

FIL-55-2001
June 22, 2001

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: *Reports of Condition and Income (Call Report) for Second Quarter 2001*

The enclosed materials pertain to the Reports of Condition and Income (Call Report) for the June 30, 2001, report date. Please complete your second quarter Call Report, review it for accuracy, and submit the report electronically as soon as possible. Except for certain banks with foreign offices, your completed report must be received by July 30, 2001, in accordance with the filing requirements discussed below. **No extensions of time for submitting reports are granted.**

If you complete the preparation and review of your Call Report before July 30, please file the report immediately rather than waiting until the submission deadline. Should you later find that certain information needs to be revised, please make the appropriate changes to your Call Report and promptly submit the revised data file electronically. Early submission aids the banking agencies in editing and reviewing the reports.

In accordance with the previously announced schedule for implementing revisions to the Call Report this year (see FIL-5-2001 dated January 17, 2001), **banks must complete new Schedule RC-S, Securitization and Asset Sale Activities, beginning this quarter.** Banks that service loans and other financial assets should ensure that they provide the requested servicing information in Memorandum items 2.a, 2.b, and 2.c of this schedule even if they are not involved in the other activities covered by Scheduled RC-S. For the June 30, 2001, report date only, banks may provide reasonable estimates for any new or revised item in Schedule RC-S for which the requested information is not readily available.

On May 11, 2001, the banking agencies issued a Joint Agency Advisory on Brokered and Rate-Sensitive Deposits, which reminded institutions to properly report brokered deposits in the Call Report. Please refer to the enclosed Supplemental Instructions for additional guidance on this topic.

When completing Schedule RC-R, Regulatory Capital, banks are not required to risk weight each asset that qualifies for a risk weight of less than 100 percent at its lower risk weight. Rather, each bank is permitted to decide for itself how detailed a risk-weighting analysis to perform. However, Call Report software products cannot for the most part determine the amounts and types of a bank's assets that qualify for lower risk weights without intervention by the bank's Call Report preparer. Therefore, to receive the benefit of the lower risk weights when the software calculates the risk-based capital ratios, banks are reminded that their Call Report preparer must specifically identify these assets and input them to the appropriate risk weight categories in the Schedule RC-R portion of their software. For example, on the FFIEC 041 report form, banks with total assets of less than \$300 million are no longer required to report the amount of their currency and coin in another Call Report schedule. This means that the Call Report preparer must identify this amount and input it in Schedule RC-R if the bank wishes to take advantage of the less than 100 percent risk weight accorded these assets. The same

attention is necessary for securities, loans, and other assets with favorable risk weights that are not specifically reported elsewhere in the Call Report.

Banks have been asked to report their Internet Web site addresses as part of their Call Report submission for the past two years. However, many banks that have Web addresses are either omitting these addresses or not reporting them consistently and accurately. ***Bank management should ensure that their Web address has been correctly reported before filing their Call Report each quarter.*** On the report forms, the location for disclosing this address is on the cover page below the FDIC Certificate Number. Accurate reporting benefits your bank because the public can obtain your Web address, along with other demographic and financial data about your institution, from the Institution Directory system (www2.fdic.gov/idasp/main.asp) and the Call Reports system (www2.fdic.gov/Call_TFR_Rpts/) on the Federal Deposit Insurance Corporation's (FDIC) Web site. The Web address that the FDIC discloses for your bank is the address reported in your most recent Call Report.

In the Call Report for this quarter, banks are required to report the number and amount currently outstanding of loans to small businesses and small farms (Schedule RC-C, part II) and the number of deposit accounts of \$100,000 or less (Schedule RC-O, Memorandum item 1.a.(2)). This information is collected only as of the June 30 report date each year.

Each bank must file its June 30, 2001, Call Report in one of the following two ways:

- A bank may use computer software to prepare its report and then file the report directly with the banking agencies' electronic collection agent, Electronic Data Systems Corporation (EDS). The Call Report data file can be sent to EDS electronically by modem or on a computer diskette.
- An institution may complete its report in paper form and arrange with EDS, a Call Report software vendor, or another party to convert its paper report to electronic form. If a party other than EDS performs this service, that party must electronically transmit the bank's Call Report data file to EDS.

The filing of a Call Report that is submitted electronically to EDS by modem will be considered timely if it is transmitted to EDS no later than July 30, 2001. A bank that submits its Call Report to EDS on a computer diskette must make sure that the diskette is properly addressed, mailed first class, and postmarked on or before July 27, 2001, to be considered filed on time.

Alternatively, a bank may send the diskette to EDS using an overnight delivery system no later than July 29, 2001. However, a computer diskette that EDS cannot read will not be accepted and the bank must resubmit its report in readable form. This may result in EDS receiving the bank's Call Report data file after the submission deadline.

A bank that has or has had more than one foreign office, other than a "shell" branch or an International Banking Facility, is permitted an additional 15 days to complete its Call Report. Such a bank is required to electronically transmit its report to EDS no later than August 14, 2001.

A sample set of June 30, 2001, report forms is enclosed for your reference. Sample forms also are available on both the Federal Financial Institutions Examination Council's Web site (www.ffiec.gov) and the FDIC's Web site (www.fdic.gov). For further information or assistance concerning the Call Reports, state member banks should contact their Federal Reserve District

Bank. National and FDIC-supervised banks should contact the FDIC's Reports Analysis and Quality Control Section in Washington, D.C., by telephone at (800) 688-FDIC (3342) or (202) 898-6607, Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time, or by e-mail at supervision@fdic.gov. Thank you for your cooperation.

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Enclosures:
[Supplemental Instructions](#)

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NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (800-276-6003 or (703) 562-2200).