

Summary of Legitimate Interseries Differences

between the

Report of Transaction Accounts, Other Deposits and Vault Cash
(FR 2900)

and the

Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks
(FFIEC 002)

U.S. Branches and Agencies of Foreign Banks

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Background

“Interseries editing” compares data reported as of similar dates for analogous items from two different reports. Interseries editing enhances data quality by reconciling reporting discrepancies. Such discrepancies may be the result of a reporting error or may instead reflect legitimate differences between item definitions associated with the two reports. This document describes legitimate differences between the **Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900)** and the **Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002)**, hereafter referred to in this document as the Call Report.

Interseries edits are performed each quarter for each FFIEC 002 reporter that files the FR 2900. The edits are based on a single day’s data from the FR 2900 and the Call Report, on the Call Report date.

A table showing all of the interseries item comparisons that are calculated each quarter is shown in the next section, followed by a table summarizing most of the legitimate differences that might arise in reconciling those comparisons. Next, two types of legitimate differences are discussed in detail: *general legitimate differences* that are valid for any item comparison, and *specific legitimate differences* that are valid only for the particular items being compared.

Interseries Edits for FFIEC 002 Reporters

The following table shows the interseries item comparisons calculated each quarter for all FFIEC 002 reporters that file the FR 2900 report.

Detailed Interseries Item Comparisons for FFIEC 002 Reporters			
FR 2900		FFIEC 002	
Line	Description	Code	Description
A.3	Total transaction accounts	RCON1653	Schedule E, column A, line 7 (Total trans accts & credit balances)
B.2	Cash items in process of collection	RCFD0020 - RCFN0020	Schedule A, column A, line 1 (Total CIPC) - Schedule A, column B, line 1 (CIPC at IBF)
C.1 + D.1	Total savings deposits + Total time deposits	RCON2385	Schedule E, column C, line 7 (Total nontransaction accounts)
E.1	Vault cash	RCFD0080	Schedule A, line 2 (Currency and coin)
F.1	Large time deposits	RCON2604	Schedule E, memo 1.a. (Time deposits of \$100,000 or more)
A.3 + C.1 + D.1	Total deposits: Total transaction accounts + Total savings deposits + Total time deposits	RCON1653 + RCON2385	Schedule E, column A, line 7 (Total trans accts & credit balances) + Schedule E, column C, line 7 (Total nontransaction accounts)

**Summary of Legitimate Differences
for FFIEC 002 reporters**

FR 2900 less than Call Report	FR 2900 greater than Call Report
<i>Total Transaction Accounts</i>	
<ul style="list-style-type: none"> FR 2900 item excludes the difference between the full face amount of installment notes acquired and the amount actually credited to the dealer (dealer reserves), while the Call Report item includes this difference. FR 2900 item excludes correspondent pass-through reserve balances, while the Call Report item includes them. 	<ul style="list-style-type: none"> FR 2900 item includes primary obligations with original maturities of less than seven days, including ASC Topic 810 (formerly FIN 46)-related balances that are considered deposits. The Call Report item <i>does not</i> include primary obligations. FR 2900 reciprocal balances are reported <i>gross</i> for certain counterparties, while Call Report reciprocal balances may be reported <i>net</i> regardless of counterparty. FR 2900 includes teller's checks for <i>more days</i> than the Call Report (FR 2900 includes balances from the time of issuance until the teller's check is paid, while the Call Report removes the deposit when it is remitted to the service provider). FR 2900 item includes balances due to related Edge and agreement corporations, while the Call Report item does not.
<i>Cash Items in Process of Collection (CIPC)</i>	
<ul style="list-style-type: none"> FR 2900 item excludes items payable immediately upon presentation to a depository institution in Puerto Rico or U.S. territories and possessions, while the Call Report item does not. 	<ul style="list-style-type: none"> None.
<i>Total Savings Deposits plus Total Time Deposits</i>	
<ul style="list-style-type: none"> None. 	<ul style="list-style-type: none"> FR 2900 item includes primary obligations in the form of savings or time deposits, including ASC Topic 810 (formerly FIN 46)-related balances that are considered deposits. The Call Report item <i>does not</i> include primary obligations. FR 2900 item includes balances due to related Edge and agreement corporations, while the Call Report item does not. FR 2900 includes the amount of assets sold with recourse where control is retained by the reporting branch or agency, while the Call Report defines this amount as borrowings.
<i>Vault Cash</i>	
<ul style="list-style-type: none"> FR 2900 item excludes vault cash in the form of <i>foreign</i> currency, while the Call Report item does not. 	<ul style="list-style-type: none"> None.

Summary of Legitimate Differences for FFIEC 002 reporters, <i>continued</i>	
FR 2900 <i>less than</i> Call Report	FR 2900 <i>greater than</i> Call Report
<i>Large Time Deposits</i>	
<ul style="list-style-type: none"> • None. 	<ul style="list-style-type: none"> • FR 2900 item includes primary obligations in the form of large time deposits, including ASC Topic 810 (formerly FIN 46)-related balances that are considered deposits. The Call Report item <i>does not</i> include primary obligations. • FR 2900 item includes balances due to related Edge and agreement corporations, while the Call Report item does not. • FR 2900 item includes the amount of assets sold with recourse where control is retained by the reporting branch or agency, while the Call Report item defines this amount as borrowings.
<i>Total Deposits</i>	
<ul style="list-style-type: none"> • FR 2900 item excludes the difference between the full face amount of installment notes acquired and the amount actually credited to the dealer (dealer reserves), while the Call Report item includes this difference. • FR 2900 item excludes correspondent pass-through reserve balances, while the Call Report item includes them. 	<ul style="list-style-type: none"> • FR 2900 item includes primary obligations, including ASC Topic 810 (formerly FIN 46)-related balances that are considered deposits. The Call Report item <i>does not</i> include primary obligations. • FR 2900 reciprocal balances are reported <i>gross</i> for certain counterparties, while Call Report reciprocal balances may be reported <i>net</i> regardless of the counterparty. • FR 2900 includes teller's checks for <i>more days</i> than the Call Report (FR 2900 includes balances from the time of issuance until the teller's check is paid, while the Call Report removes the deposit when it is remitted to the service provider). • FR 2900 item includes balances due to related Edge and agreement corporations, while the Call Report item does not. • FR 2900 item includes the amount of assets sold with recourse where control is retained by the reporting branch or agency, while the Call Report item defines this amount as borrowings.

Note: This table excludes late adjustments and interpretive differences because these legitimate differences are circumstance specific.

General Legitimate Differences

The following legitimate differences may apply to any interseries item comparison.

Consolidation

Reporting rules regarding consolidation differ between the FR 2900 and FFIEC 002. Therefore, legitimate differences between the two reports arise because interoffice transactions between the reporting institution and related offices - other U.S. branches of the same foreign parent or related banking Edge or agreement corporations - are reported differently.

Other U.S. branches and agencies of the same foreign parent: A foreign bank's U.S. branches and agencies located within the same state and within the same Federal Reserve District submit a single FR 2900 report, as though the group of offices were one office. On the FR 2900 report, therefore, all interoffice transactions between such offices are eliminated. (See FR 2900 General Instructions, "Consolidation for U.S. branches and agencies of non-U.S. banks".) In contrast, a foreign bank's U.S. branches and agencies are generally required to file separate FFIEC 002 reports, so that interoffice transactions are not eliminated. Note that separate filing of the FFIEC 002 is not uniform, however, as branches and agencies may, upon request to the Federal Reserve Bank, file consolidated Call Reports. (See Call Report General Instructions, "Scope of the Report.")

Related Edge and agreement subsidiaries: Related banking Edge and agreement subsidiaries of the reporting branch or agency are required to file separate FR 2900 reports and therefore *are not* consolidated on the FR 2900. As a result, deposits by the reporting branch or agency at a related Edge subsidiary, or those of related Edge subsidiary at the reporting branch are reported in "Due from" or "Due To" on the FR 2900, as appropriate. In contrast, Edge and agreement subsidiaries *are* consolidated on the reporting bank's Call Report, and therefore deposits by the reporting branch or agency at a related Edge subsidiary or those by the Edge subsidiary at a related branch are *eliminated* by consolidation.)

Related Institutions

Deposits due to or due from U.S. branches and agencies of the same foreign (direct) parent bank should be *excluded* from the FR 2900. In addition, deposits due to or due from the foreign (direct) parent bank and its non-U.S. branches and agencies should also be *excluded* from the FR 2900. In contrast, related depository institutions on the Call Report *include* the foreign head office and its U.S. and non-U.S. branches and agencies the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

Definition of United States

A legitimate difference may arise between the Call Report and the FR 2900 relating to the definition of United States. The FR 2900 defines United States to include the fifty states and the District of Columbia; by comparison, the Call Report definition is much broader and covers offices in Puerto Rico and U.S. territories and possessions. (See the Glossary entry "Banks, U.S. and Foreign" in the Call Report for additional details.)

Late Adjustments

Differences between FR 2900 and Call Report items frequently result from timing differences in the preparation of the two reports.

The FR 2900 is usually prepared a day or two after the report as-of date, while the Call Report is typically prepared weeks after its as-of date. As a result, Call Report items correctly include “late adjustment” amounts. The inclusion of late adjustments in Call Report values may make the FR 2900 item larger or smaller than corresponding Call Report item, depending on the type of late adjustments that were made and the items being compared.

The FR 2900 report should be revised to reflect late adjustments that are material. Single-day FR 2900 data for the Call Report date should not automatically be revised merely to match the Call Report.

Suspense Accounts

Differences between FR 2900 and Call Report items result from the reporting of suspense accounts. Suspense accounts are temporary holding accounts in which items are carried until their final disposition is determined. The FR 2900 requires all suspense account items to be reported in other demand deposits, unless past experience supports a more accurate classification. The Call Report requires these items to be reported in their final disposition account type. For example, suspense account items are reported on the Call Report as if they had actually been posted to the general ledger at or before the cutoff time. The inclusion of suspense account items to the general ledger on the Call Report may make the FR 2900 item larger than the corresponding Call Report item, depending on the classification of the suspense account item.

Primary Obligations

Deposit balances on the FR 2900 may include primary obligations while deposit balances on the Call Report do not.

Certain liabilities of the reporting institution issued to nonexempt entities (e.g., nondepositories, such as individuals or businesses) are considered primary obligations. Except for a special class of due bills, similar liabilities issued to exempt entities (e.g., depository institutions) are not considered primary obligations. Primary obligations are reported as deposits on the FR 2900 because they are subject to reserve requirements and are considered part of the monetary aggregates. On the Call Report, however, primary obligations are not reported as deposits. For more information on primary obligations and a complete listing of exempt and nonexempt entities, see the FR 2900 instructions “Glossary of Terms,” and General Instructions, “Deposits as Defined Under Regulation D.”

Primary obligations related to ASC Topic 810 (formerly FIN 46): Some liabilities related to the Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 810 (formerly Financial Accounting Standards Board Interpretation Number 46 (FIN 46)) are considered primary obligations and are therefore reported on the FR 2900.

ASC Topic 810 (formerly FIN 46), “Consolidation of Variable Interest Entities,” requires depository institutions that sponsor variable-interest entities to consolidate the assets and liabilities of some of these entities onto their balance sheets.

Board Legal staff issued an opinion in January 2004 that certain liabilities of asset-backed commercial paper conduits are not “deposits” for the purposes of Regulation D and, therefore, should not be included in the sponsoring depository institution’s FR 2900 report (www.federalreserve.gov/boarddocs/legalint/FederalReserveAct/2004/20040126/).

On the Call Report, the sponsoring depository institution reports the ASC Topic 810 (formerly FIN 46)-related liabilities in “other borrowed money” (Schedule RC, line 16). On the FR 2900 report, if the liabilities do not fall within the scope of the staff opinion, they are reported as deposits (that is, in this case the liabilities are considered primary obligations and must be reported as demand deposits (A.1.c) or time deposits (D.1, F.1, and BB.1), depending on their original maturity). Therefore, for those institutions with ASC Topic 810 (formerly FIN 46)-related liabilities, differences may arise between deposit items reported on the Call Report and the FR 2900 report.

For more information on primary obligations and a complete listing of exempt and nonexempt entities, see the FR 2900 instructions “Glossary of Terms,” and General Instructions, “Deposits as Defined Under Regulation D.”

Interpretive Differences

Some items may be classified on the Call Report as either deposits or accounts payable and other liabilities. On the FR 2900, these items are generally reported as deposits. When reported as accounts payable and other liabilities on the Call Report, these items are omitted from the Call Report items used in interseries edit comparisons, making FR 2900 balances higher than Call Report balances when these items are present.

Examples of items that may be classified in this manner are: undistributed payments, advance payments of taxes and insurance, undistributed payroll deductions (withheld payroll taxes), and funds received in the course of servicing loans for others.

Fair Value

Deposit liabilities reported on the FR 2900 must be based on the reporting institution's contractual liability to its counterparty, which includes any accrued interest. Institutions may elect to report their deposit liabilities at fair value on the Call Report. The balance reported at fair value on the Call Report may be greater than or less than the original value of the contractual liability reported on the FR 2900.

Specific Legitimate Differences

The most common explanations given for valid legitimate differences are discussed in turn below.

1. Total Transaction Accounts

FR 2900		FFIEC 002	
Line	Description	Code	Description
A.3	Total transaction accounts	RCON1653	Schedule E, column A, line 7 (Total trans accts & credit balances)

Legitimate Difference:

Dealer Reserves: FR 2900 balance may be less than Call Report balance as a result of dealer reserves that arise in connection with branch and agency financing of installment notes receivable. The account reflects the difference between the full face amount of installment notes acquired by the branch or agency and the amount actually credited by the branch or agency to the dealer. This difference is not reported on the FR 2900, while it is reported on the Call Report. (By definition, the dealer generally does not have access to the account; therefore, amounts are not reported on the FR 2900 until the reporting institution becomes liable to the dealer.)

Correspondent Pass-through Reserve Balances: FR 2900 balance may be less than Call Report balance. If the reporting branch or agency of a foreign bank serves as a reserve pass-through correspondent for other institutions, the amounts it receives and passes through to the Federal Reserve are reported differently on the FR 2900 and the Call Report. The FR 2900 excludes balances that have been received and are being passed through to the Federal Reserve to satisfy reserve requirements. The Call Report requires that the correspondent show both a “due to” depository institutions (included on Schedule E, line 7) and a “due from” the Federal Reserve (Schedule A, line 5), i.e., the deposits are reported on a gross basis. (Note: Technically, the “due to” balance on the Call Report could exceed the “due from” balance by the amount received by the correspondent but not yet passed through to the Federal Reserve.)

Primary Obligations: FR 2900 balances may be greater than Call Report balances because the FR 2900 item includes primary obligations with original maturities of less than seven days, while the Call Report item *does not* include primary obligations. Some ASC Topic 810 (formerly FIN 46)-related liabilities are considered primary obligations and are therefore reported on the FR 2900 (see “ASC Topic 810 (formerly FIN 46)” under “Primary Obligations” in the “General Legitimate Differences” section).

Reciprocal Balances: FR 2900 reciprocal balances are reported *gross* for certain counterparties, while Call Report reciprocal balances may be reported *net* regardless of counterparty.

Reciprocal balances arise when a reporting institution has both a deposit due to and a balance due from the same depository institution. The FR 2900 reporting rules allow due to balances (except for due bills) to be reported *net* of due from balances, if the counterparty is a U.S. office of one of the following:

- U.S. commercial bank
- trust company conducting a commercial banking business
- industrial bank
- banker’s bank that is organized as a commercial bank
- branch or agency of a foreign bank
- banking Edge or agreement corporation.

Otherwise, due to balances must be reported on a *gross* basis. For an example, see FR 2900 instructions for item A.1.a, “Demand deposits due to depository institutions.” On the Call Report, due to balances may be reported on a *net* basis, regardless of the counterparty, when a right of setoff exists (see Call Report glossary definition of “Offsetting”).

Teller’s Checks: FR 2900 balance may be greater than Call Report balance because teller’s checks are reported on the FR 2900 (in line A.1.c, “Other demand deposits”) for *more days* than on the Call Report. On the FR 2900, the issuing branch or agency reports the teller’s check in transaction accounts from the time of issuance until the teller’s check is paid. On the Call Report, the teller’s check itself is not reported but the funds received in connection with the sale of the teller’s check are reported as a deposit until remitted to the teller’s check service provider.

Example: Day 1: Branch issues \$1,000 teller’s check.
 Day 2: Branch remits \$1,000 to teller’s check service provider.
 Day 6: Service provider notifies branch or agency that check has been paid.

Branch’s reporting of this transaction:

Day 1: FR 2900 (item A.1.c) and Call Report show \$1,000 deposit.
 Day 2: Deposit is removed from Call Report.
 Day 6: Deposit is removed from FR 2900.

Result: Legitimate difference occurs on days 2 through 6.

Edge and Agreement Corporations: FR 2900 balance may be greater than Call Report balance because balances due to related Edge or agreement corporations are excluded from Call Report Schedule E (they are included on Schedule M), while they are included in line A.1.a, “Demand deposits due to depository institutions,” on the FR 2900 report.

2. Cash Items in Process of Collection (CIPC)

FR 2900		FFIEC 002	
Line	Description	Code	Description
B.2	Cash items in the process of collection	RCFD0020 - RCFN0020	Schedule A, column A, line 1 (Total CIPC) - Schedule A, column B, line 1 (CIPC at IBF)

Legitimate Differences:

Definition of United States: FR 2900 balance may be less than Call Report balance. For both reports, cash items in the process of collection are defined to be checks in the process of collection drawn upon another depository institution payable immediately upon presentation in the United States. However, the Call Report item includes Puerto Rico and U.S. territories and possessions in its definition of United States; while the FR 2900 item does not.

3. Total Savings Deposits plus Total Time Deposits

FR 2900		FFIEC 002	
Line	Description	Code	Description
C.1 + D.1	Total savings deposits + Total time deposits	RCON2385	Schedule E, column C, line 7 (Total nontransaction accounts)

Legitimate Differences:

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations in the form of savings or time deposits must be included in the FR 2900 item, while the Call Report items *do not* include primary obligations. Some ASC Topic 810 (formerly FIN 46)-related liabilities are considered primary obligations and are therefore reported on the FR 2900 (see “ASC Topic 810 (formerly FIN 46)” under “Primary Obligations” in the “General Legitimate Differences” section).

Edge and Agreement Corporations: FR 2900 balance may be greater than Call Report balance because balances due to related Edge or agreement corporations are excluded from Call Report Schedule E (they are included on Schedule M), while they are included in the FR 2900 items.

Assets Sold with Recourse: FR 2900 balance may be greater than the Call Report balance by the amount of financial assets sold with recourse where control of the original asset is retained by the reporting branch or agency. The sale of assets with the reporting branch or agency’s guarantee of payment may be considered a “financing transaction” for the Call Report if the reporting institution retains control of the financial asset; that is, a borrowing secured by assets rather than an outright sale of assets. When the reporting institution retains control of the original financial asset, the Call Report requires the reporting institution to show an asset and a “borrowing” on its books (Schedule RAL, item 4.c.). This reasoning can also be applied to the sale of any asset where the purchaser has recourse to the selling institution. For FR 2900 reporting purposes, the liability created is usually considered a time deposit.

4. Vault Cash

FR 2900		FFIEC 002	
Line	Description	Code	Description
E.1	Vault cash	RCFD0080	Schedule A, line 2 (Currency and coin)

Legitimate Difference:

Foreign Currency: FR 2900 balance will be less than Call Report balance by the amount of foreign currency held as vault cash. The FR 2900 item excludes foreign currency in the vault of the reporting institution, while the Call Report item includes it.

5. Large Time Deposits

FR 2900		FFIEC 002	
Line	Description	Code	Description
F.1	Large time deposits	RCON2604	Schedule E, memo 1.a. (Time deposits of \$100,000 or more)

Legitimate Difference:

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations with original maturities of seven days or more must be included in the FR 2900 item, while the Call Report item *does not* include primary obligations. Some ASC Topic 810 (formerly FIN 46)-related liabilities are considered primary obligations and are therefore reported on the FR 2900 (see “ASC Topic 810 (formerly FIN 46)” under “Primary Obligations” in the “General Legitimate Differences” section).

Edge and Agreement Corporations: FR 2900 balance may be greater than Call Report balance because balances due to related Edge or agreement corporations are excluded from Call Report Schedule E (they are included on Schedule M), while they are included in the FR 2900 item.

Assets Sold with Recourse: FR 2900 balance may be greater than the Call Report balance by the amount of financial assets sold with recourse where control of the original asset is retained by the reporting branch or agency. The sale of assets with the reporting branch or agency’s guarantee of payment may be considered a “financing transaction” for the Call Report if the reporting institution retains control of the financial asset; that is, a borrowing secured by assets rather than an outright sale of assets. When the reporting institution retains control of the original financial asset, the Call Report requires the reporting institution to show an asset and a “borrowing” on its books (Schedule RAL, item 4.c.). This reasoning can also be applied to the sale of any asset where the purchaser has recourse to the selling institution. For FR 2900 reporting purposes, the liability created is usually considered a time deposit.

6. Total Deposits

FR 2900		FFIEC 002	
Line	Description	Code	Description
A.3	Total deposits:		
+ C.1	Total transaction accounts	RCON1653	Schedule E, column A, line 7 (Total trans accts & credit balances)
+ D.1	+ Total savings deposits	+ RCON2385	+ Schedule E, column C, line 7 (Total nontransaction accounts)
	+ Total time deposits		

Legitimate Difference:

Dealer Reserves: FR 2900 balance may be less than Call Report balance as a result of dealer reserves that arise in connection with branch and agency financing of installment notes receivable. The account reflects the difference between the full face amount of installment notes acquired by the branch or agency and the amount actually credited by the branch or agency to the dealer. This difference is not reported on the FR 2900 while it is reported on the Call Report. (By definition, the dealer generally does not have access to the account; therefore, amounts are not reported on the FR 2900 until the reporting institution

becomes liable to the dealer.)

Correspondent Pass-through Reserve Balances: FR 2900 balance may be less than Call Report balance. If the reporting branch or agency of a foreign bank serves as a reserve pass-through correspondent for other institutions, the amounts it receives and passes through to the Federal Reserve are reported differently on the FR 2900 and the Call Report. The FR 2900 excludes balances that have been received and are being passed through to the Federal Reserve to satisfy reserve requirements. The Call Report requires that the correspondent show both a “due to” depository institutions (included on Schedule E, line 7) and a “due from” the Federal Reserve (Schedule A, line 5), i.e., the deposits are reported on a gross basis. (Note: Technically, the “due to” balance on the Call Report could exceed the “due from” balance by the amount received by the correspondent but not yet passed through to the Federal Reserve.)

Primary Obligations: FR 2900 balance may be greater than Call Report balance because primary obligations must be included in the FR 2900 items, while the Call Report items *do not* include primary obligations. Some ASC Topic 810 (formerly FIN 46)-related liabilities are considered primary obligations and are therefore reported on the FR 2900 (see “ASC Topic 810 (formerly FIN 46)” under “Primary Obligations” in the “General Legitimate Differences” section).

Reciprocal Balances: FR 2900 reciprocal balances are reported *gross* for certain counterparties, while Call Report reciprocal balances may be reported *net* regardless of counterparty. See explanation of “Reciprocal Balances” under “Total Transaction Accounts” section.

Teller’s Checks: FR 2900 balance may be greater than Call Report balance because teller’s checks are reported on the FR 2900 (in line A.1.c, “Other demand deposits”) for *more days* than on the Call Report. On the FR 2900, the issuing branch or agency reports the teller’s check in transaction accounts from the time of issuance until the teller’s check is paid. On the Call Report, the teller’s check itself is not reported but the funds received in connection with the sale of the teller’s check are reported as a deposit until remitted to the teller’s check service provider. (See example under “Total Transaction Accounts” section.)

Edge and Agreement Corporations: FR 2900 balance may be greater than Call Report balance because balances due to related Edge or agreement corporations are excluded from Call Report Schedule E (they are included on Schedule M), while they are included in the FR 2900 items.

Assets Sold with Recourse: FR 2900 balance may be greater than the Call Report balance by the amount of financial assets sold with recourse where control of the original asset is retained by the reporting branch or agency. The sale of assets with the reporting branch or agency’s guarantee of payment may be considered a “financing transaction” for the Call Report if the reporting institution retains control of the financial asset; that is, a borrowing secured by assets rather than an outright sale of assets. When the reporting institution retains control of the original financial asset, the Call Report requires the reporting institution to show an asset and a “borrowing” on its books (Schedule RAL, item 4.c.). This reasoning can also be applied to the sale of any asset where the purchaser has recourse to the selling institution. For FR 2900 reporting purposes, the liability created is usually considered a time deposit.