

**DRAFT – February 20, 2015**

**Board of Governors of the Federal Reserve System**

---



---

**Instructions for Preparation of  
The Report of Selected Money Markets Rates  
Reporting Form FR 2420**

**Effective September 9, 2015**

# Table of Contents

|   |           |
|---|-----------|
| <b>GENERAL INSTRUCTIONS.....</b>                                    | <b>3</b>  |
| 1. Purpose .....  | 3         |
| 2. Authority .....  | 3         |
| 3. Confidentiality .....  | 3         |
| 4. Who Needs to Report .....  | 3         |
| 5. Rules of Consolidation .....                                     | 5         |
| 6. Where to Submit Reports .....                                    | 6         |
| 7. When to Submit Reports .....                                     | 6         |
| 8. Amended Reports.....   | 7         |
| 9. General Terms for Reporting data.....                            | 7         |
| <b>PART A: FEDERAL FUNDS .....</b>                                  | <b>9</b>  |
| 1. Definition.....  | 9         |
| 2. Items to Report .....  | 9         |
| <b>PART AA: SELECTED BORROWINGS FROM NON-EXEMPT ENTITIES.....</b>   | <b>11</b> |
| 1. Definition.....  | 11        |
| 2. Items to Report .....  | 11        |
| <b>PART B: EURODOLLARS .....</b>                                    | <b>13</b> |
| 1. Definition.....  | 13        |
| 2. How to Report .....  | 13        |
| 3. Items to Report .....  | 14        |
| <b>PART C: TIME DEPOSITS AND CERTIFICATES OF DEPOSIT (CDS).....</b> | <b>15</b> |
| 1. Definition.....  | 15        |
| 2. Items to Report .....  | 15        |
| <b>GLOSSARY.....</b>  | <b>19</b> |

---

## Instructions for the preparation of the Report of Selected Money Markets Rates

# FR 2420

The FR 2420 report is filed on a daily basis and collects data on transactions in selected money market instruments that were executed by banking institutions on the report date. The report is comprised of four parts. Part A collects data on domestic federal funds purchased, which are defined as unsecured borrowings from counterparties that are exempt entities as defined in Regulation D. Part AA collects data on selected unsecured borrowings from non-exempt entities as defined in Regulation D. Part B collects data on Eurodollar liabilities. Part C collects data on time deposits and certificates of deposit issued by domestic offices. These data include for each transaction: the dollar amount, the trade date, the settlement date, the maturity date, the interest rate, the counterparty type and other associated information.

## GENERAL INSTRUCTIONS

### 1. Purpose

The FR 2420 is used to monitor market activity in selected money market instruments. The data may also be aggregated to create rate or volume statistics for publication.

### 2. Authority

The FR 2420 reports are authorized by law (12 U.S.C. 248(a), 12 U.S.C. 324, 12 U.S.C. 3105(c)(2), 12 U.S.C. 3106(a), 12 U.S.C. 1844(c)(1)(A)).

### 3. Confidentiality

The Federal Reserve Board regards the individual organization information provided by each respondent as confidential (5 U.S.C. § 552(b)(4)). The Federal Reserve, however, may publish aggregate or summary information in a way that does not reveal your individual organization's confidential information. If it should be determined subsequently that any information collected on this form must be released, the respondents will be notified.

### 4. Who Needs to Report

The following banking organizations must file the FR 2420 on a daily basis:

a) U.S. Depository Institutions

U.S. depository institutions are required to report the FR 2420 if they meet one of two criteria: (1) an asset size criteria for banking organizations with total assets of \$15 billion or more; or (2) an activity criteria for banking organizations with total assets of \$5 billion or more but less than \$15 billion.

- (1) **Asset Size Criterion:** Every national bank, state member bank, insured state non-member bank, and savings association with total assets of \$15 billion or more as of the most recent September 30 filing of the FFIEC 31 or FFIEC 041 Report (Call Report).

**Changes in Reporting Status**

- If a banking organization does not currently report on the FR 2420 and meets the reporting threshold based on the most recent September filing of the Call Report, the banking organization must begin to report on the FR 2420 effective January 1 of the following year.
- If a banking organization that reports on the FR 2420 falls below the threshold based on the most recent September filing of the Call Report, the banking organization must continue to report on the FR 2420 through the December 31 report date.

- (2) **Activity Criterion:** Every national bank, state member bank, insured state non-member bank, and savings association with total assets of \$5 billion or more but less than \$15 billion as of the most recent filing of the Call Report AND federal funds activity (as described in Part A) totalling more than \$200 million on two or more days over the preceding three months.

**Changes in Reporting Status**

- If a banking organization does not currently report the FR 2420 but meets the asset size threshold based on the most recent filing of the Call Report, AND has federal funds activity totalling more than \$200 million on two or more days over the preceding three months, the banking organization must begin to report on the FR 2420 effective no more than three months after meeting the activity threshold.
- If a banking organization that reports on the FR 2420 falls below the activity criterion, the banking organization must continue to report until the activity criterion is not met for twelve consecutive months.

b) Foreign Banking Organizations

Every U.S. branch and agency of a foreign bank with total third party assets of \$2.5 billion or more as of the most recent September 30 filing of the FFIEC 002 Report (Schedule RAL Item 3 column A less Schedule RAL Item 2.a.).

**Changes in Reporting Status**

- If a branch and agency of a foreign bank does not currently report the FR 2420 but meets the reporting threshold based on the most recent September filing of the FFIEC 002 Report, the U.S. branch and agency of a foreign bank must begin to report on the FR 2420 effective January 1 of the following year.
- If a U.S. branch and agency of a foreign bank that reports on the FR 2420 falls below the threshold based on the most recent September filing of the FFIEC 002 Report, the U.S. branch and agency of a foreign bank must continue to report until the December 31 report date.

c) International Banking Facilities

Each International Banking Facility, or IBF, (of a banking organization that reports on the FR 2420) must report a separate FR 2420 for Part B (Eurodollars) only.

d) Significant Banking Organizations

Any banking organization not meeting the threshold for reporting may be required to report if the Federal Reserve deems the institution significant. A significant banking organization is an entity that is a participant in money markets whose data is important to the analysis and monitoring of market activity. A banking organization deemed significant will be expected to begin to report on the FR 2420 within three months of its designation.

## 5. Rules of Consolidation

a) **U.S. Depository Institutions:**

**For Part A, Part AA, and Part C**, institutions with foreign offices must follow the Call Report instructions for consolidation in the domestic-office portion of the FFIEC 031 in order to determine which activity to report. That is, the institution must report transactions for all domestic branches and majority-owned domestic subsidiaries whose data are included in the institution's FFIEC 031.

**For Part A, Part AA, and Part C**, institutions with domestic offices only must follow the Call Report instructions for consolidation in the FFIEC 041 in order to determine which activity to report. That is, the institution must report transactions for all domestic branches and majority-owned domestic subsidiaries whose data are included in the institution's FFIEC 041.

**For Part B:** Report all Eurodollar transactions for each foreign office that exceeds \$2 billion or more in total assets on the report date.

## **b) Foreign Banking Organizations:**

**For Part A, Part AA, and Part C**, U.S. branches and agencies of foreign banks must follow the FFIEC 002 instructions for consolidation in order to determine which activity to report. Each designated branch or agency of a given foreign bank must file a separate report unless the foreign bank submitted a consolidated FFIEC 002 for two or more of its offices. In such cases, a consolidated FR 2420 must be filed. Respondents should contact the Federal Reserve Bank of New York to obtain permission for any deviation from this practice.

**For Part B**, U.S. branches and agencies of foreign banks must report all Eurodollar transactions for each significant Cayman and Nassau branch actively managed and controlled by the U.S. office (as defined in the FFIEC 002s instructions). A significant branch is a branch whose total assets booked at that office are \$2 billion or more at the close of business for the report date.

## **6. Where to Submit Reports**

All respondents must submit their completed report using the Federal Reserve System's Reporting Central system. The Federal Reserve Bank of New York will provide technical assistance to any respondent requiring guidance on using Reporting Central. Additional information on the Reporting Central system can be found at the following link:

[http://www.frbservices.org/centralbank/reportingcentral/resource\\_center.html](http://www.frbservices.org/centralbank/reportingcentral/resource_center.html)

## **7. When to Submit Reports**

Respondents must file the FR 2420 for each business day as follows:

- Part A, Federal Funds, is due by 7 a.m. one business day after the report date.
- Part AA, Selected Borrowings from Non-exempt entities, is due by 7 a.m. one business day after the report date.
- Part B, Eurodollars, is due by 7 a.m. one business day after the report date.

- Part C, Certificates of Deposit (CDs) is due by 2 p.m. two business days after the report date.

If the submission date falls on a weekend or holiday, the data must be received on the first business day after the weekend or holiday. No other extensions of time for submitting reports will be granted.

## **8. Amended Reports**

The Federal Reserve will require the filing of amended reports if reports as previously submitted contain significant errors. Please contact the Federal Reserve Bank of New York's Statistics Function concerning amended reports. Respondents must submit amended reports using the Federal Reserve System's Reporting Central system.

## **9. General Terms for Reporting Data**

### **Affiliates and Related Parties**

Transactions between the reporting institution and its *affiliates and related parties* (intercompany) are excluded from all parts of the FR 2420.

### **Arm's length transactions**

Only arm's length transactions should be reported on all parts of the FR 2420.

### **Dollar Amount Denomination**

All amounts on the FR 2420 are reported in millions of dollars, with amounts rounded to the nearest million. Transactions less than \$1 million are not reported.

### **Forward Starting Transactions**

Report all transactions in all parts of the FR 2420 regardless of when they settle.

### **Glossary**

All terms throughout these instructions in "*italics*" are defined in the Glossary.

### **Interest Rates**

All interest rates reported on the FR 2420 should always be expressed in decimal terms with five decimal places and a leading 0 if the rate is less than one percent. Negative interest rates are to be preceded with a "-" sign.

- Example 1: an interest rate of 2.53 percent would be expressed as 2.53000.
- Example 2: an interest rate of ½ percent would be expressed as 0.50000.

**Negative Entries**

Except for interest rate and spread fields, negative entries are not appropriate on the FR 2420 and must not be reported.

## PART A: FEDERAL FUNDS

This section contains line item instructions on federal funds transactions.

### 1. Definition

Respondents should report all purchases of federal funds by the institution's U.S. offices executed on the report date. Federal funds purchases are unsecured borrowings in U.S. dollars from a counterparty that is an exempt entity as defined in Regulation D (Section 204.2 (a)(1)(vii)) and the glossary section of the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900) instructions. Exempt entities include, but are not limited to, domestic offices of another depository institution, U.S. branches and agencies of foreign banks, and government-sponsored enterprises.

#### Include:

- All federal funds purchases that are executed at *arm's length*.
- Federal funds purchased, overnight and term, from a Federal Home Loan Bank.

#### Exclude from Part A:

- Deposits (as defined in Regulation D (Section 204.2 (a)(1) including:
  - Any deposit automatically placed into federal funds as a result of sweep agreements; or other contractual cash management agreements.
  - Time deposits (as defined in Part C).
- Borrowings in the form of debt instruments.
- Repurchase agreements and security lending transactions.
- Overdrafts.
- Intraday transactions.
- *Federal Home Loan Bank advances*.
- Federal funds purchases from firms other than exempt entities, as defined in Regulation D and the glossary section of the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900) instructions. These other unsecured borrowing transactions are reported in Part AA.

### 2. Items to Report

#### **Dollar Amount**

Report the amount (in millions of dollars) of each reportable federal funds transaction as of the date the trade is executed (i.e., the date that terms are agreed on); even if the funds are made available to the reporting institution on a subsequent date. The dollar amount reported for each transaction is the amount that is made available to the reporting institution.

If no transactions were executed on the report date, report "0" for the dollar amount. If no transactions were executed because the banking organization was closed on the report date, report "0" for the dollar amount.

**Trade Date**

Report the *trade date* of each transaction in YYYYMMDD format.

**Settlement Date**

Report the *settlement date* of each transaction in YYYYMMDD format.

**Maturity Date**

Report the maturity date of each transaction in YYYYMMDD format. In cases where the transaction does not have a specific maturity date (i.e., *open trades*) enter 99991231. *Open trades* that are rolled over are to be reported each day that the rate is changed.

**Interest Rate**

Report the interest rate applicable to the transaction. The interest rate should always be expressed in decimal terms with five decimal places and a leading zero if the rate is less than one percent.

**Counterparty Type**

Enter the value below to describe the *counterparty* to the transaction:

- 1- *U.S. depository institution*
- 2- *U.S. branch or agency of a foreign bank*
- 3- *Non-depository financial institution*
- 4- *Government Sponsored Enterprise (GSE)*
- 5- *Other exempt entity*

## **PART AA: SELECTED BORROWINGS FROM NON-EXEMPT ENTITIES**

This section contains line item instructions on selected borrowings from non-exempt entities.

### **1. Definition**

Respondents should report all transactions of unsecured borrowings in U.S. dollars made to the institution's U.S. offices (not included in PART A, Federal Funds) executed on the report date from a counterparty that is a non-exempt entity as defined in Regulation D (Section 204.2 (a)(vii)) and the glossary section of the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900) instructions.

Include all borrowings (not included in PART A, Federal Funds) that:

- Have an interest rate;
- Have a specified term, including overnight; and
- Are transacted at *arm's length*.

Exclude from Part AA:

- Deposits (as defined in Regulation D (Section 204.2 (a)(1)) including:
  - Any deposit automatically placed as a result of sweep agreements; or other contractual cash management agreements.
  - Time deposits (as defined in PART C).
- Borrowings in the form of debt instruments.
- Repurchase agreements and security lending transactions.
- Overdrafts.
- Intraday transactions.

### **2. Items to Report**

#### **Dollar Amount**

Report the amount (in millions of dollars) of each reportable transaction as of the date the trade is executed (i.e., the date that terms are agreed on); even if the funds are made available to the reporting institution on a subsequent date. The dollar amount reported for each transaction is the amount that is made available to the reporting institution.

If no transactions were executed on the report date, report "0" for the dollar amount. If no transactions were executed because the banking organization was closed on the report date, report "0" for the dollar amount.

**Trade Date**

Report the trade date of each transaction in YYYYMMDD format.

**Settlement Date**

Report the *settlement date* for each transaction in YYYYMMDD format.

**Maturity Date**

Report the maturity date of each transaction in YYYYMMDD format. In cases where the transaction does not have a specific maturity date (i.e., *open trades*) enter 99991231. *Open trades* that are rolled over are to be reported each day that the rate is changed.

**Interest Rate**

Report the interest rate applicable to the transaction. The interest rate should always be expressed in decimal terms with five decimal places and a leading zero for rates less than one percent.

**Counterparty Type**

Enter the value below to describe the *counterparty* to the transaction:

- 1 – *Non-U.S. office of U.S. depository institution*
- 2 – *Foreign Bank*
- 3 – *Non-depository financial institution*
- 4 – *Non-financial corporate*
- 5 – *Other non-exempt entity*

## PART B: EURODOLLARS

This section contains line item instructions on Eurodollar transactions.

### 1. Definition

Respondents should report all Eurodollar transactions which are unsecured borrowings in U.S. dollars booked at non-U.S. offices, executed on the report date.

Include in Part B, all Eurodollar transactions that:

- Have an interest rate;
- Have a specified term, including overnight; and
- Are transacted at *arm's length*.

Exclude from Part B:

- Demand deposits (as defined in Regulation D (Section 204.2(b)(1)), unless the deposit meets the criteria listed above.
- Any deposit automatically placed into Eurodollars under sweep agreements; or other contractual cash management agreements.
- Borrowings in the form of debt instruments.
- Repurchase agreements and security lending transactions.
- Overdrafts.
- Intraday transactions.
- Liabilities to *retail counterparties*.

### 2. How to Report

- For U.S. depository institutions, report the activity of offshore branches that meet the significance test in the “rules of consolidation” section of these instructions.
- For U.S. branches and agencies of foreign banks report the activity of Cayman and Nassau branches that meet the significance test in the “rules of consolidation” section of these instructions.
- For IBFs of banking organizations reporting the FR 2420, report all Eurodollar transactions executed on the report date.

Exclude transactions with:

- The IBF's establishing entity.
- The IBF of an affiliate or related party.

### 3. Items to Report

#### **Dollar Amount**

Report the amount (in millions of dollars) of each reportable Eurodollar transaction as of the date the trade is executed (i.e., the date the terms are agreed on); even if the funds are made available to the reporting institution on a subsequent date.

If no transactions were executed on that day, report “0.” If no transactions were executed because the banking organization was closed on the report date, report “0.”

#### **Trade Date**

Report the *trade date* of each transaction in YYYYMMDD format.

#### **Settlement Date**

Report the *settlement date* of each transaction in YYYYMMDD format.

#### **Maturity Date**

Report the maturity of each transaction in YYYYMMDD format.

#### **Interest Rate**

Report the rate applicable to the transaction. The rate should always be expressed in decimal terms with five decimal places and a leading zero for rates less than one percent.

#### **Counterparty Type**

Enter the value below to describe the *counterparty* to the transaction:

- 1 – *U.S. depository institution (including U.S. branches and agencies of foreign banks)*
- 2 – *Foreign bank*
- 3 – *Nondepository financial institution*
- 4 – *Non-financial corporate*
- 5 – *Other*

#### **Office Identifier**

Report the RSSD ID of the overseas office that has booked the transaction.

## **PART C: TIME DEPOSITS AND CERTIFICATES OF DEPOSIT (CDs)**

This section contains line item instructions on time deposits and CDs transactions; henceforth referred to as time deposits.

### **1. Definition**

Respondents should report all time deposits that are booked in U.S. offices in U.S. dollars, denominated in amounts of \$1 million or more; and may be evidenced by a negotiable or nonnegotiable instrument, or a deposit in book entry form evidenced by a receipt or similar acknowledgement issued by the bank, that provides, on its face, that the amount of such deposit is payable to the bearer, to any specified person, or to the order of a specified person as follows:

- a. On a certain date not less than seven days after the date of deposit,
- b. At the expiration of a specified period not less than seven days after the date of the deposit,  
or
- c. Upon written notice to the bank which is to be given not less than seven days before the date of withdrawal.

All deposits that meet the criteria above and are executed on the report date are reported.

Each transaction should be reported separately even when all terms of the time deposits issued match. However, transactions such as brokered deposits, where each deposit placed by a third party after the time deposit is issued, should be reported as one transaction.

Report the renewal of an existing time deposit on the day it becomes outstanding with its new terms. For floating rate time deposits, report only at inception regardless of changes in the terms of the time deposit before its maturity.

#### Include:

- All time deposit transactions that are executed at *arm's length*.

#### Exclude from Part C:

- Market-linked CDs that use derivative transactions as hedges.
- Borrowings reported in Part A, Part AA, and Part B of the FR 2420.

### **2. Items to Report**

#### **Dollar Amount**

Report the amount (in millions of dollars) of each reportable time deposit transaction as of the date the trade is executed (i.e., the date the terms are agreed on). The dollar amount reported for each transaction is the amount that is made available to the reporting institution.

If no transactions were executed on the report date, report “0” for the dollar amount. If no transactions were executed because the banking organization was closed on the report date, report “0” for the dollar amount.

### **Trade Date**

Report the trade date of each transaction in YYYYMMDD format.

### **Settlement Date**

Report the *settlement date* of each transaction in YYYYMMDD format.

### **Maturity Date**

Report the maturity of each transaction in YYYYMMDD format. In cases where the transaction does not have a specific maturity date, (i.e. open trades), enter 99991231. Open trades that are rolled over are to be reported each day that the rate is changed.

### **Interest Rate**

Report the rate applicable at the inception of the transaction. The rate should always be expressed in decimal terms with five decimal places and a leading zero if the rate is less than one percent. For floating rate time deposits with a reference rate, report the rate (including any spread) applicable at the inception of the transaction. If the effective rate at the inception of the transaction cannot be calculated, report zero.

### **Spread**

If the interest rate for a floating rate time deposit is determined by the value of the reference rate PLUS or MINUS a spread, report the amount of the spread in terms of basis points, expressed to two decimal places and a leading zero if the spread is less than 100 basis points.

- Example 1: If the floating rate is referenced to 1 month LIBOR plus 30 basis points, report the spread as 0.30.
- Example 2: If the floating rate is referenced to 1 month LIBOR minus 30 basis points, report the spread as -0.30.
- Example 3: If the floating rate is referenced to 1 month LIBOR plus 125 basis points, report the spread as 1.25.

### **Floating or Fixed Rate**

If the time deposit has a floating rate, enter a value of 1. If the rate is fixed, enter a value of 2.

- 1 – Floating Rate
- 2 – Fixed Rate

Time deposits with a reset to a predetermined interest rate are reported as fixed rate.

### **Step-Up Indicator**

If the fixed rate time deposit resets to a predetermined interest rate, enter Y. If there is no rate step-up, enter N. If the time deposit has a floating rate, enter NA.

Y – Yes

N – No

NA – Not Applicable (floating rate time deposit)

### **Reset Period**

Enter the value below to describe the frequency for when the rate for the reported time deposit can reset.

0 - No Reset

1 - Daily

2 - Weekly

3 - Monthly

4 - Quarterly

5 - Semi-annually

6 - Annually

7 - Other

For time deposits with a reset to a predetermined interest rate, enter the value to describe the frequency for when the rate is reset.

For time deposits that reset to a predetermined interest rate multiple times during the term of the deposit, if the rate is reset at different time intervals, enter a value of 7 (Other).

- Example: If a time deposit with an interest rate at inception of 1.0%, resets in one month to 1.12%, and then resets to 1.25% in three months, enter a value of 7 (Other).

### **Reference Rate (If Floating)**

If the time deposit has a floating rate, enter the value below to describe the reference rate. If the floating rate is determined by the value of the reference rate PLUS or MINUS a spread, enter the value below to describe the underlying reference rate.

If the time deposit has a fixed rate, enter a value of 0.

0 - NA

1 - Federal Funds Effective Rate

2 - Prime

3 - 1 Month U.S. Treasury Constant Maturity Rate

4 - 1 Month LIBOR

5 - 3 Month LIBOR

6 - Overnight Swap Index

7 - Other

**Negotiable**

If the deposit is *negotiable*, enter Y for the value. If the deposit is *non-negotiable*, enter N for the value.

Y – Yes

N – No

**Embedded Options**

For time deposits with embedded options enter the value below to describe the option.

If the time deposit does not have an embedded option, enter 0 (not applicable) for the value.

0 - NA

1 - Callable

2 - Puttable

3 - Extendible

4 - Other

**Counterparty Type**

Enter the value below to describe the *counterparty* to the transaction:

1 - *U.S. depository institution (including U.S. branches and agencies of foreign banks)*

2 - *Foreign bank*

3 - *Nondepository financial institution*

4 - *Non-financial corporate*

5 - *Other*

# GLOSSARY

**Affiliates and Related Parties:** Transactions between the reporting institution and its affiliates and related parties (intercompany) are excluded from all parts of the FR 2420.

## 1) Affiliates

For domestic banks, affiliates include:

- The reporting institution's bank holding company.
- The bank subsidiaries of the reporting institution's bank holding company.
- The nonbank subsidiaries of the reporting institution's bank holding company.

For U.S. branches and agencies of foreign banks, affiliates include:

- The reporting institution's foreign parent bank.
- The other U.S. branches and agencies of the reporting institution's foreign parent bank.
- The bank subsidiaries of the reporting institution's foreign parent bank.
- The nonbank subsidiaries of the reporting institution's foreign parent bank.
- The holding company of the foreign parent bank.
- The bank subsidiaries of the holding company of the foreign parent bank.
- The nonbank subsidiaries of the holding company of the foreign parent bank.

## 2) Related Parties (Intercompany)

For domestic banks, related parties include:

- The bank's head office.
- All branches of the bank, domestic and foreign.
- All Intra-desks.
- Any IBF established by the bank.
- All majority-owned Edge and Agreements subsidiaries, including their IBFs, their foreign and domestic branches, and their significant subsidiaries.
- All majority-owned foreign banks held directly by the report bank.
- All other majority-owned subsidiaries that are significant, including domestic subsidiaries that are commercial banks, savings banks, or savings and loan associations.
- All non-significant majority-owned subsidiaries that are consolidated.

For U.S. branches and agencies of foreign banks, related parties include:

- Any IBF established by the branch; and
- All entities in which the branch has a direct or indirect ownership interest of more than 50 percent of an entity's outstanding voting shares.

**Arm's length transactions:** A transaction in which the buyers and sellers act independently. For purposes of the FR 2420, only arm's length transactions should be reported. Transactions that are **not** executed at arm's length are excluded from the FR 2420. For example, borrowings that are collateral for other transactions (e.g., a CD issued as collateral for a loan) are **excluded** from the FR 2420.

**Brokered deposits:** Brokered deposits represent funds which the reporting bank obtains, directly or indirectly, by or through any deposit broker for deposit into one or more deposit accounts. Brokered deposits include both those in which the entire beneficial interest in a given bank deposit account or instrument is held by a single depositor and those in which the deposit broker sells participations in a given bank deposit account or instrument to one or more investors.

For purposes of the FR 2420, each individual brokered deposit is reported as one transaction. Do not report the banking organization's entire portfolio of brokered deposits as one transaction.

## Counterparty Type

1) U.S. depository institution includes:

- U.S. commercial banks
- U.S. branches and agencies of foreign banks (For reporting Part A: Federal Funds, U.S. branches and agencies are reported as a separate counterparty; for reporting Part B: Eurodollars and Part C: Time Deposits and Certificates of Deposit, U.S. branches and agencies are included in U.S. depository institutions.)
- Banking Edge Act and agreement corporations
- Savings banks
- Building or savings and loan associations
- Cooperative banks
- Homestead associations
- Credit unions
- Industrial banks when chartered as a bank under state law

2) Foreign bank: A bank organized under foreign (non-U.S.) law. This includes commercial banks, merchant banks, discount houses, and similar depository institutions, including nationalized banks that perform essentially a banking business and do not perform, to any significant extent, official functions of foreign (non-U.S.) governments.

3) Nondepository financial institution includes:

- Real estate investment trusts, mortgage companies that specialize in mortgage loan originations and warehousing or in mortgage loan servicing
- Holding companies of other depository institutions

- Insurance Companies
  - Finance companies, mortgage finance companies, factors and other financial intermediaries
  - Other domestic and foreign financial intermediaries whose functions are predominantly the extending of credit for business purposes
  - Small Business Investment Companies
- 4) Government Sponsored Enterprise (GSE): GSEs (also referred to as federally-sponsored lending agencies) are entities that have been established or chartered by the Federal government to serve public purposes specified by the United States Congress, but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States government. Included in this category are federally-sponsored lending agencies which are agencies or corporations that have been chartered authorized, or organized as a result of federal legislation for the purpose of providing credit services to a designated sector of the economy. These agencies include Banks for Cooperatives, Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Federal Intermediate Credit Banks, Federal Land Banks, the Federal National Mortgage Association, and the Student Loan Marketing Association.
- 5) Non-Financial Corporate: Refers to commercial entities that are not owned by central governments, local governments or local authorities with revenue-raising powers, and that are non-financial in nature (i.e., do not meet the definition of depository institution and non-depository financial institution above).
- 6) Other: Any counterparty that does not fall into any of the above categories.

**FHLB Advances:** An FHLB advance is a loan that is (1) provided pursuant to a written agreement; (2) supported by a note or other written evidence of the borrower's obligation; and (3) fully secured by collateral in accordance with the Federal Home Loan Bank Act and 12 CFR Part 950.

**Forward Starting Transactions:** Transactions that do not settle until some future date.

**Negotiable time deposit:** A negotiable time deposit is a deposit of large value that can be bought and sold. The holder of the deposit can sell it to a third party; and the deposit cannot be redeemed before it has reached full maturity (without penalty) even if the deposit is sold.

**Non-negotiable time deposit:** A non-negotiable time deposit cannot be bought and sold.

**Open Trades:** Trades with no specific maturity date.

**Retail Counterparty:** Refers to a counterparty who is a natural person.

**Settlement Date:** The settlement date is the date on which a financial transaction is settled and monies from the transaction are available to the banking organization.

**Trade Date:** The trade date is the date on which the terms of the trade are agreed upon.