



Trust and Income Expense

FIL-47-95
July 17, 1995

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Request for Comment on the Proposed Addition of a Fiduciary Income Statement to the Annual Report of Trust Assets*

The Federal Financial Institutions Examination Council (FFIEC) is seeking public comment on a proposal to add Schedule E, "Fiduciary Income Statement," to the Annual Report of Trust Assets (form FFIEC 001). The proposed Fiduciary Income Statement would be filed by all depository institutions with \$100 million or more in total trust assets. In addition, all non-deposit trust companies would be required to file this proposed schedule. Of the 3,000 banks, savings associations and trust companies that actively engaged in trust activities as of December 31, 1994, less than one-third would be required to report their income and expenses on the proposed new schedule. The requested information would help the federal banking agencies monitor and evaluate the performance of, and risks associated with, fiduciary activities. The proposed Schedule E would be prepared annually beginning with the year ending December 31, 1996. A copy of the FFIEC's request for comment is attached.

The data reported by individual institutions would be regarded as confidential by the FFIEC and the banking agencies. However, aggregate information would be published annually with the data from the other schedules that currently are part of form FFIEC 001.

The FFIEC is requesting comment on all aspects of the proposed Fiduciary Income Statement. In particular, the FFIEC requests comment on the following:

- The availability of the information proposed to be collected and the cost and time required to implement any needed changes in recordkeeping systems;
- The cost and time required to complete the proposed schedule each year after the first year;
- The feasibility of providing such data for the calendar year ending December 31, 1996;
- The proposed reporting threshold of \$100 million in total trust assets and the requirement that non-deposit trust companies with less than \$100 million in trust assets file the schedule; and
- The adequacy and clarity of the proposed instructions, with suggested improvements welcomed and encouraged.

The FFIEC will accept comments on the proposed Fiduciary Income Statement through August 29, 1995. For more information, please contact your primary federal regulator.

- At the Federal Reserve Board: Donald R. Vinnedge, Manager, Trust/EDP Activities Program, (202) 452-2717; or William R. Stanley, Supervisory Trust Analyst, (202) 452-2744.
- At the Federal Deposit Insurance Corporation: James D. Leitner, Examination Specialist, Division of Supervision, (202) 898-6790; or Robert F. Storch, Chief, Accounting Section, Division of Supervision, (202) 898-8906.
- At the Office of the Comptroller of the Currency: William L. Granovsky, National Bank Examiner, Consumer and Fiduciary Compliance, (202) 874-4447.
- At the Office of Thrift Supervision: Larry A. Clark, Program Manager, Compliance and Trust, (202) 906-5628.

Joe M. Cleaver
Executive Secretary

Attachment

Distribution: Selected Banks, Trust Companies and Savings Associations