

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

March 30, 2002

To: The Chief Executive Officer of Each U.S. Branch and Agency of a Foreign Bank Located in the Second Federal Reserve District

Enclosed are copies of forms for the following reports for the quarter ending March 31, 2002:

- Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002); and
- Supplemental Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank (FFIEC 002S).
- The Country Exposure Report for U.S. Branches and Agencies of Foreign Banks (FFIEC 019)

There are no changes to the FFIEC 002 or FFIEC 002S reporting forms or instructions for March 31, 2002. However, additional guidance for completing Schedule S, Securitization and Asset Sale Activities, as provided in December 2001, has been included for the March 31, 2002, report date.

## **Schedule S**

Schedule S, "Securitization and Asset Sale Activities," collects data on the reporting institution's servicing activities along with information on the institution's involvement with securitizations and asset sales.

Items 1 through 4, 6, and 7 collect information on securitization structures sponsored or otherwise established by the reporting institution where the institution's transfer of asset in connection with the securitization qualified for sale accounting under generally accepted accounting principles.

You should report in item 1 the outstanding balance of loans that have been sold and securitized when there is continuing involvement with the loans by retaining services or providing recourse or other credit enhancements. However, when your institution sells 1-4 family residential mortgages to the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) and this government-sponsored agency in turn securitizes the loans,

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you should **not** report the outstanding balance of these loans in item 1, column A. If these loans have been sold to Fannie Mae or Freddie Mac with recourse or other seller-provided credit enhancements, the outstanding principal balance of these loans should be reported in item 11, column A, and the maximum credit exposure arising from the enhancements should be reported in item 12, column A.

The maximum amounts of credit exposure arising from credit enhancements provided by the reporting institution to support securitizations and other asset sales should be reported in items 2, 9 and 12. These maximum exposure amounts should be reported gross rather than net of any tax effects.

### **Reports Monitoring**

Please note that, under the Regulatory Reports Monitoring Program, the timeliness of receipt of each of these reports will be monitored, and that submission of initial data via facsimile, even if prior to the deadline, does not constitute timely filing.

An original and one copy of the completed FFIEC 002 and FFIEC 002S report(s) (if applicable) must be returned to this Bank, by mail or messenger, no later than April 30, 2002. Any FFIEC 002/002S reports received after 5:00 p.m. on April 30 will be considered late unless postmarked by April 27 or sent by overnight service by April 29.

An original and one copy of the completed FFIEC 019 must be returned to this Bank, by mail or messenger by Wednesday, May 15, 2002. Any FFIEC 019 received after 5:00 p.m. on May 15 will be considered late unless postmarked by May 8 or sent by overnight service by May 14. Completed reports should be submitted to:

**Federal Reserve Bank of New York  
Statistics Function  
33 Liberty Street, 4<sup>th</sup> Floor  
New York, NY 10045**

We will also continue to monitor the accuracy of the periodic regulatory reports submitted for the March 31, 2002, report date. The staff of this Reserve Bank will monitor whether banking organizations are meeting their basic reporting requirements through the use of "validity edits." The edits for the FFIEC 002/002S and FFIEC 019 reports that are subject to monitoring are also enclosed.

### **Electronic Submission Option**

Electronic submission of the FFIEC 002/002S reports are available to all U.S. branches and agencies. We encourage you to take advantage of this method of reports submission. Vendors have developed a software package that

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provides the means to submit the FFIEC 002/002S electronically. Submitting reports electronically using the software package provides the following key benefits:

- A timely and efficient alternative to sending the report forms by mail;
- Data are checked automatically for miscalculated totals and blank fields; and
- A printed report is generated that can serve as your institution's permanent record of the report.

For information on filing the FFIEC 002/002S report electronically, please contact Carolyn Polite at (212) 720-5415.

#### **Annual Regulatory Reporting Seminars**

A letter containing information regarding the U.S. Branches and Agencies seminars scheduled for 2002 was mailed to your institution's Chief Executive Officer in March. Please note, the registration is now available online at: <http://www.newyorkfed.org/pihome/news/speeches/>. If you have any questions about the seminars, you can contact Patricia Maone at (212) 720-7871.

#### **Website**

The FFIEC 002/002S and the FFIEC 019 forms and instructions are available on the FFIEC web site at [http://www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm).

Questions regarding the FFIEC 002/002S reports should be directed to Henry Castillo at (212) 720-1318, Diana Stemm at (212) 720-8925 or Alex Santana, Team Leader in the Regulatory Reports Division at (212) 720-6357.

Questions regarding the FFIEC 019 reports should be directed to Patricia Selvaggi, Staff Director of the International Reports Division at (212) 720-8037.

Sincerely,

\*\*Signed by Kenneth P. Lamar

Kenneth P. Lamar  
Assistant Vice President  
Statistics Function