

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

October 2, 2008

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

As part of the joint mailing with other supervisory agencies, state member banks received their Report of Condition and Income materials for the September 30, 2008 report date from the Federal Financial Institutions Examination Council. The agencies are not sending a sample set of the September 30, 2008, report forms to banks.

Please plan to complete the preparation, review, and submission of your Call Report data to the Central Data Repository (CDR) as early as possible. Starting your preparation early will aid you in identifying and resolving any edit exceptions prior to the submission deadline.

Consistent with the agencies' September 7, 2008, press release concerning the takeover of Fannie Mae and Freddie Mac, banks are reminded that investments in perpetual preferred stock and common stock with readily determinable fair values, unless held for trading purposes, should be reported as available-for-sale equity security holdings in Call Report Schedule RC-B, item 7. Perpetual preferred stock does not have a stated maturity date and cannot be redeemed at the option of the investor, although it may be redeemable at the option of the issuer. All currently outstanding preferred stock issued by Fannie Mae and Freddie Mac is perpetual. In contrast, preferred stock that by its terms either must be redeemed by the issuer or is redeemable at the option of the investor is considered a debt security for financial and regulatory reporting purposes and, unless held for trading purposes, should be reported in Schedule RC B, item 6. Banks should review their investments in preferred stock and ensure that they properly report these securities.

Report Submission

Except for certain banks with foreign offices, a completed Call Report must be submitted electronically to the CDR no later than **Thursday, October 30, 2008**. However, banks with more than one foreign office must electronically transmit its Call Report

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data to CDR no later than **Tuesday, November 4, 2008**. To be considered timely, the report must pass FFIEC-published validity edits and quality edits, or where necessary, contain explanations for any quality edits that are not passed. Explanatory comments should be prepared consistent with the "Guidelines for Resolving Edits" that are published on the FFIEC's web site: <http://www.ffeic.gov/find/documents/resolvingedits.pdf>

Please note that the timeliness of receipt of the Call Report will be monitored. Any report at the CDR after 5:00 p.m. on October 30 will be considered late.

The staff of this bank will monitor whether banking organizations are meeting their basic reporting requirements through the use of validity edits.

Each bank must file its September 30, 2008, Call Report data in one of the following two ways:

- A bank may use computer software to prepare and edit its report data and then electronically submit the data directly to the CDR (<https://cdr.ffeicgov/cdr/>).
- A bank may complete its report in paper form and arrange with a software vendor or another party to convert its paper report into the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's Call Report data file to the CDR.

Website

Report forms and instructions for the Call Report can be obtained from the FFIEC internet website at the following address: www.ffeic.gov/ffeic_report_forms.htm. In addition, we have enclosed a copy of the supplemental instructions for your review.

Any questions about this report may be directed to Oscar Torres, Reports Analyst in the Regulatory Reports Division at (212) 720-6796 or Vadim Tovshteyn, Team Leader of that Division at (212) 720-8465.

Sincerely,

-- Signed by Richard Molloy --

Rich Molloy
Statistics Officer
Financial Reports Department