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**Draft Instructions  
for the Proposed New and Revised FR Y-9C Report Items  
for 2010**

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## Draft Instructions for the Proposed New and Revised FR Y-9C Report Items for 2010

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NOTE: The proposed FR Y-9C Report revisions listed above would take effect as of March 31, 2010.

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## Draft Instructions for the Proposed New and Revised FR Y-9C Report Items for 2010

### Schedule HI – Income Statement

#### Memoranda

#### Item No.    Caption and Instructions

**17            Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities.** When the fair value of an individual held-to-maturity or available-for-sale debt security is less than its amortized cost basis, the security is impaired and the impairment is either temporary or other-than-temporary. To determine whether the impairment is other-than-temporary, a bank holding company must apply the relevant guidance in FASB Accounting Standards Codification Section 320-10-35, Investments – Debt and Equity Securities – Overall – Subsequent Measurement. This guidance was formerly included in FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*; FASB Staff Position (FSP) FAS 115-1 and FAS 124-1, *The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments*; FSP FAS 115-2 and FAS 124-2, *Recognition and Presentation of Other-Than-Temporary Impairments*; Emerging Issues Task Force (EITF) Issue No. 99-20, *Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets*; and FSP EITF 99-20-1, *Amendments to the Impairment Guidance of EITF Issue No. 99-20*.

Report in the appropriate subitem the specified information on other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that have occurred during the calendar year to date.

**17.a          Total other-than-temporary impairment losses.** When an other-than-temporary impairment loss has occurred on an individual debt security, the total amount of the loss is the entire difference between the amortized cost of the debt security and its fair value on the measurement date of the other-than-temporary impairment. Report the total other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings and other comprehensive income during the calendar year to date.

**17.b          Portion of losses recognized in other comprehensive income (before income taxes).** When an other-than-temporary impairment loss has occurred on an individual debt security, if the bank holding company does not intend to sell the security and it is not more likely than not that the bank holding company will be required to sell the security before recovery of its amortized cost basis less any current-period credit loss, the other-than-temporary impairment loss must be separated into (a) the amount representing the credit loss, which must be recognized in earnings, and (b) the amount related to all other factors, which must be recognized in other comprehensive income. Report the portion of other-than-temporary impairment losses included in Memorandum item 17.a above related to factors other than credit that has been recognized in other comprehensive income (before income taxes) during the calendar year to date.

Exclude other-than-temporary impairment losses on debt securities that the bank holding company intends to sell and on debt securities that it is more likely than not that the bank holding company will be required to sell before recovery of its amortized cost basis less any current-period credit loss, the entire amount of which must be recognized in earnings.

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## Schedule HI – Income Statement (cont.)

### Memoranda

#### Item No.    Caption and Instructions

- 17.c**    **Net impairment losses recognized in earnings.** Report Schedule HI, Memorandum item 17.a, less Memorandum item 17.b, which represents the amount of other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities that has been recognized in earnings during the calendar year to date. This amount is included in the realized gains (losses) on held-to-maturity and available-for-sale securities reported in Schedule HI, items 6.a and 6.b.

## **Schedule HC-C – Loans and Lease Financing Receivables**

#### Item No.    Caption and Instructions

- 9**       **Loans to nondepository financial institutions and other loans.** Report in columns A and B, as appropriate, loans to nondepository financial institutions, loans for purchasing or carrying securities, and all other loans that cannot properly be reported in one of the preceding items in this schedule.

Loans to nondepository financial institutions include:

- (1) Loans (other than those that meet the definition of a “loan secured by real estate”) to real estate investment trusts and to mortgage companies that specialize in mortgage loan originations and warehousing or in mortgage loan servicing. (Exclude outright purchases of mortgages or similar instruments by the bank holding company from such companies, which – unless held for trading – are to be reported in Schedule HC-C, item 1.)
- (2) Loans to other unrelated holding companies.
- (3) Loans to insurance companies.
- (4) Loans to finance companies, mortgage finance companies, factors and other financial intermediaries, short-term business credit institutions that extend credit to finance inventories or carry accounts receivable, and institutions whose functions are predominantly to finance personal expenditures (exclude loans to financial corporations whose sole function is to borrow money and relend it to its affiliated companies or a corporate joint venture in which an affiliated company is a joint venturer).
- (5) Loans to federally-sponsored lending agencies (see the Glossary entry for “federally-sponsored lending agency” for the definition of this term).
- (6) Loans to investment banks.
- (7) Loans and advances made to a bank subsidiary's own trust department.

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## Schedule HC-C – Loans and Lease Financing Receivables (cont.)

### Item No.    Caption and Instructions

(8) Loans to other domestic and foreign financial intermediaries whose functions are predominantly the extending of credit for business purposes, such as investment companies that hold stock of operating companies for management or development purposes.

(9) Loans to Small Business Investment Companies.

Other loans include (1) loans for purchasing or carrying securities and (2) all other loans, as described below.

Loans for purchasing or carrying securities include:

- (1) All loans to brokers and dealers in securities (other than those that meet the definition of a "loan secured by real estate" and those to depository institutions).
- (2) All loans, whether secured (other than those that meet the definition of a "loan secured by real estate") or unsecured, to any other borrower for the purpose of purchasing or carrying securities, such as:
  - (a) Loans made to provide funds to pay for the purchase of securities at settlement date.
  - (b) Loans made to provide funds to repay indebtedness incurred in purchasing securities.
  - (c) Loans that represent the renewal of loans to purchase or carry securities.
  - (d) Loans to investment companies and mutual funds, but excluding loans to Small Business Investment Companies.
  - (e) Loans to "plan lenders" as defined in Section 221.4(a) of Federal Reserve Regulation U.
  - (f) Loans to lenders other than brokers, dealers, and banks whose principal business is to extend credit for the purpose of purchasing or carrying securities as described in Section 221.3(q) of Federal Reserve Regulation U, unless the loan is excepted by that section.
  - (g) Loans to Employee Stock Ownership Plans (ESOPs).

For purposes of this report, the purpose of a loan collateralized by "stock" is determined as follows:

- (a) For loans that are collateralized in whole or in part by "margin stock," as defined by Federal Reserve Regulation U, the purpose of the loan is determined by the latest Statement of Purpose (Form FR U-1) on file.
- (b) For loans that are collateralized by "stock" other than "margin stock," the bank holding company may determine the purpose of the loan according to the most current information available.

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## **Schedule HC-C – Loans and Lease Financing Receivables (cont.)**

### **Item No.    Caption and Instructions**

Exclude from loans for purchasing or carrying securities:

- (1) Loans to banks in foreign countries that act as brokers and dealers in securities (report in Schedule HC-C, item 2).
- (2) Loans to depository institutions for the purpose of purchasing or carrying securities (report Schedule HC-C, item 2).
- (3) Transactions reportable in Schedule HC, item 3, "Federal funds sold and securities purchased under agreements to resell."
- (4) Loans that meet the definition of a "loan secured by real estate" (report in Schedule HC-C, item 1).

All other loans include all loans and discounts (other than loans for purchasing or carrying securities) that cannot properly be reported in one of the preceding items in Schedule HC-C, such as:

- (1) Unplanned overdrafts to deposit accounts (except overdrafts of depository institutions, which are to be reported in Schedule HC-C, item 2; overdrafts of foreign governments and official institutions, which are to be reported in Schedule HC-C, item 7; and overdrafts of states and political subdivisions in the U.S., which are to be reported in Schedule HC-C, item 8).
- (2) Loans (other than those that meet the definition of a "loan secured by real estate") to nonprofit organizations (e.g., churches, hospitals, educational and charitable institutions, clubs, and similar associations) except those collateralized by production payments where the proceeds ultimately go to a commercial or industrial organization (which are to be reported in Schedule HC-C, item 4).
- (3) Loans to individuals for investment purposes (as distinct from commercial, industrial, or professional purposes), other than those that meet the definition of a "loan secured by real estate" or a "loan for purchasing or carrying securities."

Exclude from all other loans extensions of credit initially made in the form of planned or "advance agreement" overdrafts other than those made to borrowers of the types whose obligations are specifically reportable in this item (report such planned overdrafts in other items of Schedule HC-C, as appropriate). For example, report advances to banks in foreign countries in the form of "advance agreement" overdrafts as loans to depository institutions in Schedule HC-C, item 2, and overdrafts under consumer check-credit plans as "Other revolving credit plans" to individuals in Schedule HC-C, item 6.b. Report both planned and unplanned overdrafts on "due to" deposit accounts of depository institutions in Schedule HC-C, item 2.

- 9.a    Loans to nondepository financial institutions.** Report in columns A and B, as appropriate, all loans to nondepository financial institutions as described above.

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## Schedule HC-C – Loans and Lease Financing Receivables (cont.)

### Item No.    Caption and Instructions

- 9.b            Other loans.**
- 9.b.(1)       Loans for purchasing or carrying securities.** Report in columns A and B, as appropriate, all loans for purchasing or carrying securities as described above.
- 9.b.(2)       All other loans.** Report in columns A and B, as appropriate, all other loans as described above.

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## **Schedule HC-E – Deposit Liabilities**

### Memoranda

### Item No.    Caption and Instructions

- 1               Brokered deposits less than \$100,000 with a remaining maturity of one year or less.**  
Report in this item those brokered time deposits included in items 1 or 2 above with balances of less than \$100,000 with a remaining maturity of one year or less and are held in domestic offices of commercial banks or other depository institutions that are subsidiaries of the reporting bank holding company. Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a brokered deposit. Include in this item time deposits issued to deposit brokers in the form of large (\$100,000 or more) certificates of deposit that have been participated out by the broker in shares with balances of less than \$100,000. Also report in this item all brokered demand and savings deposits with balances of less than \$100,000. See the Glossary entries for “Brokered deposits” and “Brokered retail deposits” for additional information.
- 2               Brokered deposits less than \$100,000 with a remaining maturity of more than one year.**  
Report in this item those brokered time deposits included in items 1 or 2 above with balances of less than \$100,000 with a remaining maturity of more than one year and are held in domestic offices of commercial banks or other depository institutions that are subsidiaries of the reporting bank holding company. Remaining maturity is the amount of time remaining from the report date until the final contractual maturity of a brokered deposit. Include in this item time deposits issued to deposit brokers in the form of large (\$100,000 or more) certificates of deposit that have been participated out by the broker in shares with balances of less than \$100,000. See the Glossary entries for “Brokered deposits” and “Brokered retail deposits” for additional information.

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## Schedule HC-K – Quarterly Averages

<u>Item No.</u>	<u>Caption and Instructions</u>
3.a	<b><u>Total loans and leases in domestic offices.</u></b> Report the quarterly average for all loans and leases, net of unearned income, in domestic offices of the reporting bank holding company (as defined for Schedule HC-C, items 1 through 11, column B).
3.a.(1)	<b><u>Loans secured by 1-4 family residential properties in domestic offices.</u></b> Report the quarterly average for loans secured by 1-4 family residential properties (in domestic offices) (as defined for Schedule HC-C, item 1(c), column B).
3.a.(2)	<b><u>All other loans secured by real estate in domestic offices.</u></b> Report the quarterly average for all loans secured by real estate, excluding those secured by 1-4 family residential properties (in domestic offices) (as defined for Schedule HC-C, items 1(a), 1(b), 1(d), and 1(e), column B).
3.b	<b><u>Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs.</u></b> Report the quarterly average for total loans, net of unearned income (as defined for Schedule HC-C, items 1 through 9, less item 11), held in the reporting bank holding company's foreign offices, Edge and Agreement subsidiaries, and IBFs.

## Schedule HC-L – Derivatives and Off-Balance Sheet Items

<u>Item No.</u>	<u>Caption and Instructions</u>
1	<b><u>Unused commitments.</u></b> Report in the appropriate subitem the unused portions of commitments. Unused commitments are to be reported gross, i.e., include in the appropriate subitem the unused amount of commitments acquired from and conveyed or participated to others. However, exclude commitments conveyed or participated to others that the bank is not legally obligated to fund even if the party to whom the commitment has been conveyed or participated fails to perform in accordance with the terms of the commitment.  For purposes of this item, commitments include:  (1) Commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions.  (2) Commitments for which the bank holding company has charged a commitment fee or other consideration.  (3) Commitments that are legally binding.  (4) Loan proceeds that the bank holding company is obligated to advance, such as:  (a) Loan draws; (b) Construction progress payments; and (c) Seasonal or living advances to farmers under prearranged lines of credit.

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## Schedule RC-L – Derivatives and Off-Balance Sheet Items (cont.)

### Item No.    **Caption and Instructions**

- (5) Rotating, revolving, and open-end credit arrangements, including, but not limited to, retail credit card lines and home equity lines of credit.
- (6) Commitments to issue a commitment at some point in the future, where the bank holding company has extended terms and the borrower has accepted the offered terms, even though the related loan agreement has not yet been signed.
- (7) Overdraft protection on depositors' accounts offered under a program where bank subsidiaries advise account holders of the available amount of overdraft protection, for example, when accounts are opened or on depositors' account statements or ATM receipts.
- (8) The bank holding company's own takedown in securities underwriting transactions.
- (9) Revolving underwriting facilities (RUFs), note issuance facilities (NIFs), and other similar arrangements, which are facilities under which a borrower can issue on a revolving basis short-term paper in its own name, but for which the underwriting bank holding companies have a legally binding commitment either to purchase any notes the borrower is unable to sell by the rollover date or to advance funds to the borrower.

Exclude forward contracts and other commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133 (FASB Accounting Standards Codification Topic 815, Derivatives and Hedging), which should be reported in Schedule HC-L, item 11. Include the amount (not the fair value) of the unused portions of loan commitments that do not meet the definition of a derivative that the bank has elected to report at fair value under a fair value option. Also include forward contracts that do not meet the definition of a derivative.

The unused portions of commitments are to be reported in the appropriate subitem regardless of whether they contain "material adverse change" clauses or other provisions that are intended to relieve the issuer of its funding obligations under certain conditions and regardless of whether they are unconditionally cancelable at any time.

In the case of commitments for syndicated loans, report only the bank holding company's proportional share of the commitment.

For purposes of reporting the unused portions of revolving asset-based lending commitments, the commitment is defined as the amount a bank holding company is obligated to fund – as of the report date – based on the contractually agreed upon terms. In the case of revolving asset-based lending, the unused portions of such commitments should be measured as the difference between (a) the lesser of the contractual borrowing base (i.e., eligible collateral times the advance rate) or the note commitment limit, and (b) the sum of outstanding loans and letters of credit under the commitment. The note commitment limit is the overall maximum loan amount beyond which the bank holding company will not advance funds regardless of the amount of collateral posted. This definition of "commitment" is applicable only to revolving asset-based lending, which is a specialized form of secured lending in which a borrower uses current assets (e.g., accounts receivable and inventory) as collateral for a loan. The loan is structured so that the amount of credit is limited by the value of the collateral.

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## **Item No.    Caption and Instructions**

**1.b**        **Credit card lines.** Report the unused portions of all commitments to extend credit both to individuals for household, family, and other personal expenditures and to other customers, including commercial and industrial enterprises, through credit cards. Exclude home equity lines accessible through credit cards. Bank holding companies may report unused credit card lines as of the end of their customers' last monthly billing cycle prior to the report date or as of the report date.

The sum of Schedule HC-L, items 1.b.(1) and 1.b.(2), must equal Schedule HC-L, item 1.b.

**1.b.(1)**    **Unused consumer credit card lines.** Report the unused portions of all commitments to extend credit to individuals for household, family, and other personal expenditures through credit cards that are included in Schedule HC-L, item 1.b, above.

**1.b.(2)**    **Other unused credit card lines.** Report the unused portions of all commitments to extend credit to customers through credit cards for purposes other than household, family, and other personal expenditures that are included in Schedule HC-L, item 1.b., above. Include, for example, unused credit card lines under "corporate" or "business" credit card programs under which credit cards are issued to one or more of a company's employees for business-related uses.

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**1.e**        **Other unused commitments.** Report in the appropriate subitem the unused portion of all commercial and industrial loan commitments, commitments for loans to financial institutions, and all other commitments not reportable in Schedule HC-L, items 1.a through 1.d., above. Include commitments to extend credit through overdraft facilities or commercial lines of credit, retail check credit and related plans, and those overdraft protection programs in which the bank holding company advises account holders of the available amount of protection.

**1.e.(1)**    **Commercial and industrial loans.** Report the unused portions of commitments to extend credit for commercial and industrial purposes, i.e., commitments that, when funded, would be reportable as commercial and industrial loans in Schedule HC-C, item 4, "Commercial and industrial loans." Exclude unused credit card lines to commercial and industrial enterprises (report in Schedule HC-L, item 1.b, and, if applicable, item 1.b.(2), above).

**1.e.(2)**    **Loans to financial institutions.** Report the unused portions of commitments to extend credit to financial institutions, i.e., commitments that, when funded, would be reportable either as loans to depository institutions in Schedule HC-C, item 2, "Loans to depository institutions and acceptances of other banks," or as loans to nondepository financial institutions in Schedule HC-C, item 9.a, "Loans to nondepository financial institutions."

**1.e.(3)**    **All other unused commitments.** Report the unused portions of commitments not reportable in Schedule HC-L, items 1.a through 1.e.(2), above.

Include commitments to extend credit secured by 1-4 family residential properties, except (a) revolving, open-end lines of credit secured by 1-4 family residential properties (e.g., home equity lines), which should be reported in Schedule HC-L, item 1.a, above, (b) commitments for 1-4 family residential construction and land development loans (that are secured by such properties), which should be reported in Schedule HC-L, item 1.c.(1), above, and (c) commitments that meet the definition of a derivative and must be accounted for in accordance with FASB Statement No. 133 (FASB Accounting Standards Codification Topic 815, Derivatives and Hedging), which should be reported in Schedule HC-L, item 11.