

# FEDERAL RESERVE BANK OF NEW YORK

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KENNETH LAMAR  
VICE PRESIDENT

December 11, 2006

To: All Depository Institutions that have Federal Reserve Accounts and/or are Respondents to the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900)

Subject: November 2006 Revisions to the Reserve Maintenance Manual

I am writing to inform you that the Reserve Maintenance Manual has been revised. Enclosed is a brief summary of the changes to the Manual, which can be assessed on the Financial Services Web site as follows:

- 1) Direct your browser to: [www.frbervices.org](http://www.frbervices.org)
- 2) Select "Reference Guides and Operating Circulars" on the left menu bar.
- 3) Select "Reserve Maintenance Manual" from the Reference Guides section of the page.
- 4) Choose sections of the guide from the bookmarks or Table of Contents page.

If you have any questions or encounter difficulties in printing or downloading the Manual, please contact Ben Annoscia, Team Leader in the Deposit Reports Division, at (212) 720-8920, or Brian Osterhus, Staff Director of that Division, at (212) 720-8023.

Sincerely,

-- Signed by Kenneth Lamar --

## **Summary of November 2006 Revisions to the *Reserve Maintenance Manual***

The Reserve Maintenance Manual was updated in November 2006 to:

- Reflect the annual indexation of the exemption amount, the low reserve tranche, the nonexempt deposit cutoff, and the reduced reporting limit in the following places:
  - Description of reporting requirements and relevant report forms (Chapter IV),
  - Calculation of reserve requirements (Chapter V),
  - Examples of “Requirement” and “Correspondent and Pass-through Requirement” reports (Chapter VI), and
  - Calculation of a tranche loss adjustment in the event of a merger (Chapter XIII).
- Reflect the change in methodology for determining the deposit reporting categories that will be effective September 2007. The sum of total transaction accounts, savings deposits, and small time deposits will be compared to the nonexempt deposit cutoff and the reduced reporting limit instead of total deposits for reporting category determination (Chapter IV).
- Reflect the change in the annual reporting category determination process that an institution will be provisionally shifted to the FR 2910a reporting category if it no longer qualifies for FR 2900 reporting and then will be reexamined the following year (Chapter IV).
- Remove the references to the Allocation of Low Reserve Tranche and Reservable Liabilities Exemption for Depository Institutions Other Than U.S. Branches and Agencies of Foreign Banks and Edge and Agreement Corporations (FR 2930a). This report was combined into the Allocation of Low Reserve Tranche and Reservable Liabilities Exemption (FR 2930). (Chapters IV, V, and XIV.)
- Clarify that an as-of adjustment caused by anything other than a deposit reporting error is limited to 45 days plus research time whether the error is discovered by a depository institution or the Reserve Bank (Chapter VII).
- Clarify that an institution with a clearing balance requirement but no reserve balance requirement is not eligible for the carry-over privilege (Chapter XII).
- Refresh the dates and table values in the example that illustrates the calculation of a tranche loss adjustment in the event of a merger (Chapter XIII).
- Advance the dates in the list of reserve maintenance and computation periods for weekly and quarterly reporters (Chapter XV).
- Incorporate new contact information for Reserve Bank deposit reporting and reserve administration personnel (Chapter XVI).
- Clarify wording in some minor instances (Chapters IV, V, VII, and X-XIII).

The following is a chapter-by-chapter, page-by-page list of revisions to the Reserve Maintenance Manual.

**Chapter I, “Introduction”**

Page I-1.

**Chapter II, “Account Structure”**

Pages II-1 and II-2.

**Chapter III, “Concepts of Reserve Calculation and Maintenance”**

Pages III-1 through III-6.

**Chapter IV, “Reporting Requirements”**

All pages (IV-1 through IV-17).

**Chapter V, “Calculation of Reserve Requirements”**

All pages (V-1 through V-14).

**Chapter VI, “Requirement and Position Reports”**

All pages (VI-1 through VI-18).

**Chapter VII, “As-of Adjustments”**

All pages (VII-1 through VII-4).

**Chapter VIII, “Clearing Balance Requirements and Earnings Credits”**

All pages (VIII-1 and VIII-2).

**Chapter IX, “Carry-over”**

Page IX-1.

**Chapter X, “Mechanics of Reserve and Clearing Balance Administration: Accounts with Clearing Balance Requirements Only”**

All pages (X-1 through X-5).

**Chapter XI, “Mechanics of Reserve and Clearing Balance Administration: Accounts with Reserve Balance Requirements Only”**

All pages (XI-1 through XI-7).

**Chapter XII, “Mechanics of Reserve and Clearing Balance Administration: Accounts with Both Reserve and Clearing Balance Requirements”**

All pages (XII-1 through XII-25).

**Chapter XIII, “Mergers”**

All pages (XIII-1 through XIII-12).

**Chapter XIV, “Transition”**

All pages (XIV-1 through XIV-3).

**Chapter XV, “Calendar of Weekly and Quarterly Computation and Maintenance Periods”**

All pages (XV-1 through XV-6).

**Chapter XVI, “Reserve Bank Contact List”**

Page XVI-1.

**Chapter XVII, “Web Links”**

Page XVII-1.

**Chapter XVIII, “Glossary”**

All pages. (XVIII-1 through XVIII-6).