

# FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045-0001

AREA CODE 212-720-5000

December 28, 2001

To: 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 December 31, 2001:

- Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002);
- 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); and
- 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 form for **December 31, 2001**. However, as stated in previous letters, a new schedule, "Fiduciary and Related Services" (Schedule T) should be completed beginning with December 31, 2001, FFIEC 002.

## 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 assets 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

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been sold and securitized when there is continuing involvement with the loans by retaining servicing 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, 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.

### **Schedule T**

***Beginning this quarter, Schedule T must be completed.***

Schedule T replaces the Annual Report of Trust Assets (FFIEC 001) and the Annual Report of International Fiduciary Activities (FFIEC 006). **All institutions must complete at least item 1 of Schedule T.** Item 1 is a "Yes/No" question asking whether the institution has fiduciary powers. Institutions that do not have fiduciary powers should not complete the rest of Schedule T, while those with such powers must answer items 2 and 3. Institutions that have fiduciary or related activities (in the form of assets or accounts) to report should then complete the remainder of Schedule T.

If your institution has Individual Retirement Accounts, Keogh Plan accounts, and similar accounts that hold deposits in the institution itself and are administered solely for this purpose, these accounts should not be reported in Schedule T. The market value of managed assets held in personal trust and agency accounts should be reported in item 4, column A. A breakdown of these managed assets by type of asset is reported in Memorandum items

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1.a through 1.k, with the total reported in Memorandum item 1.l. Because this total must equal item 4, column A, only the proportionate share of the assets of common trust funds and collective investment funds that are held for participating accounts that are managed should be reported in Memorandum items 1.a. through 1.k. The proportionate share of fund assets held for non-managed participating accounts should not be included in these Memorandum items.

### **Reports Monitoring**

Please note that under the Regulatory Reports Monitoring Program, the timeliness of receipt of each of these reports will be monitored, and the 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 by Wednesday, January 30, 2002. Any FFIEC 002/002S received after 5:00p.m. on January 30 will be considered late unless postmarked by January 28 or sent by overnight service by January 29.

An original and one copy of the completed FFIEC 019 must be returned to this Bank, by mail or messenger by Wednesday, February 14, 2002. Any FFIEC 019 received after 5:00 p.m. on February 14 will be considered late unless postmarked by February 8 or sent by overnight service by February 13. 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 December 31, 2001, 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 report that are subject to monitoring have been mailed previously.

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**Electronic Submission Option**

Electronic submissions 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 report submission. A vendor has developed a software package that provides the means to 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 report.

For information on filing the FFIEC 002/002S report electronically, please contact Henry Castillo at (212) 720-1318.

**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

Enclosure

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