



FIL-4-2010
January 22, 2010

BANK REPORTS

TO: CHIEF EXECUTIVE OFFICER (also of interest to Chief Financial Officer)

SUBJECT: Revisions to the Consolidated Reports of Condition and Income for 2010

The Federal Financial Institutions Examination Council (FFIEC) has approved revisions to the reporting requirements for the Consolidated Reports of Condition and Income (Call Report) for implementation in 2010. The revisions incorporate certain modifications made in response to comments received on the proposed changes to the Call Report that the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, and the Office of the Comptroller of the Currency (the agencies) published on August 19, 2009 (see FIL-47-2009). The FFIEC is providing this advance notification to assist you in planning for these changes. The U.S. Office of Management and Budget (OMB) must approve these changes before they become final.

The Call Report revisions for 2010 will provide data to assist the agencies in meeting their safety and soundness and other public policy objectives by responding to such developments as a temporary increase in the deposit insurance limit, changes in accounting standards, and credit availability concerns. In developing these revisions, the agencies carefully considered the purposes for which the proposed additional data would be used as well as the estimated cost and burden to banks of reporting these data. The reporting changes, which would take effect March 31, 2010, unless otherwise indicated, include:

- New memorandum items in Schedule RI, Income Statement, identifying the components of other-than-temporary impairment losses on debt securities, consistent with the presentation requirements of a recent accounting standard;
- Clarification of the instructions for reporting unused commitments in Schedule RC-L, Derivatives and Off-Balance Sheet Items;
- Breakdowns of existing items in Schedule RC-L for unused credit card lines and other unused commitments, with the breakdown of credit card lines required only for certain institutions, and a related breakdown of the existing item for other loans in Schedule RC-C, part I, Loans and Leases;
- New items in Schedule RC-C, part I, and Schedule RC-L pertaining to reverse mortgages that would be collected annually beginning December 31, 2010;
- A breakdown of the existing item for time deposits of \$100,000 or more and revisions of existing items for brokered deposits in Schedule RC-E, Deposit Liabilities, as a result of the temporarily increased deposit insurance coverage;
- A change from annual to quarterly reporting for small business and small farm lending data in Schedule RC-C, part II, Loans to Small Businesses and Small Farms, and for the number of certain deposit accounts in Schedule RC-O, Other Data for Deposit Insurance and FICO Assessments;

- New items in Schedule RC-M, Memoranda, for assets acquired from failed institutions that are covered by FDIC loss-sharing agreements; and
- The elimination of the item for internal allocations of income and expense from Schedule RI-D, Income from Foreign Offices, which is completed only by certain banks on the FFIEC 031 report form.

The agencies currently collect data on banks' securitization and structured finance activities in Schedule RC-S, Servicing, Securitization, and Asset Sale Activities. Financial Accounting Standards Board (FASB) Statements Nos. 166 and 167 on accounting for transfers of financial assets and consolidation of variable interest entities (Topics 860 and 810 in the FASB Accounting Standards Codification) change the conditions that must be met in order for both existing and new securitizations to be reported as off-balance sheet transactions. After the effective date of Statements Nos. 166 and 167, which is January 1, 2010, for most banks, a bank should continue to report information in items 1 through 8 of Schedule RC-S only for those securitizations for which the transferred assets qualify for sale accounting or are otherwise not carried as assets on the bank's consolidated balance sheet. Thus, if a securitization transaction that qualified for sale accounting prior to the effective date of Statements Nos. 166 and 167 must be brought back onto the reporting bank's consolidated balance sheet upon adoption of these standards, the bank would no longer report information about the securitization in items 1 through 8 of Schedule RC-S.

To assist you in understanding the revisions to the Call Report, drafts of the report forms for March 2010 (which also show the new December-only items for reverse mortgages) and draft instructions for the new and revised Call Report items are available for your review on the FFIEC's Web site (www.ffiec.gov/ffiec_report_forms.htm). For the March 31, 2010, report date, banks may provide reasonable estimates for any new or revised Call Report item initially required to be reported as of that date for which the requested information is not readily available. This policy on the use of reasonable estimates will also apply to the reporting of the new reverse mortgage items that will be first implemented effective December 31, 2010.

Please forward this letter to the person responsible for preparing Call Reports at your institution. For further information about the reporting revisions, state member banks should contact their Federal Reserve District Bank. National and FDIC-supervised banks should contact the FDIC's Data Collection and Analysis Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or by e-mail at insurance-research@fdic.gov.



Paul T. Sanford
Executive Secretary

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