instructions for item 1 of this schedule.

3 **Does the institution have fiduciary or related activity (in the form of assets or accounts) to report in this schedule?** Institutions (including their trust company subsidiaries) with fiduciary assets, accounts, income, or other reportable fiduciary related services should respond "Yes." Institutions responding "No" should not complete the remainder of this schedule.

Reportable fiduciary and related services include activities that do not require trust powers but are incidental to fiduciary services. Specifically, this includes custodial services for assets held by the institution in a fiduciary capacity. An institution should report custodial activities that are offered through the fiduciary business unit or through another distinct business unit that is devoted to institutional custodial services. Institutions should exclude those custodial and escrow activities related to commercial bank services such as hold-in-custody repurchase assets, escrow assets held for the benefit of third parties, safety deposit box assets, and any other similar commercial arrangement.

Institutions with fiduciary activities that are limited to only land trusts and/or custodial activity for mortgage-backed securities (such as GNMA or FNMA) should respond "No."

If the answer to item 3 is "Yes," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than $250 million (as of the preceding December 31) or with gross fiduciary and related services

Item No. **Caption and Instructions**

3 (cont.) income greater than 10 percent of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 22 quarterly;
- Items 23 through 26 annually with the December report;
- Memorandum item 3 quarterly; and
- Memorandum items 1, 2, and 4 annually with the December report.

~~Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than $100 million but less than $250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:~~

- ~~Items 4 through 26 annually with the December report; and~~
- ~~Memorandum items 1 through 4 annually with the December report.~~

Institutions with total fiduciary assets (item 10, sum of columns A and B) of $~~100~~ 250 million or less (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 13 annually with the December report; and
- Memorandum items 1 through 3 annually with the December report.

In addition, institutions with total fiduciary assets greater than $100 million but less than or equal to $250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must also complete Memorandum item 4 annually with the December report.

Fiduciary and Related Assets

Institutions should generally report fiduciary and related assets using their market value as of the report date. While market value quotations are readily available for marketable securities, many financial and physical assets held in fiduciary accounts are not widely traded or easily valued. If the methodology for determining market values is not set or governed by applicable law (including the terms of the prevailing fiduciary agreement), the institution may use any reasonable method to establish values for fiduciary and related assets for purposes of reporting on this schedule. Reasonable methods include appraised values, book values, or reliable estimates. Valuation methods should be consistent from reporting period to reporting period. This "reasonable method" approach to reporting market values applies both to financial assets that are not marketable and to physical assets. Common physical assets held in fiduciary accounts include real estate, equipment, collectibles, and household goods.

Only those Individual Retirement Accounts, Keogh Plan accounts, Health Savings Accounts, and similar accounts offered through a fiduciary business unit of the reporting institution should be reported in Schedule RC-T. When such accounts are not offered through an institution's fiduciary business unit, they should not be reported in Schedule RC-T. Accounts that consist solely of deposits in the bank itself should not be reported in Schedule RC-T.

If two institutions are named co-fiduciary in the governing instrument, both institutions should report the account. In addition, where one institution contracts with another for fiduciary or related services (i.e., Bank A provides custody services to the trust accounts of Bank B, or Bank A provides investment management services to the trust accounts of Bank B), both institutions should report the accounts in their respective capacities.

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DRAFT

Memoranda

Item No. **Caption and Instructions**

2.b **Transfer agent, registrar, paying agent, and other corporate agency.** Report in column A the total number of issues for which the institution acts in a corporate agency capacity. Include the total number of equity, debt, and mutual fund issues for which the institution acts as transfer agent or registrar, regardless of whether the transfer agent is registered with its appropriate regulatory agency. Separate classes of a mutual fund should be consolidated and reflected as a single issue. Include the total number of stock or bond issues for which the institution disburses dividend or interest payments. Also include the total number of issues of any other corporate appointments that are performed by the institution through its fiduciary capacity. Issues for which the institution serves in a dual capacity should be reported once. Corporate and municipal trusteeships reported in Schedule RC-T, Memorandum item 2.a, above, in which the institution also serves as transfer agent, registrar, paying agent, or other corporate agency capacity should not be included in Memorandum item 2.b. Include only those agency appointments that do not relate to issues reported in Schedule RC-T, Memorandum item 2.a, above.

NOTE: Memorandum items 3.a through 3.g are to be completed by those institutions at which the total market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting institution (Memorandum item 3.h, column B) was $1 billion or more as of the preceding December 31. Memorandum item 3.h is to be completed by all institutions.

3 **Collective investment funds and common trust funds.** Report in the appropriate subitem the number of funds and the market value of the assets held in Collective Investment Funds (CIFs) and Common Trust Funds (CTFs) administered by the reporting institution. CIFs and CTFs are funds that banks are authorized to administer by Section 9.18 of the Office of the Comptroller of the Currency's regulations or comparable state regulations. If an institution operates a CIF that is used by more than one institution, the entire CIF should be reported in this section only by the institution that operates the CIF. Exclude mutual funds from this section. Each CIF and CTF should be reported in the subitem that best fits the fund type.

3.a **Domestic equity.** Report funds investing primarily in U.S. equities. Include funds seeking growth, income, growth and income; U.S. index funds; and funds concentrating on small, mid, or large cap domestic stocks. Exclude funds specializing in a particular sector (e.g., technology, health care, financial, and real estate), which should be reported in Schedule RC-T, Memorandum item 3.g, "Specialty/Other."

3.b **International/Global equity.** Report funds investing exclusively in equities of issuers located outside the U.S. and those funds representing a combination of U.S. and foreign issuers. Include funds that specialize in a particular country, region, or emerging market.

3.c **Stock/Bond blend.** Report funds investing in a combination of equity and bond investments. Include funds with a fixed allocation along with those having the flexibility to shift assets between stocks, bonds, and cash.

3.d **Taxable bond.** Report funds investing in taxable debt securities. Include funds that specialize in U.S. Treasury and U.S. Government agency debt, investment grade corporate bonds, high-yield debt securities, mortgage-related securities, and global, international, and emerging market debt funds. Exclude funds that invest in municipal bonds, which should be reported in Schedule RC-T, Memorandum item 3.e, and funds that qualify as short-term investments, which should be reported in Schedule RC-T, Memorandum item 3.f.

3.e **Municipal bond.** Report funds investing in debt securities issued by states and political subdivisions in the U.S. Such securities may be taxable or tax-exempt. Include funds that invest in municipal debt issues from a single state. Exclude funds that qualify as short-term investments, which should be reported in Schedule RC-T, Memorandum item 3.f.

Memoranda

Item No.	Caption and Instructions
3.f	**Short-term investments/Money market.** Report funds subject to the provisions of Section 9.18(b)(4)(ii)(B) of the Office of the Comptroller of the Currency's regulations or comparable state regulations that invest in short-term money market instruments. Money market instruments may include U.S. Treasury bills, commercial paper, bankers acceptances, and repurchase agreements. Include taxable and nontaxable funds.
3.g	**Specialty/Other.** Include funds that specialize in equity securities of particular sectors (e.g., technology, health care, financial, and real estate). Also include funds that do not fit into any of the above categories.
3.h	**Total collective investment funds.** For institutions that complete Memorandum items 3.a through 3.g, ~~R~~report the sum of Memorandum items 3.a~~.~~ through 3.g. For all other institutions, report the total number of funds and the total market value of the assets held in Collective Investment Funds and Common Trust Funds administered by the reporting institution.
4	**Fiduciary settlements, surcharges, and other losses.** Report aggregate ***gross*** settlements, surcharges, and other losses arising from errors, misfeasance, or malfeasance on managed accounts in column A and on non-managed accounts in column B. For the definitions of managed and non-managed accounts, refer to the instructions for the Fiduciary and Related Assets section of this schedule. ***Gross*** losses should reflect losses recognized on an accrual basis before recoveries or insurance payments. If the institution enters into a "fee reduction" or "fee waiver" agreement with a client as the method for reimbursing or compensating the client for a loss on the client's fiduciary or related services account arising from an error, misfeasance, or malfeasance, the full amount of this loss must be recognized on an accrual basis and included in the gross losses reported in the appropriate subitem and column of this Memorandum item 4. An institution should not report such a loss as a reduction of the gross income from fiduciary and related services it reports in Schedule RC-T, items 14 through 22, and Schedule RI, item 5.a, "Income from fiduciary activities," in the current or future periods when the "fee reduction" or "fee waiver" takes place. (See the example after the instructions to Schedule RC-T, Memorandum item 4.e.) Exclude contingent liabilities for fiduciary-related loss contingencies, including pending or threatened litigation, for which a loss has not yet been recognized in accordance with ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5, "Accounting for Contingencies"). Report recoveries (including those from insurance payments) in column C. Recoveries may be for current or prior years' losses and should be reported when payment is actually realized. The filing of an insurance claim does not serve as support for a recovery. For report dates through December 31, 2008, the information reported on fiduciary settlements, surcharges, and other losses will not be made available to the public on an individual institution basis. Beginning with the March 31, 2009, report date, all of the information reported in Schedule RC-T for each bank will be publicly available.
4.a	**Personal trust and agency accounts.** Report gross losses and recoveries for personal trust and agency accounts as defined for item 4 of this schedule.
4.b	**Employee benefit and retirement-related trust and agency accounts.** Report gross losses and recoveries for employee benefit and retirement-related trust and agency accounts as defined for item 5 of this schedule.

DRAFT

Item No. **Caption and Instructions**

~~8.e~~ ~~**Outstanding credit card fees and finance charges included in retail credit card receivables sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements.** Report the amount outstanding of credit card fees and finance charges that the institution has securitized and sold in connection with its securitization and sale of the credit card receivables reported in Schedule SU, item 4.a.~~

FDIC Loss-Sharing Agreements

9 **Does the institution have assets covered by FDIC loss-sharing agreements?**

If your institution has any assets covered by FDIC loss-sharing agreements, place an "X" in the box marked "Yes" and complete items 9.a through 9.e, below.

If your institution does not have any assets covered by FDIC loss-sharing agreements, place an "X" in the box marked "No" and skip item items 9.a through 9.e.

Note: Under a loss-sharing agreement, the FDIC agrees to absorb a portion of the losses on a specified pool of a failed insured depository institution's assets in order to maximize asset recoveries and minimize the FDIC's losses. In general, for transactions that occurred before April 2010, the FDIC reimburses 80 percent of losses incurred by an acquiring institution on covered assets over a specified period of time up to a stated threshold amount, with the acquirer absorbing 20 percent of the losses on these assets. Any losses above the stated threshold amount are reimbursed by the FDIC at 95 percent of the losses recognized by the acquirer. For transactions that occurred after March 2010, the FDIC generally reimburses 80 percent of the losses incurred by the acquirer on covered assets, with the acquiring institution absorbing 20 percent.

9.a **Loans and leases covered by FDIC loss-sharing agreements.** Report the balance sheet amount of loans and leases held for sale and loans and leases held for investment included in Schedule RC-C, Part I, items 1 through 10, acquired from failed insured depository institutions or otherwise purchased from the FDIC that are covered by loss-sharing agreements with the FDIC.

Do not report the "book value" of the covered loans and leases on the failed institution's books, which may be the amount upon which payments from the FDIC to the reporting institution are to be based in accordance with the loss-sharing agreement.

9.b **Past due and nonaccrual loans and leases covered by FDIC loss-sharing agreements.** Report in the appropriate subitem the aggregate amount of all loans and leases covered by loss-sharing agreements with the FDIC and reported in Schedule SU, item 9.a, that have been included in Schedule RC-N, items 1 through 8, because they are past due 30 days or more or are in nonaccrual status as of the report date.

9.b.(1) **Past due 30 through 89 days and still accruing.** Report the amount of covered loans and leases reported in Schedule SU, item 9.a, that are included in Schedule RC-N, items 1 through 8, column A, because they are past due 30 days through 89 days and still accruing as of the report date.

9.b.(2) **Past due 90 days or more and still accruing.** Report the amount of covered loans and leases reported in Schedule SU, item 9.a, that are included in Schedule RC-N, items 1 through 8, column B, because they are past due 90 days or more and still accruing as of the report date.

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