

Instructions for New Items Associated with the FDIC's Transaction Account Guarantee Program

- **Consolidated Reports of Condition and Income (Call Report) (FFIEC 031 and 041), Schedule RC-O, Memorandum items 4.a and 4.b**
- **Thrift Financial Report, Schedule DI, items DI570 and DI575**
- **Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002), Schedule O, Memorandum items 6.a and 6.b**

General Instructions: Noninterest-bearing Transaction Accounts (as Defined in Part 370 of the FDIC's Regulations) of More Than \$250,000

NOTE: The items below for the amount and number of noninterest-bearing transaction accounts of more than \$250,000 are to be completed – beginning in the reports for December 31, 2008 – only by those institutions that have opted to participate in the FDIC's Transaction Account Guarantee Program.

Report in the appropriate subitem the amount outstanding and the number of noninterest-bearing transaction accounts with a balance on the report date of more than \$250,000. An institution may exclude custodial or escrow noninterest-bearing transaction accounts with a balance of more than \$250,000 that are fully insured because of "pass-through" insurance coverage. An institution may also exclude amounts over \$250,000 in noninterest-bearing transaction accounts that are otherwise insured under joint account relationships or other existing provisions of the FDIC's deposit insurance rules to the extent that these amounts can be determined by the institution and fully supported in the institution's workpapers for this report. An institution is not required to make a determination of amounts otherwise insured but may do so at its option.

For purposes of Schedule RC-O, Memorandum items 4.a and 4.b; Schedule DI, items DI570 and DI575; and Schedule O, Memorandum items 6.a and 6.b; and the FDIC's Transaction Account Guarantee Program, the term "noninterest-bearing transaction account" means a transaction account as defined in Federal Reserve Regulation D that is:

- (1) Maintained at an insured depository institution (in a domestic office or an insured branch in Puerto Rico or a U.S. territory or possession);
- (2) With respect to which interest is neither accrued nor paid; and
- (3) On which the insured depository institution does not reserve the right to require advance notice of an intended withdrawal.

Thus, the term "noninterest-bearing transaction account" includes all demand deposits, including certified checks and official checks (such as cashiers' checks and money orders) drawn on the reporting institution.

In addition, for purposes of Schedule RC-O, Memorandum items 4.a and 4.b; Schedule DI, items DI570 and DI575; and Schedule O, Memorandum items 6.a and 6.b; and the Transaction Account Guarantee Program, the term "noninterest-bearing transaction account" also includes:

- (1) Accounts commonly known as Interest on Lawyers Trust Accounts (IOLTAs) (or functionally equivalent accounts); and

(2) Negotiable order of withdrawal (NOW) accounts with interest rates no higher than 0.50 percent for which the insured depository institution at which the account is held has committed to maintain the interest rate at or below 0.50 percent.¹

For purposes of Schedule RC-O, Memorandum items 4.a and 4.b; Schedule DI, items DI570 and DI575; and Schedule O, Memorandum items 6.a and 6.b; and the FDIC's Transaction Account Guarantee Program, a "noninterest-bearing transaction account" does not include, for example, a money market deposit account (MMDA) as defined in Federal Reserve Regulation D.

Account features such as the waiver of fees or the provision of fee-reducing credits do not prevent an account from qualifying as noninterest-bearing as long as the account is otherwise noninterest-bearing.

In determining whether funds are in a noninterest-bearing transaction account for purposes of Schedule RC-O, Memorandum items 4.a and 4.b; Schedule DI, items DI570 and DI575; and Schedule O, Memorandum items 6.a and 6.b; and the Transaction Account Guarantee Program, the FDIC will apply its normal rules and procedures under Section 360.8 of the FDIC's regulations for determining account balances at a failed insured depository institution. Under these procedures, funds may be swept or transferred from a noninterest-bearing transaction account to another type of deposit or nondeposit account. Except as described in the following sentence, unless the funds are in a noninterest-bearing transaction account after the completion of a sweep under Section 360.8, the funds will not be guaranteed under the Transaction Account Guarantee Program and they should not be reported in Schedule RC-O, Memorandum items 4.a and 4.b; Schedule DI, items DI570 and DI575; and Schedule O, Memorandum items 6.a and 6.b. However, in the case of funds swept from a noninterest-bearing transaction account to a noninterest-bearing savings deposit account as defined in Federal Reserve Regulation D, the FDIC will treat the swept funds as being in a noninterest-bearing transaction account. If the sum of the swept funds in the noninterest-bearing savings deposit account plus any amount remaining in the related noninterest-bearing transaction account is \$250,000 or more, this sum should be reported in Schedule RC-O, Memorandum item 4.a; Schedule DI, item DI570; and Schedule O, Memorandum item 6.a; and the swept funds and the related noninterest-bearing transaction account should be reported as one account in Schedule RC-O, Memorandum item 4.b; Schedule DI, item DI575; and Schedule O, Memorandum item 6.b.

Include public funds held in noninterest-bearing transaction accounts of more than \$250,000 whether or not they are collateralized with pledged securities or other pledged assets.

Schedule RC-O, Memorandum item 4.a; Schedule DI, item DI570; and Schedule O, Memorandum item 6.a: Amount of noninterest-bearing transaction accounts of more than \$250,000

Report the aggregate balance of all noninterest-bearing transaction accounts (as defined in the General Instructions above) with a balance on the report date of more than \$250,000. This

¹ A NOW account with an interest rate above 0.50 percent as of November 21, 2008, may be treated as a noninterest-bearing transaction account for purposes of the Transaction Account Guarantee Program if the insured depository institution at which the account is held reduces the interest rate on that account to 0.50 percent or lower before January 1, 2009, and commits to maintain that interest rate at no more than 0.50 percent at all times through December 31, 2009.

amount should represent the total of the balances of the noninterest-bearing transaction accounts enumerated in Schedule RC-O, Memorandum item 4.b; Schedule DI, item DI575; and Schedule O, Memorandum item 6.b, below.

Schedule RC-O, Memorandum item 4.b; Schedule DI, item DI575; and Schedule O, Memorandum item 6.b: Number of noninterest-bearing transaction accounts of more than \$250,000

Report the total number of noninterest-bearing transaction accounts (as defined in the General Instructions above) with a balance on the report date of more than \$250,000.

Inactive