



**Office of Thrift Supervision  
Financial Reporting Division (FRD)**

**December 2006**

<http://www.ots.treas.gov>

---

# Financial Reporting Bulletin

- **It is important that you read this bulletin and the attached materials before preparing and submitting your Thrift Financial Report.**
- *Please share this bulletin with all staff members who are involved in preparing and transmitting reports to the OTS.*

**December TFR Filing Deadline – Tuesday, January 30, 2007**  
**December COF Filing Deadline – Tuesday, January 30, 2007**  
**December CMR Filing Deadline – Wednesday, February 14, 2007**  
**December HC Filing Deadline – Wednesday, February 14, 2007**

## IN THIS ISSUE

Fourth Quarter Filing Deadlines  
EFS Version 5.9 CD Mailed  
What's New in EFS 5.9  
FDIC Website Updates  
December 2006 TFR Form and Instruction Manual Revisions  
March 2007 TFR Form Revisions  
Software Corner  
Questions and Answers  
Financial Reporting Division Contact List  
Preferred and Minimum Requirements  
2006 Filing *Deadline* Schedule  
2007 Filing *Deadline* Schedule

## **FOURTH QUARTER FILING DEADLINES**

You should complete and transmit your December 2006 TFR and COF **as soon as possible** after the close of the quarter. **Filing deadline** for all schedules *except* HC and CMR is **Tuesday, January 30, 2007**. **Filing deadline** for Schedules HC and CMR is **Wednesday, February 14, 2007**.

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines above. The OTS will not be able to provide access to Interest Rate Risk reports to institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at [doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov), or 972.277.9618 after transmitting CMR for confirmation of receipt.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division analyst in Dallas, Texas. A contact listing is provided near the end of this bulletin. You may e-mail reporting questions to [fr.instructions@ots.treas.gov](mailto:fr.instructions@ots.treas.gov). If you need assistance with Electronic Filing System (EFS) including Quick Importer, or Financial Reports Subscriber (FRS), software or transmission, contact the EFS Helpline Message Center by e-mail at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov) or by phone toll free at 866.314.1744. If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at [scott.ciardi@ots.treas.gov](mailto:scott.ciardi@ots.treas.gov), or call 202.906.6960.

## **EFS VERSION 5.9 SOFTWARE FULL UPGRADE CD MAILED**

The Electronic Filing System (EFS) Version 5.9 CD will be mailed by the end of December to all TFR report preparers using the postal mailing address provided on their most recent TFR transmission as of December 15, 2006. Please install the CD as soon as you receive it and review What's New in EFS 5.9 before you begin working on your December 2006 reports. **Retain the CD in a safe, easily accessible place** for retrieval if you are directed by OTS staff to reinstall the software. You should destroy any prior versions of EFS CDs.

**If you do not receive your CD by close of business Wednesday, January 17, 2007, please** e-mail Doris Jackson at [doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov). Be sure to include your institution's five-digit docket number in the subject line of your message.

For any software issues you encounter, you should run the OTS Diagnostics, which is installed automatically along with the EFS. If the OTS Diagnostics fails to identify and offer solutions for your problem, contact the EFS Helpline at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov) or call 1-866-314-1744.

## **WHAT'S NEW IN EFS 5.9**

### **Changes to Line Items**

Changes in FDIC insurance coverage for retirement accounts made it necessary to change certain items collected on Schedule DI. Further explanation of these changes is in the December 2006 TFR Form and Instruction Manual Revisions section of this bulletin. You can also view the revised TFR form on the OTS website at <http://www.ots.treas.gov/docs/7/78192.pdf>.

The special report included with Schedule SI was eliminated. We will no longer collect data for lines SI900 through SI930.

### **Functionality Changes/Enhancements**

#### **Institution Setup**

The Institution Setup of EFS has been redesigned to consolidate and simplify the reporting of report preparer and other contact information for the institution. Emergency contacts, FinCEN contacts, and regulatory reporting key contacts are now reported in the Institution Setup. EFS 5.9 now provides a central personnel manager to maintain contact information from which users can easily assign personnel to one or more regulatory roles or duties. Contact information in EFS 5.9 is non-historical. Any changes to contact information will remain for all cycles forward and backward.

The 'Other Info' section of Institution Setup now includes information about the schedules (TFR, CMR and HC) and institution files with the OTS. Based on the answers to these questions, the 'Report Preparer and Institution Contact Info' section will ask only for contacts relevant to the schedules that the institution reports.

Institution Setup also allows the user to save partial setup information and begin using EFS right away. Only a docket number and institution type are necessary to begin using the software. However, all institution information must be completed and validated prior to connecting to EFS-NET. The 'Institution Setup Validation Status' box in Institution Setup will indicate when all necessary setup information has been supplied.



### **TFR and CMR Code Lookup Dictionary**

This new feature will take users to the new Code Lookup dictionary. For TFR and CMR line items that require a code, clicking this button at the top of the input page will open a display of the valid codes that can be reported, and their descriptions.

### **DI210 – Uninsured Deposits**

The FDIC has asked the OTS to further define the information reported as uninsured deposits on DI210. If you report a zero in DI210, the software will prompt you with a question during the transmission process to clarify the meaning of the zero. You will be asked whether you are actually reporting a zero, representing no uninsured deposits, or if you are electing not to report uninsured deposits as allowed by the reporting instructions. Be sure that you have responded correctly to the question before transmitting your report.

### **Importing and Exporting for Off-Balance Positions 1-16 in CMR (CMR801 – CMR880)**

In the main CMR schedule, users will notice new buttons for importing and exporting off-balance-sheet positions 1-16 (CMR801-CMR880). The import format is the same as that for the import capability of the OBS Supplemental schedule. During the export of CMR801-CMR880, users can include Supplemental OBS entries in the same file. During the import of CMR801-CMR880, users can output positions beyond the first 16 to a separate file for subsequent import into the Supplemental OBS schedule. The same validation is used on import for both CMR801-CMR880 and the Supplemental OBS.

### **Financial Data Export to ASCII Enhanced Formats**

The EFS Financial Data 'Export to ASCII' menu option now supports Column-Aligned and Tab-Delimited file formats. Column-aligned exports are compatible with the new 'Quick Map' feature in Quick Importer 2.0. See the new Quick Importer 2.0 Help Guide for more details.

### **Quick Importer 2.0 Functionality Changes/Enhancements**

To access the Quick Importer function, click Utilities from the EFS main (blue) screen, Quick Importer 2.0 has gone through a major revision to address user requests and the changing needs of the industry. The chief goals of this redesign were to make the utility more intuitive and user-friendly, to simplify the setup process, and to introduce auto-mapping features for TFR-formatted external source files. Quick Importer 2.0 changes are outlined in detail in the Help Guide accessible inside Quick Importer. The Quick Importer 2.0 Help Guide is also available as a downloadable bulletin when connected to EFS-NET as well as downloadable from the below direct link:

<https://xnet.ots.treas.gov/efsnet/bulletins/quickimporterhelpguide20.pdf>

A brief list of the changes in Quick Importer 2.0 includes:

#### **Account Balance Table Management**

- Conversion from menu-driven tasks to user-friendly toolbar
- Search and sort features for accounts
- Full editing and "revert to last save" using cancel button

- Validation of accounts that prevents saving of data until critical errors are corrected
- Validation of accounts with warnings that allows saving of data
- Downloading balance data is not completed until data is validated and saved
- Accumulating balances will apply balances to the first instance of an account number when there are duplicate account numbers

#### **Account-TFR Relationships Management**

- Relationship mapping has “find” buttons for both OTS line items and account numbers
- Quick Map feature can detect and establish relationships of TFR-formatted account tables
- Color-coded relationships for instant visual confirmation of mappings
- Ability to view and manage relationships from both account number and OTS line-item point of reference

#### **Reports**

- Reports allow output to file in tab-delimited format for import into most spreadsheet applications, or in column-aligned format for re-import back to Quick Importer or for archive purposes
- Quick summary matched/unmatched statistics displayed for the active account table and relationship

### **Financial Reports Subscriber (FRS) 3.1 Changes/Enhancements**

#### **UTPR Peer Group Reports**

Beginning with the December cycle, two new UTPR reports in .PDF form will be available for immediate download inside Financial Reports Subscriber. The Peer Member List shows all members of each UTPR peer group, and the Peer Percentile Report provides more detailed percentiles (10<sup>th</sup>, 25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup>, and 90<sup>th</sup>) for peer group ratios.

To download these reports, users select the option ‘I wish to connect to EFS-NET without submitting any new requests(s)’. These peer group reports are public in content and are published on a weekly basis each Monday. These reports can also be downloaded from any prior version of Financial Reports Subscriber. To do so from an earlier version, select the option ‘I have previously submitted report requests and am returning to check their availability’, and connect to EFS-NET. Select the option to ‘Show’ the UTPR Peer Group reports. The Peer Group Reports section view can then be hidden. Other available bulletins for download, pending report requests and completed report requests are always displayed beneath the Peer Group Reports section.

#### **Email Notification Subscription Service**

You now have the option to subscribe to an email notification service when you log onto EFS-NET using Financial Reports Subscriber (FRS). When you select this option, you will enter the email address of the person who will be notified when certain reports become available for download, such as the IRR Exposure Report Executive Summary.

Because the service will use a massed distribution, the OTS will not use the service to notify thrifts of the availability of their individual Interest Rate Risk Reports. Those reports may be requested through FRS the day after the TFR filing deadline, but the availability of each thrift’s report depends on several factors. If the Financial Reporting staff in Dallas have completed processing the CMR and there are no additional edits from the Net Portfolio Value model, then the IRR can be downloaded. If you are unable to download your IRR after the TFR filing deadline, contact your FRD Analyst to ascertain the status of your CMR report.

## **FDIC WEBSITE UPDATES**

The FDIC updates the Industry Analysis portion of their website (<http://www.fdic.gov>) on the third Friday after the close of the quarter. This update is based on individual OTS TFR data as of the previous Tuesday night. The FDIC will post December 2006 data to their website for the first time on Friday, January 19, 2007, and will

make updates each Friday thereafter until 45 days after the close of the quarter. The last Friday update of the FDIC website for the December 2006 cycle will be Friday, February 16, 2007.

## **DECEMBER 2006 TFR FORM AND INSTRUCTION MANUAL REVISIONS**

Final changes to the December 2006 TFR Form and Instruction Manual were published in a Federal Register notice (71 FR 47866) on August 18, 2006, providing a 30-day request for comment. The changes are being implemented in response to the increased levels of deposit insurance from \$100,000 to \$250,000 for retirement accounts. See the Federal Deposit Insurance Reform Act of 2005, ("Reform Act") (Pub. L.109-171).

The December 2006 revisions relate to Schedule DI - Consolidated Deposit Information. Three line items were eliminated from the TFR, six existing line items were revised, and four new line items were added as follows:

### **Schedule DI and Instruction Manual Pages 901 through 908**

#### **Deleted Lines:**

- DI740 - Total Deposits Purchased or Acquired from FDIC-Insured Institutions During Quarter
- DI750 - Amount of Purchased or Acquired Deposits Reported In DI740 Attributable to a Secondary Fund
- DI760 - Total Deposits Sold or Transferred During Quarter

These lines were deleted as passage of the Reform Act renders this data collection obsolete.

#### **Revised Lines:**

- The term "\$100,000" was replaced with "the account insurance limit" on
  - DI100 - Fully Insured Broker-Originated Deposits
  - DI110 - Other Broker-Originated Deposits

The descriptions were revised to exclude retirement accounts on

- DI120 - Deposits (Excluding Retirement Accounts) With Balances \$100,000 or Less
- DI130 - Deposits (Excluding Retirement Accounts) With Balances Greater than \$100,000
- DI150 - Number of Deposits (Excluding Retirement Accounts) With Balances \$100,000 or Less
- DI160 - Number of Deposits (Excluding Retirement Accounts) With Balances Greater than \$100,000

#### **New Lines:**

- Lines were added to collect data reflecting the new insurance limits for retirement deposits on
  - DI170 - Retirement Deposits With Balances \$250,000 or Less
  - DI175 - Retirement Deposits With Balances Greater Than \$250,000
  - DI180 - Number of Retirement Deposits With Balances \$250,000 or Less
  - DI185 - Number of Retirement Deposits With Balances Greater than \$250,000

### **Elimination of Special Report of Loans to Executive Officers**

Section 601 of the Financial Services Regulatory Relief Act of 2006 (Relief Act) removed several statutory reporting requirements relating to insider lending by insured banks and savings associations (institutions). One of these amendments, which became effective on October 13, 2006, eliminated the statutory requirement that an executive officer or principal shareholder of an institution file an annual report with the institution's board of directors during any year in which the officer or shareholder, or a related interest of the officer or shareholder, has an outstanding extension of credit from any of the institution's correspondent banks. This reporting requirement had been imposed on banks by Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978. Section 306(j) of the Federal Deposit Insurance Corporation Improvement Act of 1991 extended this same requirement to savings associations.

The OTS will discontinue collection of these data effective with the December 2006 TFR, and the Special Report page has been removed from the TFR form, including the following lines:

- SI900 - Number of Loans Made to Executive Officers During the Quarter
- SI910 - Total Dollar Amount of Above Loans
- SI920 - Range of Interest Charged on Above Loans - Minimum
- SI930 - Range of Interest Charged on Above Loans - Maximum

## **MARCH 2007 TFR FORM REVISIONS**

Final changes to the March 2007 TFR Form were published in a Federal Register notice (71 FR 69619) on December 1, 2006, providing a 30-day request for comment. In developing this proposal, the OTS considered a range of potential information needs, particularly in the areas of credit risk, liquidity, and liabilities, and identified those additions to the TFR that are most critical and relevant to the OTS in fulfilling its supervisory responsibilities. At the same time, the OTS identified certain existing TFR line items that are no longer sufficiently critical or useful to warrant their continued collection. The revisions are described below. The updates to the TFR Instruction Manual are being written and will be posted on the OTS website when complete. The Instruction Manual updates will be distributed with the March 2007 Financial Reporting Bulletin.

The March 2007 revisions relate to Schedule SC-Consolidated Statement of Condition, Schedule SO-Consolidated Statement of Operations, Schedule LD-Loan Data, Schedule CF-Consolidated Cash Flow Information, Schedule SI-Supplemental Information, Schedule SQ-Consolidated Supplemental Questions, and Schedule HC-Thrift Holding Company. After considering the comments received, the OTS has adopted the proposed revisions, with the exception of proposals to revise the language of the question in line HC840 and to eliminate the confidential treatment of data in Schedule HC. The revisions will delete ten line items from the TFR, revise five existing items, and add 16 new items.

### **Deleted Lines:**

- SC745 - Other Mortgage-Collateralized Securities Issued
- CF340 - Mortgage Loans-Cash Repayment of Principal
- CF350 - Mortgage Loans-Debits Less Credits Other Than Repayment of Principal
- CF420 - New Deposits Received Less Deposits Withdrawn
- CF435 - Deposits Acquired, Net of Dispositions in Bulk Transactions
- SQ100 - "Did you acquire any assets through merger with another depository institution?"
- SQ110 - "Did you include in your balance sheet for the first time assets and/or liabilities acquired as a result of a branch or other bulk deposit purchase?"
- SQ130 - "Has there been a change in control?"
- SQ160 - "Has there been a merger accounted for under the purchase method?"
- SQ170 - "If you restated your balance sheet for the first time this quarter as a result of applying push-down accounting, enter the date of reorganization."

### **Revised Lines:**

- SC740 - Mortgage-Collateralized Securities Issued-CMOs (Including REMICs) - Revising the instructions to report total mortgage collateralized securities issued
- SO141 - Interest Income on Mortgage Loans - Revising the instructions to exclude prepayment penalties, late fees, and assumption fees from the line total
- SO160 - Interest Income on Commercial Loans and Leases - Revising the instructions to exclude prepayment penalties, late fees, and assumption fees from the line total
- SO171 - Interest Income on Consumer Loans and Leases - Revising the instructions to exclude prepayment penalties, late fees, and assumption fees from the line total
- SO410 - Loan Servicing Fees - Revising the instructions to exclude from the reported amount (a) amortization of loan servicing assets or liabilities and valuation adjustments for classes of loan servicing accounted for using the amortization method, and (b) fair value adjustments for classes of servicing carried at fair value

**New Items:**

- SO142 - Prepayment Fees, Late Fees, and Assumption Fees for Mortgage Loans
- SO162 - Prepayment Fees, Late Fees, and Assumption Fees for Commercial Loans
- SO172 - Prepayment Fees, Late Fees, and Assumption Fees for Consumer Loans
- SO411 - Servicing Amortization and Valuation Adjustments
- LD510 - 1-4 Dwelling Units Construction-to-Permanent Loans
- LD520 - Owner-Occupied Multifamily Permanent Loans
- LD530 - Owner-Occupied Nonresidential Property (Except Land) Permanent Loans
- LD610 - 1-4 Dwelling Option ARM Loans
- LD620 - 1-4 Dwelling ARM Loans with Negative Amortization
- LD650 - Total Capitalized Negative Amortization
- CF226 - Mortgage Loans Disbursed-Permanent Loans-Home Equity and Junior Liens;
- CF281 - Loans and Participations Purchased-Secured by 1-4 Dwelling Units-Purchased from Entities Other Than Federally Insured Depository Institutions or Their Subsidiaries
- CF282 - Loans and Participations Purchased-Secured by 1-4 Dwelling Units-Home Equity and Junior Liens
- CF311 - Loans and Participations Sold-Secured by 1-4 Dwelling Units-Home Equity and Junior Liens
- SI376 - Assets Recorded On Schedule SC Under a Fair Value Option
- SI377 - Liabilities Recorded On Schedule SC Under a Fair Value Option

**Proposed Revisions to Schedule DI - Consolidated Deposit Information**

The Office of the Comptroller of the Currency (OCC), The Board of Governors of the Federal Reserve System (Fed), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS) published proposed revisions to Schedule DI in a Federal Register notice (71 FR 63848) on October 31, 2006, providing a 60-day request for comment. The four agencies are proposing to replace certain information currently collected in the Call Report and TFR for deposit insurance assessment purposes with the information described in proposed amendments to Part 327 of the FDIC's regulations (71 FR 28790, May 18, 2006). The proposal would provide an interim period covering the March 31, 2007, through December 31, 2007, report dates during which institutions can submit Call Reports and TFRs using either the current or revised formats for reporting data for measuring their assessment base. The revised reporting format will take effect for all institutions on March 31, 2008, at which time the current format will be eliminated. At present, eight items in the TFR are required to determine an institution's assessment base. The proposed changes would reduce the number of reported items to as few as two for certain small institutions and no more than six for other institutions.

In addition, the Federal Reserve has requested that the Call Report and TFR be revised to ensure accurate construction of the monetary aggregates for monetary policy purposes. In the TFR, two items would be added to Schedule DI:

- (1) Time Deposits of \$100,000 or More (excluding brokered deposits participated out by the broker in shares of less than \$100,000 and brokered certificates of deposit issued in \$1,000 amounts under a master certificate of deposit, and
- (2) IRA/Keogh Accounts Included in Time Deposits of \$100,000 or More.

Proposed changes to the March 2007 TFR Form and Instruction Manual were originally published in a Federal Register notice (71 FR 43236) on July 31, 2006, providing a 60-day request for comments.

## **SOFTWARE CORNER**

### **What's the Current Software Version?**

To verify at any time that you are using the correct software version, from the EFS main (blue) screen, click Transmit, immediately click Next, click EFS Net, click Log in to My Computer.... On the middle left side of the EFS Net screen, you will see reference to the current version ("You should be using EFS version...") and to the version you are actually using at the time ("You are currently using EFS version..."). Please always verify that you are using the most current EFS version before preparing and transmitting your reports.

Just below that reference will be Available Bulletins for Download. Be sure you have installed the most recent EFS CD, and downloaded and applied any EFS updates available.

### **Edit Step Failures**

If your report is failing an edit step that you don't understand, you can find an exact explanation of that edit within EFS so you can verify your report entries. From the EFS blue screen, click on Utilities, Edit Step Reporting Module. Change the month to the correct cycle, and select the Report Type, then click Query. You will find a listing of all Edit Steps for that report. Click on the one in question to see a full explanation of the edit. You can then take the proper actions to correct this edit or explain it in a User Note.

### **Prior-Period Amendments**

Before you transmit any prior-period amendments to TFR, CMR, or HC reports, be sure to discuss them with your Financial Reporting Analyst, who may have further instructions for you to follow. All amendments must be filed electronically and should include a detailed EFS Message to OTS explaining the reason for the amendment. A September 2006 TFR, CMR, or HC amendment cannot be processed after February 13, 2007.

### **Contact Us Before a System or Server Upgrade**

Before you or your IT personnel perform any system, server, or equipment/workstation upgrade or move, you should contact the EFS Helpline for instructions on how to properly retain your data and correctly install the EFS software to the new location.

---

# Questions & Answers

---

TFR Questions and Answers are posted on the OTS website at <http://www.ots.treas.gov> (click TFR). If you have a question you would like posted, please e-mail it to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov).

---

**Q&A No. 007**

**SUBJECT: Deferred Taxes for Unrealized Gains and Losses**

**LINE(S): CCR280**

**DATE: Revised December 1, 2006**

---

**Question:** Should the amount on CCR280 (for unrealized gains and losses on certain available-for-sale securities) be reported gross or net of income taxes?

**Answer:** Generally, the amount on CCR280 should be reported before any income tax effect. The amount reported on CCR280 is directly related to the amount reported on CCR180.

The amount reported on CCR180 is an adjustment to equity capital to compute regulatory capital. It is an amount that is included in equity capital on SC860 and is net of any associated current or deferred income taxes.

The amount reported on CCR280 is an adjustment to total assets to compute adjusted total assets for regulatory capital purposes. Generally, this amount should be reported before any income tax effect. However, as explained below, if the income tax effect results in a change to assets (either current or deferred tax assets), the amount on CCR280 should be reported after the effect of income taxes. The current or deferred taxes from SFAS 115 adjustments are netted with all other current or deferred taxes of the institution to determine whether the result is a liability or asset. The CCR280 calculation can change from quarter to quarter depending on whether deferred taxes result in an asset or in a liability.

#### Example 1

Unrealized gains on CCR280 are reported after the effect of income taxes, only where the associated current or deferred tax liability is a component of a net tax asset.

Assume:

Mortgage pool securities on SC210 increased by unrealized gains on available-for-sale securities of \$100.

An associated deferred tax liability of \$40, included as a component of a net deferred tax liability on SC790.

Unrealized gains, net of income taxes, on available-for-sale securities of \$60, reported as a positive amount on SC860.

Report:

-\$60 on CCR180 (the net amount included in SC860)

-\$100 on CCR280 (the only amount included in assets)

#### Example 2

Unrealized losses on CCR280 are reported after the effect of income taxes, only where the associated current or deferred tax asset is a component of a net tax asset.

Assume:

U.S. Government securities on SC130 reduced by unrealized losses on available-for-sale securities of \$100.

An associated deferred tax asset of \$40, is included as a component of a net deferred tax asset, reported in other assets on SC690.

Unrealized losses, net of income taxes, on available-for-sale securities of \$60 are reported as a negative amount on SC860.

Report:

\$60 on CCR180 (the net amount included in SC860)

\$60 on CCR280 (the deferred tax asset of \$40 included in SC690 netted against the loss of \$100 in SC130)

**Q&A No. 014**

**SUBJECT: Consumer Loans**

**LINE(S): SC310-330**

**DATE: Revised December 1, 2006**

**Question:** In reporting consumer loans in Schedule SC, is the collateral or the stated use of the loan proceeds the key to proper reporting?

**Answer:** The loan should be categorized based on the collateral as long as the collateral fully secures the loan. However, if the collateral is taken only as an abundance of caution, then the purpose would be the key.

For example: A lender made a revolving line of credit to finance college expenses for the borrower's child with a second lien on the borrower's home as collateral. If the loan would otherwise qualify under the lender's home improvement loan program, it could be considered a 1-4 open-end mortgage loan. However, if the institution wanted to report it as an education loan, the OTS would not object. On the other hand, if there was insufficient equity in the home to cover the loan (the lender took a security interest in the loan as an abundance of caution), then the loan should be reported as an education loan.

---

**Q&A No. 015****SUBJECT: Deposits: Medical Savings Plans****LINE(S): SC710, DI610, DI200, DI120, DI130, CMR****DATE: Revised December 1, 2006**

---

An institution has started to offer a medical savings plan account. The account offers a pre-tax savings plan to provide for qualified medical expenses. The individual customer deposits money for the medical savings plan up to their maximum allowable amount.

**Question 1:** Should these medical savings plan accounts be reported as passbook accounts?

**Answer 1:** In Schedule CMR these accounts should be reported as fixed-maturity deposits, because they do not have the characteristics of a passbook account. The original maturity would typically be 12 to 36 months because they are 12-month accounts with an additional 3-month grace period for filing claims. The remaining maturity would be based on the number of months until the end of the year plus three months for the grace period.

In Schedule DI, these generally could be reported as demand deposits if they are noninterest bearing and meet the other requirements of demand deposits.

They should not be reported with IRA/Keogh Accounts on DI200.

**Question 2:** If a customer has an unrelated \$98,000 CD and a \$9,000 MSA, would the full \$9,000 Medical Savings Account be insured?

**Answer 2:** No, only the aggregated amount up to \$100,000 would be insured. Medical Savings Accounts must be aggregated with other savings accounts in determining deposit insurance.

---

**Q&A No. 025****SUBJECT: Other Asset and Liability Codes****LINE(S): SC689/SC796****DATE: Revised December 1, 2006**

---

**Question:** How should the detail lines under Other Assets and Other Liabilities be reported? Should the institutions code all items in the other category, sum them by code and report the three largest, or report the three largest without summation? This could, of course, result in the same code being used for two or even all three of the detail lines.

**Answer:** The accounts should be aggregated by code, so that a code only appears once. Once they have been aggregated, the three largest items should be reported. Code 99 is the only code that may appear more than once.

---

**Q&A No. 036****SUBJECT: Minority Interest****LINE(S): SC800****DATE: Revised December 1, 2006**

---

**Question 1:** How is minority interest reported if an institution owns 90% of a subsidiary and what is the offset of this transaction?

**Answer 1:** When an institution owns a controlling interest (typically defined as more than 50% ownership) in another company, they must consolidate 100% of the assets and liabilities of that company. However, they report in the equity section only their own equity. The amount of assets less liabilities owned by others is called "minority interest" and is reported on SC800 in order to balance. Likewise, 100% of the income and expense of the subsidiary is consolidated on a line-by-line basis, and the minority share of net income is deducted on SO488 or SO580, as applicable.

**Question 2:** An association is owned by a holding company that also owns 10% of a subsidiary of the association. In other words there are three tiers: the savings and loan holding company, the savings association, and the subsidiary. The holding company owns the savings association and 10% of the subsidiary. The savings association owns 90% of the subsidiary. In the TFR of the savings association, how much of the subsidiary is consolidated? If 100% of the subsidiary is consolidated, how is the 10% owned by the holding company reported?

**Answer 2:** One hundred percent of the subsidiary is consolidated. When looking at the savings association's report, the 10% owned by the holding company is reported as minority interest in Schedule SC on SC800 and in Schedule SO on SO488 or SO580, as applicable. The principle of minority interest applies when the minority interest is held by an unconsolidated affiliate or by an unrelated third party.

---

**Q&A No. 042****SUBJECT: Open-ended Mortgage loans****LINE(S): CC412:420****DATE: Revised December 1, 2006**

---

**Question:** An institution has a commitment to make home equity lines of credit that will be reported on SC251:255. Where is the commitment reported, on CC280 or CC412:420?

**Answer:** If the commitment is to disburse a specific amount at closing, that amount should be reported on CC280. The remainder of the commitment should be reported on CC412:420. If the amount to be disbursed at closing is unknown, the full amount of the line of credit should be reported on CC412:420.

---

**Q&A No. 165****SUBJECT: Recourse Rule - 120-Day Exception****LINE(S): Schedule CCR****Date: Revised December 1, 2006**

---

**Question:** How does the November 2001 Recourse Capital Rule apply to 1-4 family loan sales? And what is the 120-day exception?

**Answer:** In general, Recourse involves selling assets where:

- You agree to buy the assets back if there is a problem
- You sell the assets with credit-enhancing representations and warranties that reduce credit risk for the purchaser while retaining credit risk for the seller
- You retain servicing and you have an agreement to absorb or otherwise be responsible for losses on the assets you service (with the exception of Servicer Cash Advances as defined)
- You retain a subordinate interest in the assets you have sold

In a simple example where you have sold 1-4 family loans with recourse, you would have to multiply the full amount of the assets you have sold by a 100% conversion factor, effectively bringing them back on your balance sheet for risk-based capital purposes. (See 567.6 for complete detail.)

The 120-day exception allows a contract period during which qualifying single-family mortgage loans may be returned to the seller, without the selling institution having to treat the loan sale as a recourse sale. The return period stipulated in the contract must not exceed 120 days. A sale that allows a return period of 180 days is a recourse sale immediately from the first day. Therefore if you wish to take advantage of the exception, it is important that your contract return periods **do not exceed 120 days**. The 120-day exception applies only to 1-4 family loans originated within one year prior to the sale. The loans must meet the criteria for 50% risk weight according to the definition of "qualifying mortgage loan."

Refer to the definition of Recourse in 12 CFR 567.1 for a more detailed description. In section 567.1 you will also find the definitions of "credit-enhancing representations and warranties," "qualifying mortgage loan", and "servicer cash advance." Note that recourse which qualifies for exclusion on CCR (due to the 120 day exemption rule) must still be reported on CCR455 and CC468. Please see Q&A 191.

---

**Q&A No. 82**

**SUBJECT: Loans to Executive Officers**

Line: SI900 SI910

Date: December 1, 1999

***Rescinded***

---

---

**Q&A No. 183**

**SUBJECT: Loans to Executive Officers**

LINE(S): SI900 - SI930

DATE: September 5, 2002

***Rescinded***

---

---

**Q&A No. 192**

**SUBJECT: Loans to Executive Officers**

LINE(S): SI590, SI900-SI930

DATE: December 10, 2002

***Rescinded***

---

**FINANCIAL REPORTING DIVISION (FRD) CONTACT LIST**

225 E. John Carpenter Freeway, Suite 500  
Irving, TX 75062-2326  
FAX 972.277.9596

**VIKKI REYNOLDS, MANAGER 972.277.9595**

[vikki.reynolds@ots.treas.gov](mailto:vikki.reynolds@ots.treas.gov)

972.277.XXXX

972.277.XXXX

**THRIFT FINANCIAL REPORT (TFR)**

ARTURO CORNEJO 9556  
[arturo.cornejo@ots.treas.gov](mailto:arturo.cornejo@ots.treas.gov)

JIM HANSON 9620  
[james.hanson@ots.treas.gov](mailto:james.hanson@ots.treas.gov)

KATHRYN JOHNSON 9611  
[kathryn.johnson@ots.treas.gov](mailto:kathryn.johnson@ots.treas.gov)

KEVIN JONES 9612  
[kevin.jones@ots.treas.gov](mailto:kevin.jones@ots.treas.gov)

JIM MELTON 9621  
[jim.melton@ots.treas.gov](mailto:jim.melton@ots.treas.gov)

ANGELA THORPE-HARRIS 9615  
[angela.thorpe@ots.treas.gov](mailto:angela.thorpe@ots.treas.gov)

JO ANN WILLIAMS 9616  
[joann.williams@ots.treas.gov](mailto:joann.williams@ots.treas.gov)

**MONTHLY COST OF FUNDS (COF)**

KATHRYN JOHNSON 9611  
[kathryn.johnson@ots.treas.gov](mailto:kathryn.johnson@ots.treas.gov)

**BRANCH OFFICE SURVEY (BOS)**

CHEYANN HOUTS 9617  
[cheyann.houts@ots.treas.gov](mailto:cheyann.houts@ots.treas.gov)

**GENERAL QUESTIONS AND SOFTWARE DISTRIBUTION**

DORIS JACKSON 9618  
[doris.jackson@ots.treas.gov](mailto:doris.jackson@ots.treas.gov)

The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

**TFR REPORTING QUESTIONS AND ANSWERS**

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at <http://www.ots.treas.gov/> (click TFR). If you have a question that you would like answered, you may submit it to [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov). For security reasons, FRD staff does not respond to e-mails with blank or illogical Subject lines.

**EFS HELPLINE MESSAGE CENTER**

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at [efs-info@ots.treas.gov](mailto:efs-info@ots.treas.gov) or call the toll-free 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always include your 5-digit docket number in your e-mail Subject line or your voice-mail message, and provide your name and phone number. FRD staff does not respond to e-mails with blank or illogical Subject lines.

**INTEREST-RATE RISK REPORTS**

Questions about your Interest Rate Risk report may be directed to Scott Ciardi at [scott.ciardi@ots.treas.gov](mailto:scott.ciardi@ots.treas.gov), or 202.906.6960.

COPIES OF TFR MANUAL The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at <http://www.ots.treas.gov/> (click TFR).

**PREFERRED AND MINIMUM REQUIREMENTS**  
**FOR ELECTRONIC FILING OF**  
**REGULATORY REPORTS**

---

**Preferred Requirements:**

**Application**

- **IBM-compatible PC - Pentium 566+ processor**
- **Windows NT4.0 Workstation, Windows 2000, XP, Me**
- **256 Meg of installed RAM memory**
- **200+ Meg of available hard drive memory**
- **SVGA enhanced color monitor 1024x768, 256 colors or 24 bit true colors**
- **CD-Rom drive**
- **HP LaserJet or Ink Jet-compatible printer**

**Communications - EFS-NET**

- **DSL, Internet Cable, or T1-T3 Direct Line with online Internet access**
  - **Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)**
- 

**Minimum Requirements:**

Application

- IBM-compatible PC - Pentium 200+ processor
- 128 Meg of installed RAM memory
- 150 Meg of available hard drive memory
- VGA or SVGA color monitor - 640x480, 256 colors screen
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

Communications - EFS-NET

- 56K bps modem and active account with an Internet Access Service Provider
- Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)

For quick reference to this page at any time, save this link in your Favorites:

[https://xnet.ots.treas.gov/efsnet/bulletins/efs\\_5x\\_requirements.pdf](https://xnet.ots.treas.gov/efsnet/bulletins/efs_5x_requirements.pdf)

## Office of Thrift Supervision Filing Schedule for 2006 Regulatory Reports

Reporting "As Of" Date	FILING DEADLINE			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Thursday March 2	
February 28			Thursday March 30	
March 31	Monday May 1	Monday May 15	Monday May 1	
April 30			Tuesday May 30	
May 31			Thursday June 30	
June 30	Monday July 31	Monday August 14	Monday July 31	Monday August 28
July 31			Wednesday August 30	
August 31			Monday October 2	
September 30	Monday October 30	Tuesday November 14	Monday October 30	
October 31			Thursday November 30	
November 30			Tuesday January 2, 2007	
December 31	Tuesday January 30, 2007	Wednesday February 14, 2007	Tuesday January 30, 2007	

**Office of Thrift Supervision  
Filing Schedule for 2007 Regulatory Reports**

Reporting "As Of" Date	FILING DEADLINE			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Friday March 2	
February 28			Friday March 30	
March 31	Monday April 30	Tuesday May 15	Monday April 30	
April 30			Wednesday May 30	
May 31			Monday July 2	
June 30	Monday July 30	Tuesday August 14	Monday July 30	Monday August 27
July 31			Thursday August 30	
August 31			Monday October 1	
September 30	Tuesday October 30	Wednesday November 14	Tuesday October 30	
October 31			Friday November 30	
November 30			Monday December 31	
December 31	Wednesday January 30, 2008	Thursday February 14, 2008	Wednesday January 30, 2008	

**THRIFT FINANCIAL REPORT**  
**INSTRUCTION MANUAL UPDATES**

**DECEMBER 2006**

Insert these revised pages into your Thrift Financial Report Instruction Manual. Delete **only** the pages that have a replacement. Refer to the summary of these changes in the December 2006 Financial Reporting Bulletin.

Direct questions to your Financial Reporting Analyst in Dallas, TX, or e-mail [tfr.instructions@ots.treas.gov](mailto:tfr.instructions@ots.treas.gov).

**THIS PAGE INTENTIONALLY LEFT BLANK**

For informational purposes only:  
not for data entry

Association \_\_\_\_\_  
Docket Number \_\_\_\_\_  
Report Date \_\_\_\_\_, 2006

Office of Thrift Supervision  
2006 Thrift Financial Report

Schedule DI – Consolidated Deposit Information

**Deposit Data:**

(Report in Thousands of Dollars)

	Lines	Bil	Mil	Thou
Total Broker-Originated Deposits:				
Fully Insured .....	DI100			
Other .....	DI110			
Deposits (Excluding Retirement Accounts) with Balances:				
\$100,000 or Less .....	DI120			
Greater than \$100,000 .....	DI130			
Number of Deposit Accounts (Excluding Retirement Accounts) with Balances:				
\$100,000 or Less ..... Actual Number	DI150			
Greater than \$100,000 ..... Actual Number	DI160			
Retirement Deposits with Balances:				
\$250,000 or Less .....	DI170			
Greater Than \$250,000 .....	DI175			
Number of Retirement Deposit Accounts with Balances:				
\$250,000 or Less ..... Actual Number	DI180			
Greater Than \$250,000 ..... Actual Number	DI185			
IRA/Keogh Accounts .....	DI200			
Uninsured Deposits .....	DI210			
Preferred Deposits .....	DI220			
Components of Deposits and Escrows:				
Transaction Accounts (Including Demand Deposits) .....	DI310			
Money Market Deposit Accounts .....	DI320			
Passbook Accounts (Including Nondemand Escrows) .....	DI330			
Time Deposits .....	DI340			
<b>Deposit and Escrow Data for Deposit Insurance Premium Assessments:</b>				
Non-Interest-Bearing Demand Deposits .....	DI610			
Outstanding Checks Drawn Against FHLBanks and Federal Reserve Banks Not Included in SC710 .....	DI620			
Deposits of Consolidated Subsidiaries:				
Demand Deposits .....	DI640			
Time and Savings Deposits .....	DI650			
Adjustments to Deposits for Depository Institution Investment Contracts and Deposits in Foreign Offices, Edge and Agreement Subsidiaries, and IBFs (Including Accrued Interest) .....	DI700			
Adjustments to Demand Deposits for Reciprocal Demand Balances with Commercial Banks and Other Savings Associations .....	DI710			
Other amounts necessary to adjust deposits reported on SC710 (reported in accordance with GAAP) to conform to the definition of deposits in accordance with the Federal Deposit Insurance Act:				
Adjustment to Demand Deposits (including escrows) .....	DI720			
Adjustment to Time and Savings Deposits (including escrows) .....	DI730			



## SCHEDULE DI —CONSOLIDATED DEPOSIT INFORMATION

*Throughout these instructions, **you** and **your** refers to the savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

### DEPOSIT DATA:

#### TOTAL BROKER-ORIGINATED DEPOSITS:

##### **DI100: Fully Insured**

Report brokered deposits included on SC710, Deposits, and SC712, Escrows, and received from brokers, dealers, or agents, for the account of others where the individual account balance is equal to or less than the account insurance limit.

##### **DI110: Other**

Report brokered deposits included on SC710, Deposits, and SC712, Escrows, received from brokers, dealers, or agents, for the account of others where the individual account exceeds the account insurance limit. Report the full amount of the deposit, both insured and uninsured portions.

#### DEPOSITS (EXCLUDING RETIREMENT ACCOUNTS) WITH BALANCES:

##### **DI120: \$100,000 or Less**

Report deposits (excluding retirement accounts) included on SC710, Deposits, and SC712, Escrows, with current balances of \$100,000 or less. Include broker-originated deposits (excluding retirement accounts) where the current balances of the investors' participating shares are \$100,000 or less.

##### **DI130: Greater than \$100,000**

Report deposits (excluding retirement accounts) included on SC710, Deposits, and SC712, Escrows, with current balances greater than \$100,000. Include broker-originated deposits (excluding retirement accounts) where the current balances of the investors' participating shares exceed \$100,000.

---

**NUMBER OF DEPOSIT ACCOUNTS (EXCLUDING RETIREMENT ACCOUNTS) WITH BALANCES:****DI150: \$100,000 or Less**

Report the actual number of accounts (excluding retirement accounts) that have outstanding balances of \$100,000 or less. Do not report the outstanding balances. Report each investor participation in a broker-originated deposit (excluding retirement accounts) as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

**DI160: Greater than \$100,000**

Report the actual number of accounts (excluding retirement accounts) that have outstanding balances greater than \$100,000. Do not report the outstanding balances. Report each investor participation in a broker-originated deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

**RETIREMENT DEPOSITS WITH BALANCES:****DI170: \$250,000 or Less**

Report retirement deposits included on SC710, Deposits, and SC712, Escrows, with current balances of \$250,000 or less. Include broker-originated deposits where the current balances of the investors' participating shares are \$250,000 or less.

**DI175: Greater than \$250,000**

Report retirement deposits included on SC710, Deposits, and SC712, Escrows, with current balances greater than \$250,000. Include broker-originated deposits where the current balances of the investors' participating shares exceed \$250,000.

**NUMBER OF RETIREMENT DEPOSIT ACCOUNTS WITH BALANCES:****DI180: \$250,000 or Less**

Report the actual number of retirement accounts that have outstanding balances of \$250,000 or less. Do not report the outstanding balances. Report each investor participation in a broker-originated retirement deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

**DI185: Greater than \$250,000**

Report the actual number of retirement accounts that have outstanding balances greater than \$250,000. Do not report the outstanding balances. Report each investor participation in a broker-originated retirement deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

---

---

## DI200: IRA/KEOGH ACCOUNTS

Report IRA and Keogh accounts included in SC710, Deposits, and SC712, Escrows.

Include other retirement accounts such as SEP accounts.

Do not include:

1. 401(k) accounts.
2. Accounts that, under applicable tax laws, are predominantly for uses other than retirement.

## DI210: UNINSURED DEPOSITS

Institutions with less than \$1 billion in total assets are not required to complete this item. Institutions with \$1 billion or more in total assets are required to report these data. To determine whether to complete this item, use your institution's total assets from line SC60 as of the June 30 TFR prior to or current with the current reporting cycle. Once an institution passes the \$1 billion total assets threshold, it must continue to report its estimated uninsured deposits regardless of subsequent changes in its total assets.

Report the uninsured portion of all deposits and escrows in excess of insured limits pursuant to Section 141 of the FDIC Improvement Act, **FDICIA**.

You may not be able to precisely determine the amount of uninsured deposits due to the lack of information about interests by other parties in certain deposit accounts. However, you should diligently seek the best estimate of your uninsured deposits. You should derive the estimate from your existing information systems or personal knowledge of your depositor base.

**Include:**

1. Deposits and escrows collateralized by your assets that are in excess of deposit insurance limits, such as municipal deposits.
2. Deposits and escrows in excess of FDIC insurance limits even if you obtain private insurance.

## DI220: PREFERRED DEPOSITS

Report all deposits and escrows from states and political subdivisions in the U.S. included in SC710, Deposits, secured or collateralized as required under state law, pursuant to Section 141 of FDICIA.

**Do not include:**

1. Deposits of the U.S. Government secured or collateralized as required under federal law.
2. Deposits of trust funds secured or collateralized as required under state law unless the beneficiary is a state or political subdivision in the U.S.

State law may require you to pledge securities or other readily marketable assets to cover the uninsured portion of the deposits of a state or political subdivision. If you pledge securities with a value that exceeds the amount of the uninsured portion of the state or political subdivision's deposits, report only the uninsured amount and none of the insured portion of the deposits as a preferred deposit.

For example, you hold a political subdivision's \$350,000 in deposits. Under state law, you must pledge securities to cover only the uninsured portion of such deposits, or \$250,000. Although you have pledged securities with a value of \$300,000 to secure these deposits, consider only \$250,000 of the political subdivision's \$350,000 in deposits – the uninsured amount – as preferred deposits.

In other states, you must participate in a state public deposits program to receive deposits from the state or from political subdivisions within the state in amounts exceeding federal deposit insurance. Under state law, you calculate annually the value of the securities you must pledge to the state, but this represents only a percentage of the uninsured portion of your public deposits. State law may require you

to participate in the state program that may ultimately require you to share in any loss to public depositors incurred in the failure of another participating institution.

As long as the value of the securities pledged to the state exceeds the calculated requirement, you protect all of your uninsured public deposits from loss under the operation of the state program if you fail. Therefore, consider all of the uninsured public deposits preferred deposits.

For example, you are participating in a state public deposits program with \$1,000,000 in public deposits under the program and \$700,000 of this amount is uninsured; you pledge securities with an actual value of \$800,000. You should report the \$700,000 in uninsured public deposits as preferred deposits.

## **COMPONENTS OF DEPOSITS AND ESCROWS:**

The sum of DI310, DI320, DI330, and DI340 must equal SC710 plus SC712.

### **DI310: Transaction Accounts (Including Demand Deposits)**

Report the balance of all transaction accounts included in SC710, Deposits, and SC712, Escrows.

Transaction accounts are those deposit and escrow accounts from which the depositor is permitted to make:

- Transfers or withdrawals by negotiable or transferable instruments.
- Payment orders of withdrawal, telephone transfers, or other similar devices for purpose of making payments or transfers to third persons or others.
- Third party payments at an automated teller machine (ATM), a remote service unit (RSU), or other electronic device, including by debit card.

Transaction accounts include demand deposits, NOW (negotiable order of withdrawal) accounts, ATS (automatic transfer service) accounts, and telephone and preauthorized transfer accounts. These accounts may be interest-bearing or non-interest-bearing.

Exclude money market deposit accounts (MMDAs) and other savings deposits as defined below in DI320 and DI330, even though such deposits permit some third-party transfers. However, report as a transaction account an account that otherwise meets the definition of a savings deposit but that authorizes or permits the depositor to exceed the transfer limitations specified for that account.

DI310 plus DI320 plus DI330 plus DI340 must equal SC710 plus SC712.

### **DI320: Money Market Deposit Accounts**

Report the balance of money market deposit accounts (MMDAs) as defined in 12 CFR §561.28 or applicable state law.

MMDAs generally have the following requirements:

- The savings association reserves the right to require at least seven days' notice prior to withdrawal or transfer of funds in the account.
- The depositor may make no more than six transfers per calendar month or statement cycle, provided that no more than three of the six transfers may be by check, draft, debit card, or similar order.

Refer to 12 CFR §561.28 for more detailed requirements of MMDAs.

### **DI330: Passbook Accounts (Including Nondemand Escrows)**

Report the balance of nontransactional savings accounts that are not MMDAs or time deposits.

---

---

## DI340: Time Deposits

Report the balance of time deposits. Time deposits are nontransactional savings deposits payable at a specified future date with earnings at a specified rate of interest. The interest specified may adjust periodically according to a predetermined formula or index or may be fixed for the term of the deposit. The specified maturity date must be not less than seven days after the date of the deposit. Time deposits may be an open savings deposit or may be evidenced by a negotiable or nonnegotiable instrument or receipt commonly known as a certificate of deposit (CD). Open time deposits include club accounts, such as Christmas club and vacation club accounts, are made under written contracts that provide that no withdrawal may be made until the customer makes a certain number of periodic deposits or a certain period of time has elapsed.

## DEPOSIT AND ESCROW DATA FOR DEPOSIT INSURANCE PREMIUM ASSESSMENTS:

### DI610: NON-INTEREST-BEARING DEMAND DEPOSITS

Report all demand deposits reported on SC710, Deposits, and SC712, Escrows. FDIC Regulations 12 CFR § 329.1, 329.101, and 329.102 define the demand deposits to report on this line.

**A demand deposit is a non-interest-bearing deposit with the following characteristics:**

1. Is payable immediately on demand.
2. Is issued with an original maturity or required notice period of less than seven days.
3. Where the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.

**Demand deposits include:**

1. Matured time deposits that do not have automatic renewal provisions, unless the deposit agreement provides for the transfer of funds at maturity to another type of account.
2. Escrow accounts reported on SC712 that meet the definition of demand deposits.
3. Outstanding checks drawn against zero-balance accounts reported on SC710, including those at Federal Home Loan Banks.

**Demand deposits do not include:**

1. Money market deposit accounts, MMDAs.
1. NOW accounts not meeting the three criteria listed above for demand deposits.
2. Deposits held either in branches outside of the territories and possessions of the U.S. or by an Edge or Agreement Subsidiary or by an International Banking Facility (IBF).
3. Amounts not included in SC710 or SC712, such as outstanding checks drawn against Federal Home Loan Banks reported on DI620 and deposits of consolidated subsidiaries eliminated in consolidation and reported on DI640.

### DI620: OUTSTANDING CHECKS DRAWN AGAINST FHLBANKS AND FEDERAL RESERVE BANKS NOT INCLUDED IN SC710

Report the amount of outstanding checks drawn on, or payable at or through, Federal Home Loan Banks and Federal Reserve Banks, if you deduct the amount from assets reported on SC110, Cash and Non-interest-earning Deposits, or SC112, Interest-earning Deposits in FHLBs.

---

Include outstanding checks drawn on non-zero-balance accounts only. Report outstanding checks drawn on zero-balance accounts or accounts not routinely maintained with sufficient balances to cover checks drawn in the normal course of business on SC710, Deposits.

Do not report this amount on DI610, Non-interest-bearing Demand Deposits, because we will add DI620 to DI610 in calculating total demand deposits for purposes of deposit premium assessments.

## **DEPOSITS OF CONSOLIDATED SUBSIDIARIES:**

### **DI640: Demand Deposits**

Report all demand deposits and demand escrows of subsidiaries held by you that have been eliminated from your assets through consolidation.

The demand deposits and escrows reported here have not been reported in SC710 or SC712, because you eliminated them in consolidation.

If you hold escrows for a consolidated subsidiary and the escrow remains a liability to a third party, you should not eliminate the escrow in consolidation and you should report it on SC712. To avoid double counting these escrows, do not include them on DI640 or DI650. Report only deposits and escrows of subsidiaries that you do not report on either SC710 or SC712.

### **DI650: Time & Savings Deposits**

Report all deposits and escrows of subsidiaries held by you that you have eliminated from your assets through consolidation and have not reported on DI640 as demand deposits. Include the interest accrued and unpaid on such deposits and escrows.

The demand deposits, escrows, and accrued interest reported here have not been reported in SC710, SC712, or SC715, because you eliminated them in consolidation.

If you hold escrows at the thrift level for a consolidated subsidiary, you eliminate the deposit in consolidation, but the escrow remains a liability and you should report it on SC712. To avoid double counting these escrows, do not include them on DI640 or DI650. Report only deposits and escrows that you do not report on either SC710 or SC712.

### **DI700: ADJUSTMENTS TO DEPOSITS FOR DEPOSITORY INSTITUTION INVESTMENT CONTRACTS AND DEPOSITS IN FOREIGN OFFICES, EDGE AND AGREEMENT SUBSIDIARIES, AND IBFS (INCLUDING ACCRUED INTEREST)**

Report the amount of liabilities arising under the following:

1. Investment contracts reported as deposits in Schedule SC, but not treated as insured deposits as defined in Section 11(a)(8) of the Federal Deposit Insurance Act, FDIA. A Depository Institution Investment Contract is a separately negotiated depository agreement between an employee benefit plan and an insured depository institution that guarantees a specified rate for all deposits made over a prescribed period and expressly permits benefit-responsive withdrawals or transfers.
2. Deposits held either in branches outside of the territories and possessions of the United States or by an Edge or Agreement Subsidiary, or by an International Banking Facility, IBF, including any accrued interest.

Include these contracts and deposits in SC710, Deposits, for reporting purposes. The FDIC will deduct them from deposits on your deposit premium assessment. Also include the related accrued interest that you reported on SC763, Accrued Interest Payable - Deposits.

---

## **DI710: ADJUSTMENTS TO DEMAND DEPOSITS FOR RECIPROCAL DEMAND BALANCES WITH COMMERCIAL BANKS AND OTHER SAVINGS ASSOCIATIONS**

When reporting deposit liabilities in Schedule SC, you may report reciprocal balances on a net basis when a right of offset exists. However, the Federal Deposit Insurance Act (FDI Act) affects the extent to which you may net reciprocal balances for deposit insurance and FICO assessment purposes. Thus, you may have reported your reciprocal balances, if any, in Schedule SC differently than required for assessment purposes. There are three “reciprocal” situations where you may need to make further adjustment for FDIC and FICO assessment purposes:

1. Those where no right of offset exists.

For each reciprocal demand balance relationship with the domestic offices of U. S. banks and savings associations (and insured branches in Puerto Rico and U. S. territories and possessions) that you reported on a gross basis in Schedule SC (those where no right of offset exists), include the amount by which demand deposits would be reduced if such balances had been reported on a net basis. You cannot include overdrawn balances in this calculation.

2. Those involving cash items in process of collection.

For deposit insurance purposes under the FDI Act, include cash items in process of collection in the net reciprocal calculation. If you did not include cash items in process of collection in the calculation of net reciprocal balances on Schedule SC, include the amount by which demand deposits would be reduced if cash items in process of collection were included in the reporting institution’s calculation of net reciprocal demand balances.

3. Those involving foreign banks or offices.

If you reported any reciprocal demand balances with foreign banks and foreign offices of U. S. banks (other than insured branches in Puerto Rico and U. S. territories and possessions) on a net basis on Schedule SC, include as a negative number here the amount by which demand deposits would be increased if these reciprocal demand balances had instead been reported on a gross basis.

## **OTHER AMOUNTS NECESSARY TO ADJUST DEPOSITS REPORTED ON SC710 (REPORTED IN ACCORDANCE WITH GAAP) TO CONFORM TO THE DEFINITION OF DEPOSITS IN ACCORDANCE WITH THE FEDERAL DEPOSIT INSURANCE ACT:**

Generally accepted accounting principles, GAAP, permit savings associations to offset or net assets and liabilities when a right of setoff exists. However, under the FDI Act, you may only net certain specified assets against deposit liabilities for deposit insurance and FICO assessment purposes. Thus, deposits reported on the balance sheet, Schedule SC, and elsewhere in Schedule DI may be different than required for assessment purposes. For example, you may exclude hypothecated demand deposits from the deposit base for premium insurance assessment purposes; and you must include dealer’s reserves as deposits under the FDI Act.

### **Example 1:**

A savings association has a \$200,000 asset and a \$500,000 deposit liability for which a right of setoff exists under GAAP. The savings association nets the asset and liability on its balance sheet, Schedule SC, and reports a net \$300,000 deposit liability. The savings association should report \$200,000 on DI720 or DI730, depending on the type of deposit involved in the netting.

### **Example 2:**

A savings association has a \$400,000 asset and a \$250,000 deposit liability for which a right of setoff exists under GAAP. The savings association nets the asset and liability on its balance sheet, Schedule

SC, and reports a net \$150,000 asset. The savings association should report \$250,000 on DI720 or DI730, depending on the type of deposit involved in the netting.

**DI720: Adjustment to Demand Deposits (including escrows)**

Report all adjustments to demand deposits, as defined in the instructions for DI610, including escrows.

**DI730: Adjustment to Time and Savings Deposits (including escrows)**

Report all adjustments to deposits not included in DI720.