



Index

Index

Agreement corporations, examinations of, 92, 109

Albrecht litigation, 225

Anti-money laundering, supervision of, 111–13

Anti-tying restrictions, 98

Apffel litigation, 225

Applications for mergers under the CRA, 62, 110

Artis litigation, 225–26

Asset-backed commercial paper, treatment of, 94

Assets and liabilities

Board of Governors, 298

Commercial banks, 83, 283

Federal Reserve Banks, 260–63, 308

ATM card use, 73

Auditors' reports, 297, 305–7

Automated clearinghouse services, Federal Reserve Banks, 118

Automated Standard Application for Payment (ASAP), 123

Availability of Funds and Collection of Checks (Regulation CC), 70

Balance sheets

Board of Governors, 298

Federal Reserve Banks, combined, 307–19

Federal Reserve priced services, 129

Bank Control Act, 108–09

Bank examiner training, 65–66, 105–06

Bank holding companies

Banks affiliated with, 292

Inspections of, 85–87

Regulatory financial reports of, 102

Stock repurchases by, 110

Surveillance of, by Federal Reserve System, 91

Bank Holding Companies and Change in Bank Control (Regulation Y), 144–45

Bank Holding Company Act, 106–08

Bank Holding Company Performance Reports, 91

Bank Merger Act, 108

Banking Organization National Desktop (BOND), 90

Banking organizations, U.S.

Examinations and inspections of, 85–94

Foreign operations of, 92

Number of, 292

Overseas investments by, 109–10

Regulation of, 106–11

Risk-focused supervision of, 89–91

Basel Accord and Committee, 99

Board of Governors (*See also* Federal Reserve System)

Applications to establish banking or financial institutions, processing of, 110

Appointed members, 255–57

Assets and liabilities of, 298

Audits of, 297–306, 320

Consumer Advisory Council, 76–78, 234

Ex-officio members, 258

Federal Advisory Council, 233

FFIEC activities, 64–65, 102–3, 135

Financial statements of, 297–306

Goals and objectives of, 133–35

Government Performance and Results Act, 133–35

Litigation, 225–26

Members, 229, 255–58

Office of the Inspector General, activities of, 320

Officers of, 229–31

Policy actions by, 143–49

Public notice of decisions, 110

Thrift Institutions Advisory Council, 235

Training and development, staff and bank examiners, 65–66, 105–06

Bonds

Margin requirements for, 282

Savings, 122

Borrowers of Securities Credit (Regulation X), 282

Branches, Federal Reserve Banks, 127, 236, 278

Business sector

Developments in, 12–16, 40–43

Employment and unemployment, 20–21, 47–48

Finance, 14–16

Fixed investments, 12–14, 40–41

Business sector—Continued

- Labor costs, 21–22, 48–49
- Productivity, 21–22, 48–49
- CAESAR** (*See* Complaint Analysis Evaluation System and Reports)
- Caesar litigation, 225
- Call Reports, 103
- Capital accounts, Federal Reserve Banks, 308, 310
- Capital adequacy standards, 94–96, 98
- Carter litigation, 225
- Cash flows, Board of Governors, 300
- Cash, special services, Federal Reserve Banks, 120
- CEDRIC (*See* Community and Economic Development Research Information Center)
- Change in Bank Control Act, 108–09
- Check Clearing for the 21st Century Act (Check 21 Act), 137
- Check collection service, commercial, Federal Reserve Banks, 116–18
- Check modernization effort, 115
- Civil money penalties, Federal Reserve enforcement of, 89
- Collateral evaluation, guidelines for, 96–97
- Commercial and industrial loans, 15, 42–43
- Commercial banks
 - Assets and liabilities of, 83, 283
 - Number of, 292
- Commercial real estate, 43
- Commodities derivatives authority, 98
- Community
 - Affairs issues
 - Community economic development, 78
 - Consumer Advisory Council, advice, 76–78
 - Consumer complaints, 73–76
 - Outreach activities, 82
 - Community and Economic Development Research Information Center (CEDRIC), 78–79
 - Community Bank and Trust litigation, 225
 - Community banks, risk-focused supervision by Federal Reserve System, 91
 - Community Reinvestment Act
 - Compliance examinations, 61
 - Mergers and acquisitions, applications for, 61–62

- Complaint Analysis Evaluation System and Reports (CAESAR), 73–74
- Condition statements, Federal Reserve Banks, 260–63, 308
- Consumer Advisory Council, 76–78, 234
- Consumer compliance, training in and activities, 62–65
- Consumer financial education, 78, 80–81
- Consumer Leasing (Regulation M), 64, 69
- Consumer price index, 23–24, 50
- Consumer prices, 22–24, 49–50
- Consumer protection laws, compliance with, 61–71
- Consumer spending, 10–11, 37–38
- Corporate profits, 14–16, 41–43
- CPI (*See* Consumer price index)
- CRA (*See* Community Reinvestment Act)
- Credit
 - Accuracy of reports, 139
 - Card lending, 96
 - Rates, primary, secondary, and seasonal, 147–49, 280
 - Solicitations, 72
 - State member banks to executive officers, 113
- Credit by Banks, Brokers, and Dealers (Regulation T), 282
- Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks (Regulation U), 282
- Currency and coin, 120–21, 308
- Current account, U.S., 46–47
- Data, home mortgage lending**, 66, 71
- Debit card use, 73
- Debt intermediation, 27–28, 53–54
- Debt markets, shorter-term, 52–53
- Depository institutions
 - Interest rates on loans, Federal Reserve Banks, 280
 - Reserve requirements for, 281
 - Reserves of, 284–91
 - Threshold amount to collect data, 72
- Depository services to other agencies, by Federal Reserve Banks, 121–24
- Derivatives, authority, 98
- Direct deposits, use of, 73
- Directors, Federal Reserve Banks and Branches, 238–54
- Discount rates, 147–49, 280 (*See also* Interest rates)
- Discount window, guidance on use of, 98

- ECI** (*See* Employment cost index)
- Economic projections, 7–8, 36–37
- Economy, international, 28–32, 54–57
- Economy, U.S., developments
- Business sector, 12–16, 20–21, 40–43, 47–48
 - Debt, 27–28, 45, 53
 - Equity markets, 26–27
 - External sector, 18–20, 46–47
 - Financial account, 20, 47
 - Financial markets, 4–7, 24–28, 34–36, 50–54
 - Government sector, 16–18, 43–46
 - Household sector, 10–12, 37–40
 - Interest rates, 5, 25–26, 52–53, 280
 - Labor market, 20–22, 47–49
 - Monetary aggregates, 28, 54
 - Monetary policy, 3–8, 33–37
 - Prices, 22–24, 26–27, 49–50
 - Trade and current account balances, 18–20, 46–47
- Edge Act corporations, examinations of, 92
- Education, financial, 80–81, 140
- EFTA (*See* Electronic Fund Transfer Act)
- Electronic access, 124
- Electronic Fund Transfer Act, 73
- Electronic Fund Transfers (Regulation E), 68–69
- Emerging Market Bond Index (EMBI+), 29, 31–32
- Emerging-market economies, 30–32, 56–57
- Employment, 20–21, 47–48
- Employment cost index, 22, 48–49
- Enforcement actions, Federal Reserve System, 89
- Equal Credit Opportunity (Regulation B), 67–68, 71–72, 143
- Equipment and software investment, 40–41
- Equity markets and prices, 26–27
- Examinations and inspections
- Bank holding companies, 86–87
 - Compliance with
 - Community Reinvestment Act, 61
 - Consumer protection laws, 62–64, 67–71
 - Fair lending laws, 63–64
 - Federal Reserve Banks, 124–25
 - Financial holding companies, 87
 - Government and municipal securities dealers and brokers, 88–89
 - Information technology activities, 87–88
 - Securities clearing agencies, 88
- Examinations and inspections—Continued
- Securities credit lenders, 89
 - Specialized, 87–89
 - State member banks, 85–86
 - Transfer agents, 88
- Expenses (*See* Income and expenses)
- Exports and imports, 19, 46
- External sector, developments, 18–20, 46–47
- Fair and Accurate Credit Transactions Act of 2003 (FACT Act)**, 137–40
- Fair Credit Reporting (Regulation V), 145
- Fair lending laws, compliance with, 63–64
- Federal Advisory Council, members and officers, 233
- Federal agency securities, Federal Reserve Bank holdings, 268
- Federal Financial Institutions Examination Council, 64–67, 102–03, 135
- Federal funds rate, 5–7, 35, 37, 52, 169, 176, 184, 193, 200, 208, 216, 224
- Federal government, economic developments, 16–17, 43–45
- Federal Open Market Committee
- Authorization for domestic open market operations, 51–53, 158–59
 - Authorization for foreign currency operations, 153–55, 159–61
 - Authorizations, 151–55, 158–61
 - Domestic policy directive, 153, 169, 176, 184, 193, 200, 208, 215, 224
 - Foreign currency directive, 155, 161
 - Guidelines for open market operations, 153, 162–63
 - Meetings, minutes of, 156–224
 - Members and officers of, 232
 - Notation vote, 184
 - Procedural instructions for foreign currency operations, 155–56, 162
 - System Account, temporary authority procedure, 163
- Federal Reserve Banks
- Acquisition costs, 278
 - Assets and liabilities of, 260–63, 308
 - Audits of, 24–25, 295, 307–21
 - Automated clearinghouse services, 118
 - Branches of, 127–28, 236, 278
 - Capital, changes in, 310
 - Cash services, special, 120
 - Chairmen, Conference of, 237

Federal Reserve Banks—Continued

- Check collection service, commercial, 116–18
 - Condition statements of, 260–63, 308
 - Credit outstanding, 284–91
 - Currency and coin, 120–21
 - Depository services to other agencies, 122
 - Directors of, 238–54
 - Discount rates of, 147–49, 280
 - Electronic access to services, 124
 - Examinations of, 124–25
 - Examiners, training, 65
 - Fedwire Funds Service, 118–19, 124, 146
 - Fedwire Securities Service, 119
 - Financial statements of, combined, 307–19
 - First Vice Presidents, Conference of, 238
 - Fiscal agency services to other agencies, 121–24
 - Float associated with, 120
 - Food coupons (*See* Food stamp redemption)
 - Food stamp redemption, 121, 123
 - Government depository services, 121–24
 - Holdings of securities and loans, 126–27
 - Holdings of Treasury and federal agency securities, 268, 284–90
 - Income and expenses of, 125–26, 270–77, 309
 - Information technology developments, 124
 - Initiatives, 115–16
 - Interest rates on loans to depository institutions, 280
 - National Settlement Service, 118–19
 - Noncash collection service, 119–20
 - Officers of, 236–37
 - Operations in principal departments, 279
 - Postal money order services, 123
 - Premises of, 127–28, 278, 308
 - Presidents, Conference of, 237
 - Priced services, 116–20, 129–32, 147
 - Salaries of officers and employees, 269
 - Special cash services, 120
 - Volume of operations, 127
- Federal Reserve System (*See also* Board of Governors; Federal Open Market Committee)
- Anti-tying restrictions, 98

Federal Reserve System—Continued

- Applications to establish banking institutions, processing of, 110
- Audits of, 295, 297–321
- Balance sheet, 298
- Bank holding company regulatory financial reports to, 102
- Banks and Branches, list of, 236
- Capital adequacy standards, 94–96, 98–99
- Civil money penalties, assessment of, 89
- Collateral valuation, appraisal guidelines for, 96–97
- Commodities derivatives authority, 98
- Discount window, guidance on use, 98
- Edge Act and Agreement corporations, examinations, 92
- Enforcement actions, 89
- Examinations and inspections, banking institutions, 85–94
- Fiduciary activities, supervision, 88
- General Accounting Office, reviews by, 321
- Information technology activities, 87, 103–04
- International guidance on supervisory policies, 98–100
- International supervision, 92–93
- Maps of, 324–25
- Membership of banking institutions, 113
- Monitoring, off-site, 91–92
- Mortgage banking activities, advisory on, 97
- Open market transactions, 264–67
- Public notice of decisions, 110
- Regulation of the U.S. banking structure, 106–11
- Risk supervision, 89–91
- Safety and soundness supervision, responsibilities, 85–94
- Sarbanes–Oxley Act, 100–01
- Securities, examination, 88
- Securities credit responsibilities, 89
- Securities underwriting authority, 100
- Supervision and regulation responsibilities, 61–71, 84–94
- Supervisory information technology, 104–05
- Supervisory policy, 94–103
- Surveillance, 91–92
- Technical assistance to foreign central banks, 93

- Federal Reserve System—Continued
 Training, staff and examiners, 65–66, 105–06
 Transfer agents, examination of, 88
 Transparency efforts, 101
 Federal sector, developments, 17–18, 43–45
 Federal tax payments, 123
 Fedwire Funds Service, 118–19, 124, 146
 Fedwire Securities Service, 119
 FFIEC (*See* Federal Financial Institutions Examination Council)
 Fiduciary activities, supervision of, 88
 Finance
 Business, 14–16, 41–43
 Household, 12, 39–40
 Financial accounts, 20, 47
 Financial education, 80–81, 140
 Financial holding companies, inspections and examinations of, 87
 Financial Institutions Supervisory Act, litigation under, 225
 Financial intermediation, 27–28, 53–54
 Financial markets, 4–7, 24–28, 34–36, 50–54
 Financial reports, bank holding companies, 102
 Financial statements
 Board of Governors, 297–306
 Federal Reserve Banks, combined, 307–19
 Federal Reserve priced services, 129–32
 State member banks, disclosure, 111
 Fiscal agency services to other agencies, by Federal Reserve Banks, 121–24
 Fiscal Impact Tool, web-based resource, 79
 Fixed investments, business sector, 12–14, 40–41
 Float, 120
 Flood Insurance Act, compliance with, 64
 FOMC (*See* Federal Open Market Committee)
 Food stamp redemption, 121, 123
 Foreign banking operations, 92–93
 Foreign currency directive, 155, 161
 Foreign currency operations
 Authorization for, 153–55, 159–61
 Procedural instructions for, 155–56, 162
 Foreign economies, developments, 28–32, 54–57
 Foreign trade, 18–20, 46–47
 Fraternal Order of Police, litigation, 226
- General Accounting Office (GAO), reviews, 321**
 Goals and objectives, Board of Governors, 133–35
 Government, federal
 Debt, 17, 45
 Developments, 16–17, 43–45
 Government, state and local, developments, 17–18, 45–46
 Government depository services, 121–24
 Government Performance and Results Act, 133–35
 Government sector, developments, 16–18, 43–46
 Government securities, examination of, 88
 Government-sponsored enterprises, 53
 GPRA (*See* Government Performance and Results Act)
 Gross domestic product, 7, 9, 36
 GSEs (*See* Government-sponsored enterprises)
- Home Mortgage Disclosure (Regulation C), 66–67, 72**
 Home Ownership and Equity Protection Act, 72
 Household sector, developments, 10–12, 37–40
 Housing and Urban Development (HUD), Department of, 66–67, 76
- Identity theft prevention, 138**
 Imports and exports, 19, 46
 Income and expenses
 Board of Governors, 299
 Federal Reserve Banks, 125–26, 270–77, 309
 Industrial economies, developments, 29–30, 55–56
 Information technology
 Developments in, 103–04, 124
 Federal Reserve examination of, 87–88
Initiatives by the BCBS, IAIS, and IOSCO to Combat Money Laundering and the Financing of Terrorism, joint forum paper, 100
 Inspections (*See* Examinations and inspections)
 Inspector General, Office of, audits, reviews, and assessments, 320

- Interagency Paper on Sound Practices to Strengthen the Resilience of the U.S. Financial System, 90
- Interest rates, 5, 25, 52–53, 280 (*See also* Discount rates *and* Federal funds rate)
- International
 - Banking activities, 92–93, 98–100
 - Economies, developments, 28–32, 54–57
 - Trade, 18–20, 46–47
- International Accounting Standards Board, 100
- International Banking Act, 109
- International Banking Operations (Regulation K), 144–45
- Intra-governmental Payments and Collection application, 123
- Investments
 - Business sector, 12–14, 40–41
 - Fixed, 12–14, 40–41
 - Inventory, 14, 41
 - Overseas by U.S. organizations, 109
 - Residential, 11–12, 38–39
- Iraq war, effect on financial markets, 51
- Joint Forum**, 100
- Labor market**, 20–22, 47–49
- Laigo litigation, 225
- Lessons Learned: Community and Economic Development Case Studies, database, 79
- Liabilities (*See* Assets and liabilities)
- Litigation, involving Board of Governors, 225–26
- Loans
 - Federal Reserve Bank holdings, 126–27
 - Interest rates on, to depository institutions, 280
 - State member banks to executive officers, 113
- Local governments (*See* State and local governments)
- M2 monetary aggregate**, 28, 54
- Management and Supervision of Cross-Border Electronic Banking Activities*, policy paper, 99
- Management and Supervision of Operational Risk*, policy paper, 99
- Maps, Federal Reserve System, 324–25
- Margin requirements, 282
- Medical information, use and sharing of, 139
- Member banks (*See also* State member banks)
 - Applications by, 110
 - Number of, 113, 292
- Members and officers
 - Board of Governors, 229–31, 255–58
 - Consumer Advisory Council, 234
 - Federal Advisory Council, 233
 - Federal Open Market Committee, 232
 - Federal Reserve Banks and Branches, 236–37
 - Salaries, Federal Reserve Banks, 269
 - Thrift Institutions Advisory Council, 235
- Membership of State Banking Institutions in the Federal Reserve System (Regulation H), 143–44
- Merger applications under the CRA, 62
- Monetary aggregates, 28, 54
- Monetary policy, economic outlook, 3–8, 33–37
- Monetary Policy Reports to the Congress*
 - February 2004, 3–32
 - July 2003, 33–57
- Money laundering, regulations prohibiting, 111–13
- Mortgage banking activities, 97
- Mortgage interest rates, 12
- Municipal securities, examination of, 88
- National Information Center**, 104–05
- National Settlement Service, 118–19
- Noncash collection service, Federal Reserve Banks, 119–20
- Note, new twenty dollar bill, issuance, 120
- Officers** (*See* Members and officers)
- OIG (*See* Inspector General, Office of)
- Oil prices, 19–20, 47
- Open market operations
 - Authorization for conduct of, 151–53, 158–59
 - Guidelines for the conduct of, 153, 162–63
 - Transactions, 264–67
- Operational Risk Transfer Across Financial Sectors*, joint forum paper, 100
- Paper Check Conversion program**, 123

- Papers published, interagency or joint forum
- Initiatives by the BCBS, IAIS, and IOSCO to Combat Money Laundering and the Financing of Terrorism*, 100
 - Management and Supervision of Cross-Border Electronic Banking Activities*, 99
 - Management and Supervision of Operational Risk*, 99
 - Operational Risk Transfer Across Financial Sectors*, 100
 - Principles and Management and Supervision of Interest Rate Risk*, 99
 - Sound Practices to Strengthen the Resilience of the U.S. Financial System*, 90, 97, 146
 - Trends in Risk Integration and Aggregation*, 100
- Policy statements and actions, 143–49
- Postal money order services, Federal Reserve Banks, 123
- Premises, Federal Reserve Banks, 127–28, 278
- Prescreened credit solicitations, 72
- Priced services
- Federal Reserve Banks, 116–20, 129–32
 - Imputing income from, 147
- Prices
- Consumer, 22–24, 50
 - Energy, 23, 49
 - Equity, 26–27
- PriceWaterhouseCoppers LLP, auditors, Federal Reserve Banks, 125
- Primary credit rate, 147–49, 280
- Principles and Management and Supervision of Interest Rate Risk*, policy paper, 99
- Privacy of Consumer Financial Information (Regulation P), 69
- Productivity and labor costs, 21, 48
- Profits, corporate, 14–16, 41–43
- Quantitative Impact Study**, 99
- Real estate, commercial**, 43
- Real estate appraisal guidelines, 96
- Regulations
- B, Equal Credit Opportunity, 67–68, 71–73, 143
- Regulations—Continued
- C, Home Mortgage Disclosure Act, 64, 72
 - D, Reserve Requirements of Depository Institutions, 143
 - E, Electronic Fund Transfers, 68–69
 - H, Membership of State Banking Institutions in the Federal Reserve System, 143–44
 - K, International Banking Operations, 144–45
 - M, Consumer Leasing, 64, 69
 - P, Privacy of Consumer Financial Information, 69
 - T, Credit by Banks, Brokers, and Dealers, 282
 - U, Credit by Banks for the Purpose of Purchasing or Carrying Margin Stocks, 282
 - V, Fair Credit Reporting, 145
 - W, Transactions between Member Banks and Their Affiliates, 96
 - X, Borrowers of Securities Credit, 282
 - Y, Bank Holding Companies and Change in Bank Control, 144–45
 - Z, Truth in Lending, 64, 69–70, 72, 77–78
 - AA, Unfair or Deceptive Acts or Practices, 70
 - CC, Availability of Funds and Collection of Checks, 70
 - DD, Truth in Savings, 70–71
- Reports of Condition and Income (Call Reports), 103
- Repurchase agreements
- Federal Reserve Bank credit, 284–91
 - Treasury securities, 268
- Reserve Requirements of Depository Institutions (Regulation D), 143, 281
- Reserves of depository institutions, 284–91
- Residential investments, 11–12, 38–39
- Revenue and income (*See* Income and expenses)
- Risk Management for Electronic Banking, 99
- Risk Supervision, Federal Reserve System, 89–91
- Rules of Organization, 145
- Rules of Practice for Hearings, 146
- Rules Regarding Equal Credit Opportunity, 146

Salaries, Federal Reserve Bank officers and employees, 269

Sarbanes-Oxley Act, 100–01
Savings bonds, 122
Seasonal credit rate, 280
Secondary credit rate, 147, 280
Securities (*See also* Treasury securities)
 Government and municipal, supervision of dealers and brokers, 88–89
 Holdings by Federal Reserve Banks, 126–27
 Underwriting authority, bank holding companies, 100
Securities clearing agencies, examination of, 88
Securities credit
 Lenders, examination of, 89
 Regulation of, 111
Sedgwick litigation, 225
Seeds of Growth—Sustainable Community Development: What Works, What Doesn't, and Why, conference, 78
Settlement Service, Federal Reserve Banks, 118–19
SIT (*See* Supervisory information technology)
Sound Practices to Strengthen the Resilience of the U.S. Financial System, interagency paper, 90, 97, 146
Special cash services, Federal Reserve Banks, 120
Staff development (*See* Training for banking supervision and regulation and Training programs, Federal Reserve staff)
State and local governments, 17–18, 45–46
State-chartered savings banks, number of, 292
State member banks (*See also* Member banks)
 Complaints against, 74–76
 Credit to executive officers, 113
 Examinations of, 61–71, 85–86
 Financial disclosure by, 111
 Number of, 113, 292
 Surveillance of, by Federal Reserve System, 91
Stocks
 Margin requirements, 282
 Repurchases, bank holding companies, 110

Stocks—Continued

 Trust preferred, 96
 Substitute checks, 137
Supervisory information technology, 104–05
System Open Market Account (*See also* Open Market Operations)
 Authority to operate, 163
 Transactions, 264–67
Tax payments, Federal Reserve Banks, 123
Technical assistance to foreign central banks, by Federal Reserve System, 93
Term investment option, 123
Thrift Institutions Advisory Council, 235
Trade, international, 18–20, 46–47
Training and development, Federal Reserve staff, 65–66, 105–06
Transactions between Member Banks and Their Affiliates (Regulation W), 96
Transfer agents, supervision of, 88
Treasury, U.S. Department of the (*See also* Treasury securities)
 Payments processed for, 123
 Payments to, by Federal Reserve Banks, 126, 275, 277
Treasury securities
 Federal Reserve Bank holdings, 268
 Interest rates, 25, 52
 Marketable, 122
Treasury Tax and Loan program, 123
Trends in Risk Integration and Aggregation, joint forum paper, 100
Trust preferred stocks, 96
Truth in Lending (Regulation Z), 64, 69–70, 72, 77–78
Truth in Savings (Regulation DD), 70–71
Twenty dollar note, issuance, 120

Ulrich litigation, 225

Unemployment, 20–21, 47–48
Unfair or Deceptive Acts or Practices (Regulation AA), 70
USA Patriot Act, 112

War in Iraq, 51–52

West Texas intermediate, oil prices, 19–20, 47