

March 30, 2001

## FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

March 30, 2001

TO: The Chief Executive Officer of Each State Member Bank  
Located in the Second Federal Reserve District

As part of a joint mailing with other supervisory agencies, state member banks received their Report of Condition and Income materials for the March 31, 2001 report date from the Federal Financial Institutions Examination Council. The completed report must be submitted to this Bank. As you know, there were significant changes to the Call Report for this quarter. Listed below is a brief summary.

**Schedule RC-R**

In general, the revised format will use a systematic, step-by-step building block approach under which banks will report the various components and adjustments that determine Tier 1, Tier 2, and total capital, as well as risk-weighted assets. This means that all regulatory capital ratios - the Tier 1 leverage ratio, the Tier 1 risk-based capital ratio, and the total risk-based capital ratio -- will be derived directly from the items that bank reports on this schedule. These ratios will also be disclosed in the schedule. All banks are required to complete the entire revised regulatory capital schedule.

**Schedule RC-S for June 30, 2001**

Effective with the June 30, 2001 Call Report, a new schedule, Schedule RC-S, will collect information related to bank securitization and asset sale activities. Banks involved in securitization or asset sales will report quarter-end (or year-to-date) data for seven loan categories similar to the manner in which they report their loan portfolios. These data will cover 1-4 family residential loans, home equity lines, credit card receivables, auto loans, other consumer loans, commercial and industrial loans, and all other loans and leases. For each loan category, banks will report: (1) the outstanding principal balance of assets sold and securitized with servicing retained or with recourse or seller-provided credit

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enhancements, (2) the maximum amount of credit exposure arising from recourse or credit enhancements to securitization structures (separately for those sponsored by the reporting institution and those sponsored by other institutions), (3) the past due amounts and charge-offs and recoveries on the underlying securitized assets, (4) the amount of any commitments to provide liquidity to the securitization structures, (5) the outstanding principal balance of assets sold with servicing retained or with recourse or seller-provided credit enhancements that have not been securitized, (6) the amount of ownership (or seller's) interests carried as securities or loans, and (7) the maximum amount of credit exposure arising from assets sold with recourse or seller-provided credit enhancements that have not been securitized. A limited amount of information will also be collected on bank credit exposures to asset-backed commercial paper conduits. For the home equity line, credit card receivable, and the commercial and industrial loan categories, banks will also report the amount of any ownership (or seller's) interests in securitizations that are carried as securities and the past due amounts and charge-offs and recoveries on the assets underlying these seller's interests.

Please note that Memorandum items 1,2,4,5 on assets sold with recourse, loan servicing, and credit card securitizations in new Schedule RC-S should be completed, if applicable, in the March 31 Call Report. The remainder of this new schedule will take effect as of June 30, 2001.

### Past Due and Nonaccrual Loans and Leases Held for Sale

A separate item for "Loans and leases held for sale" (new item 4.a) has been added to the balance sheet as a category under "Loans and lease financing receivables" (item 4). Please note that loans and leases held for sale will continue to be reported with the holding company's other loans in the loan schedule (new Schedule RC-C).

In addition, beginning this quarter, data on loans, leases, and other assets that are past due 30 through 89 days will no longer be treated as confidential on an individual bank basis.

### Glossary

Please note that the glossary entry for derivatives contracts has not been updated to reflect FAS 133. Therefore, until the glossary is updated banks should follow FAS 133 rather than guidance in the Call Report glossary. A revised glossary will be sent to you in June.

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Banks that previously filed the FFIEC 032, 033 or 034 report form should note that these three reports have been replaced this quarter with the FFIEC 041 report form.

A completed Call Report must be electronically submitted no later than **April 30, 2001**. Earlier submission would aid the Federal Reserve in reviewing and processing the report and is encouraged.

Please note that, under the Regulatory Reports Monitoring Program, the timeliness of receipt of the Call Report will be monitored. Any report received after 5:00 p.m. on April 30 will be considered late. Submission of initial data will only be accepted electronically.

The staff of this bank will monitor whether banking organizations are meeting their basic reporting requirements through the use of Avalidity edits.@ Enclosed are updates to the monitoring edits. Please note the updates to ensure your institution meets these edit tests.

### Website

Report forms and instructions for the Call Report can also be obtained from the FFIEC internet website at the following address:

[www.ffiec.gov/ffiec\\_report\\_forms.htm](http://www.ffiec.gov/ffiec_report_forms.htm)

Copies of this letter and its enclosures have been sent to the report liaison designated by your institution. Any questions about this report may be directed to the Regulatory Reports staff at (212) 720-7991.

Sincerely,

\*\*Signed by Kenneth P. Lamar\*\*

Kenneth P. Lamar  
Assistant Vice President  
Financial Reports Department

March 30, 2001

bcc: Ms. Baker  
Ms. Bently  
Mr. Calandra  
Mr. Crawn  
Ms. Federico  
Mr. Matheson  
Ms. Miske  
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Mr. Pietrangolare  
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