

## SUPPLEMENTAL INSTRUCTIONS

### December 2014 Call Report Forms

Sample Call Report forms and an instruction book update for December 2014 are available on both the FFIEC's Web site ([http://www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm)) and the FDIC's Web site (<http://www.fdic.gov/callreports>). Call Report forms, including the cover (signature) page, and instructional materials can be printed and downloaded from the FFIEC's and the FDIC's Web sites. In addition, institutions that use Call Report software generally can print paper copies of blank forms from their software. Please ensure that the person responsible for preparing Call Reports at your institution has been notified about the electronic availability of the December 2014 report forms and instruction book update as well as these Supplemental Instructions. The locations of changes to the text of the previous quarter's Supplemental Instructions (except references to the quarter-end report date) are identified by a vertical line in the right margin.

### Submission of Completed Reports

Each institution's Call Report data must be submitted to the FFIEC's Central Data Repository (CDR), an Internet-based system for data collection (<https://cdr.ffiec.gov/cdr/>), using one of the two methods described in the banking agencies' Financial Institution Letter (FIL) for the December 31, 2014, report date. The CDR Help Desk is available from 9:00 a.m. until 8:00 p.m., Eastern Time, Monday through Friday, to provide assistance with user accounts, passwords, and other CDR system-related issues. The CDR Help Desk can be reached by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at [CDR.Help@ffiec.gov](mailto:CDR.Help@ffiec.gov).

Institutions are required to maintain in their files a signed and attested hard-copy record of the Call Report data file submitted to the CDR. The appearance of this hard-copy record of the submitted data file need not match exactly the appearance of the sample report forms on the FFIEC's Web site, but the hard-copy record should show at least the caption of each Call Report item and the reported amount. A copy of the cover page printed from Call Report software or from the FFIEC's Web site should be used to fulfill the signature and attestation requirement. The signed cover page should be attached to the hard-copy record of the Call Report data file that must be placed in the institution's files.

Currently, Call Report preparation software products marketed by Axiom Software Laboratories, Inc.; Cardinal Software; DBI Financial Systems, Inc.; Fed Reporter, Inc.; FIS Compliance Solutions; FiServ, Inc.; Jack Henry & Associates, Inc.; Lombard Risk; and Wolters Kluwer Financial Services meet the technical specifications for producing Call Report data files that are able to be processed by the CDR. The addresses and telephone numbers of these vendors are listed on the final page of these Supplemental Instructions.

### Call Report Revisions for March 2015

The FFIEC and the banking agencies plan to implement revisions to Call Report Schedule RC-R, Regulatory Capital, that are scheduled to take effect as of March 31, 2015. These reporting changes respond to the revised regulatory capital rules approved by the agencies in July 2013, which include revised definitions of the components of regulatory capital and the standardized approach for calculating risk-weighted assets. In connection with these planned changes to Schedule RC-R, the schedule was divided into two parts in March 2014, with Part I covering the regulatory capital components and ratios and Part II applying to risk-weighted assets.

As the FFIEC has previously advised institutions, the revised version of the regulatory capital components and ratios portion of Schedule RC-R is currently being phased in (see FIL-14-2014, dated April 7, 2014). Advanced approaches institutions (generally, institutions with \$250 billion or more in total assets) began to complete the revised version of this portion of Schedule RC-R – designated Part I.B, Regulatory Capital Components and Ratios – in March 2014. All other institutions are continuing to complete the previously existing version of the regulatory capital components and ratios portion of Schedule RC-R – now designated

Part I.A of the schedule – through December 2014. As of the March 31, 2015, report date, Part I.A will be removed from Schedule RC-R; Part I.B will be relabeled Part I, Regulatory Capital Components and Ratios; and all institutions will complete Part I of Schedule RC-R. To assist institutions that are not advanced approaches institutions in their planning for the March 2015 effective date of revised Part I of Schedule RC-R, the sample Call Report forms for this quarter include Part I.B, which will become Part I in March 2015, as well as Part I.A. The instructions for Part I.B are currently included on pages RC-R-33 through RC-R-65 of the Call Report instruction book ([http://www.ffiec.gov/pdf/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_201406\\_i.pdf](http://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_201406_i.pdf)).

The revisions to Part II, Risk-Weighted Assets, of Schedule RC-R were issued in proposed form in June 2014 (see FIL-31-2014, dated June 23, 2014). The agencies also proposed to revise the reporting of securities borrowed in Call Report Schedule RC-L, Derivatives and Off-Balance Sheet Items. A summary of the proposed changes to Schedule RC-R, Part II, and Schedule RC-L, is attached to FIL-31-2014. Drafts of the revised reporting form for Part II and the limited revision to Schedule RC-L, as proposed in June 2014, are available on the FFIEC's Web site ([http://www.ffiec.gov/pdf/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_20140626\\_f.pdf](http://www.ffiec.gov/pdf/FFIEC_forms/FFIEC031_FFIEC041_20140626_f.pdf)) as are the related draft instructions ([http://www.ffiec.gov/pdf/ffiec\\_forms/FFIEC031\\_FFIEC041\\_20140623\\_i.pdf](http://www.ffiec.gov/pdf/ffiec_forms/FFIEC031_FFIEC041_20140623_i.pdf)). The FFIEC and the agencies are currently finalizing the revisions to Schedule RC-R, Part II, and Schedule RC-L in light of the comments received on the proposal while also working to ensure consistency between the revised regulatory capital rules and the revised reporting forms and instructions. Updated versions of these draft revised reporting forms and instructions will be posted on the FFIEC 031 and FFIEC 041 Call Report Web pages on the FFIEC's Web site ([http://www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm)) upon their completion. These Call Report revisions are subject to approval by the U.S. Office of Management and Budget.

Also effective March 31, 2015, institutions with \$1 billion or more in total assets that answer “Yes” to the question in Memorandum item 5 of Schedule RC-E, Deposit Liabilities – “Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?” – will begin reporting in new Memorandum item 15 of Schedule RI, Income Statement, the year-to-date income earned from each of three categories of service charges on their consumer deposit account products. This income is included in the total year-to-date service charges on deposit accounts currently reported in item 5.b of Schedule RI. Updated drafts of the reporting form for Schedule RI, Memorandum item 15, and the related instructions are available on the FFIEC 031 and FFIEC 041 Call Report Web pages on the FFIEC's Web site ([http://www.ffiec.gov/pdf/ffiec\\_forms/FFIEC031\\_FFIEC041\\_20141229\\_fi\\_draft.pdf](http://www.ffiec.gov/pdf/ffiec_forms/FFIEC031_FFIEC041_20141229_fi_draft.pdf)).

### **Pushdown Accounting**

On November 18, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-17, “Pushdown Accounting.” Pushdown accounting is an acquirer's establishment of a new accounting basis under ASC Topic 805, Business Combinations (formerly FASB Statement No. 141 (revised 2007), “Business Combinations”), in its separate financial statements upon a change-in-control event, i.e., when an acquirer obtains control of an acquiree. Also on November 18, 2014, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin (SAB) No. 115 to remove Topic 5.J, “New Basis of Accounting Required in Certain Circumstances,” from the Codification of Staff Accounting Bulletins. Under Topic 5.J, pushdown accounting generally was permitted when 80 percent or more of an entity's ownership was acquired, required when 95 percent or more was acquired, and prohibited when less than 80 percent was acquired. Prior to the issuance of ASU 2014-17, U.S. generally accepted accounting principles (GAAP) offered limited guidance on pushdown accounting. In accordance with ASU 2014-17, U.S. GAAP now allows reporting entities to elect to apply pushdown accounting in certain business combinations.

The Call Report instructions on pushdown accounting in the Glossary entry for “Business Combinations” mirror the SEC's pushdown guidance in Topic 5.J. Consequently, with the FASB's issuance of ASU 2014-17 and the SEC's removal of Topic 5.J, the agencies are rescinding their existing requirements for pushdown accounting and adopting the recognition and measurement provisions of ASU 2014-17 for Call Report purposes in accordance with the guidance discussed below.

Key aspects of ASU 2014-17 include the following:

- An acquiree that retains its separate corporate existence may apply pushdown accounting upon a change-in-control event (generally, an acquirer's acquisition of more than 50 percent ownership in the acquiree). The election to apply, or not apply, pushdown accounting is irrevocable so long as the acquirer maintains control of the acquiree.
- An acquiree that elects pushdown accounting must reflect in its separate financial statements the new basis of accounting established by the acquirer under which essentially all of the acquiree's individual assets and liabilities are stated at fair value, including any goodwill arising from the business combination. Recognition of any bargain purchase gain in the acquiree's net income is prohibited; rather, the gain is recognized in income by the acquirer. Consequently, any bargain purchase gain is reflected by the acquiree as additional paid-in capital.

The agencies note that the pushdown accounting election available under ASU 2014-17 can be used to produce a particular result in the Call Report that may not be reflective of the economic substance of the underlying business combination. Therefore, consistent with the existing Call Report instructions on pushdown accounting in the Glossary entry for "Business Combinations," an institution's primary federal regulator reserves the right to require, or prohibit, the institution's use of pushdown accounting for Call Report purposes based on the regulator's evaluation of whether the election appears not to be supported by the facts and circumstances of the business combination. An acquired institution that has elected to apply pushdown accounting during a calendar year also is reminded to report the date of its acquisition in Call Report Schedule RI, Memorandum item 7.

For Call Report purposes, an acquired institution that retains its separate corporate existence may apply the pushdown accounting election in ASU 2014-17 if the change-in-control date for its acquisition in a business combination is on or after October 1, 2014. An institution acquired in a business combination before October 1, 2014, in which it retained its separate corporate existence should not change the basis of accounting it previously applied for Call Report purposes as a result of its acquisition.

The Call Report instructions on pushdown accounting currently included in the Glossary entry for "Business Combinations" will be revised to reflect the issuance of ASU 2014-17 and the guidance discussed above in the Call Report instruction book update for March 2015.

For additional information, institutions should refer to ASU 2014-17, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **Private Company Accounting Alternatives, Including Accounting for Goodwill**

In May 2012, the Financial Accounting Foundation, the independent private sector organization responsible for the oversight of the FASB, approved the establishment of a Private Company Council (PCC) to improve the process of setting accounting standards for private companies. The PCC is charged with working jointly with the FASB to determine whether and in what circumstances to provide alternative recognition, measurement, disclosure, display, effective date, and transition guidance for private companies reporting under U.S. GAAP. Alternative guidance for private companies may include modifications or exceptions to otherwise applicable existing U.S. GAAP standards.

The banking agencies have concluded that a bank or savings association that is a private company, as defined in U.S. GAAP (as discussed in the next section of these Supplemental Instructions), is permitted to use private company accounting alternatives issued by the FASB when preparing its Call Reports, except as provided in 12 U.S.C. 1831n(a) as described in the following sentence. If the agencies determine that a particular accounting principle within U.S. GAAP, including a private company accounting alternative, is inconsistent with the statutorily specified supervisory objectives, the agencies may prescribe an accounting principle for regulatory reporting purposes that is no less stringent than U.S. GAAP. In such a situation, an institution would not be permitted to use that particular private company accounting alternative or other accounting principle within U.S. GAAP for Call Report purposes. The agencies would provide appropriate notice if they were to disallow any accounting alternative under the statutory process.

On January 16, 2014, the FASB issued ASU No. 2014-02, “Accounting for Goodwill,” which is a consensus of the PCC. This ASU generally permits a private company to elect to amortize goodwill on a straight-line basis over a period of ten years (or less than ten years if more appropriate) and apply a simplified impairment model to goodwill. In addition, if a private company chooses to adopt the ASU’s goodwill accounting alternative, the ASU requires the private company to make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level. Goodwill must be tested for impairment when a triggering event occurs that indicates that the fair value of an entity (or a reporting unit) may be below its carrying amount. In contrast, existing U.S. GAAP does not permit goodwill to be amortized, instead requiring goodwill to be tested for impairment at the reporting unit level annually and between annual tests in certain circumstances. The ASU’s goodwill accounting alternative, if elected by a private company, is effective prospectively for new goodwill recognized in annual periods beginning after December 15, 2014, and in interim periods within annual periods beginning after December 15, 2015. Goodwill existing as of the beginning of the period of adoption is to be amortized prospectively over ten years (or less than ten years if more appropriate). The ASU states that early application of the goodwill accounting alternative is permitted for any annual or interim period for which a private company’s financial statements have not yet been made available for issuance.

A bank or savings association that meets the private company definition in ASU 2014-02, as discussed in the following section of these Supplemental Instructions (i.e., a private institution), is permitted, but not required, to adopt this ASU for Call Report purposes and may choose to early adopt the ASU. If a private institution issues U.S. GAAP financial statements and adopts the ASU, it should apply the ASU’s goodwill accounting alternative in its Call Report in a manner consistent with its reporting of goodwill in its financial statements. Thus, for example, a private institution with a calendar year fiscal year that chooses to adopt ASU 2014-02 must apply the ASU’s provisions in its December 31, 2015, and subsequent quarterly Call Reports unless early application of the ASU is elected. If a private institution with a calendar year fiscal year is adopting ASU 2014-02 for 2014 financial reporting purposes, the institution may implement the provisions of the ASU in its Call Report for December 31, 2014. This would require the private institution to report in its year-end 2014 Call Report one full year’s amortization of goodwill existing as of January 1, 2014, and the amortization of any new goodwill recognized in 2014. Goodwill amortization expense should be reported in item 7.c.(1) of the Call Report income statement (Schedule RI) unless the amortization is associated with a discontinued operation, in which case the goodwill amortization should be included within the results of discontinued operations and reported in Schedule RI, item 11, “Extraordinary items and other adjustments, net of income taxes.”

Private institutions choosing to early adopt the goodwill accounting alternative in ASU 2014-02 that have a fiscal year or an early application date other than the one described in the example above should contact their assigned Call Report analyst for reporting guidance. If you do not know the analyst assigned to your institution, state member banks should contact their Federal Reserve District Bank. National banks, FDIC supervised banks, and savings associations should call the FDIC’s Data Collection and Analysis Section in Washington, D.C., at (800) 688-3342.

For additional information on the private company accounting alternative for goodwill, institutions should refer to ASU 2014-02, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **Definitions of Private Company and Public Business Entity**

According to ASU No. 2014-02, “Accounting for Goodwill,” a private company is a business entity that is not a public business entity. ASU No. 2013-12, “Definition of a Public Business Entity,” which was issued in December 2013, added this term to the Master Glossary in the Accounting Standards Codification. This ASU states that a business entity, such as bank or savings association, that meets any one of five criteria set forth in the ASU is a public business entity for reporting purposes under U.S. GAAP, including for Call Report purposes. An institution that is a public business entity is not permitted to apply the private company goodwill accounting alternative discussed in the preceding section when preparing its Call Report.

As defined in ASU 2013-12, a business entity is a public business entity if it meets any one of the following criteria:

- It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- It is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC (such as one of the federal banking agencies).
- It is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.
- It has issued securities that are traded, listed, or quoted on an exchange or an over-the-counter market, which includes an interdealer quotation or trading system for securities not listed on an exchange (for example, OTC Markets Group, Inc., including the OTC Pink Markets, or the OTC Bulletin Board).
- It has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including footnotes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

ASU 2013-12 also explains that if an entity meets the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC, but not for other reporting purposes.

If a bank or savings association does not meet any one of the first four criteria, it would need to consider whether it meets both of the conditions included in the fifth criterion to determine whether it would be a public business entity. A mutual institution does not meet the fifth criterion. With respect to the first condition under the fifth criterion, a stock institution must determine whether it has a class of securities not subject to contractual restrictions on transfer, which the FASB has stated means that the securities are not subject to management preapproval on resale. A contractual management preapproval requirement that lacks substance would raise questions about whether the stock institution meets this first condition.

With respect to the second condition under the fifth criterion, an insured depository institution with \$500 million or more in total assets as of the beginning of its fiscal year is required by Section 36 of the Federal Deposit Insurance Act and Part 363 of the FDIC's regulations, "Annual Independent Audits and Reporting Requirements," to prepare and make publicly available annual U.S. GAAP financial statements. In certain circumstances, an insured depository institution with \$500 million or more in total assets that is a subsidiary of a holding company may choose to satisfy this annual financial statement requirement at a holding company level rather than at the institution level. An institution of this size that satisfies the financial statement requirement of Section 36 and Part 363 at the institution level would meet the fifth criterion's second condition. However, if the institution has a parent holding company and the holding company's financial statements are used to satisfy the requirements of Section 36 and Part 363, and the institution is not required by some other law, contract, or regulation to prepare and make publicly available its standalone U.S. GAAP financial statements (including footnotes), the institution would not meet the fifth criterion's second condition and therefore would be a private company for Call Report purposes.

For additional information on the definition of a public business entity, institutions should refer to ASU 2013-12, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **Accounting for a Subsequent Restructuring of a Troubled Debt Restructuring**

When a loan has previously been modified in a troubled debt restructuring (TDR), the lending institution and the borrower may subsequently enter into another restructuring agreement. The facts and circumstances of each subsequent restructuring of a TDR loan should be carefully evaluated to determine the appropriate accounting by the institution under U.S. GAAP. Under certain circumstances it may be acceptable not to account for the subsequently restructured loan as a TDR. The federal financial institution regulatory agencies will not object to an institution no longer treating such a loan as a TDR if at the time of the subsequent restructuring the borrower is not experiencing financial difficulties and, under the terms of the subsequent

restructuring agreement, no concession has been granted by the institution to the borrower. To meet these conditions for removing the TDR designation, the subsequent restructuring agreement must specify market terms, including a contractual interest rate not less than a market interest rate for new debt with similar credit risk characteristics and other terms no less favorable to the institution than those it would offer for such new debt. When assessing whether a concession has been granted by the institution, the agencies consider any principal forgiveness on a cumulative basis to be a continuing concession. When determining whether the borrower is experiencing financial difficulties, the institution's assessment of the borrower's financial condition and prospects for repayment after the restructuring should be supported by a current, well-documented credit evaluation performed at the time of the restructuring.

If at the time of the subsequent restructuring the institution appropriately demonstrates that a loan meets the conditions discussed above, the impairment on the loan need no longer be measured as a TDR in accordance with ASC Subtopic 310-10, Receivables – Overall (formerly FASB Statement No. 114), and the loan need no longer be disclosed as a TDR in the Call Report, except as noted below. Accordingly, going forward, loan impairment should be measured under ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5). Even though the loan need no longer be measured for impairment as a TDR or disclosed as a TDR, the recorded investment in the loan should not change at the time of the subsequent restructuring (unless cash is advanced or received). In this regard, when there have been charge-offs prior to the subsequent restructuring, consistent with longstanding Call Report instructions, no recoveries should be recognized until collections on amounts previously charged off have been received. Similarly, if interest payments were applied to the recorded investment in the TDR loan prior to the subsequent restructuring, the application of these payments to the recorded investment should not be reversed nor reported as interest income at the time of the subsequent restructuring.

If the TDR designation is removed from a loan that meets the conditions discussed above and the loan is later modified in a TDR or individually evaluated and determined to be impaired, then the impairment on the loan should be measured under ASC Subtopic 310-10 and, if appropriate, the loan should be disclosed as a TDR.

For a subsequently restructured TDR loan on which there was principal forgiveness and therefore does not meet the conditions discussed above, the impairment on the loan should continue to be measured as a TDR. However, if the subsequent restructuring agreement specifies a contractual interest rate that, at the time of the subsequent restructuring, is not less than a market interest rate for new debt with similar credit risk characteristics and the loan is performing in compliance with its modified terms after the subsequent restructuring, the loan need not continue to be reported as a TDR in Schedule RC-C, Part I, Memorandum item 1, in calendar years after the year in which the subsequent restructuring took place. To be considered in compliance with its modified terms, a loan that is a TDR must be in accrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms.

Institutions may choose to apply this guidance prospectively to TDR loans that, upon a subsequent restructuring on or after October 1, 2014, meet the conditions discussed above for removing the TDR designation. Institutions also may choose to apply this guidance to loans outstanding as of September 30, 2014, for which there has been a previous subsequent restructuring that met the conditions discussed above at the time of the subsequent restructuring. However, prior Call Reports should not be amended.

### **Reporting Certain Government-Guaranteed Mortgage Loans upon Foreclosure**

In August 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-14, "Classification of Certain Government-Guaranteed Mortgage Loans upon Foreclosure," to address diversity in practice for how government-guaranteed mortgage loans are recorded upon foreclosure. The ASU updates guidance contained in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended), because U.S. GAAP previously did not provide specific guidance on how to categorize or measure foreclosed mortgage loans that are government guaranteed. The new ASU clarifies the conditions under which a creditor must derecognize a government-guaranteed mortgage loan and recognize a separate "other receivable" upon foreclosure (that is, when a creditor receives physical possession of real estate property collateralizing a mortgage loan in accordance with the guidance in ASC Subtopic 310-40).

Under the new guidance, institutions should derecognize a mortgage loan and record a separate other receivable upon foreclosure of the real estate collateral if the following conditions are met:

- The loan has a government guarantee that is not separable from the loan before foreclosure.
- At the time of foreclosure, the institution has the intent to convey the property to the guarantor and make a claim on the guarantee and it has the ability to recover under that claim.
- At the time of foreclosure, any amount of the claim that is determined on the basis of the fair value of the real estate is fixed (that is, the real estate property has been appraised for purposes of the claim and thus the institution is not exposed to changes in the fair value of the property).

This guidance is applicable to fully and partially government-guaranteed mortgage loans. Upon foreclosure, the separate other receivable should be measured based on the amount of the loan balance (principal and interest) expected to be recovered from the guarantor. This other receivable should be reported in Schedule RC-F, item 6, "All other assets." Any interest income earned on the other receivable would be reported in Schedule RI, item 1.g, "Other interest income." Other real estate owned would not be recognized by the institution.

For institutions that are public business entities, as defined under U.S. GAAP (as discussed in the preceding section of these Supplemental Instructions), ASU 2014-14 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-14 until annual periods ending after December 15, 2015, and interim periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-14 is permitted if the institution has already adopted the amendments in ASU No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure" (which is discussed in the following section of these Supplemental Instructions).

Entities can elect to apply ASU 2014-14 on either a modified retrospective transition basis or a prospective transition basis. However, institutions must use the method of transition that is elected for ASU 2014-04 (that is, either modified retrospective or prospective). Applying ASU 2014-14 on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to foreclosures of real estate property collateralizing certain government-guaranteed mortgage loans (based on the criteria described above) that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to affected accounts existing as of the beginning of the annual period for which the ASU is adopted. The cumulative-effect adjustment for this change in accounting principle should be reported in Schedule RI-A, item 2.

For additional information, institutions should refer to ASU 2014-14, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure**

In January 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-04, "Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure," to address diversity in practice for when certain loan receivables should be derecognized and the real estate collateral recognized. The ASU updates guidance contained in Accounting Standards Codification Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No.15, "Accounting by Debtors and Creditors for Troubled Debt Restructurings," as amended).

Under prior accounting guidance, all loan receivables were reclassified to other real estate owned (OREO) when the institution, as creditor, obtained physical possession of the property, regardless of whether formal foreclosure proceedings had taken place. The new ASU clarifies when a creditor is considered to have received physical possession (resulting from an in-substance repossession or foreclosure) of residential real

estate collateralizing a consumer mortgage loan. Under the new guidance, physical possession for these residential real estate properties is considered to have occurred and a loan receivable would be reclassified to OREO only upon:

- The institution obtaining legal title upon completion of a foreclosure even if the borrower has redemption rights that provide the borrower with a legal right for a period of time after foreclosure to reclaim the property by paying certain amounts specified by law, or
- The completion of a deed in lieu of foreclosure or similar legal agreement under which the borrower conveys all interest in the residential real estate property to the institution to satisfy the loan.

Other real estate owned in the form of 1-4 family residential properties, when held in domestic offices, is reported in Schedule RC-M, item 3.c, except for properties resulting from foreclosures on real estate backing “GNMA loans,” which, at present, are reported in Schedule RC-M, item 3.f. (As discussed in the preceding section of these Supplemental Instructions, the manner in which certain government-guaranteed mortgage loans are recorded upon foreclosure will change when an institution adopts ASU 2014-14.)

Loans secured by real estate other than consumer mortgage loans collateralized by residential real estate should continue to be reclassified to OREO when the institution has received physical possession of a borrower's real estate, regardless of whether formal foreclosure proceedings take place.

For institutions that are public business entities, as defined under U.S. GAAP (as discussed above in these Supplemental Instructions), ASU 2014-04 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2014. For example, institutions with a calendar year fiscal year that are public business entities must apply the ASU in their Call Reports beginning March 31, 2015. However, institutions that are not public business entities (i.e., that are private companies) are not required to apply the guidance in ASU 2014-04 until annual periods beginning after December 15, 2014, and interim periods within annual periods beginning after December 15, 2015. Thus, institutions with a calendar year fiscal year that are private companies must apply the ASU in their December 31, 2015, and subsequent quarterly Call Reports. Earlier adoption of the guidance in ASU 2014-04 is permitted.

Entities can elect to apply the ASU on either a modified retrospective transition basis or a prospective transition basis. Applying the ASU on a prospective transition basis should be less complex for institutions than applying the ASU on a modified retrospective transition basis. Under the prospective transition method, an institution should apply the new guidance to all instances where it receives physical possession of residential real estate property collateralizing consumer mortgage loans that occur after the date of adoption of the ASU. Under the modified retrospective transition method, an institution should apply a cumulative-effect adjustment to residential consumer mortgage loans and OREO existing as of the beginning of the annual period for which the ASU is effective. The cumulative-effect adjustment for this change in accounting principle should be reported in Schedule RI-A, item 2. As a result of adopting the ASU on a modified retrospective basis, assets reclassified from OREO to loans should be measured at the carrying value of the real estate at the date of adoption while assets reclassified from loans to OREO should be measured at the lower of the net amount of the loan receivable or the OREO property's fair value less costs to sell at the time of adoption.

For additional information, institutions should refer to ASU 2014-04, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **“Purchased” Loans Originated By Others**

When acquiring loans originated by others, institutions should consider whether the transaction should be accounted for as a purchase of the loans or as a secured borrowing (i.e., a loan to the originator) in accordance with ASC Topic 860, Transfers and Servicing (formerly FASB Statement No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,” as amended). For the transaction to qualify as a sale by the originator to the acquiring institution, certain conditions must be met:

- First, unless the transfer is of an entire financial asset, the transferred portion of the financial asset must meet the definition of a participating interest.



- Second, the transfer must meet all of the conditions set forth in ASC Subtopic 860-10 to demonstrate that the transferor has surrendered control over the transferred financial assets.

For example, some institutions have entered into various residential mortgage loan purchase programs. These programs often function like traditional warehouse lines of credit; however, in some cases, the mortgage loan transfers are legally structured as purchases by the institution rather than as pledges of collateral to secure the funding. Under these programs, an institution provides funding to a mortgage loan originator while simultaneously obtaining an interest in the mortgage loans subject to a takeout commitment. A takeout commitment is a written commitment from an approved investor (generally, an unrelated third party) to purchase one or more mortgage loans from the originator.

Although the facts and circumstances of each program must be carefully evaluated to determine the appropriate accounting, an institution should generally account for a mortgage purchase program with continuing involvement by the originator, including takeout commitments, as a secured borrowing with pledge of collateral, i.e., a loan to the originator secured by the residential mortgage loans, rather than a purchase of mortgage loans.

When loans obtained in a mortgage purchase program do not qualify for sale accounting, the financing provided to the originator (if not held for trading purposes) should be reported in Call Report Schedule RC-C, Part I, item 9.a, "Loans to nondepository financial institutions," and on the balance sheet in Schedule RC, item 4.a, "Loans and leases held for sale," or item 4.b, "Loans and leases, net of unearned income," as appropriate. For risk-based capital purposes, a loan to a mortgage loan originator secured by residential mortgages that is reported in Schedule RC-C, Part I, item 9.a, should be assigned a 100 percent risk weight and included in column F of Schedule RC-R, Part II, item 38 or 39, based on its balance sheet classification.

In situations where the transaction between the mortgage loan originator and the transferee (acquiring) institution is accounted for as a secured borrowing with pledge of collateral, the transferee (acquiring) institution's designation of the financing provided to the originator as held for sale is appropriate only when the conditions in ASC Subtopic 310-10, Receivables – Overall (formerly AICPA Statement of Position 01-6, "Accounting by Certain Entities (Including Entities With Trade Receivables) That Lend to or Finance the Activities of Others") and the 2001 Interagency Guidance on Certain Loans Held for Sale have been met. In these situations, the mortgage loan originator's planned sale of the pledged collateral (i.e., the individual residential mortgage loans) to a takeout investor is not relevant to the transferee institution's designation of the loan to the originator as held for investment or held for sale. In situations where the transferee institution simultaneously extends a loan to the originator and transfers an interest (for example, a participation interest) in the loan to the originator to another party, the transfer to the other party also should be evaluated to determine whether the conditions in ASC Topic 860 for sale accounting treatment have been met. If this transfer qualifies to be accounted for as a sale, the portion of the loan to the originator that is retained by the transferee institution should be classified as held for investment when the transferee has the intent and ability to hold that portion for the foreseeable future or until maturity or payoff (which is generally in the near term).

### **True-up Liability under an FDIC Loss-Sharing Agreement**

An insured depository institution that acquires a failed insured institution may enter into a loss-sharing agreement with the FDIC under which the FDIC agrees to absorb a portion of the losses on a specified pool of the failed institution's assets during a specified time period. The acquiring institution typically records an indemnification asset representing its right to receive payments from the FDIC for losses during the specified time period on assets covered under the loss-sharing agreement.

Since 2009, most loss-sharing agreements have included a true-up provision that may require the acquiring institution to reimburse the FDIC if cumulative losses in the acquired loss-share portfolio are less than the amount of losses claimed by the institution throughout the loss-sharing period. Typically, a true-up liability may result because the recovery period on the loss-share assets (e.g., eight years) is longer than the period during which the FDIC agrees to reimburse the acquiring institution for losses on the loss-share portfolio (e.g., five years).

Consistent with U.S. GAAP and the Glossary entry for “Offsetting” in the Call Report instructions, institutions are permitted to offset assets and liabilities recognized in the Report of Condition when a “right of setoff” exists. Under ASC Subtopic 210-20, Balance Sheet – Offsetting (formerly FASB Interpretation No. 39, “Offsetting of Amounts Related to Certain Contracts”), in general, a right of setoff exists when a reporting institution and another party each owes the other determinable amounts, the reporting institution has the right to set off the amounts each party owes and also intends to set off, and the right of setoff is enforceable at law. Because the conditions for the existence of a right of offset in ASC Subtopic 210-20 normally would not be met with respect to an indemnification asset and a true-up liability under a loss-sharing agreement with the FDIC, this asset and liability should not be netted for Call Report purposes. Therefore, institutions should report the indemnification asset gross (i.e., without regard to any true-up liability) in item 6 of Schedule RC-F, Other Assets, and any true-up liability in item 4 of Schedule RC-G, Other Liabilities.

In addition, an institution should not continue to report assets covered by loss-sharing agreements in Schedule RC-M, item 13 (and in Schedule RC-N, item 11, if appropriate) after the expiration of the loss-sharing period even if the terms of the loss-sharing agreement require reimbursements from the institution to the FDIC for certain amounts during the recovery period.

### **Troubled Debt Restructurings and Current Market Interest Rates**

Many institutions are restructuring or modifying the terms of loans through workout programs, renewals, extensions, or other means to provide payment relief for borrowers who have suffered deterioration in their financial condition. Such loan restructurings may include, but are not limited to, reductions in principal or accrued interest, reductions in interest rates, and extensions of the maturity date. Modifications may be executed at the original contractual interest rate on the loan, a current market interest rate, or a below-market interest rate. Many of these loan modifications meet the definition of a troubled debt restructuring (TDR).

The TDR accounting and reporting standards are set forth in ASC Subtopic 310-40, Receivables – Troubled Debt Restructurings by Creditors (formerly FASB Statement No. 15, “Accounting by Debtors and Creditors for Troubled Debt Restructurings,” as amended). This guidance specifies that a restructuring of a debt constitutes a TDR if, at the date of restructuring, the creditor for economic or legal reasons related to a debtor’s financial difficulties grants a concession to the debtor that it would not otherwise consider. The creditor’s concession may include a restructuring of the terms of a debt to alleviate the burden of the debtor’s near-term cash requirements, such as a modification of terms to reduce or defer cash payments required of the debtor in the near future to help the debtor attempt to improve its financial condition and eventually be able to pay the creditor.

The stated interest rate charged to the borrower after a loan restructuring may be greater than or equal to interest rates available in the marketplace for similar types of loans to nontroubled borrowers at the time of the restructuring. Some institutions have concluded that these restructurings are not TDRs; however, this conclusion may be inappropriate. In reaching this conclusion, these institutions may not have considered all of the facts and circumstances associated with the loan modification besides the interest rate. An interest rate on a modified loan greater than or equal to those available in the marketplace for similar loans to nontroubled borrowers does not in and of itself preclude a modification from being designated as a TDR. Rather, when evaluating a loan modification to a borrower experiencing financial difficulties, an analysis of all facts and circumstances is necessary to determine whether the institution has made a concession to the borrower with respect to the market interest rate or has made some other type of concession that could trigger TDR accounting and disclosure (for example, terms or conditions outside of the institution’s policies or common market practices). If TDR accounting and disclosure is appropriate, the institution must determine how the modified or restructured loan should be reported in the Call Report.

Generally, a restructured loan yields a current market interest rate if the restructuring agreement specifies an interest rate greater than or equal to the rate that the institution was willing to accept at the time of the restructuring for a new loan with comparable risk. A restructured loan does not yield a market interest rate simply because the interest rate charged under the restructuring agreement has not been reduced. In addition, when a modification results in an increase (either temporary or permanent) in the contractual interest rate, the increased interest rate cannot be presumed to be an interest rate that is at or above market. Therefore, in

determining whether a loan has been modified at a market interest rate, an institution should analyze the borrower's current financial condition and compare the rate on the modified loan to rates the institution would charge customers with similar financial characteristics on similar types of loans. This determination requires the use of judgment and should include an analysis of credit history and scores, loan-to-value ratios or other collateral protection, the borrower's ability to generate cash flow sufficient to meet the repayment terms, and other factors normally considered when underwriting and pricing loans.

Likewise, a change in the interest rate on a modified or restructured loan does not necessarily mean that the modification is a TDR. For example, a creditor may lower the interest rate to maintain a relationship with a debtor that can readily obtain funds from other sources. To be a TDR, the borrower must also be experiencing financial difficulties. The evaluation of whether a borrower is experiencing financial difficulties is based upon individual facts and circumstances and requires the use of judgment when determining if a modification of the borrower's loan should be accounted for and reported as a TDR.

In the Call Report, until a loan that is a TDR is paid in full or otherwise settled, sold, or charged off, the loan must be reported in the appropriate loan category in Schedule RC-C, part I, items 1 through 9, and in the appropriate loan category in:

- Schedule RC-C, part I, Memorandum item 1, if it is in compliance with its modified terms, or
- Schedule RC-N, Memorandum item 1, if it is not in compliance with its modified terms.

However, for a loan that is a TDR (for example, because of a modification that includes a reduction in principal), if the restructuring agreement specifies an interest rate that is a market interest rate at the time of restructuring and the loan is in compliance with its modified terms, the loan need not continue to be reported as a TDR in Schedule RC-C, part I, Memorandum item 1, in calendar years after the year in which the restructuring took place. To be considered in compliance with its modified terms, a loan that is a TDR must be in accrual status and must be current or less than 30 days past due on its contractual principal and interest payments under the modified repayment terms.

A loan restructured in a TDR is an impaired loan. Thus, all TDRs must be measured for impairment in accordance with ASC Subtopic 310-10, Receivables – Overall (formerly FASB Statement No. 114, "Accounting by Creditors for Impairment of a Loan," as amended), and the Glossary entry for "Loan Impairment." Consistent with ASC Subtopic 310-10, TDRs may be aggregated and measured for impairment with other impaired loans that share common risk characteristics by using historical statistics, such as average recovery period and average amount recovered, along with a composite effective interest rate. The outcome of applying such an aggregation approach must be consistent with the impairment measurement methods prescribed in ASC Subtopic 310-10 and the "Loan Impairment" Glossary entry for loans that are individually considered impaired (i.e., the present value of expected future cash flows discounted at the loan's original effective interest rate or the loan's observable market price if the loan is not collateral dependent; the fair value of the collateral – less estimated costs to sell, if appropriate – if the loan is collateral dependent). Thus, an institution applying the aggregation approach to TDRs should not use the measurement method prescribed in ASC Subtopic 450-20, Contingencies – Loss Contingencies (formerly FASB Statement No. 5, "Accounting for Contingencies") for loans not individually considered impaired that are collectively evaluated for impairment. When a loan not previously considered individually impaired is restructured and determined to be a TDR, absent a partial charge-off, it generally is not appropriate for the impairment estimate on the loan to decline as a result of the change from the impairment measurement method prescribed in ASC Subtopic 450-20 to the methods prescribed in ASC Subtopic 310-10.

For further information, see the Glossary entry for "Troubled Debt Restructurings" and the instructions for Schedules RC-C, part I, and RC-N.

### **Troubled Debt Restructurings and Accounting Standards Update No. 2011-02**

In April 2011, the FASB issued Accounting Standards Update (ASU) No. 2011-02, "A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring," to provide additional guidance to help creditors determine whether a concession has been granted to a borrower and whether a borrower is experiencing

financial difficulties. The guidance is also intended to reduce diversity in practice in identifying and reporting TDRs. Institutions are expected to apply the guidance in ASU No. 2011-02 and to continue to follow the accounting and reporting guidance on TDRs in the preceding section of these Supplemental Instructions and in the Call Report instruction book.

ASU 2011-02 reiterates that the two conditions mentioned in the preceding section, “Troubled Debt Restructurings and Current Market Interest Rates,” must exist in order for a loan modification to be deemed a TDR: (1) an institution must grant a concession to the borrower as part of the modification and (2) the borrower must be experiencing financial difficulties. The ASU explains that an institution may determine that a borrower is experiencing financial difficulties if it is probable that the borrower will default on any of its debts in the foreseeable future. The borrower does not have to be in default at the time of the modification. Other possible factors that should be considered in evaluating whether a borrower is experiencing financial difficulties is if the borrower has declared (or is in the process of declaring) bankruptcy, the creditor does not expect the borrower’s cash flows to be sufficient to service its debt under the existing terms, or there is substantial doubt about an entity’s ability to continue as a going concern.

Another important aspect of the ASU is that it prohibits financial institutions from using the effective interest rate test included in the TDR guidance for borrowers in ASC Subtopic 470-60, Debt – Troubled Debt Restructurings by Debtors, when determining whether the creditor has granted a concession as part of a loan modification. However, as explained in ASU 2011-02, if a borrower does not have access to funds at a market rate of interest for similar debt, the rate on the modified loan is considered to be a below-market rate and may be an indicator that the institution has granted a concession to the borrower. In this situation, a creditor must consider all aspects of the loan modification in determining whether it has granted a concession.

Furthermore, the ASU provides guidance regarding insignificant delays in payment as part of a loan modification. If, after analysis of all facts and circumstances, a creditor determines that a delay in payment is insignificant, the creditor has not granted a concession to the borrower. This determination requires judgment and should consider many factors, including, but not limited to, the amount of the delayed payments in relation to the loan’s unpaid principal or collateral value, the frequency of payments due on the loan, the original contractual maturity, and the original expected duration of the loan.

For additional information, institutions should refer to ASU 2011-02, which is available at <http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156316498>.

### **Amending Previously Submitted Report Data**

Should your institution find that it needs to revise previously submitted Call Report data, please make the appropriate changes to the data, ensure that the revised data passes the FFIEC-published validation criteria, and submit the revised data file to the CDR using one of the two methods described in the banking agencies’ Financial Institution Letter for the December 31, 2014, report date. For technical assistance with the submission of amendments to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at [CDR.Help@ffiec.gov](mailto:CDR.Help@ffiec.gov).

### **Other Reporting Matters**

For the following topics, institutions should continue to follow the guidance in the specified Call Report Supplemental Instructions:

- Determining the Fair Value of Derivatives – Supplemental Instructions for June 30, 2014 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201406.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201406.pdf))
- Indemnification Assets and Accounting Standards Update No. 2012-06 – Supplemental Instructions for June 30, 2014 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201406.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201406.pdf))
- Other-Than-Temporary Impairment of Debt Securities – Supplemental Instructions for June 30, 2014 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201406.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201406.pdf))
- Small Business Lending Fund – Supplemental Instructions for March 31, 2013 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201303.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201303.pdf))

- Reporting purchased subordinated securities in Schedule RC-S – Supplemental Instructions for September 30, 2011 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201109.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201109.pdf))
- Treasury Department’s Capital Purchase Program – Supplemental Instructions for September 30, 2011 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_FFIEC041\\_suppinst\\_201109.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_FFIEC041_suppinst_201109.pdf))
- Deposit insurance assessments – Supplemental Instructions for September 30, 2009 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_041\\_suppinst\\_200909.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200909.pdf))
- Accounting for share-based payments under FASB Statement No. 123 (Revised 2004), *Share-Based Payment* – Supplemental Instructions for December 31, 2006 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_041\\_suppinst\\_200612.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200612.pdf))
- Tobacco Transition Payment (Buyout) Program – Supplemental Instructions for March 31, 2006 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_041\\_suppinst\\_200603.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200603.pdf))
- Commitments to originate and sell mortgage loans – Supplemental Instructions for March 31, 2006 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_041\\_suppinst\\_200603.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200603.pdf)) and June 30, 2005 ([http://www.ffiec.gov/PDF/FFIEC\\_forms/FFIEC031\\_041\\_suppinst\\_200506.pdf](http://www.ffiec.gov/PDF/FFIEC_forms/FFIEC031_041_suppinst_200506.pdf))

**Call Report Software Vendors**

For information on available Call Report preparation software products, institutions should contact:

Axiom Software Laboratories, Inc.  
 67 Wall Street, 17th Floor  
 New York, New York 10005  
 Telephone: (212) 248-4188  
<http://www.axiomsl.com>

Cardinal Software  
 6700 Pioneer Parkway  
 Johnston, Iowa 50131  
 Telephone: (888) 262-3348  
<http://www.cardinal400.com>

DBI Financial Systems, Inc.  
 P.O. Box 14027  
 Bradenton, Florida 34280  
 Telephone: (800) 774-3279  
<http://www.e-dbi.com>

Fed Reporter, Inc.  
 28118 Agoura Road, Suite 202  
 Agoura Hills, California 91301  
 Telephone: (888) 972-3772  
<http://www.fedreporter.net>

FIS Compliance Solutions  
 16855 West Bernardo Drive,  
 Suite 270  
 San Diego, California 92127  
 Telephone: (800) 825-3772  
<http://www.callreporter.com>

FiServ, Inc.  
 1345 Old Cheney Road  
 Lincoln, Nebraska 68512  
 Telephone: (402) 423-2682  
<http://www.premier.fiserv.com>

Jack Henry & Associates, Inc.  
 Regulatory Filing Group  
 7600B North Capital of Texas  
 Highway, Suite 320  
 Austin, Texas 78731  
 Telephone: (800) 688-9191  
<http://filing.jackhenry.com>

Lombard Risk  
 One Gateway Center,  
 26th Floor  
 Newark, New Jersey 07102  
 Telephone: (973) 648-0900  
<http://www.lombardrisk.com>

Wolters Kluwer Financial Services  
 130 Turner Street, Building 3,  
 4th Floor  
 Waltham, Massachusetts 02453  
 Telephone (800) 261-3111  
<http://www.wolterskluwer.com>