FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

TELEPHONE 212 720-8590

FACSIMILE 212 720-8707

ken.lamar@ny.frb.org

KENNETH LAMAR
SENIOR VICE PRESIDENT

April 4, 2008

To: The Individual Responsible for Preparing the Financial Statements for Large Bank Holding Companies (FR Y-9C) Located in the Second Federal Reserve District

Subject: Bank Holding Company (BHC) Reporting Requirements for March 31, 2008

The following report forms and instructions for the March 31, 2008 reporting date has been posted to the Federal Reserve Board's website at www.federalreserve.gov under "Reporting Forms":

(1) Consolidated Financial Statements for Bank Holding Companies (FR Y-9C);

(2) Parent Company Only Financial Statements for Large Bank Holding Companies (FR Y-9LP);

(3) Financial Statements of U.S. Nonbank Subsidiaries of U.S. Bank Holding Companies (FR Y-11);

(4) Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314); and

(5) Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies (FR Y-12).

The FR Y-9C reporting form has been revised to collect information on: (1) assets/liabilities accounted for under the fair value option (2) interest and fee income on 1-4 family residential mortgages and for all other real estate loans separately from income on all other loans, (3) restructured troubled mortgages and mortgages loans in process of foreclosure, and (4) residential mortgage banking activity involving originations, purchases, and sales of open-end mortgages and closed-end and open-end mortgage loan repurchase and indemnifications. In addition, the threshold for reporting significant items of other noninterest income and expense has been revised.

The FR Y-9LP reporting form was revised to collect data on instruments accounted for under a fair value option, and new items on cash flow related to business acquisition and divestures. In addition, two cash flow statement items were combined into a single item.

The FR Y-11 and FR 2314 report forms have been revised to eliminate reporting by trust preferred securities subsidiaries and to collect data on instruments accounted for under a fair value option.

Several clarifications have been made to the FR Y-9C, FR Y-9LP, FR Y-11, and FR 2314 reporting instructions including expanding the definition of trading assets and liabilities. There have been no changes to the FR Y-12 for this quarter. Significant accounting updates have provided in this letter.

Subscription Service

We are offering a subscription service which enables you to receive recent news and updates on our reporting forms and instructions and upcoming events. You can sign up for this new service at the following website: http://service.govdelivery.com/service/subscribe.html?code=USFRBNEWYORK_8

Reports Submission

All FR Y-9C and FR Y-9LP filers are required to submit electronically. A signed and attested printout of the data submitted must be maintained in the BHCs files. The cover page of the Reserve Bank supplied report forms should be used to fulfill the signature and attestation requirements and should be attached to the printout placed in the BHCs files. For the FR Y-11, FR 2314, and FR Y-12 reports that are not submitted electronically, an original and two copies (one-sided) of each completed report must be returned to this bank by mail or messenger by the dates listed below.

The Federal Reserve continues to monitor the timeliness of receipt of these reports. Earlier submission would aid this Bank in reviewing and processing the reports and is encouraged.

The submission deadline for all **FR Y-9C** filers is Monday, May 12, 2008. Any FR Y-9C reports received after 5:00 p.m. on May 12 will be considered late. The submission deadline for all **FR Y-9LP** filers is Thursday, May 15, 2008. Any FR Y-9LP reports received after 5:00 p.m. on May 15 will be considered late. The submission deadline for the **FR Y-12** is Thursday, May 15, 2008. Any FR Y-12 reports received after 5:00 p.m. on May 15 will be considered late unless postmarked by Monday, May 12 or sent by overnight service on Wednesday, May 14. The submission deadline for the **FR Y-11** and **FR 2314** is Friday, May 30, 2008. Any FR Y-11 and FR 2314 reports received after 5:00 p.m. on May 30 will be considered late unless postmarked by Tuesday, May 27 or sent by overnight service on Thursday, May 29.

Submission of initial data via facsimile, even if prior to this deadline does not constitute an official filing. In view of this, please be sure that completed reports are submitted on time to:

Federal Reserve Bank of New York
Statistics Function
Administrative Support Staff
33 Liberty Street, 4th Floor
New York, N.Y. 10045

Editing of Data by Respondents

All BHCs must submit their FR Y-9 reports via the Federal Reserve's internet submission facility (IESUB), using either data entry or file transfer. This data collection system will subject a BHC's electronic data submission to the published validity and quality edit checks and transmit the results of such checks to the BHC shortly thereafter. The BHC must resolve any validity edit before the data can be accepted. The BHC will also be provided a method for supplying explanations for quality edits. (Guidelines for providing quality explanations can be found at www.reportingandreserves.org). These explanations will be held confidential. Reports that contain validity edit failures or have quality edit failures that are not explained on or before the filing deadline will be deemed late.

Companies that offer computer software to aid in the preparation of FR Y-9 reports or BHCs that have developed their own reporting software may choose to incorporate validity and quality edit checks into their software.

The Federal Reserve will continue to provide updates about the enhanced IESUB submission process on the web site: www.reportingandreserves.org under the heading BHC Modernization project.

Troubled Debt Restructurings

The FR Y-9C reporting instructions define a "troubled debt restructuring" (TDR) as a restructuring in which a BHC, for economic or legal reasons related to a borrower's financial difficulties, grants a concession to the borrower that the BHC would not otherwise consider. In general, troubled debt restructurings include a modification of the terms of a loan that provides for a reduction of either interest or principal.

Effective March 31, 2008, all BHCs should report the amount of 1-4 family residential mortgage loans that have undergone troubled debt restructurings and are in compliance with their modified terms in Schedule HC-C, Memorandum item 1.a. The amount of 1-4 family residential mortgages that have undergone TDRs and under their modified terms are past due 30 days or more or are in nonaccrual status should be reported in Schedule HC-N, Memorandum item 1.a. Also, all restructured troubled loans should continue to be reported in the appropriate loan category in Schedule HC-C and, if appropriate, in Schedule HC-N.

The accounting standards for TDRs are set forth in FAS 15, Accounting for Debt and Creditors for Troubled Debt, as amended by FASB Statement No. 114, Accounting by Creditors for Impairment of a Loan (FAS 114), and are summarized in the Glossary section of the FR Y-9C reporting instructions. All loans whose terms have been modified in a TDR must be evaluated for impairment under FAS 114. Under FAS 114, when measuring impairment on a restructured troubled loan using the present value of expected future cash flows method, the cash flows are discounted at the effective interest rate of the original loan, i.e., before the restructuring. For a residential mortgage loan with a "teaser" or "starter" rate that is less than the loan's fully indexed rate, the "starter" rate is not the original effective interest rate. FAS 114 also permits a BHC to aggregate impaired loans that have risk characteristics in common with other impaired loans, such as modified residential mortgage loans that represent TDRs, and use historical statistics along with a composite effective interest rate as a means of measuring the impairment of these loans.

Measurement of Fair Values in Stressed Market Conditions

The valuation of various assets and liabilities on the balance sheet – including trading assets and liabilities, available-for-sale securities, loans held for sale, assets and liabilities accounted for under the fair value option (which is discussed in the following section), and foreclosed assets – involves the use of fair values. During recent market stress events, the fair values of some financial instruments and nonfinancial assets have declined.

The objective of a fair value measurement is to determine the price that would be received to sell an asset or transfer a liability in an orderly transaction (e.g., not a forced or distressed sale) at the balance sheet date. Accordingly, fair values should reflect current market conditions and consider recent transaction prices, where available. This fair value objective is generally applicable to all fair value measurements effective for fiscal years beginning after November 15, 2007 with the adoption of FASB Statement No. 157, which is discussed in the following section.

On October 3, 2007, the Center for Audit Quality (CAQ), which is affiliated with the American Institute of Certified Public Accountants, issued a white paper entitled *Measurements of Fair Value in Illiquid (or Less Liquid) Markets* (http://www.aicpa.org/caq/download/WP_Measurements_of_FV_in_Illiquid_Markets.pdf). The white paper discusses issues associated with fair value measurement under existing generally accepted accounting principles (GAAP) in the context of the conditions that currently exist in many segments of the credit markets. Although the CAQ’s white paper was directed to auditors and public companies, the paper articulates certain existing GAAP requirements related to fair value measurement issues that apply to all institutions, whether or not they are public companies. For FR Y-9 reporting purposes, BHCs should consider the fair value measurement information contained in the CAQ’s white paper.

Fair Value Measurement and Fair Value Option

FASB Statement No. 157, Fair Value Measurements (FAS 157), issued in September 2006, defines fair value, establishes a framework for measuring the fair value of assets and liabilities based on a three level hierarchy, and expands disclosures about fair value measurements. The FASB’s three-level fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting BHC has the ability to access at the measurement date (e.g., the FR Y-9C reporting date). Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

FAS 157 is effective for fiscal years beginning after November 15, 2007, and, with certain exceptions, is to be applied prospectively. However, on February 12, 2008, the FASB issued FASB Staff Position No. FAS 157-2, which delays the effective date of FAS 157 for all nonfinancial assets and nonfinancial liabilities, except for those items that are recognized or disclosed at fair value on a recurring basis, i.e., at least annually, in the financial statements. However, this delay does not apply to entities that have issued interim or annual financial statements or FR Y-9C reports that include the application of the measurement and disclosure provisions of FAS 157. Bank holding companies must adopt FAS 157 for FR Y-9C reporting purposes in accordance with the standard's effective date, including the delayed effective date for eligible nonfinancial assets and nonfinancial liabilities. Thus, a BHC with a calendar year fiscal year must adopt FAS 157 as of January 1, 2008, except for any fair value measurements subject to the delay mentioned above. For those financial instruments identified in FAS 157 to which the standard must be applied retrospectively upon initial application, the effect of initially applying FAS 157 to these instruments should be recognized as a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of the fiscal year of adoption. This adjustment should be reported in Schedule HI-A, item 2, "Restatements due to corrections of material accounting errors and changes in accounting principles," and separately disclosed in the Notes to the Income Statement—Other, item 1.

FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities (FAS 159), issued in February 2007, allows BHCs to report certain financial assets and liabilities at fair value with the changes in fair value included in earnings. In general, a BHC may elect the fair value option for an eligible financial asset or liability when it first recognizes the instrument on its balance sheet or enters into an eligible firm commitment. A BHC may also elect the fair value option for eligible items that exist on the effective date of FAS 159. A BHC's decision to elect the fair value option for an eligible item is irrevocable. A BHC that elects the fair value option is expected to apply sound risk management and control practices to the assets and liabilities that will be accounted for at fair value under the option.

FAS 159 is effective as of the beginning of a BHC's first fiscal year that begins after November 15, 2007, and should not be applied retrospectively to prior fiscal years, except as permitted in the standard's early adoption provisions. Because FAS 159 creates a fair value option, a BHC is not required to adopt FAS 159 for FR Y-9C reporting purposes.

If, in connection with its substantive adoption of FAS 159, a BHC elects the fair value option for eligible items that exist on the effective date of its adoption of this accounting standard, the BHC must report the effect of the first remeasurement of these existing items to fair value as a cumulative-effect adjustment to the opening balance of retained earnings at the beginning of the fiscal year of adoption. The difference between the carrying amount and the fair value of eligible items for which the fair value option is elected at the effective date should be removed from the balance sheet (Schedule HC) and included in the cumulative-effect adjustment. This adjustment should be reported in Schedule HI-A, item 2, “Restatements due to corrections of material accounting errors and changes in accounting principles,” and separately disclosed in the Notes to the Income Statement—Other, item 1.

On April 17, 2007, the Center for Audit Quality (CAQ), which is affiliated with the American Institute of Certified Public Accountants, issued Alert No. 2007-14, *FAS 159 Early Adoption Date Approaching – Factors to Consider* (http://www.thecaq.org/newsroom/pdfs/CAQPressRelease_041807a.pdf). The Alert summarized the principles and objectives of the fair value option as set forth in FAS 159 and provides factors to consider in determining whether an entity has substantively adopted FAS 159 on a go forward basis. Although the CAQ’s Alert was directed to auditors and public companies, the factors concerning the evaluation of an entity’s purported early adoption of FAS 159 are equally appropriate for nonpublic institutions. For regulatory reporting purposes, BHCs are expected to meet the principles and objectives of FAS 159 when applying the fair value option and should consider the information contained in the CAQ’s Alert.

The Federal Reserve is considering the regulatory capital implications of the use of a fair value option, including the fair value option in FASB Statements No. 155 and No. 156. Except as discussed below, changes in the fair value of assets and liabilities to which a fair value option is applied that are recognized in earnings should be reflected in Tier 1 capital, pending further guidance from the Federal Reserve. For a liability to which a fair value option is applied, BHCs should consider the effect of a change in their own creditworthiness on the fair value of the liability. The Federal Reserve has determined that BHCs should exclude from Tier 1 capital the cumulative change in the fair value of liabilities accounted for under a fair value option that is included in retained earnings (Schedule HC, item 26.a) and is attributable to changes in the BHC’s own creditworthiness. For regulatory capital purposes, this excluded portion of the change in fair value is, in essence, an adjustment to the BHC’s reported retained earnings and should be reported in Schedule HC-R, item 7.b, so that it is taken into account in determining the Tier 1 capital subtotal (reported in Schedule HC-R, item 8) that is used to determine the regulatory capital limits on such items as servicing assets, deferred tax assets, and credit-enhancing interest-only strips.

Schedule HC-Q, Financial Assets and Liabilities Measured at Fair Value

FR Y-9C Schedule HC-Q, Financial Assets and Liabilities Measured at Fair Value, is to be completed by BHCs that have adopted FAS 157 and either (1) have elected the fair value option under FAS 159 or under FASB Statements No. 155 or 156, or (2) are required to complete Schedule HC-D, Trading Assets and Liabilities (BHCs that meet this criteria but do not meet criteria (1) must complete *only* Schedule HC-Q items 2 and 5, and leave items 1, 2.a, 3, 4, 6 and 7 blank). This schedule captures fair value data on total trading assets and liabilities and on other assets, liabilities, and loan commitments to which the fair value option is being applied. Accordingly, BHCs should not include data in Schedule HC-Q on securities reported as available-for-sale on the FR Y-9C balance sheet (Schedule HC, item 2(b)) or on derivatives held for purposes other than trading that are reported as “Other assets” or “Other liabilities” (Schedule HC, item 11, or item 20). Schedule HC-Q has been revised this quarter to include columns for Level 1, Level 2, and Level 3 fair value measurements and a column for the fair value of assets and liabilities that have been netted for balance sheet purposes in accordance with FASB Interpretation No. 39, Offsetting of Amounts Related to Certain Contracts, and FASB Interpretation No. 41, Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements.

Under FAS 159, securities that a BHC has elected to report at fair value under the fair value option are reported as trading securities even though management did not acquire the securities principally for the purpose of selling them in the near term or for other trading purposes. Thus, such securities, whether held on the date of adoption of FAS 159 or acquired thereafter, should be reported in Schedule HC-Q in both item 2, “Trading assets,” and item 2.a, “Nontrading securities at fair value with changes in fair value reported in current earnings.”

Split-Dollar Life Insurance Arrangements

The Financial Accounting Standards Board’s (FASB) Emerging Issues Task Force (EITF) has issued guidance on the accounting for the deferred compensation and postretirement benefit aspects of split-dollar life insurance arrangements. This guidance is effective for fiscal years beginning after December 15, 2007, including interim periods within those fiscal years, with earlier application permitted. EITF Issue No. 06-4 addresses endorsement split dollar arrangements (http://www.fasb.org/pdf/abs06-4.pdf) while EITF issue No. 06-10 covers collateral assignment split dollar arrangements (http://www.fasb.org/pdf/abs06-10.pdf). In general, in an endorsement split-dollar arrangement, the employer (such as a BHC or subsidiary) owns and controls the insurance policy on the employee, whereas in a collateral assignment split-dollar arrangement, the employee owns and controls the insurance policy.

An employer, such as a BHC, should recognize a liability for the postretirement benefit related to a split-dollar life insurance arrangement if, based on the substantive agreement with the employee, the BHC has agreed to maintain a life insurance policy during the employee's retirement or provide the employee with a death benefit. This liability should be measured in accordance with either FASB Statement No. 106 (if, in substance, a postretirement benefit plan exists) or Accounting Principles Board Opinion No. 12 (if the arrangement is, in substance, an individual deferred compensation contract). In addition, for a collateral assignment split-dollar arrangement, the EITF also reached a consensus that an employer such as a BHC should recognize and measure an insurance asset based on the nature and substance of the arrangement.

Bank holding companies with split-dollar life insurance arrangements must apply the consensuses in EITF Issues No. 06-4 and No. 06-10 for FR Y-9 reporting purposes in accordance with their effective date. Thus, a BHC with a calendar year fiscal year must apply the relevant guidance as of January 1, 2008, and should recognize the effects of applying the consensus as a cumulative-effect adjustment to the opening balance of retained earnings on that date. This adjustment should be reported in Schedule HI-A, item 2, "Restatements due to corrections of material accounting errors and changes in accounting principles," and may be separately disclosed in Schedule HI, Notes to the Income Statement—Other.

FASB Interpretation No. 48 on Uncertain Tax Positions

FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48), was issued in June 2006 as an interpretation of FASB Statement No. 109, Accounting for Income Taxes. Under FIN 48, the term "tax position" refers to "a position in a previously filed tax return or a position expected to be taken in a future tax return that is reflected in measuring current or deferred income tax assets and liabilities." FIN 48 further states that a "tax position can result in a permanent reduction of income taxes payable, a deferral of income taxes otherwise currently payable to future years, or a change in the expected realizability of deferred tax assets."

According to FIN 48, a BHC should initially recognize the effects of a tax position in its financial statements when, based on the technical merits, it is more likely than not (i.e., a likelihood of more than 50 percent) that the position will be sustained upon examination by the taxing authority, including the resolution of any related appeals or litigation. The more-likely-than-not evaluation must consider the facts, circumstances, and information available at the report date. When a tax position meets the more-likely-than-not recognition threshold, it should initially and subsequently be measured as the largest amount of tax benefit greater than 50 percent likely of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. FIN 48 also provides guidance on subsequent recognition, derecognition, and measurement of tax positions, including the effect of changes in judgment, and on the recognition of interest and penalties. The June 2007 FR Y-9C reporting instructions were updated to include a revised Glossary entry for "Income Taxes" that includes guidance on FIN 48.

As originally issued, FIN 48 was effective for fiscal years beginning after December 15, 2006. On January 23, 2008, the FASB decided to defer the effective date of FIN 48 for eligible nonpublic enterprises and to require those enterprises to adopt FIN 48 for annual periods beginning after December 15, 2007. A nonpublic enterprise is eligible for this deferral provided it (a) has not issued a full set of annual financial statements incorporating the recognition, measurement, and disclosure requirements of FIN 48 and (b) is not a subsidiary of a public enterprise. A nonpublic enterprise that meets these conditions is eligible for the deferral even if it has issued interim or quarterly financial information in 2007 that reflected the adoption of FIN 48.

As a result of the FASB's deferral decision, eligible nonpublic BHCs must adopt FIN 48 for FR Y-9 reporting purposes for annual periods beginning after December 15, 2007, based on their respective fiscal years. For example, an eligible nonpublic BHC with a calendar year fiscal year must adopt FIN 48 as of January 1, 2008, but is not required to reflect the effect of its adoption of FIN 48 for FR Y-9 reporting purposes until it prepares its FR Y-9 for the December 31, 2008, report date.

An eligible nonpublic BHC that applied the recognition and measurement provisions of FIN 48 in its FR Y-9 reports for 2007 report dates and (a) choose not to adopt the effective date deferral, should continue to apply FIN 48 in its FR Y-9 reports going forward; or (b) choose to adopt the effective date deferral, should prepare the March 2008 FR Y-9 report without reflecting the application of FIN 48. As noted above, a nonpublic BHC that is a subsidiary of a public company does not meet the eligibility conditions for the deferral of the effective date of FIN 48 and at present should be preparing its FR Y-9 reports in accordance with FIN 48.

Electronic Submission Option

This Bank offers BHCs the option of submitting their FR Y-11, FR 2314, and FR Y-12 reports electronically. Any BHC interested in submitting these reports electronically should contact Gloria Scott at (212) 720-7348 for information concerning the procedures for electronic transmission. BHCs choosing to submit these reports electronically must maintain in their files a signed printout of the data submitted.

Website

Report forms and instructions for the FR Y-9C, FR Y-9LP, FR Y-11, FR 2314 and FR Y-12 are available on the Federal Reserve Board's web site at **www.federalreserve.gov** under "Reporting Forms".

Questions regarding these reports should be addressed to Monica Posen at (212) 720-8239. Questions regarding the capital adequacy guidelines should be directed to Katherine Tilghman in the Policy and Analysis Department at (212) 720-5935.

Sincerely,

-- *Signed by Kenneth Lamar* --

Kenneth Lamar
Senior Vice President
Statistics Function

Attachment
Revisions to the FR Y-9C for March 31, 2008

Report Form

Fair Value Changes

1. New items (memorandum 14.a, "Net gains (losses) on assets", 14.a(1), "Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risks", 14.b, "Net gains (losses) on liabilities", and 14.b(1), "Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk") were added to Schedule HI to be reported by BHCs that have elected to account for assets and liabilities under a fair value option.

2. New items (memoranda items 10.a, "Loans secured by real estate", 10.b, "Commercial and industrial loans", 10.c "Loans to individuals" and 10.d, "Other loans") were added to Schedule HC-C for loans measured at fair value.

3. New items (memoranda items 11.a, "Loans secured by real estate", 11.b, "Commercial and industrial loans", 11.c, "Loans to individuals", and 11.d, "Other loans") were added to Schedule HC-C for unpaid principal balances of loans measured at fair value.

4. New items (items 6.a, "Loans secured by real estate", 6.b, "Commercial and industrial loans, 6.c, "Loans to individuals", and 6.d, "Other loans") were added to Schedule HC-D for loans measured at fair value that are held for trading.

5. A new item (item 13.b, "All other trading liabilities") was added to Schedule HC-D.

6. New items (memoranda items 1.a, "Loans secured by real estate", 1.b, "Commercial and industrial loans", 1.c, "Loans to individuals" and 1.d, "Other loans") were added to Schedule HC-D for unpaid principal balances of loans measured at fair value.

7. New columns (Column B, "Amounts Netted in the Determination of Total Fair Value" and Column C, "Level 1 Fair Value Measurements") were added to Schedule HC-Q.

8. New items (memoranda items 3.a, “Fair value”, and 3.b, “Unpaid principal balance”) for loans measured at fair value that are past due 90 days or more were added to Schedule HC-D. These items are optional for March 31, 2008 and are required for June 30, 2008.

9. New items (memoranda items 5.b(1) “Fair value” and 5.b(2) “Unpaid principal balance”) were added to Schedule HC-N for loans measured at fair value. These items are optional for March 31, 2008 and are required for June 30, 2008.

1-4 Family Residential Mortgage Loans

1. New items (item 1.a(1)(a), “Loans secured by 1-4 family residential properties”, 1.a(1)(b), ”All other loans secured by real estate”, and 1.a(1)(c), ”All other loans”) were added to Schedule HI.

2. Schedule HC-C, Memoranda item 1, “Loans and leases restructured and in compliance with modified terms” was separated into two items, item 1.a, ”Loans secured by 1-4 family residential properties in domestic offices”, and 1.b, ”Other loans and all other leases” to include information for 1-4 family residential properties.

3. A new item (memoranda item 9, “Loans secured by 1-4 family residential properties in domestic offices in process of foreclosure”) was added to Schedule HC-C.

4. New items (item 3.a “Loans secured by 1-4 family residential properties in domestic offices”, 3.b, “All other loans secured by real estate in domestic offices”, and 3.c, “All other loans in domestic offices”) were added to Schedule HC-K.

5. Schedule HC-N, Memoranda item 1, “Restructured loans and leases included in items 1 through 8 above,” was separated into two items (item 1.a, “Loans secured by 1-4 family residential properties in domestic offices” and 1.b, “Other loans and all other leases to include information for 1-4 family residential properties.

6. A new item (memoranda item 2.d, “1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end”) was added to Schedule HC-S.

1–4 Family Residential Mortgage Banking Activities

1. For retail originations, wholesale originations, 1-4 family residential mortgages sold, and 1-4 family residential mortgages held for sale, new items (items 1.c(1) 1.c(2), 2.c(1), 2.c(2), 3.c(1), 3.c(2), 4.c(1), and 4.c(2), "Open-end loans extended under lines of credit: (1)Total commitment under the lines of credit and (2)Principal amount funded under the lines of credit") were added to Schedule HC-P. These items are optional for March 31, 2008, and are required for June 30, 2008.

2. A new item (Item 5.b, "Noninterest income for the quarter from the sale, securitization, and servicing of open-end 1-4 family residential mortgage loans extended under lines of credit") was added to Schedule HC-P. This item is optional for March 31, 2008 and required for June 30, 2008.

3. New items (Item 6, *"R*epurchases and indemnifications of 1-4 family residential mortgage loans during the quarter", 6.a, "Closed-end first liens", 6.b, "Closed-end junior liens", and 6.c, "Open-end loans extended under lines of credit" with a breakout for 6.c(1)"Total commitment under the lines of credit" and 6.c(2), "Principal amount funded under the lines of credit") were added to Schedule HC-P. Items 6.c(1) and 6.c(2) are optional for March 31, 2008 and are required for June 30, 2008.

Miscellaneous

1. Schedule HI, Memorandum item 6.i was renumbered to 6.f "Net change in the fair value of financial instruments accounted for under a fair value option".

2. New item (memorandum item 6.g, "Bank card and credit card interchange fees") was added to Schedule HI.

3. New items (memorandum item 7.h, "Accounting and auditing expenses", 7.i,"Consulting and advisory expenses", 7.j, "Automated teller machine (ATM) and interchange expenses", and 7.k, "Telecommunications expenses") were added to Schedule HI.

4. Schedule HI-B, Memoranda items 4.a, "1-4 family residential construction loans" and 4.b, "Other construction loans and all land development and other land loans" were moved to items 1.a(1) and 1.a(2), respectively.

5. Schedule HI-B, Memoranda items 5.a, “Loans secured by owner-occupied nonfarm nonresidential properties”, and 4.b, “Loans secured by other nonresidential properties” were moved to items 1.e(1) and 1.e(2), respectively.

6. Schedule HC-C, Memoranda items 7.a, “1-4 family residential construction loans”, and 7.b, “Other construction loans and all land development and other land loans” were moved to items 1.a(1) and 1.a(2), respectively.

7. Schedule HC-C, Memoranda items 8.a, “Loans secured by owner-occupied nonfarm nonresidential properties”, and 8.b, “Loans secured by other nonfarm nonresidential properties” were moved to items 1.e(1) and 1.e(2), respectively.

8. New columns (Column A, consolidated basis and Column B, domestic offices) were added to Schedule HC-D for items to be reported on a consolidated and domestic offices only basis.

9. Schedule HC-D, item 10, “Trading assets in foreign offices” and item 11.b, “Derivatives with a positive fair value: in foreign offices” were deleted and item 11 was renamed to “Derivatives with a positive fair value”.

10. Schedule HC-N, Memoranda items 9.a, “1-4 family residential construction loans,” and 9.b, “Other construction loans and all land development and other land loans,” were moved to items 1.a.(1) and 1.a.(2), respectively.

11. Schedule HC-N, Memoranda items 10.a, “Loans secured by owner-occupied nonfarm nonresidential properties,” and 10.b, “Loans secured by other nonfarm nonresidential properties” were moved to items 1.e.(1) and 1.e.(2), respectively.

12. New items (memoranda item 4, “Asset back securities”, 5, “Collateralized debt obligations: synthetic and other”, 6, “Retained beneficial interests in securitizations, 7, “Equity securities: with readily determinable fair values and other”, 8, “Loans pending securitization”, 9, “Other trading assets”, and 10, “Other trading liabilities”) were added to Schedule HC-D. These items are to be completed by BHCs that reported average trading assets of $1 billion or more in any of the four preceding quarters and are optional for March 31, 2008, however required for June 30, 2008.

Instructions

1. Schedule HI, items 5(l) and 7(d) were revised to clarify

the instructions to reference the new threshold for disclosing significant components of other noninterest expense and other noninterest income in memoranda items 6 and 7.

2. Schedule HC-B, item 4, “Mortgage-backed securities” was revised to clarify the instructions to include mortgage-backed commercial paper not held for trading.

3. The general instructions for Schedule HC-D was revised for a change in reporting criteria from “any quarter of the preceding calendar year” to “for any of the four preceding quarters”.

4. Schedule HC-E, Memoranda items 1, 2, and 3 was revised to clarify the reporting treatment of certain brokered deposits.

5. Schedule HC-R, items 52 and 54 was revised to clarify the reporting of credit derivatives. The instructions were revised to include credit derivatives on line 54.

6. The glossary entry for deposits was revised for the reporting of retail sweep arrangements affecting transaction and nontransaction accounts.

7. The glossary entry for trading account was revised to address the reporting treatment under a fair value option and conditions upon which BHC may classify certain assets, including warehouse loans, and liabilities as trading.

Revisions to the FR Y-9LP for March 31, 2008

Report Form

Fair Value Changes

1. A new item (memoranda 5, “Net change in fair value of financial instruments or servicing assets and liabilities at fair value under a fair value option”) was added to Schedule PI.

2. New items (memoranda items 1, “Financial assets and liabilities measured at fair value under a fair value option”, 1.a, “Total assets” and 1.b, “Total liabilities”) were added to Schedule PC.

Cash Flow Statement

1. A new item (item 5, “Outlays for business acquisitions”) was added to Schedule PI-A, Part II.

2. A new item (item 6, “Proceeds from business divestitures”) was added to Schedule PI-A, Part II.

3. Schedule PI-A, Part III, items 1 and 2 were combined into item 1, “Net change in purchased funds and other short-term borrowings”.

Instructions

1. Schedule PC, item 20(e) was revised to include the net unrealized holding gains (losses) of BHCs proportionate share of its consolidated subsidiaries’ available-for-sale securities.

Revisions to the FR Y-11 for March 31, 2008

Report Form

Fair Value Changes

1. A new item (memorandum item 2, “Net change in fair values of financial instruments or servicing assets and liabilities at fair value under a fair value option”) was added to Schedule IS.

2. New items (memorandum item 1, “Financial assets and liabilities measured at fair value under a fair value option”, 1.a, “Total assets” and 1.b, “Total liabilities”) were added to Schedule BS.

Income Statement Changes

1. A new item (Item 9, “Fees and commission from annuity sales”) was added to Schedule IS.

Instructions

1. The general instructions were revised to clarify the quarterly and annual filing criteria.

2. The general instructions were revised to eliminate the reporting of trust preferred securities subsidiaries and remove all related reporting instructions.

3. Schedule IS, items 5.a(3) and 5.b were revised to clarify the reporting of trading revenue and noninterest income from related organizations.

Revisions to the FR 2314 for March 31, 2008

Report Form

Fair Value Changes

1. A new item (memorandum item 2, “Net change in fair values of financial instruments or servicing assets and liabilities at fair value under a fair value option”) was added to Schedule IS.
2. New items (memorandum item 1, “Financial assets and liabilities measured at fair value under a fair value option”, 1.a, “Total assets” and 1.b, “Total liabilities”) were added to Schedule BS.

Income Statement Changes

1. A new item (Item 9, “Fees and commission from annuity sales”) was added to Schedule IS.

Instructions

1. The general instructions were revised to clarify the quarterly and annual filing criteria.

2. The general instructions were revised to eliminate the reporting of trust preferred securities subsidiaries and remove all related reporting instructions.

3. Schedule IS, items 5.a(3) and 5.b were revised to clarify the reporting of trading revenue and noninterest income from related organizations.