

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

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has temporarily revised the Reports of Deposits (OMB No. 7100-0087) pursuant to its authority to approve temporarily a collection of information without providing opportunity for public comment.¹ The Reports of Deposits information collection comprises the following four reports:

- Report of Transaction Accounts, Other Deposits, and Vault Cash (FR 2900),
- Annual Report of Deposits and Reservable Liabilities (FR 2910a),
- Report of Foreign (Non-U.S.) Currency Deposits (FR 2915), and
- Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930).

The FR 2900 report is filed by depository institutions and is the primary source of data used for the calculation of reserve requirements, and for the construction and analysis of the monetary aggregates. The FR 2910a report is also filed by depository institutions and is used to determine who must file the FR 2900. The FR 2915 report is filed by any FR 2900 reporter that offers deposits denominated in foreign currencies at their U.S. offices; this report is used by the Board in the construction of the monetary aggregates. The FR 2930 report is filed by depository institutions with offices (or groups of offices) in more than one state or Federal Reserve District with data to be used in the calculation of reserve requirements.

In January 2019, the Federal Open Market Committee announced its intention to implement monetary policy in an ample reserves regime.² Reserve requirements do not play a role in this operating framework. Accordingly, the Board announced that, effective March 26, 2020, reserve requirement ratios were reduced to zero percent.³ As a result of the elimination of reserve requirements on all transaction accounts, the retention of a regulatory distinction in Regulation D - Reserve Requirements of Depository Institutions (12 CFR Part 204) between reservable “transaction accounts” and non-reservable “savings deposits” was no longer necessary. In addition, in the Spring of 2020, financial disruptions arising in connection with the

¹ 5 CFR Part 1320, Appendix A (1)(a)(3)(i)(A).

² See <https://www.federalreserve.gov/newsevents/pressreleases/monetary20190130c.htm>.

³ See <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200315b.htm>; (85 FR 16525, March 24, 2020). Prior to the elimination of reserve requirements, depository institutions satisfied reserve requirements by maintaining cash in their vault or, if vault cash was insufficient, by maintaining a balance in an account at a Federal Reserve Bank. The amount that a depository institution had to maintain was known as the depository institution’s reserve requirement. See 12 CFR 204.4 (computation of reserve requirements). The amount that a depository institution had to maintain in an account at a Reserve Bank over and above the amount of its vault cash was known as the depository institution’s reserve balance requirement. 12 CFR 204.2(ee) (definition of “reserve balance requirement”).

coronavirus disease 2019 (COVID-19) pandemic have caused many depositors to have a more urgent need for access to their funds by remote means, particularly in light of the closure of many depository institution branches and other in-person facilities.

For the foregoing reasons, on April 28, 2020, the Board adopted an interim final rule (Regulation D IFR) deleting the “six transfer limit” from the “savings deposit” definition in Regulation D to allow depository institution customers more convenient access to their funds and to simplify account administration for depository institutions.⁴ This supporting statement describes temporary revisions to the FR 2900 and FR 2910a instructions that were adopted in connection with the Regulation D IFR’s amendment to the definition of “savings deposit.” The temporarily revisions are effective beginning with the April 27, 2020, as-of date for the FR 2900 weekly; June 22, 2020, as-of date for the FR 2900 quarterly; and June 30, 2020, as-of date for the FR 2910a. The FR 2900 and FR 2910a instructions were revised to exclude any reference to a numeric transfer or withdrawal limit from the definition of a “savings deposit.” As a result of the revision, if a depository institution chooses to suspend enforcement of the six transfer limit on a “savings deposit,” the depository institution may continue to report that account as a “savings deposit” or may in some cases choose to report that account as a “transaction account.” No changes have been made to the reporting forms or instructions related to the elimination of reserve requirements; such changes will be proposed at a later date. No changes to the FR 2915 and FR 2930 reports are being made at this time.

The current estimated total annual burden for the FR 2900 reports is 129,594 hours. The temporary revisions did not result in a change to the estimated burden hours. The forms and instructions are available on the Board’s public website at <https://www.federalreserve.gov/apps/reportforms/default.aspx>.

Background and Justification

The Reports of Deposits are designed to implement the requirements of the Federal Reserve Act, as amended by both the Monetary Control Act of 1980 (MCA)⁵ and the Garn-St Germain Depository Institutions Act of 1982 (Garn-St Germain Act).⁶ The MCA requires depository institutions that have transaction accounts or nonpersonal time deposits to maintain reserves in ratios of between zero percent and fourteen percent, as established by the Board. In implementing the MCA, the Board required quarterly instead of weekly deposit reporting for depository institutions that have total transaction accounts, savings deposits, and small time deposits below a certain amount (the nonexempt deposit cutoff). The Garn-St Germain Act imposes a reserve requirement ratio of zero percent on a specific amount (the reserve requirement exemption amount)⁷ of a depository institution’s total reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) that are less than or equal to that amount. The Garn-St Germain Act also requires that, consistent with the Board’s responsibility to monitor and control the monetary and credit aggregates, depository institutions which have a reserve requirement of zero percent be subject to less overall reporting

⁴ 85 FR 23445 (April 28, 2020).

⁵ Pub. L. No. 96-221, 94 Stat. 132 (March 31, 1980).

⁶ Pub. L. No. 97-320, 96 Stat. 1469 (October 15, 1982).

⁷ See 84 FR 64705 (November 25, 2019) for a detailed description of the reserve requirement exemption amount.

requirements than depository institutions which have a reserve requirement of greater than zero percent. In 1990, the Board reduced the reserve requirement ratios applicable to nonpersonal time deposits and Eurocurrency liabilities to zero percent. As discussed above, effective March 26, 2020, the Board reduced the reserve requirement ratios applicable to all transaction accounts to zero percent, eliminating all reserve requirements.

Respondents submit completed deposit reports to their local Reserve Banks, which collect and review the deposit data on a schedule that allows the Board to incorporate these aggregate data in a timely manner into the production of public statistical releases and internal reports.

Description of Information Collection

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

The FR 2900 report comprises 15 data items.⁸ Twelve data items are reported at a daily frequency for a reporting week that begins on a Tuesday and ends the following Monday, and reported either weekly or quarterly to the Federal Reserve Banks. The data are ultimately reported to the Board via the Reserve Banks. These 12 data items are necessary for the construction of the monetary aggregates. The remaining three data items—those that supply data on the nontransaction components of total reservable liabilities—are submitted at an annual frequency for use in indexing the exemption amount and low reserve tranche amount each year,⁹ as required by statute. The exemption amount, nonexempt deposit cutoff, and reduced reporting limit are used to determine how frequently a depository institution must file the FR 2900.¹⁰

Respondent Panel and Frequency. Depository institutions (other than banking Edge and agreement corporations and U.S. branches and agencies of foreign banks) with net transaction accounts greater than the exemption amount and with a sum of total transaction accounts, savings deposits, and small time deposits greater than or equal to the nonexempt deposit cutoff, or with a sum of total transaction accounts, savings deposits, and small time deposits greater than or equal to the reduced reporting limit, regardless of the amount of net transaction accounts, will be required to submit the FR 2900 weekly. The weekly reporting period for the 12 data items on the FR 2900 covers the seven-day period beginning each Tuesday and ending the following Monday. Banking Edge and agreement corporations and U.S. branches and agencies of foreign banks, regardless of size, must also submit the FR 2900 weekly.

Depository institutions that have net transaction accounts greater than the exemption amount, and that have a sum of total transaction accounts, savings deposits, and small time deposits less than the nonexempt deposit cutoff, are required to submit the FR 2900 once each quarter, in March, June, September, and December.

⁸ Refer to the table in Appendix A for a list of the 15 data items on the FR 2900 reporting form.

⁹ See 84 FR 64705 (November 25, 2019) for a detailed description of the “exemption amount” and “low reserve tranche amount”.

¹⁰ See *id.* (describing the “nonexempt deposit cutoff” and “reduced reporting limit”).

The quarterly reporting period for the 12 daily items on the FR 2900 covers the seven-day period beginning on the third Tuesday of the reporting month and ending the following Monday. All FR 2900 respondents submit the three annual data items on the FR 2900 report one day each year as follows. FR 2900 weekly reporters should report their outstanding balance as of close of business on June 30 each year while FR 2900 quarterly reporters should report their outstanding balance as of close of business on Monday of June report week each year.

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

Depository institutions with net transaction accounts less than or equal to the exemption amount, total deposits greater than the exemption amount, and total transaction accounts, savings deposits, and small time deposits below the reduced reporting limit are required to submit the FR 2910a. This report is filed as of June 30 each year.

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 is exempt from reporting the FR 2900, and if not, the frequency at which the institution must submit FR 2900 data (weekly or quarterly). 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 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 must file the FR 2900. In addition, these data are used in the annual indexation of the nonexempt deposit cutoff and the reduced reporting limit.

Respondent 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.¹¹ FR 2910a data are submitted annually.

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 quarterly on the same reporting schedule as quarterly FR 2900 respondents.

Respondent Panel and Frequency. The FR 2915 data are reported quarterly. The Board 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.

¹¹ 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. In addition, any institution that does not submit a December Call Report, or whose Call Report is not readily available, must submit an FR 2910a report.

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

This report is used in the computation of reserve requirements. Specifically, the report collects data from depository institutions on how they intend to allocate the reserve requirement exemption amount and low reserve tranche amount, which are both used in the calculation of a reserve requirement.

Respondent Panel and Frequency. The FR 2930 data are collected at least once a year after the low reserve tranche and reservable liabilities exemption thresholds are adjusted toward the end of each calendar year or upon the establishment of an office outside the home state or Federal Reserve District. The data are required at least one week 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, and a single designated office from each banking Edge or agreement corporation that has offices located in more than one state or Federal Reserve District.

Revisions to the FR 2900 and FR 2910a

The delegation of authority to the Board from OMB that permits the Board to approve collections of information under the Paperwork Reduction Act includes the authority to temporarily approve a collection of information without seeking public comment. To exercise this authority, the Board must determine that a new collection of information or a change to an existing collection must be instituted quickly and that public participation in the approval process would substantially interfere with the Board's ability to perform its statutory obligation. Following the temporary approval of an information collection, the Board must conduct a normal delegated review of the collection within six months, including publishing a notice in the *Federal Register* seeking public comment.

In light of the elimination of reserve requirements on March 26 and the elimination of the six-transfer limit on April 28, the Board temporarily revised the FR 2900 and FR 2910a instructions to exclude any reference to a numeric transfer or withdrawal limit from the definition of a savings deposit. The revision does not require any changes to the forms themselves. The temporarily revisions are effective beginning with the April 27, 2020, as-of date for the FR 2900 weekly; June 22, 2020, as-of date for the FR 2900 quarterly; and June 30, 2020, as-of date for the FR 2910a.

As a result of the revision, if a depository institution chooses to suspend enforcement of the six transfer limit on a "savings deposit," the depository institution may continue to report that account as a "savings deposit" or may in some cases choose to report that account as a "transaction account." The Board determined that this revision needed to be instituted quickly, without first seeking public comment, in order to ensure that depository institutions would not be required to continue reporting deposit data in a manner inconsistent with the amended definition of a savings deposit in Regulation D.

Time Schedule for Information Collection

The FR 2900 weekly respondents submit daily data on a weekly basis for a reporting week that begins on a Tuesday and ends on the following Monday. The FR 2900 quarterly respondents submit seven days of daily data once a quarter for the week beginning the third Tuesday of March, June, September, and December, and ending the following Monday.

FR 2910a respondents submit data annually as of the close of business on June 30 each year. The FR 2915 respondents submit weekly average data for the week beginning the third Tuesday of March, June, September, and December, and ending the following Monday. The FR 2930 reporters submit data at least one week before the beginning of the reserve computation period (a fourteen-day period beginning on Tuesday and ending two Mondays thereafter) in which the requested allocations are to be effective.

Public Availability of Data

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 FR 2900, FR 2915,¹² and FR 2930¹³ are authorized to be collected from depository institutions (commercial banks, credit unions and savings and loan associations) pursuant to section 11(a)(2) of the Federal Reserve Act (FRA) (12 U.S.C. § 248(a)(2)), from banking agreement corporations pursuant to section 25(5) and (7) of the FRA (12 U.S.C. §§ 603 and 604a), from banking Edge corporations pursuant to section 25A(17) of the FRA (12 U.S.C. § 625), and from branches and agencies of foreign banks pursuant to section 7 of the International Banking Act of 1978 (IBA). The FR 2910a report is authorized to be collected from insured or eligible-to-make-application banks, from mutual or stock savings banks, from insured or eligible-to-make-application building, savings and loan or homestead associations, and cooperative banks, and from insured or eligible-to-make-application credit unions pursuant to section 11(a)(2) of the FRA (12 U.S.C. § 248(a)(2)). The FR 2900, FR 2910a, FR 2915, and FR 2930 reports are all mandatory.

The data collected on these reports are considered confidential commercial and financial information, and respondents are assured that the data being collected will be treated as confidential by the Federal Reserve (except to the extent that aggregate data, which does not identify any individual institution, may be disclosed). Accordingly, the data collected on these reports are considered confidential pursuant to exemption 4 of the Freedom of Information Act,

¹² The FR 2915 report is collected from a subset of FR 2900 respondents (those that offer foreign currency-denominated deposits at their U.S. offices).

¹³ The FR 2930 report is collected from a subset of FR 2900 respondents in order to allocate the respondent's low reserve tranche and exemption amounts.

which protects confidential commercial or financial information from public disclosure (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2900 reports is 129,594 hours, and is unchanged with the temporary revisions. These reporting requirements represent approximately 1.41 percent of the Board’s total paperwork burden.

FR 2900	<i>Estimated number of respondents¹⁴</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 2900 (weekly)	949	52	1.25	61,685
FR 2900 (quarterly)	5,453	4	3	65,436
FR 2910a	2,941	1	0.75	2,206
FR 2915	122	4	0.5	244
FR 2930	93	1	0.25	<u>23</u>
	<i>Total</i>			129,594

The estimated total annual cost to the public for these collections of information is \$7,484,054.¹⁵

Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing the FR 2900 reports is \$4,935,600 per year.

¹⁴ Of these respondents, 258 for the FR 2900 (weekly), 4,291 for the FR 2900 (quarterly), 2,907 for the FR 2910a, 10 for the FR 2915, and 31 for the FR 2930 are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), <https://www.sba.gov/document/support--table-size-standards>.

¹⁵ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$20, 45% Financial Managers at \$71, 15% Lawyers at \$70, and 10% Chief Executives at \$93). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2019*, published March 31, 2020, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

Appendix A

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.

Current Uses of each FR 2900 Data Item

Data Item	Construction of monetary aggregates ¹	Comment
A. Transaction accounts:		
1. Demand Deposits:		
a. Due to depository institutions	n.a.	Not included in the monetary aggregates.
b. Of U.S. government	n.a.	Not included in the monetary aggregates, but published as a memorandum item on the H.6.
c. Other demand	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	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 Board estimates the amount of telephone and preauthorized transfer accounts to be subtracted from that total and included in M2.
3. Total transaction accounts	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.

Data Item	Construction of monetary aggregates ¹	Comment
B. Deductions from transaction accounts:		
1. Demand balances due from depository institutions in the U.S.	n.a.	Not included in the monetary aggregates.
2. Cash items in process of collection	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.
C.1 Total savings deposits (including MMDAs)	M2	<u>Monetary aggregates.</u> Savings deposits are a major component of M2.
D.1 Total time deposits	M2 ²	<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.1).
E.1 Vault cash	M1	<p><u>Monetary aggregates.</u> Vault cash is deducted from currency in circulation to arrive at the currency component of M1.</p> <p><u>Reserve aggregates.</u> Vault cash is used to meet reserve requirements. The amount used is applied vault cash.</p>
F. Memorandum Item:		
1. All time deposits with balances of \$100,000 or more (included in Item D.1 above)	M2 ²	<p><u>Monetary aggregates.</u> See comments for item D.1 above.</p> <p>Also used in the construction of the Board's weekly H.8 statistical release, <i>Assets and Liabilities of Commercial Banks in the United States</i>.</p>

Schedule AA:		
1. Ineligible acceptances and obligations issued by affiliates maturing in less than 7 days	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.
Schedule BB: Nonpersonal data items		
1. Total nonpersonal savings and time deposits (included in Items C.1 and D.1 above)	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)	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.)
Schedule CC:		
1. Net Eurocurrency liabilities	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. For additional information on the monetary aggregates, please see the H.6 statistical release.
2. As of March 23, 2006, the Board 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 Board 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.