



Bank Reports

FIL-83-95
December 15, 1995

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Revisions to the Reports of Condition and Income (Call Reports) for 1996*

The Federal Financial Institutions Examination Council has approved several changes to the Reports of Condition and Income (Call Report) for March 31, 1996. The Examination Council is providing this early notification to assist you in planning for these upcoming Call Report changes, which also must be approved by the U.S. Office of Management and Budget (OMB) before they can become final. More detailed information about the changes in reporting requirements for 1996, including the related instructions, will be distributed to all banks within the coming weeks.

The revisions approved to date by the Examination Council are described in the attached document. They include:

- Deletions of a number of existing Call Report items, including several memorandum items for deposits;
- A reduced level of detail for larger banks on nontransaction accounts by type of depositor;
- New items disclosing certain capital and asset amounts that are used in calculating regulatory capital ratios and providing better data on short-term liabilities and assets; and
- Instructional changes and clarifications relating to mortgage servicing rights, trading accounts, low-level recourse transactions, and other topics.

On August 2, 1995, the banking agencies published a proposed policy statement concerning a supervisory framework for measuring and assessing banks' interest rate risk exposure. The proposal would require nonexempt banks to report data in several new schedules that would be added to the Call Report effective March 31, 1996. However, the agencies recently have decided that any new Call Report interest rate risk schedules will not be implemented as of the March 31, 1996, report date. Banks will be advised as more information on this subject becomes available.

Banks are reminded that Financial Accounting Standards Board (FASB) Statement No. 122, "Accounting for Mortgage Servicing Rights," is effective for fiscal years beginning after December 15, 1995, although earlier application is permitted. Banks operating on a calendar year fiscal year must adopt the accounting procedures specified by Statement No. 122 for their March 31, 1996, Call Reports. Institutions are encouraged to consult with their outside accountants concerning the implementation of Statement No. 122. In addition, the banking agencies have adopted a joint interim rule that amended their capital adequacy standards and treats originated mortgage servicing rights the same as purchased mortgage servicing rights for regulatory capital purposes. Under the interim rule, which took effect on August 1, 1995, both types of servicing rights are included in (i.e., not deducted from) regulatory capital, subject to limits that previously applied only to purchased mortgage servicing rights.

Please forward this letter to the person responsible for preparing Call Reports at your bank. For more information or assistance, national banks and FDIC-supervised commercial and savings banks may contact the FDIC's Call Reports Analysis Unit in Washington, DC, toll-free on 1-800-688-FDIC (3342) or 202-898-6607. Assistance is provided Monday through Friday between 8:00 a.m. and 5:00 p.m. Eastern time. State member banks may contact their district Federal Reserve Bank.

Joe M. Cleaver
Executive Secretary

Attachment: [WordPerfect 6.1 Format HTML Format](#)

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