http://www.ots.treas.gov

Office of Thrift Supervision
Financial Reporting Division (FRD)

September 2008

Financial Reporting Bulletin

It is important that you read this bulletin and the attached materials before preparing and submitting your quarterly Thrift Financial Report as it contains pertinent information regarding your September reports.

● ***Please share this bulletin with all staff members who are involved in preparing and transmitting reports to the OTS.*** ●

September *TFR* Filing *Deadline* - Thursday, October 30, 2008

(Remember - you must transmit TFR before any other quarterly or annual reports.)

September *COF* Filing *Deadline* - Thursday, October 30, 2008

September CMR **Filing *Deadline* - Friday, November 14, 2008**

September HC **Filing *Deadline* - Friday, November 14, 2008**

IN THIS ISSUE

The Office of Thrift Supervision publishes the Financial Reporting Bulletin quarterly and distributes it to all OTS-regulated institutions. The bulletin's purpose is to provide the Thrift Financial Report preparer with reporting information and guidelines. Please send comments and suggestions on this bulletin to the Office of Thrift Supervision, by e-mail to OTSFinancialBulletin@ots.treas.gov

THIRD QUARTER FILING *DEADLINES*

You should complete and transmit your September 2008 TFR and COF as soon as possible after the close of the quarter:

Filing ***deadline*** for all schedules *except* HC and CMR is ***Thursday, October 30, 2008***.

Filing ***deadline*** for Schedules HC and CMR is ***Friday, November 14, 2008.***

Institutions that are exempt from filing Schedule CMR but choose to voluntarily file must adhere to the filing deadlines above. Interest Rate Risk reports will not be available for download by institutions that fail to meet the filing deadline. All voluntary CMR filers should contact Doris Jackson at 972.277.9618 or doris.jackson@ots.treas.gov, after transmitting CMR for confirmation of receipt.

If you have questions concerning the preparation of your report, please call your Financial Reporting Division analyst in Dallas, Texas. A contact listing is provided near the end of this bulletin. You may e-mail reporting questions to tfr.instructions@ots.treas.gov. If you need assistance with Electronic Filing System (EFS) including Quick Importer, or Financial Reports Subscriber (FRS), software or transmission, contact the EFS Helpline Message Center by e-mail at efs-info@ots.treas.gov or by phone toll free at 866.314.1744. If you have questions about your Interest Rate Risk report, you may contact Scott Ciardi at scott.ciardi@ots.treas.gov, or call 202.906.6960.

OTHER-THAN-TEMPORARY-IMPAIRMENT (OTTI) CHARGES ON DEBT AND EQUITY SECURITIES

Mortgage-Backed Securities

Report OTTI charges on **all** three line items:

- SO 321 (Net Provision for Losses on Interest-Bearing-Assets)
- VA 115 (Net Provision for Loss) General
- VA 370 (Mortgage-Backed securities) General Valuation Allowances Charge-Offs

Please provide details of the security name and the amount in the user notes.

Nonmortgage Debt and Equity Securities

Report OTTI charges on **all** three line items:

- SO 321 (Net Provision for Losses on Interest-Bearing-Assets)
- VA 115 (Net Provision for Loss) General
- VA 930 (Other Assets) General Valuation Allowances Charge-Offs

Please provide details of the security name and the amount in the user notes.

EFS VERSION 6.6 SOFTWARE *UPDATE* FOR SEPTEMBER REPORTS AVAILABLE FOR *DOWNLOAD*

The new EFS ***Version 6.6*** *update* is available for download via EFS Net, ***and must now be used to prepare and transmit all reports.*** **Please follow the download instructions included with the EFS Version 6.6 link. There is NO NEW EFS CD for September 2008**.

You should download and apply this update as soon as possible via EFS-NET as usual, or you can use the link below:

https://xnet1.ots.treas.gov/efsnet/softwareupdates/efs_660_update.exe

Be sure to:

- **close completely out of EFS**
- click the link above and click Save when it opens
  - **save to c:\Program Files\OTSEFS\Software Updates**
  - at your desktop, right-click on Start
  - go to Explore, Local Disk C, Program Files, OTS EFS, Software Updates
  - double-click on the EFS_660_update.exe
  - click Run
  - continue to click Next, and click Finish
  - exit Explore
  - return to EFS through Start, Programs, Office of Thrift Supervision, OTS Electronic Filing System

Also, be sure you have signed up in EFS Net under *My EFS Notification Recipients* to receive e-mail notification when a new software update is available for download, or other important information is placed on EFS Net. If you do not sign up for e-mail notification, you should go to EFS Net frequently to check for any software updates or news about preparing your reports.

NOTE: To ensure that you and other staff members receive timely notification when new items are placed on EFS Net for your attention, please verify/update all e-mail addresses you have entered in EFS Net, *My EFS Notification Recipients*, before every transmission.

For any software issues you encounter, you should run the OTS Diagnostics from Start, Programs, Office of Thrift Supervision, OTS Diagnostics. If the Diagnostics tool does not identify and offer solutions for your problem, contact the EFS Helpline at efs-info@ots.treas.gov or by phone toll free at 866.314.1744.

WHAT'S NEW IN EFS VERSION 6.6

Edit Changes for September 2008

New Edits: Q536, Q537, Q538, Q539, Q540, V072
Updated Edits: Q001, Q706, R253, R964, R992

OTS Extranet Server Change

EFS-NET is now hosted on a new server under a new domain name. Processing of submissions, financial data, and report requests is discontinued on the old EFS-NET server and is now performed on the new server. The installation of EFS Version 6.6 automatically routes all future transactions with the OTS to this new server.

For most institutions, the change should be transparent. **However, if your institution's Internet firewall or restriction policies made special rules or exceptions to allow you to connect to EFS-NET in the past, you should contact your network administrator to make sure these rules are updated to reflect the new server name and IP address:**

Previous EFS-NET server Internet domain name:

https://xnet.ots.treas.gov

New EFS-NET Internet domain name effective September 20, 2008:

Server Domain Name: https://xnet1.ots.treas.gov **IP Address: 128.121.236.129**

If your administrator needs further assistance, please contact the EFS Helpline at efs-info@ots.treas.gov or by phone toll free at 866.314.1744.

EFS FINANCIAL REPORTS SUBSCRIBER (FRS) VERSION 3.3 SOFTWARE *UPDATE* AVAILABLE FOR *DOWNLOAD*

The new EFS Financial Reports Subscriber (FRS) ***Version 3.3*** *update* is available for download via EFS Net, and must now be used to request Interest Rate Risk (IRR) and Uniform Thrift Performance Review (UTPR) reports. You must have FRS Version 3.1 installed (from the March 2008 EFS Version 6.4 CD) before you download and apply this Version 3.3 update. **Please follow the download instructions included with the FRS 3.3 link.**

You should download and apply this update as soon as possible via EFS-NET as usual, or you can use the link below.

https://xnet1.ots.treas.gov/efsnet/softwareupdates/frs_330_update.exe

REDESIGNED OTS WEBSITE

The OTS website, www.ots.treas.gov, has been redesigned. TFR-related items can now be found under Publications and Data from the main screen.

FDIC WEBSITE UPDATES

Per the FDIC, updates are made to the Industry Analysis portion of their website (http://www.fdic.gov/) on the third Friday after the close of the quarter and weekly thereafter. This update is based on individual OTS TFR data as of the previous Tuesday night. The FDIC will post September 2008 data to their website for the first time on Friday, October 17, 2008. The last update of the FDIC website for the September 2008 cycle will be approximately 60 days after the close of the quarter.

AMENDING PRIOR-CYCLE DATA

Before you transmit any *prior-period* amendments to TFR, CMR, or HC reports, be sure to discuss them with your Financial Reporting Analyst, who may have further instructions for you to follow. All amendments must be filed electronically and should include a detailed EFS Message to OTS explaining the reason for the amendment.

Although the instructions allow for 135 days after the cycle close for prior-cycle amendments, FRD analysts may need several days to analyze and process your data. Therefore, we encourage you to file any June 2008 amendments no later than close of business, Friday, November 7, 2008.

EFS BACKUP/RESTORE

Avoid data loss in the event of a system crash or natural disaster! Your data must be backed up **using the EFS Backup/Restore function** from the EFS main (blue) screen even if you have the program installed on a network drive. Data **is not included** in your institution's routine network backup unless it has been backed up to that network drive *from within EFS*.

You should create just one backup file on a network drive titled *OTSBackup* (or similar) and routinely answer **Yes** to the question "…Do you wish to back up your financial data prior to exiting?" each time you exit EFS. Simply overwrite the file with each backup – no need to create a new file for every cycle, report, etc. Every backup includes all historical data.

REINSTALLING EFS SOFTWARE CD

Once you have installed the current EFS CD for the first time, you should contact the EFS Helpline at efs-info@ots.treas.gov, or 866.314.1744 *before you reinstall it for any reason, or install it on a new/ additional machine*. EFS Helpline staff may have other suggestions for you to try first, and can provide you with detailed instructions for properly moving your EFS files to avoid losing historical data if it is indeed necessary to reinstall the software.

SEPTEMBER 2008 TFR INSTRUCTION MANUAL UPDATES

The following sections of the TFR Instruction manual have been revised and updated:

- The instructions for some of Schedule DI were revised to include the Section 3 (l) definition of deposits as referenced for Total Deposit Liabilities Before Exclusion (Gross) as defined in Section 3(l) of the FDI Act and FDIC Regulations, DI510.

- The instructions were also updated for line items SC660; SO321; VA115, 118, 120, 370, 930; and LD610.

Please refer to the revised instruction pages included with this Bulletin for details. Delete only the pages that have a replacement page.

You can go to the redesigned OTS website, http://www.ots.treas.gov at any time, click Publications and Data, click on the Thrift Financial Reports section, find Reports/Forms, and print a blank copy of TFR 2008 Form 1313 to use as a worksheet.

For assistance or questions about these changes, please contact your Financial Reporting Analyst in Dallas.

FINANCIAL REPORTING DIVISION - (FRD-DALLAS) CONTACT LIST

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GENERAL QUESTIONS AND SOFTWARE DISTRIBUTION

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The Financial Reporting Division uses voice-mail extensively. If you reach the voice-mail of the person you are calling, please leave a brief message, speaking slowly enough to be clearly understood. Include your name, phone number, region, and docket number. Your call will be returned as quickly as possible.

TFR REPORTING QUESTIONS AND ANSWERS

The Financial Reporting Division posts TFR Questions and Answers on the OTS website at http://www.ots.treas.gov/ (click Publications and Data, then TFR). If you have a question that you would like answered, you may submit it to tfr.instructions@ots.treas.gov. Be sure to include your docket number in your Subject line. For security reasons, **FRD staff does not respond to e-mails with blank or illogical Subject lines.**

EFS HELPLINE MESSAGE CENTER

For assistance with Electronic Filing System (EFS)-related issues, contact the EFS Software Helpline at efs-info@ots.treas.gov or call the toll-free 24-Hour Message Center: 866.314.1744. NOTE: For security purposes, please always include your 5-digit docket number in your e-mail Subject line or your voice-mail message, and provide your name and phone number. **FRD staff does not respond to e-mails with blank or illogical Subject lines.**

INTEREST-RATE RISK REPORTS

Questions about your Interest Rate Risk Report may be directed to Scott Ciardi at scott.ciardi@ots.treas.gov, or 202.906.6960.

COPIES OF TFR MANUAL The OTS provides one copy of the TFR Instruction Manual and Financial Reporting Bulletins free of charge to the report preparer(s) of each OTS-regulated institution. You can also access the manual and bulletins on the OTS website at http://www.ots.treas.gov/ > Publications and Data, > Thrift Financial Reports (in red field), > Report Forms, > and Bulletins/Financial Reporting Bulletins.

PREFERRED AND MINIMUM REQUIREMENTS FOR ELECTRONIC FILING OF REGULATORY REPORTS

Preferred Requirements:

Application

- **IBM-compatible PC - Pentium 566+ processor**
- **Windows NT4.0 Workstation, Windows 2000, XP, Me**
- **256 Meg of installed RAM memory**
- **200+ Meg of available hard drive memory**
- **SVGA enhanced color monitor 1024x768, 256 colors or 24 bit true colors**
- **CD-Rom drive**
- **HP LaserJet or Ink Jet-compatible printer**

Communications - EFS-NET

- **DSL, Internet Cable, or T1-T3 Direct Line with online Internet access**
- **Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)**

Important Notice about Microsoft Vista Updated 6/13/2008 The OTS has tested the Electronic Filing System on the new Microsoft Vista operating system, and is addressing issues as they are found. EFS on Vista workstations is supported on a limited basis. The OTS advises anyone upgrading a machine hosting the EFS software to Vista or installing EFS on a new Vista machine to report issues with EFS to the OTS at efs-info@ots.treas.gov.

Minimum Requirements:

Application

- IBM-compatible PC - Pentium 200+ processor
- 128 Meg of installed RAM memory
- 150 Meg of available hard drive memory
- VGA or SVGA color monitor - 640x480, 256 colors screen
- CD-Rom drive
- HP LaserJet or Ink Jet-compatible printer

Communications - EFS-NET

- 56K bps modem and active account with an Internet Access Service Provider
- Internet Explorer 6.x or greater (for EFS-NET certificate compatibility)

For quick reference to this page at any time, save this link in your Favorites:
<https://xnet1.ots.treas.gov/efsnet/bulletins/efs_6x_requirements.pdf>

Office of Thrift Supervision

Filing Deadline Schedule for 2008 Regulatory Reports

You can and should complete and transmit your reports
as soon as possible after the close of the quarter.

To preclude the OTS's consideration of the assessment of civil money penalties, pursuant to the provisions in 12 U.S.C. § 1464(v)(4)-(7), Reports of condition, please ensure that all TFR reports are filed before the filing deadlines shown below, and are filed accurately in accordance with the instructions.

Reporting "As Of" Date	FILING DEADLINE			
	Thrift Financial Report	Schedule CMR and HC	Cost of Funds	Branch Office Survey
January 31			Monday March 3	
February 29			Monday March 31	
March 31	Wednesday April 30	Thursday May 15	Wednesday April 30	
April 30			Friday May 30	
May 31			Monday June 30	
June 30	Wednesday July 30	Thursday August 14	Wednesday July 30	Monday August 25
July 31			Tuesday September 2	
August 31			Tuesday September 30	
September 30	Thursday October 30	Friday November 14	Thursday October 30	
October 31			Monday December 1	
November 30			Tuesday December 30	
December 31	Friday January 30, 2009	Tuesday February 17, 2009	Friday January 30, 2009	

THRIFT FINANCIAL REPORT INSTRUCTION MANUAL

SEPTEMBER 2008

Insert the attached revised pages into your Thrift Financial Report Instruction Manual. Delete **only** the pages that have a replacement. Refer to the summary of these changes in the September 2008 Financial Reporting Bulletin.

Direct questions to your Financial Reporting Analyst in Dallas, Texas, or e-mail tfr.instructions@ots.treas.gov

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SCHEDULE DI —CONSOLIDATED DEPOSIT INFORMATION

Throughout these instructions, ***you*** *and* ***your*** *refers to the savings association and its consolidated subsidiaries;* ***we*** *and* ***our*** *refers to the Office of Thrift Supervision.*

DEPOSIT DATA:

TOTAL BROKER-ORIGINATED DEPOSITS:

DI100: Fully Insured

Report brokered deposits included on SC710, Deposits, and SC712, Escrows, and received from brokers, dealers, or agents, for the account of others where the individual account balance is equal to or less than the account insurance limit.

DI110: Other

Report brokered deposits included on SC710, Deposits, and SC712, Escrows, received from brokers, dealers, or agents, for the account of others where the individual account exceeds the account insurance limit. Report the full amount of the deposit, both insured and uninsured portions.

Each institution must complete lines DI120 through DI185, DI210, DI510, DI520, and DI530 on an unconsolidated single FDIC certificate number basis. Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When an insured institution owns another depository institution as a subsidiary, each institution should report only its own deposit liabilities in this section (i.e., the parent institution should not combine the subsidiary institution's deposit liabilities with its own in this section). Each of the above referenced lines should also include accrued interest that is reported on SC763.

The sum of DI120, DI130, DI170, and DI175 must equal the institution's assessable deposits, i.e. line DI510, less DI520.

DEPOSITS (EXCLUDING RETIREMENT ACCOUNTS) WITH BALANCES:

DI120: $100,000 or Less

Report deposits (excluding retirement accounts) included on SC710, Deposits, and SC712, Escrows, and SC763, Accrued Interest Payable-Deposits, with current balances of $100,000 or less. Include broker-originated deposits (excluding retirement accounts) where the current balances of the investors' participating shares are $100,000 or less.

DI130: Greater than $100,000

Report deposits (excluding retirement accounts) included on SC710, Deposits, and SC712, Escrows, and SC763, Accrued Interest Payable-Deposits, with current balances greater than $100,000. Include broker-originated deposits (excluding retirement accounts) where the current balances of the investors' participating shares exceed $100,000.

NUMBER OF DEPOSIT ACCOUNTS (EXCLUDING RETIREMENT ACCOUNTS) WITH BALANCES:

DI150: $100,000 or Less

Report the actual number of accounts (excluding retirement accounts) that have outstanding balances including accrued interest of $100,000 or less. Do not report the outstanding balances. Report each investor participation in a broker-originated deposit (excluding retirement accounts) as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

DI160: Greater than $100,000

Report the actual number of accounts (excluding retirement accounts) that have outstanding balances including accrued interest greater than $100,000. Do not report the outstanding balances. Report each investor participation in a broker-originated deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

RETIREMENT DEPOSITS WITH BALANCES:

DI170: $250,000 or Less

Report retirement deposits included on SC710, Deposits, and SC712, Escrows, and SC763, Accrued Interest Payable-Deposits, with current balances of $250,000 or less. Include broker-originated deposits where the current balances of the investors' participating shares are $250,000 or less.

DI175: Greater than $250,000

Report retirement deposits included on SC710, Deposits, and SC712, Escrows, and SC763, Accrued Interest Payable-Deposits, with current balances greater than $250,000. Include broker-originated deposits where the current balances of the investors' participating shares exceed $250,000.

NUMBER OF RETIREMENT DEPOSIT ACCOUNTS WITH BALANCES:

DI180: $250,000 or Less

Report the actual number of retirement accounts that have outstanding balances including accrued interest of $250,000 or less. Do not report the outstanding balances. Report each investor participation in a broker-originated retirement deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

DI185: Greater than $250,000

Report the actual number of retirement accounts that have outstanding balances including accrued interest greater than $250,000. Do not report the outstanding balances. Report each investor participation in a broker-originated retirement deposit as a separate account. Report the actual number; do not round to thousands.

The sum of DI150, DI160, DI180, and DI185 must equal the total number of deposit accounts that you hold and that you report on SC710, Deposits, and SC712, Escrows.

DI200: IRA/KEOGH ACCOUNTS

Report IRA and Keogh accounts included in SC710, Deposits, and SC712, Escrows.

Include other retirement accounts such as SEP accounts.

Do not include:

1. 401(k) accounts.
2. Accounts that, under applicable tax laws, are predominantly for uses other than retirement.

DI210: UNINSURED DEPOSITS

Institutions with less than $1 billion in total assets are not required to complete this item. Institutions with $1 billion or more in total assets are required to report these data on a unconsolidated single FDIC certificate number basis. To determine whether to complete this item, use your institution's total assets from line SC60 as of the June 30 TFR prior to or current with the current reporting cycle. Once an institution passes the $1 billion total assets threshold, it must continue to report its estimated uninsured deposits regardless of subsequent changes in its total assets. Report the uninsured portion of all deposits and escrows in excess of insured limits pursuant to Section 141 of the FDIC Improvement Act, **FDICIA**.

You may not be able to precisely determine the amount of uninsured deposits due to the lack of information about interests by other parties in certain deposit accounts. However, you should diligently seek the best estimate of your uninsured deposits. You should derive the estimate from your existing information systems or personal knowledge of your depositor base.

The estimated amount of uninsured deposits reported in this item should be based on the institution’s deposits included in Schedule DI, line DI510, “Total deposit liabilities before exclusions (gross) as defined in Section 3(1) of the Federal Deposit Insurance Act and FDIC regulations,” less line DI520, “Total allowable exclusions (including foreign deposits)”. In addition to the uninsured portion of deposits in “domestic offices” reported in Schedule SC, line SC71, the estimate of uninsured deposits should take into account all other items included in Schedule DI, line DI510 less line DI520, including, but not limited to:

- Interest accrued and unpaid on deposits in domestic offices;
- Deposits in insured branches in Puerto Rico and U.S. territories and possessions (including interest accrued and unpaid on these deposits);
- Deposits on consolidated subsidiaries in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions (including interest accrued and unpaid on these deposits); and
- Deposit liabilities that have been reduced by assets netted against these liabilities in accordance with generally accepted accounting principles.

DI220: PREFERRED DEPOSITS

Report all deposits and escrows from states and political subdivisions in the U.S. included in SC710, Deposits, secured or collateralized as required under state law, pursuant to Section 141 of FDICIA.

Do not include:

1. Deposits of the U.S. Government secured or collateralized as required under federal law.
2. Deposits of trust funds secured or collateralized as required under state law unless the beneficiary is a state or political subdivision in the U.S.

State law may require you to pledge securities or other readily marketable assets to cover the uninsured portion of the deposits of a state or political subdivision. If you pledge securities with a value that exceeds the amount of the uninsured portion of the state or political subdivision's deposits, report only the uninsured amount and none of the insured portion of the deposits as a preferred deposit.

For example, you hold a political subdivision's $350,000 in deposits. Under state law, you must pledge securities to cover only the uninsured portion of such deposits, or $250,000. Although you have pledged securities with a value of $300,000 to secure these deposits, consider only $250,000 of the political subdivision's $350,000 in deposits – the uninsured amount – as preferred deposits.

In other states, you must participate in a state public deposits program to receive deposits from the state or from political subdivisions within the state in amounts exceeding federal deposit insurance. Under state law, you calculate annually the value of the securities you must pledge to the state, but this represents only a percentage of the uninsured portion of your public deposits. State law may require you to participate in the state program that may ultimately require you to share in any loss to public depositors incurred in the failure of another participating institution.

As long as the value of the securities pledged to the state exceeds the calculated requirement, you protect all of your uninsured public deposits from loss under the operation of the state program if you fail. Therefore, consider all of the uninsured public deposits preferred deposits.

For example, you are participating in a state public deposits program with $1,000,000 in public deposits under the program and $700,000 of this amount is uninsured; you pledge securities with an actual value of $800,000. You should report the $700,000 in uninsured public deposits as preferred deposits.

COMPONENTS OF DEPOSITS AND ESCROWS:

The sum of DI310, DI320, DI330, and DI340 must equal SC710 plus SC712.

DI310: Transaction Accounts (Including Demand Deposits)

Report the balance of all transaction accounts included in SC710, Deposits, and SC712, Escrows.

Transaction accounts are those deposit and escrow accounts from which the depositor is permitted to make:

- Transfers or withdrawals by negotiable or transferable instruments.
- Payment orders of withdrawal, telephone transfers, or other similar devices for purpose of making payments or transfers to third persons or others.
- Third party payments at an automated teller machine (ATM), a remote service unit (RSU), or other electronic device, including by debit card.

Transaction accounts include demand deposits, NOW (negotiable order of withdrawal) accounts, ATS (automatic transfer service) accounts, and telephone and preauthorized transfer accounts. These accounts may be interest-bearing or non-interest-bearing.

Exclude money market deposit accounts (MMDAs) and other savings deposits as defined below in DI320 and DI330, even though such deposits permit some third-party transfers. However, report as a transaction account an account that otherwise meets the definition of a savings deposit but that authorizes or permits the depositor to exceed the transfer limitations specified for that account.

DI310 plus DI320 plus DI330 plus DI340 must equal SC710 plus SC712.

DI320: Money Market Deposit Accounts

Report the balance of money market deposit accounts (MMDAs) as defined in 12 CFR §561.28 or applicable state law.

MMDAs generally have the following requirements:

- The savings association reserves the right to require at least seven days' notice prior to withdrawal or transfer of funds in the account.
- The depositor may make no more than six transfers per calendar month or statement cycle, provided that no more than three of the six transfers may be by check, draft, debit card, or similar order.

Refer to 12 CFR §561.28 for more detailed requirements of MMDAs.

DI330: Passbook Accounts (Including Nondemand Escrows)

Report the balance of nontransactional savings accounts that are not MMDAs or time deposits.

DI340: Time Deposits

Report the balance of time deposits. Time deposits are nontransactional savings deposits payable at a specified future date with earnings at a specified rate of interest. The interest specified may adjust periodically according to a predetermined formula or index or may be fixed for the term of the deposit. The specified maturity date must be not less than seven days after the date of the deposit. Time deposits may be an open savings deposit or may be evidenced by a negotiable or nonnegotiable instrument or receipt commonly known as a certificate of deposit (CD). Open time deposits include club accounts, such as Christmas club and vacation club accounts, are made under written contracts that provide that no withdrawal may be made until the customer makes a certain number of periodic deposits or a certain period of time has elapsed.

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 of less than $100,000 should also be reported as deposits of $100,000 or less.

Data reported in lines DI350 and DI360 are used by the Federal Reserve to ensure accurate construction of the monetary aggregates for monetary policy purposes.

DI350: Time Deposits of $100,000 or Greater (Excluding Brokered Time Deposits Participated Out by the Broker in Shares of Less Than $100,000 and Brokered Certificates of Deposit Issued In $1,000 Amounts Under a Master Certificate of Deposit)

Report the balance of time deposits of $100,000 or greater. Do not include brokered time deposits participated out by the broker in shares of less than $100,000 and brokered certificates of deposit issued in $1,000 amounts under a master certificate of deposit.

DI360: IRA/Keogh Accounts of $100,000 or Greater Included in Time Deposits

Report the balance of IRA / Keogh accounts of $100,000 or greater included in time deposits.

DI610: NON-INTEREST-BEARING DEMAND DEPOSITS

Report all demand deposits reported on SC710, Deposits, and SC712, Escrows. FDIC Regulations 12 CFR § 329.1, 329.101, and 329.102 define the demand deposits to report on this line.

A demand deposit is a non-interest-bearing deposit with the following characteristics:

1. Is payable immediately on demand.
2. Is issued with an original maturity or required notice period of less than seven days.
3. Where the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal.

Demand deposits include:

1. Matured time deposits that do not have automatic renewal provisions, unless the deposit agreement provides for the transfer of funds at maturity to another type of account.
2. Escrow accounts reported on SC712 that meet the definition of demand deposits.
3. Outstanding checks drawn against zero-balance accounts reported on SC710, including those at Federal Home Loan Banks.

Demand deposits do not include:

1. Money market deposit accounts, MMDAs.
2. NOW accounts not meeting the three criteria listed above for demand deposits.
3. Deposits held either in branches outside of the territories and possessions of the U.S. or by an Edge or Agreement Subsidiary or by an International Banking Facility (IBF).
4. Amounts not included in SC710 or SC712, such as outstanding checks drawn against Federal Home Loan Banks.

DEPOSIT DATA FOR DEPOSIT INSURANCE PREMIUM ASSESSMENTS

GENERAL INSTRUCTIONS

Each institution must complete lines DI510, DI520, and DI530 on an unconsolidated single FDIC certificate number basis. Each separately chartered depository institution that is insured by the FDIC has a unique FDIC certificate number. When an insured institution owns another depository institution as a subsidiary, each institution should report only its own deposit liabilities in this section (i.e., the parent institution should not combine the subsidiary institution's deposit liabilities with its own in this section).

In addition, an institution that meets one of the criteria discussed below must complete lines DI540, DI550, and DI560 on an unconsolidated single FDIC certificate number basis each quarter.

Effective March 31, 2008, an institution that (a) reported $1 billion or more in total assets as of the March 31, 2007, report date (regardless of its asset size in subsequent quarters) or (b) became insured by the FDIC on or after April 1, 2007, but before January 1, 2008, must report both quarter-end balances and daily averages for the quarter in this section of Schedule DI. In addition, an institution that meets one of the following criteria must report both quarter-end deposit totals and daily averages in Schedule DI:

1. If an institution reports $1 billion or more in total assets in two consecutive Thrift Financial Reports subsequent to its March 31, 2007, report, the institution must begin reporting both quarter-end balances and daily averages for the quarter beginning on the later of the March 31, 2008, report date or the report date six months after the second consecutive quarter in which it reports total assets of $1 billion or more. For example, if an institution reports $1 billion or more in total assets in its reports for June 30 and September 30, 2007, it would have to begin reporting daily averages in its report for March 31, 2008. If the institution reports $1 billion or more in total assets in its reports for December 31, 2008, and March 31, 2009, it would have to begin reporting daily averages in its report for September 30, 2009.
2. If an institution becomes newly insured by the FDIC on or after January 1, 2008, the institution must report daily averages in Schedule DI beginning in the first quarterly Thrift Financial Report that it files. The daily averages reported in the first report the institution files after becoming FDIC-insured would include the dollar amounts for the days since the institution began operations and zero for the days prior to the date the institution began operations, effectively pro-rating the first quarter's assessment base.

Any institution that reports less than $1 billion in total assets in its March 31, 2007, report may continue to report only quarter-end total deposits and allowable exclusions until it meets the two-consecutive-quarter asset size test for reporting daily averages. Alternatively, the institution may opt permanently at any time to begin reporting daily averages for purposes of determining its assessment base. After an institution begins to report daily averages for its total deposits and allowable exclusions, either voluntarily or because it is required to do so, the institution is not permitted to switch back to reporting only quarter-end balances.

The amounts to be reported as daily averages are the sum of the gross amounts of total deposits (domestic and foreign) and allowable exclusions for each calendar day during the quarter divided by the number of calendar days in the quarter (except as noted above for an institution that becomes insured on or after January 1, 2008, in the first report it files after becoming insured). For days that an office of the reporting institution (or any of its subsidiaries or branches) is closed (e.g., Saturdays, Sundays, or holidays), the amounts outstanding from the previous business day would be used. An office is considered closed if there are no transactions posted to the general ledger as of that date.

DI510: TOTAL DEPOSIT LIABILITIES BEFORE EXCLUSIONS (GROSS) AS DEFINED IN SECTION 3(L) OF THE FEDERAL DEPOSIT INSURANCE ACT AND FDIC REGULATIONS

Report on an unconsolidated single FDIC certificate number basis the gross total deposit liabilities as of the calendar quarter-end report date that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. Since the FDIC's amendments to its assessment regulations in 2006 did not substantially change the definition of deposits for assessment purposes, an institution's gross total deposit liabilities are the combination of all deposits reported in line SC710 (excluding unposted credits net of unposted debits), all escrows reported in line SC712, and accrued interest payable on deposits reported in line SC763.

An institution's documentation to support the amounts reported for purposes of determining its assessment base has always been, and continues to be, subject to verification. This documentation includes the actual system control summaries in the institution's systems that provide the detail sufficient to track, control, and handle inquiries from depositors about their specific individual accounts. These systems can be automated or manual. If the system control summaries have been reduced by accounts that are overdrawn, these overdrawn accounts are extensions of credit that must be treated and reported as "loans" rather than being treated as negative deposit balances.

Unposted debits and unposted credits should not be included in an institution's system control summaries. However, if they are included in the gross total deposit liabilities reported in this line, they may be excluded in line DI520 below.

DI520: TOTAL ALLOWABLE EXCLUSIONS (INCLUDING FOREIGN DEPOSITS)

Report, on an unconsolidated single FDIC certificate number basis, the total amount of allowable exclusions from deposits as of the calendar quarter-end report date if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions. Any accrued and unpaid interest on the allowable exclusions listed below should also be reported in this item as an allowable exclusion.

The allowable exclusions include:

1. *Foreign Deposits*: As defined in Section 3(l)(5) of the Federal Deposit Insurance Act, foreign deposits include

   (A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State, unless --

   (i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and would be payable at, an office located in any State; and

   (ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and

   (B) any international banking facility deposit, including an international banking facility time deposit, as such term is from time to time defined by the Board of Governors of the Federal Reserve System in regulation D or any successor regulation issued by the Board of Governors of the Federal Reserve System.

NOTE: Foreign deposits are deposit obligations under the FDIC certificate number of the reporting institution only. Deposit obligations of a subsidiary depository institution chartered in a foreign country should not be included in amounts reported in Schedule DI under the domestic institution's FDIC certificate number.

2. *Reciprocal balances:* Any demand deposit due from or cash item in the process of collection due from any depository institution (not including a foreign bank or foreign office of another U.S. depository institution) up to the total amount of deposit balances due to and cash items in the process of collection due such depository institution.

3. *Drafts drawn on other depository institutions:* Any outstanding drafts (including advices and authorization to charge the depository institution's balance in another bank) drawn in the regular course of business by the reporting depository institution. These types of drafts only apply to unposted debits and unposted credits which have not been extracted from SC710 (due to the institution's system control Summaries).

4. *Pass-through reserve balances*: Reserve balances passed through to the Federal Reserve by the reporting institution that are also reflected as deposit liabilities of the reporting institution. This exclusion is not applicable to an institution that does not act as a correspondent bank in any pass-through reserve balance relationship. A state nonmember bank generally cannot act as a pass-through correspondent unless it maintains an account for its own reserve balances directly with the Federal Reserve.

5. *Depository institution investment contracts*: Liabilities arising from depository institution investment contracts that are not treated as insured deposits under section 11(a)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(5)). A Depository Institution Investment Contract is a separately negotiated depository agreement between an employee benefit plan and an insured depository institution that guarantees a specified rate for all deposits made over a prescribed period and expressly permits benefit-responsive withdrawals or transfers.

6. *Accumulated deposits*: Deposits accumulated for the payment of personal loans that are assigned or pledged to assure payment of the loans at maturity. Deposits that simply serve as collateral for loans are not an allowable exclusion.

DI530: TOTAL FOREIGN DEPOSITS (INCLUDED IN TOTAL ALLOWABLE EXCLUSIONS)

Report on an unconsolidated single FDIC certificate number basis the total amount of foreign deposits (including International Banking Facility deposits) as of the calendar quarter-end report date included in line DI520.

DI540: TOTAL DAILY AVERAGE OF DEPOSIT LIABILITIES BEFORE EXCLUSIONS (GROSS) AS DEFINED IN SECTION 3(L) OF THE FEDERAL DEPOSIT INSURANCE ACT AND FDIC REGULATIONS

Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of gross total deposit liabilities that meet the statutory definition of deposits in Section 3(l) of the Federal Deposit Insurance Act before deducting exclusions from total deposits that are allowed in the determination of the assessment base upon which deposit insurance assessments (and FICO premiums) are calculated. For further information on deposit amounts to be calculated, see the instructions for line DI510. For information on calculating the total daily average for the quarter, see the General Instructions for reporting Deposit Data for Deposit Insurance Assessment Purposes above.

DI550: TOTAL DAILY AVERAGE OF ALLOWABLE EXCLUSIONS (INCLUDING FOREIGN DEPOSITS)

Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of allowable exclusions from deposits (as defined in line DI520) if the institution maintains such records as will readily permit verification of the correctness of its reporting of exclusions.

DI560: TOTAL DAILY AVERAGE OF FOREIGN DEPOSITS

Report on an unconsolidated single FDIC certificate number basis the total daily average for the quarter of the total amount of foreign deposits (including International Banking Facility deposits) included in line DI550.

SC540: Other

Report (1) investments in all unconsolidated subordinate organizations, and (2) pass-through investments, where such investments are accounted for at either cost or using the equity method. Include in the reported amount any advances (secured or unsecured) to the investee entity.

SC55: OFFICE PREMISES AND EQUIPMENT

Report the book value of all premises and equipment that are used in your business operations net of accumulated depreciation whether they were purchased directly or acquired by means of a capital lease. In a sale-leaseback where the resulting lease is a capital lease, report the capital lease net of the unamortized deferred gain or loss.

Report depreciation expense for the quarter on SO530, Office Occupancy and Equipment Expense.

Include:

1. All land, buildings, and parking lots occupied by you, including those that you only partially occupy.
2. Land or improved real estate intended for future use in your business operations.
3. Real estate you formerly occupied, if the real estate is held for sale.
4. Capital leases for your office premises and equipment.
5. Carrying costs capitalized during the construction of your premises.
6. The unamortized balance of all improvements to leased quarters and any capital improvements made to land leased for your use.
7. Office furniture, fixtures, equipment, and vehicles you own.

Do not include:

1. Repossessed assets, unless you used them on other-than-a-temporary basis. Report on SC405 through SC430.
2. Real estate held for investment. Report on SC45.
3. Real estate you originally acquired for future use but no longer intend to use for that purpose. Report as REO on SC405 through SC428.
4. Real estate you formerly occupied and did not actively hold for sale. Report on SC45.
5. Real estate you acquired as part of a troubled debt restructuring. Report on SC405 through SC428, Repossessed Real Estate.
6. Technology-based intangible assets, such as computer software. Report on SC660.

OTHER ASSETS:

SC59: Total

The EFS software will compute this line as the sum of SC615 through SC689 less SC699.

Bank-Owned Life Insurance:

SC615: Key Person Life Insurance

Include the value of bank-owned life insurance that you consider key-person insurance, where the intended purpose is to provide the institution protection against the potential for losses arising from the untimely death of a key employee or borrower. You generally surrender these policies when the key employee leaves your institution or when the borrower pays off his loan. Include amounts represented in the contractual terms of the policy as defined by FASB Technical Bulletin No. 85-4 and EITF Issue No. 06-5. (i.e. cash surrender value, claim stabilization reserves, and tax on deferred acquisition costs.

SC625: Other

Report the value of all bank-owned life insurance that you do not consider key-person insurance, and therefore that you do not include on SC615. Include amounts represented in the contractual terms of the policy (i.e. cash surrender value, claim stabilization reserves, and tax on deferred acquisition costs).

Intangible Assets:

Servicing Assets:

Report the carrying amount of servicing assets on mortgage and nonmortgage loans.

Servicing assets may be carried at either a.) the lower of cost or fair value, or b.) fair value.

For servicing assets carried at the lower of cost or fair value, adjust the carrying amount for:

1. Accumulated gain or loss (change in fair value) on the servicing asset attributable to the designated risk being hedged on a qualifying fair-value hedge.
2. Any valuation allowances.

Servicing assets are subject to certain regulatory capital limitations. Refer to the instructions for data field CCR133.

Do not include amounts for any rights to future interest income from the serviced loans that exceed contractually specified servicing fees, defined below. Such rights are not servicing assets. Report such amounts on SC665, Interest-only Strip Receivables and Certain Other Instruments.

Contractually specified servicing fees are all amounts that, per the contract, are due to you as the servicer in exchange for the servicing. In other words, you would no longer receive fees if the beneficial owners of the serviced assets were to exercise their actual or potential authority under the contract to shift the servicing to another servicer.

SC642: Mortgage Loans

Report servicing assets on mortgage loans only.

SC644: Nonmortgage Loans

Report servicing assets of loans other than mortgages, such as automobile and credit card loans.

SC660: Goodwill and Other Intangible Assets

Report the balance of goodwill and other intangible assets.

Include:

1. Goodwill.
2. Core deposit premium.
3. Intangible pension assets.
4. Technology-based intangible assets, such as computer software.
5. Other intangible assets (i.e., purchased credit card relationships (PCCRs)) excluding servicing assets reported on SC642 and SC644.

Do not include:

1. Servicing assets; report on SC642 and SC644.
2. Interest-only strip receivables and certain other instruments; report on SC665.

3. Organization costs, which should be expensed as incurred.

SC665: Interest-only Strip Receivables and Certain Other Instruments

Report the amortized cost of certain nonsecurity financial instruments (CNFIs) accounted for under FASB Statement No. 140. CNFIs include interest-only strip receivables, loans receivable, other receivables, or retained interests in securitizations that can be contractually prepaid or otherwise settled in such a way that the holder would not recover substantially all of its recorded investment. Adjust the carrying amount for: (1) accumulated gain or loss (change in fair value) on CNFIs attributable to the designated risk being hedged on a qualifying fair-value hedge under FASB Statement No. 133; and (2) any valuation allowances.

Do not include interest-only strips **in security form**. Report on SC217 through SC222, Other Mortgage-Backed Securities, or SC185, Other Investment Securities, as appropriate.

In general, CNFIs are initially recorded at cost, which often approximates fair value. Subsequent to initial recording, CNFIs are measured at fair value, like investments in debt securities classified as available for sale or trading under FASB Statement No. 115. All CNFIs should be reported on either SI375 or SI385, depending on whether they are classified as held for trading or available-for-sale pursuant to FASB Statement No. 115.

SC689: Other Assets

Report the total of assets not reported elsewhere on Schedule SC. You can find examples of the types of assets to be included in the memo items detailing other assets below.

Do not include:

1. Premiums on deposits and borrowed money that you purchased. Report premiums on deposits on SC715 and premiums on borrowed money with the related borrowing.
2. Deferred credits, deferred income, that do not have a related asset. Report on SC796, Other Liabilities and Deferred Income.
3. Accounts with a material credit balance that are not contra-assets. Report on SC796, Other Liabilities and Deferred Income.
4. Identified core deposit intangibles. Report on SC660, Goodwill and Other Intangible Assets.

Memo: Detail of Other Assets

Report the three largest items constituting the amount reported in SC689. You should select codes best describing these items from the list below and report them on SC691, 693, and 697; report the corresponding amounts on SC692, 694, and 698. You must complete this detail if you report an amount on SC689. You should combine similar accounts, for example, all prepaid expenses should be combined and reported as 07. However, you should not combine unlike accounts in reporting code 99. You may have more than one code 99 if you cannot find codes describing the items you report.

SC691, 693 and 697: Codes

01 No longer used

02 Accrued Federal Home Loan Bank dividends.

03 Federal, state, or other taxes receivable, whether as the result of prepayment or net operating loss carrybacks.

04 Net deferred tax assets in accordance with FASB Statement No. 109.

06 Prepaid deposit insurance premiums.

07 Prepaid expenses.

08 Deposits for utilities and other services.

09 Advances for loans serviced for others, including advances for taxes and insurance and advances to investors.

10 Property leased to others under an operating lease as provided in 12 CFR § 560.41, net of accumulated depreciation.

11 Deferred issuance costs related to subordinated debentures, mandatory convertible securities, and redeemable preferred stock.

12 Amounts receivable under interest rate swap agreements.

13 Non-interest-bearing accounts receivable from a holding company or affiliate.

14 Other miscellaneous, non-interest-bearing, short-term accounts receivable.

15 No longer used

16 No longer used

17 No longer used

18 No longer used

19 Receivables from a broker for unsettled transactions.

Include all receivables from a broker or other party for unsettled transactions between trade and settlement dates.

20 Fair value of all derivative instruments reportable as assets under FASB Statement No. 133.

21 No longer used

22 Unapplied loan disbursements.

Include only those loan disbursements that you cannot categorize.

23 No longer used

24 No longer used

25 No longer used

26 Non-interest-bearing overdrafts of consumer and commercial deposit accounts where the institution does not perform a credit analysis but offers overdraft protection to most customers for their convenience.

99 Other. **Use this code only for those items not identified above**.

SC692, 694, and 698: Amounts

Report the dollar amounts corresponding to the codes reported on SC691, 693, and 697.

SC699: General Valuation Allowances

Report all general valuation allowances established to recognize credit losses on receivables included in Other Assets.

You must include all valuation allowances in the reconciliation of valuation allowances in Schedule VA.

SC60: TOTAL ASSETS

The EFS software will compute this line as the sum of SC11, SC22, SC26, SC31, SC40, SC45, SC51, SC55, and SC 59. This amount must equal SC90, Total Liabilities, Redeemable Preferred Stock, Minority Interest, and Equity Capital.

SO271: CAPITALIZED INTEREST

Report all capitalized interest costs in accordance with FASB Statement No. 34, *Capitalization of Interest Costs*. Do not use an interest rate that exceeds the weighted average rate for total interest-bearing deposits and other liabilities. Capitalized interest will be deducted from interest expense. Therefore, report this as a positive number even though it will always be a credit balance.

SO312: NET INTEREST INCOME (EXPENSE) BEFORE PROVISION FOR LOSSES ON INTEREST-BEARING ASSETS

The EFS software will automatically compute this line as SO11 plus SO18 less SO21.

SO321: NET PROVISION FOR LOSSES ON INTEREST-BEARING ASSETS

Report the provision for losses on all earning assets, including loans, as well as debt and equity securities Report credit balances as negative.

For a discussion on how to calculate provision for losses, refer to the general instructions for Schedule VA.

Do not report adjustments to valuation allowances as prior period expenses. Report adjustments to valuation allowances as an expense in the period in which you determined the amount of the loss even if the loss actually occurred in a prior period.

Include:

1. Other-than-temporary impairment charges on debt and equity securities. As no valuation allowances on these assets will remain, also report these losses as charge-offs on VA115, and also on VA370 and/or VA930, as appropriate.
2. Losses you recognized in marking loans to fair value at the time of foreclosure or in-substance foreclosure.

Do not include:

1. Adjustments to available-for-sale securities for unrealized gains or losses in accordance with FASB Statement No. 115. Report the adjustments on SC860, Unrealized Gains (Losses) on Available-for-Sale Securities.
2. Adjustments to trading assets. Report on SO485, Net Income (Loss) from Trading Assets (Realized and Unrealized).
3. Recoveries of valuation allowances at the time of sale. Include these in the gain or loss on the sale.
4. Provisions for losses on noninterest-bearing assets. Report the provision for losses on SO570, Net Provision for Losses on Non-interest-bearing Assets.
5. Adjustments to or recording of a liability for off-balance-sheet commitments or contingencies; include these in SO580, Other Noninterest Expense.

SO332: NET INTEREST INCOME (EXPENSE) AFTER PROVISION FOR LOSSES ON INTEREST-BEARING ASSETS

The EFS software will automatically compute this line as SO312 less SO321.

NONINTEREST INCOME

Do not include material adjustments to income from prior calendar years; refer to page 3 of the General Instructions for procedures to correct prior periods.

SO42: TOTAL

The EFS software will compute this line as the sum of SO410 through SO488.

SO410: MORTGAGE LOAN SERVICING FEES

Include:

1. Fees earned from servicing mortgage loans for others.
2. Impairment losses on servicing assets reported on SC642.

Do not include:

1. Servicing fees for nonmortgage loans. Report the servicing fees on nonmortgage loans on SO420, Other Fees and Charges.
2. Amortization of loan servicing assets or liabilities and valuation adjustments for classes of loan servicing accounted for using the amortization method.
3. Fair value adjustments for classes of servicing carried at fair value.

Report the difference between the net interest retained from mortgage loan servicing and the amortization or other write-down of mortgage servicing assets. Do not deduct servicing expenses.

SO411: AMORTIZATION OF AND FAIR VALUE ADJUSTMENTS TO LOAN SERVICING ASSETS AND LOAN SERVICING LIABILITIES

Report the total servicing amortization and valuation adjustments.

Include:

1. Amortization of loan servicing assets or liabilities and valuation adjustments for classes of loan servicing accounted for using the amortization method
2. Fair value adjustments for classes of servicing carried at fair value.

SO420: OTHER FEES AND CHARGES

Report all fees and charges not reported on SO410.

Include:

1. Loan servicing fee income on nonmortgage loans, including credit card servicing income.
2. Trust fee income.
3. Amortization of commitment fees when it is unlikely that the borrower will exercise the commitment.
4. Brokerage fee income.
5. Annuity fee income.
6. Insurance premiums, fees, and commissions.
7. Transaction account fees, including overdraft and non-sufficient funds (NSF) fees.
8. Credit enhancement fees.
9. All other fees not reported on SO410.

Do not include:

Amortization of loan fees. Report amortization of loan fees as a yield adjustment to interest income.

NET INCOME (LOSS) FROM:

Report net income or loss on the categories below. Enter a loss as negative.

SO430: Sale of Assets Held for Sale and Available-for-Sale Securities

Include:

1. Profit or loss from the disposition of assets held for sale.
2. Profit or loss from the disposition of available-for-sale securities pursuant to FASB Statement No. 115.

When you sell securities classified as available-for-sale pursuant to FASB Statement No. 115, reverse the amount of the unrealized gain or loss previously recorded on SC860, Unrealized Gains (Losses) on Available-for-Sale Securities, and report the entire difference between amortized cost and net sales proceeds in earnings.

Because you recognize in income the lower-of-cost-or-market adjustments to assets held for sale as they occur, when you sell the assets, you recognize the difference between the recorded value and the net sales proceeds.

Do not include:

1. Gains or losses on trading assets. Report on SO485.
2. Lower-of-cost-or-market adjustments to assets held for sale. Report these adjustments on SO465.

SO461: Operations and Sale of Repossessed Assets

Include:

1. Net income or loss from repossessed assets reported on SC40, Repossessed Assets. Report direct expenses on repossessed assets, even if there is no income.

2. Gains and losses from the sale of repossessed assets reported on SC40, Repossessed Assets.

Do not include:

1. Adjustments to valuation allowances established on REO. Report these adjustments on SO570, Net Provision for Losses on Noninterest-Bearing Assets.
2. Write-downs taken when marking foreclosed assets to fair value at time of foreclosure. Report these write-downs on SO321, Net Provision for Losses on Interest-bearing Assets.

SO465: LOCOM Adjustments Made to Assets Held for Sale

Report adjustments to assets held for sale to value them at the lower-of-cost-or-market. The amounts reported here should directly adjust the asset and should not be established as a valuation allowance.

Do not include:

1. Any unrealized gains or losses on available-for-sale securities recorded pursuant to FASB Statement No. 115. Report these unrealized gains or losses only as a separate component of equity capital on SC860.
2. Profit or loss on the sale of assets held for sale. Report the profit or loss on SO430.
3. Operating income and expense from mortgage banking activities. Report in the appropriate income or expense category.

SO467: Sale of Securities Held-to-Maturity

Include:

1. Gains and losses from the sale or other disposition of mortgage-backed securities that you reported on SC210 through SC228, Mortgage-Backed Securities, and that were held-to-maturity.
2. Gains and losses from the sale or other disposition of securities that you reported on SC130 through SC185, Cash, Deposits and Investment Securities, and that were held-to-maturity.

Do not include:

1. Gains and losses from the sale of securities held in a trading portfolio. Report these gains or losses on SO485.
2. Gains and losses from the sale of available-for-sale securities. Report these gains and losses on SO430.

SO475: Sale of Loans Held for Investment

Report gains and losses from the sale or other disposition of mortgage and nonmortgage loans that you reported on SC230 through SC265 and SC300 through SC330.

Do not include:

1. Gains and losses from the sale of loans and securities in a trading portfolio. Report these gains and losses on SO485;
2. Gains and losses from the sale of loans held for sale. Report these gains and losses on SO430.
3. Recoveries of losses previously written off. Report on VA140, Recoveries.

SO477: Sale of Other Assets Held for Investment

Report gains and losses from the sale or other disposition of any assets that you did not report on SO430 through SO475 or SO485.

Include:

1. Gains and losses from the sale of real estate held for investment reported on SC45, Real Estate Held for Investment, that you may account for as current income in accordance with FASB Statement No. 66, *Accounting for Sales of Real Estate*.
2. Gains and losses from the sale of a branch operation or a portion thereof, such as deposits.
3. Gains and losses from the sale of loan servicing rights when sold separately from the loan.
4. Gains and losses from the sale of subsidiaries.

SO485: Gains and Losses on Financial Assets and Liabilities Carried at Fair Value

The balances of financial assets and liabilities carried at fair value where the change in fair value is reflected in current earnings are reported on SI376 and SI377. For such instruments, report interest income earned and interest expense incurred on the appropriate lines under Interest Income and Interest Expense, and report the changes in fair value in noninterest income on this line.

Derivatives are financial assets and liabilities, and therefore the balances of derivatives are included on SI376 and SI377. In general for derivatives, include the changes in fair value in noninterest income on this line. However, for derivatives subject to fair value or cash flow hedge accounting, it may be appropriate under GAAP to include the changes in fair value that are reflected in current earnings in other lines on Schedule SO, including interest income or interest expense.

The balance of available-for-sale securities (carried at fair value) is reported on SI385. For such instruments, the changes in fair value are not reflected in current earnings, but rather in other comprehensive income net of any deferred tax impact. Accordingly, do not include the changes in fair value on available-for-sale securities on this line. Rather, report such changes in other comprehensive income on SI662.

Under a “fair value option”, servicing assets may be carried at fair value with the changes in fair value reflected in current earnings. However, servicing assets are not financial assets, and therefore the balance is not included on SI376. Accordingly, do not include the changes in fair value on servicing assets on this line. Rather, report such changes in noninterest income on SO411.

Include:

1. Realized and unrealized gains and losses on financial assets and liabilities carried at fair value where the balances are reported on SI376 and SI377.
2. Realized and unrealized gains and losses on financial assets held for trading purposes where the balance is reported on SI375 (and where the balance is also included on SI376).

SO488: Other Noninterest Income

Report the total of all noninterest income that you did not include on SO410 through SO485. You can find a list of the types of income to include under **Memo: Detail of Other Noninterest Income** below.

Do not include:

1. Loan servicing fees. Report these fees on SO410 or SO420, as appropriate;
2. Trust fee income. Report this income on SO420.
3. Other fees. Report these fees on SO420.

Memo: Detail of Other Noninterest Income

SO489, 495, 497 and SO492, 496, and 498:

Report the three largest items comprising the amount reported on SO488, excluding dividends on FHLBank stock. Codes best describing these items should be selected from the list below and reported on SO489, 495, and 497. You must complete this detail if you reported an amount on SO488.

Because SO488 may consist of both positive and negative amounts – for example, net income or loss from leasing operations, you should report the three amounts that have the greatest impact on the total, regardless of their sign. Therefore, when selecting the three largest amounts comprising the amount reported on SO488, disregard the sign of the number. However, although you should disregard the sign when you **select** the three largest numbers; you should use the correct sign when you **report** the amount.

Combine similar accounts with the same code; that is, do not report a code more than once. However, you should not combine unlike accounts in reporting code 99. You may have more than one code 99 if you cannot find codes describing the items you report.

SO489, 495, and 497: Codes

01 No longer used

02 Interest income from income tax refunds.

03 No longer used

04 Net income or loss from leasing or subleasing space in the association's office quarters, future office quarters, and parking lots.

05 Net income or loss from real estate held for investment.

06 Net income or loss from investments in unconsolidated subordinate organizations and pass-through investments, accounted for using the equity method, after the elimination of intercompany profits.

07 Net income or loss from leased property.

08 Net loss allocable to minority shareholders.

09 Net income from data processing equipment leased or services provided to others.

10 No longer used.

11 Adjustments to prior periods.

12 Income received on real estate acquired through foreclosure or deed in lieu of foreclosure on VA or FHA loans pending conveyance to the insuring agency.

13 No longer used

14 Income from interest-only strip receivables and certain other instruments reported on SC665.

15 Income from corporate-owned life insurance

Report adjustments to cash surrender value of corporate-owned life insurance that you reported on SC615 and SC625.

99 Other. (**Use this code only for an item not identified above**.)

SO492, 496, and 498: Amounts

Report the dollar amounts (using the correct positive or negative sign) corresponding to the codes reported on SO489, 495, and 497.

NONINTEREST EXPENSE

Do not include material adjustments to expenses from prior calendar years; refer to page 3 of the General Instructions for procedures to correct prior periods.

SO51: TOTAL

The EFS software will compute this line as the sum of SO510 through SO580.

SO510: ALL PERSONNEL COMPENSATION AND EXPENSE

Report gross salaries, wages, bonuses, and other compensation and expenses of officers, directors and employees, whether employed full- or part-time.

Include:

1. The cost of temporary help and employment contractors.
2. Fringe benefits such as the employer's share of payroll taxes, insurance premiums, lunchroom expenses, tuition fees, uniforms, parking, and other such benefits.
3. Bonuses and awards.
4. Employer contributions to pension and retirement funds and ESOP plans.
5. Pensions paid directly by you.
6. Lump-sum pension contributions.
7. Payments related to past services, such as severance pay.
8. Directors' fees.
9. Travel and other expenses for directors, officers, and employees.
10. The fair value of employee stock options granted.

Do not include:

Allowances for privately owned automobiles used in connection with your business, or any depreciation and other noninterest expense incurred on leased automobiles. Report these figures on SO530.

SO520: LEGAL EXPENSE

Report all legal fees and retainers, including accruals and amortization.

Do not include material legal settlements; most settlement payments should be reported on SO580.

SO530: OFFICE OCCUPANCY AND EQUIPMENT EXPENSE

Include:

1. Depreciation and other expenses of association-owned space, capital leases, furniture and fixtures, automobiles and equipment reported on SC55, Office Premises and Equipment.
2. Amortization of leasehold improvements.
3. Rent, net of the amortization of deferred gain on a sale/leaseback.
4. Uncapitalized equipment purchases.

5. Taxes, assessments, and insurance premiums on office premises, equipment, and land for future use.
6. Rental costs, maintenance contracts, and expenses on office furniture, machines, and data processing equipment.
7. Accounting servicing fees paid to a data center.

If a portion of office premises and equipment is leased to others, allocate related expenses to SO488, Other Noninterest Income. When actual data are not available, a reasonable, consistent, and documented estimate is acceptable.

SO540: MARKETING AND OTHER PROFESSIONAL SERVICES

Include:

1. Advertising, production, agency fees, and direct mail.
2. Market research, including consultants.
3. Public relations, including consultants, seminars, or customer magazines.
4. Sales training by consultants.
5. Public accountants' fees.
6. Management services.
7. Consulting fees for economic surveys.
8. Other special advisory services.

Do not include:

1. Legal fees; report on SO520.
2. Data processing fees; report on SO530.
3. Supervisory examination fees; report on SO580.
4. Deposit promotions, giveaways, premiums, and commissions that are capitalized. Report amortization on SO215, Interest Expense on Deposits.

SO550: LOAN SERVICING FEES

Report fees paid to others to service mortgage and nonmortgage loans.

Include:

1. Fees for servicing loans owned by you.
2. Fees for servicing loans owned by others where you own the servicing rights.

Do not include:

1. Amortization of loan servicing assets. Report the amortization on SO411.
2. Servicing fees for loans acquired on a net yield basis. Deduct the servicing fees from related interest income.

SO560: GOODWILL AND OTHER INTANGIBLES EXPENSE

Report write-downs and expense of SC660, Goodwill and Other Intangible Assets.

Include amortization of:

1. Goodwill, an unidentifiable intangible asset, recorded pursuant to APB No. 16 or FASB Statement No. 141.
2. The unidentifiable intangible asset recorded pursuant to FASB Statement No. 72.
3. Core deposit premium, an identifiable intangible asset.
4. Intangible pension assets recorded pursuant to FASB Statement No. 87.
5. Technology-based intangible assets, such as computer software.
6. Other intangible assets, excluding servicing assets.

Also, include impairment write-downs on goodwill and other intangible assets.

Do not include amortization of Servicing assets; report this on SO410.

Upon adoption of FASB Statement No. 142 in 2002, goodwill recorded pursuant to APB No. 16 or FASB Statement No. 141 will no longer be amortized. However, this unidentifiable intangible asset will continue to be subject to impairment write-downs. The exact adoption date of FASB Statement No. 142 in 2002 will depend on your fiscal year-end.

SO570: NET PROVISION FOR LOSSES ON NON-INTEREST-BEARING ASSETS

Report the provision for losses on all non-interest-bearing assets. Report credit balances as negative.

Refer to the general instructions for Schedule VA for a discussion of how to properly calculate provision for losses. Report adjustments to valuation allowances as an expense in the period in which you determine the amount of the loss even if that loss actually occurred in a prior period.

Include adjustments to valuation allowances on:

1. Real estate owned.
2. Other assets.

Do not include:

1. Recoveries of valuation allowances at the time of sale. Include these recoveries in the gain or loss on the sale.
2. Provisions for losses on interest-bearing assets. Report the losses on SO321, Net Provision for Losses on Interest-bearing Assets.
3. Direct charge-offs of servicing assets. Report the direct charge-offs on SO410, Mortgage Loan Servicing Fees.
4. Losses recognized in marking foreclosed assets to fair value at the time of foreclosure or in-substance foreclosure. Report these as losses on loans on SO321, Net Provision for Losses on Interest-bearing Assets.

SO580: OTHER NONINTEREST EXPENSE

Report the total of all noninterest expense not included on SO510 through SO570. A list of the types of expense you should include appears below in the memo items detailing other noninterest expense.

Memo: Detail of Other Noninterest Expense

Report the three largest items comprising the amount you reported on SO580. Select codes best describing these items from the list below and report the codes on SO581, 583, and 585. Report the corresponding amounts on SO582, 584, and 586. You must complete this detail if an amount is reported on SO580.

If SO580 consists of both positive and negative amounts, you should report the three amounts that have the greatest impact on the total, regardless of their sign. Therefore, when selecting the three largest amounts comprising the amount reported on SO580, disregard the sign of the number. However, although you should disregard the sign when you **select** the three largest numbers; you should use the correct sign when you **report** the amount.

Combine similar accounts with the same code; that is, do not report a code more than once. However, you should not combine unlike accounts in reporting code 99. You may have more than one code 99 if you cannot find codes describing the items you report.

SO581, 583, and 585: Codes

01 Deposit Insurance premiums.

02 OTS assessments.

03 Interest expense on income taxes.

04 Interest expense on Treasury tax and loan accounts administered under the note option.

05 Forfeited commitment fees on FHLBank advances not taken down by the association.

06 Supervisory examination fees.

07 Office supplies, printing, and postage.

08 Telephone, including data lines.

09 Loan origination expense

Include appraisal reports, credit reports, and other similar expenses; also include, as a negative amount, reversals of origination costs when such costs are capitalized.

10 ATM expense.

11 Adjustments to prior periods (and other immaterial audit adjustments).

12 Acquisition and organization costs, including mergers and branch office acquisitions.

13 Miscellaneous taxes other than income taxes and real estate taxes.

14 Losses from fraud.

15 Foreclosure expenses.

16 Web site expenses.

17 Charitable Contributions.

18 Net income allocable to minority shareholders.

99 Other. (**Use this code only for an item not identified above**.)

SO582, 584, and 586: Amounts

Report the dollar amounts corresponding to the codes reported on SO581, 583 and 585.

SO60: INCOME (LOSS) BEFORE INCOME TAXES

The EFS software will compute this line as the sum of SO332 plus SO42 less SO51.

INCOME TAXES

SO71: TOTAL

The EFS software will compute this line as the sum of SO710 and SO720.

SO710: FEDERAL

Report federal income tax expense. Report a net credit as negative.

Include:

1. Deficiency payments, penalties.
2. Immaterial adjustments to correct prior period accruals for which the amendment cycle is no longer open.
3. Amortization of prepaid or deferred federal income taxes.
4. Reductions for refunds from prior periods not previously reported.
5. Reductions for NOL carrybacks.

Do not include:

Interest income and expense on tax accounts. Report these on SO488, Other Noninterest Income, or SO580, Other Noninterest Expense.

SO720: STATE, LOCAL, AND OTHER

Report state, local, and other income tax expenses. Report a net credit as negative.

Include:

1. Deficiency payments, penalties.
2. Immaterial adjustments to correct prior period accruals for which the amendment cycle is no longer open.
3. Amortization of prepaid or deferred state, local and other income taxes.
4. Reductions for refunds from prior periods not previously reported.
5. Reductions for NOL carrybacks.
6. Gross receipts taxes.

Do not include:

1. Interest income and expense on tax accounts. Report these on SO488, Other Noninterest Income, or SO580, Other Noninterest Expense.
2. Any local taxes other than those based on income. Report real estate taxes on SO530, Office Occupancy and Equipment Expense; report franchise and other local taxes on SO580, Other Noninterest Expense.

SO81: INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS AND EFFECTS OF ACCOUNTING CHANGES

The EFS software will compute this line as the sum of SO60 less SO71.

SO811: EXTRAORDINARY ITEMS, NET OF TAX EFFECT, AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES

To be renamed (in 2008) – "Extraordinary Items, Net of Tax Effect"

Extraordinary Items:

Extraordinary items are material events and transactions that are unusual and infrequent. **Both of these conditions must exist for an event or transaction to be an extraordinary item.**

- **Unusual** – To be unusual, an event or transaction must be highly abnormal or clearly unrelated to the ordinary and typical activities of the association. An event or transaction beyond the control of management is not automatically considered unusual.
- **Infrequent** – To be infrequent, an event or transaction should not reasonably be expected to recur in the foreseeable future. Although the past occurrence of an event or transaction provides a basis for estimating the likelihood of its future occurrence, the absence of a past occurrence does not automatically imply that an event or transaction is infrequent.

Rarely do events or transactions qualify for treatment as extraordinary items. Among those that qualify are:

- The excess of fair value over cost of net assets acquired in a purchase business combination (negative goodwill) recognized in earnings at the date of combination;
- Losses that result directly from a major disaster such as an earthquake (except in areas where earthquakes are expected to recur in the foreseeable future);
- Gains or losses from a government expropriation;
- Gains or losses from discontinued operations; or
- Losses from a prohibition under a newly enacted law or regulation.

Do not include:

1. Adjustments to valuation allowances. Report these on SO32, Net Provision for Losses on Interest-Bearing Assets, or SO570, Net Provision for Losses on Noninterest-Bearing Assets, even if the actual loss occurred in a prior period.
2. Audit adjustments for corrections of accruals. For information on correcting prior period errors, see Item 5 in the General Instructions.
3. Adjustments for periods where the cycle is open for amendments to the TFR. Refer to the general instructions for the submission of amended reports.
4. Adjustments related to prior interim periods of your current fiscal year. Report these adjustments currently in the appropriate current income or expense data field.
5. Net income or loss allocable to minority shareholders. Report in SO488, Other Noninterest Income.
6. Gains and losses on extinguishments of debt that do not meet the criteria in APB Opinion No. 30 for classification as an extraordinary item. Generally prepayment penalties should be expensed on SO580, Other Noninterest Expense.

SO91: NET INCOME (LOSS)

The EFS software will compute this line as the sum of SO81 plus SO811.

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Sales

When you sell an asset with a previously established valuation allowance or that had been reduced by a direct charge-off, compute the gain or loss as follows: Sales price minus the asset's carrying value, which is net of the specific valuation allowance and charge-off.

The sale of an asset in excess of its carrying value is not a recovery when reconciling valuation allowances. Do not report profits from this type of sale in the net provision for loss. Report the profit as a gain on sale.

To remove an existing specific valuation allowance after selling the related asset, you must report the valuation allowance on VA158, Charge-offs of Specific Valuation Allowances.

Foreclosures

In cases involving foreclosure, including in-substance foreclosure, compare the **recorded investment** to the current fair value less cost to sell. Classify as **loss** any excess of recorded investment over fair value less cost to sell. Record this excess as a charge-off against the existing specific valuation allowance. If the specific valuation allowance is not sufficient to absorb the loss, you should record an additional charge-off against the loan. Record assets acquired through in-substance foreclosures as REO at the fair value less cost to sell at date of transfer. You should apply the same procedures described above.

VALUATION ALLOWANCE RECONCILIATION

VA105, 108, AND 110:BEGINNING BALANCE

The EFS software automatically generates beginning balances from the prior quarter's ending balances. Generally, the beginning balances must equal the amounts reported on VA165, 168 and 170, Ending Balances, from the immediately preceding reporting period.

If during the quarter you have consummated a business combination accounted for under the purchase method, report the beginning balance of the surviving association only. Report valuation allowances on purchased assets on VA145, 148, and 150, Adjustments.

ADD OR DEDUCT:

Report increases in valuation allowance accounts, net credits, as positive numbers and decreases in valuation allowance accounts, net debits, as negative numbers.

VA115, 118, and 120: Net Provision for Loss

The EFS software automatically generates the total net provision for loss, VA120, from SO321 plus SO570. The EFS software also automatically generates VA118 after you enter VA115. On VA115, report the provision for loss related to general valuation allowances, and also other-than-temporary impairment charges on debt and equity securities.

A net credit to assets increases valuation allowances and charge-offs and flows through to the Statement of Operations as a debit, which is an expense. You should report a net credit as a positive number. Conversely, a net debit to assets decreases valuation allowances and flows through to the Statement of Operations as a credit or income. Report a net debit as a negative number on these lines.

VA125 and 128: Transfers

Report transfers between general and specific valuation allowances. VA125 and VA128 will have opposite signs even though they are always equal. Once you enter VA125, the transfer from general valuation allowances, the EFS software automatically generates VA128, the corresponding transfer to specific valuation allowances.

ADD:

VA135 and 140: Recoveries

You should report any amount recovered during the quarter due to repayment of assets previously charged off. Refer to the discussion of recoveries in the general instructions to Schedule VA. VA135 always equals VA140, and VA 140 is the sum of VA371, 47, 57, and 931. Therefore, once you enter VA371, 47, 57, and 931, the EFS software automatically sums these and generates VA135 and 140.

VA145, 148, and 150: Adjustments

Acquisitions

Report the amount of valuation allowances on assets you purchased but for which you did not take a direct charge-off. Under certain circumstances, you may carry the existing valuation allowances of assets that you purchase forward to your books. You should include any valuation allowances acquired in a business combination accounted for under the purchase method. You should also include necessary adjustments that resulted from purchasing or selling a consolidated subsidiary, where the valuation allowances on the books of the subsidiary are consolidated with yours. The EFS software automatically generates VA150, which is the sum of VA145 and VA148.

Do not include:

Additional valuation allowances established after an acquisition, even if previous management should have established the valuation allowances. Report such additions to the valuation allowances in VA120, Net Provision for Loss.

Adjustments for Charge-Offs on Credit Card Loans

On VA145, report as a positive number that portion of charge-offs included on VA556 that reduce an account other than a valuation allowance (for example, interest income). This reporting will permit the valuation allowance reconciliation to balance, because on VA556 you should report **all** charge-offs on credit card loans, including those that do not reduce valuation allowances.

DEDUCT:

VA155, 158 and 160: Charge-Offs

VA155 equals the sum of the charge-off detail below, VA370, 46, 56, 60, and 930. The EFS software automatically generates VA 155 once you enter charge-offs on VA370, 46, 56, 60, and 930. The software also generates VA160, total charge-offs. VA160 is the sum of VA155, charge-offs against general valuation allowances, and VA158, charge-offs against specific valuation allowances.

Report charge-offs as positive amounts, since EFS will deduct them from the ending valuation allowance balance.

If there is no specific valuation allowance established for the asset you are charging off, report charge-offs in the detail below and on VA155. If there is a specific valuation allowance for the asset, report the charge-off on VA158 for purposes of reconciliation. You should not report charge-offs of specific valuation allowances in the detail below because they have no effect on the balance sheet, Schedule SC, or on the income statement, Schedule SO.

Include:

1. Charge-offs to mark repossessed assets, including in-substance foreclosures, to fair value.
2. Charge-offs to eliminate valuation allowances of sold assets. See **Sales** above.

3. Charge-offs on credit card loans that do not reduce valuation allowances, as described in the instructions for VA556.

Do not include:

1. Charge-offs due to recognizing unrealized losses on trading assets.
2. Charge-offs in connection with marking assets to market in a business combination accounted for as a purchase.

VA165, 168 AND 170: ENDING BALANCE

The EFS software automatically generates these balances as the sum of the General, Specific, and Total columns, and brings them forward as the beginning balances for the next reporting period. VA165 must equal the sum of the general valuation allowances that you reported in Schedule SC on SC229, SC283, SC357, SC441, and SC699.

CHARGE-OFFS, RECOVERIES, AND SPECIFIC VALUATION ALLOWANCE ACTIVITY

CHARGE-OFFS

Report the amount of loss that you charged off during the quarter against general valuation allowances. You should only include charge-offs for which no specific valuation allowance has previously been established.

The sum of VA370, 46, 56, 60, and 930 must equal VA155. The EFS software automatically generates VA155 once you enter charge-offs on VA370, 46, 56, 60, and 930.

VA370: Mortgage-Backed Securities

Report the amount of loss that you charged off on SC210 through SC228, Mortgage-Backed Securities. Include other-than-temporary impairment charges on mortgage-backed securities where the associated provision is included in SO321 and VA115.

Mortgage Loans:

Report charge-offs of mortgage loans, accrued interest receivable, and advances for taxes and insurance in the appropriate mortgage loan category below.

Include charge-offs to mark repossessed assets to fair value at the date of foreclosure.

VA46: Total

The EFS software automatically generates this amount as the sum of VA420, 430, 440, 446, 456, 466, 470, 480, and 490.

Construction:

VA420: 1-4 Dwelling Units

Report the amount of loss that you charged off on SC230, Construction Loans on 1-4 Dwelling Units.

VA430: Multifamily (5 or More) Dwelling Units

Report the amount of loss that you charged off on SC235, Construction Loans on 5 or More Dwelling Units.

VA440: Nonresidential Property

Report the amount of loss that you charged off on SC240, Construction Loans on Nonresidential Property.

Permanent:

VA446: 1-4 Dwelling Units: Revolving, Open-End Loans

Report the amount of loss that you charged off on SC251, Permanent: 1-4 Dwelling Units: Revolving, Open-End Loans.

VA456: 1-4 Dwelling Units: Secured By First Liens

Report the amount of loss that you charged off on SC254, Permanent: 1-4 Dwelling Units: Secured By First Liens.

VA466: 1-4 Dwelling Units: Secured by Junior Liens

Report the amount of loss that you charged off on SC255, Permanent: 1-4 Dwelling Units: Secured by Junior Liens.

VA470: Multifamily (5 or More) Dwelling Units

Report the amount of loss that you charged off on SC256, Permanent Mortgages on 5 or More Dwelling Units.

VA480: Nonresidential Property (Except Land)

Report the amount of loss that you charged off on SC260, Permanent Mortgages on Nonresidential Property.

VA490: Land

Report the amount of loss that you charged off on SC265, Permanent Mortgages on Land.

Nonmortgage Loans

Report charge-offs of nonmortgage loans and accrued interest receivable in the appropriate loan category below.

VA56: Total

The EFS software automatically generates this line as the sum of VA520, 510, 516, 530, 540 550, 556, and 560.

VA520: Commercial Loans

Report the amount of loss that you charged off on SC300, Secured Commercial Loans, SC303, Unsecured Commercial Loans, and SC306, Commercial Financing Leases.

Consumer Loans

VA510: Loans on Deposits

Report the amount of loss that you charged off on SC310, Consumer Loans on Deposits.

VA516: Home Improvement Loans

Report the amount of loss that you charged off on SC316, Consumer Home Improvement Loans.

VA530: Education Loans

Report the amount of loss that you charged off on SC320, Consumer Education Loans.

VA540: Auto Loans

Report the amount of loss that you charged off on SC323 Consumer Auto Loans.

VA550: Mobile Home Loans

Report the amount of loss that you charged off on SC326, Consumer Mobile Home Loans.

VA556: Credit Cards

Report the amount of loss that you charged off on SC328, Credit Cards.

VA560: Other

Report the amount of loss that you charged off on SC330, Other Closed-End Consumer Loans.

Repossessed Assets:

Report all direct charge-offs on repossessed assets. You should mark repossessed assets to fair value at the date of foreclosure and charge the markdown against the loan balance.

VA60: Total

The EFS software automatically generates this amount as the sum of VA605 through VA630.

Real Estate:

VA605: Construction

Report the amount of loss that you charged off on SC405, Repossessed Real Estate Construction.

VA613: 1-4 Dwelling Units

Report the amount of loss that you charged off on SC415, Repossessed 1-4 Dwelling Unit Real Estate.

VA616: Multifamily (5 or More) Dwelling Units

Report the amount of loss that you charged off on SC425, Repossessed 5 or More Dwelling Unit Real Estate.

VA625: Nonresidential (Except Land)

Report the amount of loss that you charged off on SC426, Repossessed Nonresidential Real Estate, Except Land.

VA628: Land

Report the amount of loss that you charged off on SC428, Repossessed Land.

VA630: Other Repossessed Assets

Report the amount of loss that you charged off on SC430, Other Repossessed Assets.

VA930: Other Assets

Report the amount of loss that you charged off on SC689, Other Assets, and on any other assets not otherwise reported as charge-offs. Include other-than-temporary impairment charges on nonmortgage debt securities and equity securities where the associated provision is included in SO321 and VA115.

Do not include:

1. Write-downs of office buildings, leasehold improvements, furniture, fixtures, equipment, and automobiles. Report these write-downs as an adjustment of depreciation on SO440, Net Income (Loss) from Office Building Operations, and SO530, Office Occupancy and Equipment Expense.
2. Write-downs on SC660, Goodwill and Other Intangible Assets. Report these write-downs as an adjustment of amortization on SO560, Amortization of Goodwill.

RECOVERIES

Report the amount of recoveries during the quarter due to the repayment of assets previously charged off in the recovery column. For additional information, see the general instructions to Schedule VA.

The EFS software automatically generates VA135 once you enter recoveries on VA371, 47, 57, and 931.

Do not include:

1. Sale of an asset at a sales price exceeding the carrying value. Report this amount in income on SO430 and SO467 through SO477.
2. Payments received on assets for which a valuation allowance has been established. Adjust the ending balance of the valuation allowance appropriately.

VA371: Mortgage-Backed Securities

Report the amount of recoveries on mortgage-backed securities that you reported on SC210 through SC228.

Mortgage Loans

Include recoveries of accrued interest receivable and advances for taxes and insurance in the appropriate mortgage loan category below. Report recoveries on deficiency judgments in the mortgage loan category to which the judgment applies.

VA47: Total

The EFS software automatically generates this amount as the sum of VA421, 431, 441, 447, 457, 467, 471, 481, and 491.

Construction:

VA421: 1-4 Dwelling Units

Report the amount of recoveries on SC230, Construction Loans on: 1-4 Dwelling Units.

VA431: Multifamily (5 or More) Dwelling Units

Report the amount of recoveries on SC235, Construction Loans on: 5 or More Dwelling Units.

VA441: Nonresidential Property

Report the amount of recoveries on SC240, Construction Loans on: Nonresidential Property.

Permanent:

VA447: 1-4 Dwelling Units: Revolving, Open-End Loans

Report the amount of recoveries on SC251, Permanent: 1-4 Dwelling Units: Revolving, Open-End Loans.

VA457: 1-4 Dwelling Units: Secured By First Liens

Report the amount of recoveries on SC254, Permanent: 1-4 Dwelling Units: Secured By First Liens.

VA467: 1-4 Dwelling Units: Secured by Junior Liens

Report the amount of recoveries on SC255, Permanent: 1-4 Dwelling Units: Secured by Junior Liens.

VA471: Multifamily (5 or More) Dwelling Units

Report the amount of recoveries on SC256, Permanent Mortgages on: 5 or More Dwelling Units.

VA481: Nonresidential Property (Except Land)

Report the amount of recoveries on SC260, Permanent Mortgages on: Nonresidential Property (Except Land).

VA491: Land

Report the amount of recoveries on SC265, Permanent Mortgages on: Land.

Nonmortgage Loans

Report recoveries of nonmortgage loans and accrued interest receivable in the appropriate loan category below.

VA57: Total

The EFS software automatically generates this amount as the sum of VA521, VA511, VA517, 531, 541, 551, 557, and 561.

VA521: Commercial Loans

Report the amount of recoveries on Commercial Loans on SC300, Commercial Loans: Secured, SC303, Commercial Loans: Unsecured, and SC306, Commercial Loans: Financing Leases.

Consumer Loans

VA511: Loans on Deposits

Report the amount of recoveries on SC310, Closed-End Consumer Loans: Loans on Deposits.

VA517: Home Improvement Loans

Report the amount of recoveries on SC316, Closed-End Consumer Loans: Home Improvement Loans.

VA531: Education Loans

Report the amount of recoveries on SC320, Closed-End Consumer Loans: Education Loans.

VA541: Auto Loans

Report the amount of recoveries on SC323, Closed-End Consumer Loans: Auto Loans.

VA551: Mobile Home Loans

Report the amount of recoveries on SC326, Closed-End Consumer Loans: Mobile Home Loans.

VA557: Credit Cards

Report the amount of recoveries on SC328, Credit Cards.

VA561: Other

Report the amount of recoveries on SC330, Consumer Loans: Other, Including Lease Receivables.

VA931: Other Assets

Report the amount of recoveries on all other financial assets that you did not include above. Include recoveries on miscellaneous receivables that you reported on SC689, Other Assets.

Do not include:

1. Gains on the sale of REO. Report these gains on SO461, Operations and Sale of Repossessed Assets.
2. Recoveries on deficiency judgments or other recoveries of loans foreclosed upon. Report these recoveries as a recovery of the loan in the appropriate loan category above.

SPECIFIC VALUATION ALLOWANCE PROVISIONS & TRANSFERS FROM GENERAL ALLOWANCES

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances during the quarter. This applies to any specific valuation allowance activity with the exception of charge-offs and acquisitions.

The sum of VA38, 372, 48, 58, 62, 72, 822, and 932 must equal the sum of VA118 and 128.

VA38: Deposits, and Investment Securities

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on all deposits and investment securities that you reported on SC110 through SC191.

VA372: Mortgage-Backed Securities

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC210 through SC228, Mortgage-Backed Securities.

Mortgage Loans:

Report the provision for loss established for specific valuation allowances and the transfers between general valuation allowances of mortgage loans in the appropriate mortgage loan category below. You should report specific valuation allowance activity of accrued interest receivable and advances for taxes and insurance in the appropriate mortgage loan category of the related loan.

VA48: Total

The EFS software automatically generates this amount as the sum of VA422, 432, 442, 452, 462, 472, 482, and 492.

Construction:

VA422: 1-4 Dwelling Units

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC230, Construction Loans on: 1-4 Dwelling Units.

VA432: Multifamily (5 or More) Dwelling Units

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC235, Construction Loans on: 5 or More Dwelling Units.

VA442: Nonresidential Property

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC240, Construction Loans on: Nonresidential Property.

Permanent:

VA448: 1-4 Dwelling Units: Revolving, Open-End Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC251, Permanent: 1-4 Dwelling Units: Revolving, Open-End Loans.

VA458: 1-4 Dwelling Units: Secured By First Liens

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC254, Permanent: 1-4 Dwelling Units: Secured By First Liens.

VA468: 1-4 Dwelling Units: Secured by Junior Liens

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC255, Permanent: 1-4 Dwelling Units: Secured by Junior Liens.

VA472: Multifamily (5 or More) Dwelling Units

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC256, Permanent Mortgages on: 5 or More Dwelling Units.

VA482: Nonresidential Property (Except Land)

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC260, Permanent Mortgages on: Nonresidential Property.

VA492: Land

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC265, Permanent Mortgages on: Land.

Nonmortgage Loans

Report the provision for loss established for specific valuation allowances and the transfers between general valuation allowances of mortgage loans in the appropriate nonmortgage loan category below. You should report specific valuation allowance activity of accrued interest receivable in the related loan category.

VA58: Total

The EFS software automatically generates this amount as the sum of VA522, 512, 518, 532, 542, 552, 558, and 562.

VA522: Commercial Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC300, Commercial Loans: Secured, SC303, Commercial Loans: Unsecured, and SC306, Commercial Loans: Financing Leases.

Consumer Loans

VA512: Loans on Deposits

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC310, Closed-End Consumer Loans: Loans on Deposits.

VA518: Home Improvement Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC316, Closed-End Consumer Loans: Home Improvement Loans.

VA532: Education Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC320, Closed-End Consumer Loans: Education Loans.

VA542: Auto Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC323, Closed-End Consumer Loans: Auto Loans.

VA552: Mobile Home Loans

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC326, Closed-End Consumer Loans: Mobile Home Loans.

VA556: Credit Cards

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC328, Credit Cards.

VA562: Other

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC330, Consumer Loans: Other, Including Lease Receivables.

Repossessed Assets:

Report the provision for loss established for specific valuation allowances and the transfers between general valuation allowances of repossessed assets after the date of foreclosure. Do not include adjustments to mark repossessed assets to fair value at the date of foreclosure; these adjustments should be charged off against the loan balance and reported on VA420 through VA560.

VA62: Total

The EFS software automatically generates this amount as the sum of VA606, 614, 617, 626, 629, and 632.

Real Estate:

VA606: Construction

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC405, Repossessed Assets: Real Estate: Construction.

VA614: 1-4 Dwelling Units

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC415, Repossessed Assets: Real Estate: 1-4 Dwelling Units.

VA617: Multifamily (5 or More) Dwelling Units

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC425, Repossessed Assets: Real Estate: 5 or More Dwelling Units.

VA626: Nonresidential (Except Land)

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC426, Repossessed Assets: Real Estate: Nonresidential (Except Land).

VA629: Land

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC428, Repossessed Assets: Real Estate: Land.

VA632: Other Repossessed Assets

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC430, Other Repossessed Assets.

VA72: Real Estate Held for Investment

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC45, Real Estate Held for Investment.

VA822: Equity Investments Not Subject to FASB Statement No. 115

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC51, Equity Investments Not Subject to FASB Statement No. 115.

VA932: Other Assets

Report the amount of provision for loss established for specific valuation allowances and the transfers between general valuation allowances on SC689, Other Assets.

ADJUSTED NET CHARGE-OFFS

The EFS software automatically generates this column.

This column totals:

- Charge-offs
- Less Recoveries
- Plus specific valuation allowance provisions and transfers from general allowances

Therefore, this total represents **adjusted net charge-offs**.

OTHER ITEMS

TROUBLED DEBT RESTRUCTURED:

A **troubled debt restructuring** (TDR) occurs when you, as a creditor, for economic or legal reasons related to the debtor's financial difficulties, grant a concession to the debtor that you would not otherwise consider. That concession either stems from an agreement between you and the debtor or is imposed by law or a court. Whatever the form of concession you grant to the debtor, your objective is to make the best of a difficult situation. Additionally, you expect to obtain more cash or other value from the debtor by granting the concession than by not granting it.

You may accept any of the following when you restructure a troubled debt:

1. A note, secured or unsecured, from a third party as payment of your receivable from the borrower.
2. The underlying collateral as payment of the loan, either through foreclosure, other title transfer, or in-substance foreclosure.
3. Other assets in payment of a loan.
4. An equity interest in either the borrower or its assets in lieu of its receivable.
5. A modification of the debt terms, including, but not limited to the following:

a. Reduction in stated interest rate.
b. Extension of maturity.
c. Reduction in the face amount of the debt.
d. Reduction in the accrued interest.

Include:

1. Restructured real estate loans that are equity investments under GAAP and that you reported on SC45, Real Estate Held for Investment.
2. Restructured loans that you reported on SC230 through SC265 (Mortgage Loans) and SC300 through SC330 (Nonmortgage Loans).
3. Foreclosed assets that you reported on SC405 through SC430 (Repossessed Assets).
4. Troubled debt restructurings even if you recorded no losses this quarter, but had previous charge-offs.

VA940: Amount this Quarter

Report the amount of new TDR this quarter. Report the recorded investment less specific valuation allowances in the restructured asset after restructuring. The **recorded investment** is the outstanding principal balance, adjusted for charge-offs and unamortized yield adjustments. The restructured asset would comprise, for instance, a modified loan or foreclosed asset. Report all new TDR even if you subsequently sold or otherwise disposed of the asset during the quarter

VA942: Included in Schedule SC in Compliance with Modified Terms

Report the recorded investment reduced by specific valuation allowances of TDRs that remain on the books at the end of the quarter that are not past due or in nonaccrual status, and, therefore, that you do not report in Schedule PD. Report such TDRs regardless of the quarter in which the restructuring took place.

In general, you should continue to report loans as TDRs until they are paid off. However, you only need to report a TDR that yields a market rate at issuance during the first year of the restructuring if the borrower complies with the terms of the restructured contract.

This line plus past due and nonaccrual TDRs reported on PD190, PD290, and PD390 should equal your total TDR as of the reporting date.

MORTGAGE LOANS FORECLOSED DURING THE QUARTER

Report the **recorded investment** less specific valuation allowances of mortgage loans foreclosed during the quarter.

Include the types of mortgages that you reported on SC230 through SC265 and real estate loans that are considered equity investments under GAAP that you reported on SC45, that you either foreclosed on and acquired a voluntary deed in lieu of foreclosure or on which you performed an in-substance foreclosure during the quarter.

Note: Even though foreclosed real estate loans that are considered equity investments under GAAP are reported here as foreclosures, do not transfer them on Schedule SC to Repossessed Assets, SC405 through SC430. These foreclosures should remain in Real Estate Held For Investment, SC45.

Report all foreclosures during the quarter, even if you have sold or otherwise disposed of the property since foreclosure.

Include:

1. Cancellations of real estate contracts or similar actions where you reacquire any property you previously owned that you sold on contract or on installment basis.
2. FHA/VA mortgage loans, other federally insured or guaranteed mortgage loans, or privately insured mortgage loans that have been foreclosed, whether or not title has been subsequently transferred to the insurer.
3. The portion of participations that you held at the time of foreclosure whether or not you were the lead lender or initiated foreclosure proceedings.
4. Loans and participations that you sold with recourse and reacquired prior to foreclosure. If you reacquired a loan and obtained a foreclosure judgment, in fact or in substance, in the same quarter, report it as a purchase on CF280 through CF300, Loans and Participations Purchased, and as a foreclosure on VA95.

Do not include:

1. Loans to which title reverted to the seller prior to foreclosure.
2. Loans serviced for others unless you reacquired the loan prior to foreclosure.

VA95: Total

The EFS software will compute this line as sum of VA951 through VA955.

VA951: Construction

Report foreclosures during the quarter on loans that you previously reported on SC230 through SC240, Mortgage Construction Loans, and SC450 through SC470, Real Estate Held for Investment.

Permanent Loans Secured By:

VA952: 1-4 Dwelling Units

Report foreclosures during the quarter on permanent mortgages secured by one-to-four dwelling unit property that you previously reported on SC251 through SC255, Permanent Mortgages on 1-4 Dwelling Units.

VA953: Multifamily (5 or More Dwelling Units)

Report foreclosures during the quarter on permanent mortgages secured by five or more dwelling unit property that you previously reported on SC256, Permanent Mortgages on Multifamily (5 or More) Dwelling Units.

VA954: Nonresidential (Except Land)

Report foreclosures during the quarter on permanent mortgages secured by nonresidential property that you previously reported on SC260, Permanent Mortgages on: Nonresidential Property (Except Land).

VA955: Land

Report foreclosures during the quarter on permanent mortgages secured by land that you previously reported on SC265, Permanent Mortgages on Land.

CLASSIFICATION OF ASSETS

Report **classified assets** and assets designated **special mention**, net of related specific valuation allowances, accumulated charge-offs, and recorded liabilities. Include off-balance-sheet items, such as loan commitments, loans sold with recourse, and lines and letters of credit that you are required to classify.

End of Quarter Balances:

VA960: Special Mention

Report all assets, portions of assets, and off-balance-sheet items as of the end of the quarter that are not classified but are designated as **special mention** pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

VA965: Substandard

Report all assets, portions of assets, and off-balance-sheet items as of the end of the quarter classified as **substandard** pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

VA970: Doubtful

Report all assets, portions of assets, and off-balance-sheet items classified **doubtful** as of the end of the quarter pursuant to the Examination Handbook Section 260 and 12 CFR § 560.160.

VA975: Loss

Report all assets, portions of assets, and off-balance-sheet items classified **loss** as of the end of the quarter pursuant to Examination Handbook Section 260 and 12 CFR. § 560.160.

You should deduct any related specific valuation allowances, accumulated charge-offs, and recorded liabilities prior to reporting the amount of assets classified **loss**. Accordingly, you should generally report zero in this data field.

PURCHASED IMPAIRED LOANS HELD FOR INVESTMENT ACCOUNTED FOR IN ACCORDANCE WITH AICPA SOP 03-3 (EXCLUDE LOANS HELD FOR SALE)

Report purchased impaired loans as defined by SOP 03-3 that your savings association has purchased, including those acquired in a purchase business combination, when there is evidence of deterioration of credit quality since the origination of the loan and it is possible, at the purchase date, that the savings association will be unable to collect all contractually required payments receivable. SOP 03-3 does not prohibit placing loans on nonaccrual status and any nonaccrual purchased impaired loans should be reported accordingly in Schedule PD. For those purchased impaired loans that are not on nonaccrual status, you should determine the loans' delinquency status in accordance with the contractual repayment terms of the loans without regard to the purchase price of (initial investment in) these loans or the amount and timing of the cash flows expected at acquisition.

VA980: Outstanding Balance (Contractual)

Report the outstanding balance of purchased impaired loans. The outstanding balance is the undiscounted sum of all amounts, including amounts deemed principal, interest, fees, penalties, and other under the loan, owed to the savings association at the report date, whether or not currently due and whether or not any such amounts have been charged off by the savings association. However, the outstanding balance does not include amounts that would be accrued under the contract as interest, fees, penalties, and other after the report date.

VA981: Recorded Investment (Carrying Amount Before Deducting Any Loan Loss Allowances)

Report the recorded investment (carrying amount before deducting any loan loss allowances) as of the report date of the purchased impaired loans held for investment. Loans held for investment are those loans that the savings association has the intent and ability to hold for the foreseeable future or until maturity or payoff. Thus, the outstanding balance and recorded investment of any purchased impaired loans that are held for sale would not be reported in these memorandum items.

VA985: Allowance Amount Included In Allowance for Loan and Lease Losses (SC283, SC357)

Report the amount of post-acquisition loan loss allowances for purchased impaired loans held for investment that is included in the total amount of the allowance for loan and lease losses as of the report date.

LD520: OWNER-OCCUPIED MULTIFAMILY PERMANENT LOANS

Report the outstanding balance of all owner-occupied multifamily permanent loans secured by 5 or more dwelling units that are reported in SC256, Multifamily (5 or More) Dwelling Units.

The determination as to whether a multifamily property is considered "owner-occupied" should be made upon acquisition (origination or purchase) of the loan. However, for purposes of determining whether existing multifamily real estate loans should be reported as "owner-occupied", the institution may consider the source of repayment either when the loan was acquired or based on the most recent available information. Once the institution determines whether a loan should be reported as "owner-occupied" or not, this determination need not be reviewed thereafter.

Loans secured by owner-occupied multifamily properties are those multifamily property loans for which the primary source of repayment is the cash flow from the ongoing operations and activities conducted by the party, or an affiliate of the party, who owns the property. Thus, for loans secured by owner-occupied multifamily properties, the primary source of repayment is not derived from third party, nonaffiliated, rental income associated with the property (i.e., any such rental income is less than 50 percent of the source of repayment) or the proceeds of the sale, refinancing, or permanent financing of the property.

LD530: OWNER-OCCUPIED NONRESIDENTIAL PROPERTY (EXCEPT LAND) PERMANENT LOANS

Report the outstanding balance of all owner-occupied nonresidential property (except land) permanent loans that are reported in SC260, Permanent Loans - Nonresidential Property (Except Land).

The determination as to whether a nonresidential property is considered "owner-occupied" should be made upon acquisition (origination or purchase) of the loan. However, for purposes of determining whether existing nonresidential real estate loans should be reported as "owner-occupied", the institution may consider the source of repayment either when the loan was acquired or based on the most recent available information. Once the institution determines whether a loan should be reported as "owner-occupied" or not, this determination need not be reviewed thereafter.

Loans secured by owner-occupied nonresidential properties are those nonresidential property loans for which the primary source of repayment is the cash flow from the ongoing operations and activities conducted by the party, or an affiliate of the party, who owns the property. Thus, for loans secured by owner-occupied nonresidential properties, the primary source of repayment is not derived from third party, nonaffiliated, rental income associated with the property (i.e., any such rental income is less than 50 percent of the source of repayment) or the proceeds of the sale, refinancing, or permanent financing of the property. Include loans secured by hospitals, golf courses, recreational facilities, and car washes unless the property is owned by an investor who leases the property to the operator who, in turn, is not related to or affiliated with the investor. Also include loans secured by churches unless the property is owned by an investor who leases the property to the congregation.

LD610: 1-4 DWELLING UNITS OPTION ARM LOANS

Report the outstanding balance of all option ARM loans secured by 1-4 dwelling units that are reported in SC251, Revolving, Open-End Loans on 1-4 Dwelling Units, SC254, First Liens, Closed-End on 1-4 Dwelling Units, and SC255, Junior Liens, Closed-End on 1-4 Dwelling Units.

Option ARMs loans generally represent adjustable rate mortgages where the borrower may have the option to opt for a minimum payment or an interest only payment.

LD620: 1-4 DWELLING UNITS ARM LOANS WITH NEGATIVE AMORTIZATION

Report the outstanding balance of all ARM loans with negative amortization secured by 1-4 dwelling units that are reported in SC251, Revolving, Open-End Loans on 1-4 Dwelling Units, SC254, First Liens, Closed-End on 1-4 Dwelling Units, and SC255, Junior Liens, Closed-End on 1-4 Dwelling Units.

LD650: TOTAL CAPITALIZED NEGATIVE AMORTIZATION

Report the total capitalized negative amortization included in the outstanding balances reported in LD620, 1-4 Dwelling Units ARM Loans with Negative Amortization.