

QUARTERLY REPORT OF CREDIT CARD PLANS

For the month of _____, _____
 (year)

This report is authorized by law [12 U.S.C. §248(a)(2)]. Your voluntary cooperation in submitting this report is needed to make the results comprehensive, accurate, and timely. The Federal Reserve System regards the individual bank information provided by each respondent as confidential. If it should be determined subsequently that any information submitted on this form must be released, respondents will be notified.

The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

Nominal Finance Rate					
1. Average nominal finance rate, all accounts	_____ . _____%	7164			
2. Total number of accounts		8601			
Finance Charge Data for Credit Card Accounts (in thousands of dollars)					
		Billions	Millions	Thousands	
3. Total finance charges billed in period	\$				8602
4. Total balances on which finance charges are computed (average daily balances), for accounts with finance charges	\$				8603
End-of-Period Balances for Credit Card Accounts (in thousands of dollars)					
5. Total ending balances (new balances) for all accounts	\$				8604
6. Total ending balances (new balances) for accounts with finance charges	\$				8658

Please print:

 Name and address of respondent

 Person to be contacted concerning this report

 Telephone number (including area code and extension)

Please return one copy of this report to:

Instructions for Quarterly Report of Credit Card Plans

Reporting Burden

Public reporting burden for this collection of information is estimated to average 0.5 hour, including the time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing this burden, to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0085), Washington, DC 20503.

Purpose and Scope

This report is collected quarterly for the months of February, May, August, and November. It collects information on two measures of a depository institution's average finance rate applicable to its credit card accounts.

Include:

Only third-party, general-purpose cards (such as Visa, MasterCard, Discover, and Optima).

All accounts serviced by your institution, whether active or inactive.

Securitized accounts serviced by your institution, but not carried on your balance sheet. Accounts with low introductory (teaser) rates.

Exclude:

Private label cards administered for retail stores, usable only at those stores.

Nominal Finance Rate (Lines 1 and 2)

The nominal finance rate is a simple average of the nominal APR for purchases across all accounts. Conceptually, this measure represents a depository institution's offering rate to all credit card holders and is independent of the manner in which accounts are actually used (that is, whether accounts are active or inactive, or whether balances were or were not paid in full during the latest billing cycle).

If your institution has different finance rates for purchases and for cash advances, report the rate applicable to purchases, not the rate for cash advances.

Report data in lines 1 and 2 as of the last day of the report month.

Report the rate in line 1 to two decimal places (for instance, 16.08%).

Line 1: Average nominal finance rate, all accounts

The nominal finance rate is the nominal APR disclosed to cardholders, as required by Regulation Z (Truth-in-Lending).

To obtain the average nominal finance rate, use either of two comparable procedures (A or B below), depending on which procedure is more easily carried out with your depository institution's data processing system.

Note: If your institution charges tiered rates that vary with the amount of the balance owed, use the rate that applies to the first tier (lowest amount of dollar balances).

Procedure A. Compute a simple average rate by summing across all accounts the rate applicable to each of your credit card accounts, and dividing by the total number of accounts.

Example: If an issuer has eight accounts, and the rates on these accounts are 18%, 16%, 16%, 13%, 16%, 18%, 13%, and 16%, the average nominal finance rate is calculated:

$$\frac{(18+16+16+13+16+18+13+16)}{8} = 15.75\%$$

Procedure B. Assuming all accounts under a particular plan have the same nominal APR, compute a weighted average rate by weighting each distinct rate by the number of accounts with that rate, summing the weighted figures, and dividing by the total number of accounts. This measure uses the following formula:

$$R = \frac{\text{Sum}(r * n)}{N}$$

where:

R: weighted average rate

r: rate at end of month for particular plan or type of account

n: number of accounts with rate r

N: total number of accounts in all plans

Example: If an issuer has three plans, with 300 accounts under the 13% plan, 500 accounts under the 16% plan, and another 500 accounts under the 18% plan, the weighted average rate is calculated:

$$R = \frac{(13 * 300) + (16 * 500) + (18 * 500)}{(300 + 500 + 500)} =$$

$$\frac{20,900}{1,300} = 16.08\%$$

Line 2: Total number of accounts

Report the total number of accounts referenced in determining the average nominal finance rate. Report the actual number, not rounded.

Finance Charge Data (Lines 3 and 4)

The second measure of average finance rate will be computed by the Federal Reserve from information supplied on this form. This measure will be calculated by dividing total finance charges assessed during a period by the sum of the balances on which those finance charges were calculated, and multiplying the result by 12 (to obtain an annual rate). Conceptually, this measure represents the APR charged to those cardholders who used their accounts to obtain extended credit during the report month.

The finance charge data will be used to estimate an average finance rate for cardholders who revolve their balances, by dividing total finance charges assessed during a period by the total balances on which finance charges were calculated (dividing line 3 by line 4). The finance charge data draw upon two items provided on cardholder billing statements: the periodic finance charge and the balance on which charges were based (for instance, the “average daily balance” for institutions using that base for assessing finance charges).

Report data in lines 3 and 4 for the full month, or for the complete billings cycle ending closest to the last day of the report month.

Report data in lines 3 and 4 in thousands of dollars (for instance, report \$16 million as \$16,000).

Line 3: Total finance charges billed in period

Report the amount of finance charges billed to all accounts. On an individual credit card statement, this item would be found in the field labeled “periodic

finance charge.” Sum across all accounts assessed a finance charge during the billing period to obtain the total amount of inance charges. Exclude non-interest charges, such as late or over-the-limit fees.

Line 4: Total balances on which finance charges are computed

For all accounts that were assessed a finance charge, report the total amount of balances on which the finance charges were computed.

Exclude from the calculation of the total all accounts for which no finance charge was assessed during the period.

For most respondents, the balance on which finance charges are computed is the “average daily balance.” If your institution uses some balance concept other than average daily balance to determine finance charges, use that alternative balance concept in reporting on line 4.

End-of-Period Balances (Lines 5 and 6)

The data on end-of-period balances will provide a measure of the proportion of total balances during a period accounted for by cardholders who revolved their previous balance. The balance concept to be used for lines 5 and 6 is the ending balance, generally identified on a billing statement as the “new balance,” calculated as the “previous balance” less payments and credits, plus new purchases and advances, plus finance charges.

Line 5: Total ending balances for all accounts

For all credit card accounts, report the total amount of ending balances. On an individual credit card statement, the item is found in the field generally labeled “new balance.” Sum across all accounts, whether or not assessed a finance charge, to obtain the total amount of ending balances.

Line 6: Total ending balances for all accounts with finance charges

For credit card accounts with finance charges during the period, report the total amount of ending balances. On an individual credit card statement, the item is found in the field generally labeled “new balance.” Sum across only those accounts assessed a finance charge in the period to obtain total balances in “revolved” accounts.