Financial Reporting Bulletin

• *Office of Thrift Supervision* •
• *Research and Information Systems* • *National Systems* •
• *Financial Reporting Division* •

It is important that you read this bulletin and the attached materials before submitting your Thrift Financial Report.

JUNE 2001

TFR DEADLINE INCLUDING SCHEDULE SB – MONDAY, JULY 30

SCHEDULES CMR & HC DEADLINE – TUESDAY, AUGUST 14

NEW SOFTWARE ISSUED IN JUNE

The Intercept Group (formerly DPSC) mailed the June electronic filing software update during the week of June 18, 2001. Please install this update as soon as you receive it. You can make certain that you have the most recent version of the filing software by comparing the version installed on your PC (*Reports - Help- About - Windows Version 200106.xxx*) with the version identification posted on the Intercept Group's website, www.dpscsoftware.com (*OTSReporter Updates*), or you can call the Intercept Group Technical Support at 800-825-3772.

The June version of the software contains changes to Schedule CMR. On pages 31 and 35 of the screen display, we have added two display-only lines: "Memo: Complex Securities (from Supplemental Reporting)" and "Memo: Variable-Rate, Fixed-Maturity Liabilities (from Supplemental Reporting)." These lines will store the values for structured securities and variable-rate, fixed-maturity liabilities that you report in the supplemental schedules. Please note that these fields will be updated only after you enter the information on the supplemental schedules.

In addition, the edit checks for balancing within CMR and those that balance to SC have been modified to include these display-only lines.

SCHEDULE SB (SMALL BUSINESS LOANS)

Schedule SB, Consolidated Small Business Loans, is filed annually with the June 30 TFR. Schedule SB is included with the electronic filing software under the TFR tab. We have made no changes to the form or instructions for Schedule SB. Schedule SB must be transmitted with the TFR and is due no later than Monday, July 30, 2001.

BRANCH OFFICE SURVEY (BOS) DUE MONDAY, AUGUST 27

OTS will mail the 2001 survey instructions to all savings associations on Friday, July 13, 2001. Prepare and transmit your June 2001 TFR prior to transmitting the Branch Office Survey (BOS). You must file your survey results electronically on or before Monday, August 27, 2001 using electronic filing software provided in June 2001. If you do not receive the 2001 Branch Office Survey instructions and report, or if there are other questions relating to the Branch Office Survey, please contact Pam Schaar, Financial Reporting Analyst, at 202-906-7205 in the Washington office or Cassandra Beasley in the Dallas office at 972-277-9619. The instructions are also available on the OTS website at www.ots.treas.gov under *Institution and Industry Data.*

COPIES OF TFR MANUAL

You may now obtain additional copies of the TFR manual from the OTS Order Department. We will continue to provide one free copy to the report preparers of all OTS-regulated institutions. Anyone desiring additional copies may order them through our distribution service at (301) 645-6264. The cost for the manual and bulletins for one year is $35. You can also access the manual and bulletins on the OTS web site at http://www.ots.treas.gov/tfrpage.html. You can obtain an order form and a listing of all OTS publications at http://www.ots.treas.gov/docs/48061.html.

2002 HARDWARE REQUIREMENTS FOR ELECTRONIC REGULATORY REPORTING

In December 2001, OTS will provide the thrift industry with new electronic filing software for the filing of regulatory reports in 2002. Production and support of the software on 3 1/2'" diskette is being discontinued and it will be made available only in CD-ROM format. Other computer requirements to effectively operate the new software are outlined below:

Minimum:	**Preferred:**
IBM-compatible PC - 486DX-50 megahertz processor	IBM-compatible PC - Pentium 200+ processor
Windows 95, 98, NT4.0	Windows 95, 98, NT4.0
32 Meg of installed RAM memory	64 Meg of installed RAM memory
150 Meg of available hard drive memory	200+ Meg of available hard drive memory
VGA or SVGA color monitor – 640x480, 256 colors screen	SVGA enhanced color monitor – 800x600, 256 colors or 24 bit true colors
1200 bps Hayes-compatible modem	56K bps Hayes-compatible modem
CD-Rom drive	CD-Rom drive
HP Laserjet or Ink Jet-compatible printer	HP Laserjet or Ink Jet-compatible printer

TFR TRAINING

The OTS Financial Reporting Division will conduct two training sessions in September in Dallas, Texas. This training will be the same as that presented in past years. It is a basic course intended for individuals directly responsible for preparing and transmitting the TFR.

CLASS DATES:

Session 1 September 17-18, 2001

Session 2 September 19-20, 2001

Session Hours: Day One: 1:00 p.m. - 5:00 p.m.

Day Two: 8:00 a.m. - 12:00 noon

The training will focus on TFR and CMR preparation and on using the electronic filing software. Sessions will also include an overview of the OTS organization as well as tips on researching reporting issues on the OTS web site, www.ots.treas.gov.

A two-sided registration form is attached to this bulletin. Please complete both sides of the form and mail or fax it to the address given on the form. Sessions will be filled on a first-come, first-served basis. We will try to accommodate all requests. However, to keep the class size small, we will give preference to individuals from institutions that have not yet sent personnel to any of the previous training sessions and to new TFR report preparers. Additionally, we may have to limit the number of participants from each institution. A confirmation along with a listing of local hotels and other class information will be faxed to all attendees by August 15.

OTS will offer the training free, but attendees will be responsible for the arrangement and cost of their own travel, hotel, and meals. To allow attendees time to travel to and from Dallas, each session will begin at 1 p.m. on the first day and will conclude at 12:00 noon on the next day. In most cases, attendees will need to spend only one night in the Dallas/Irving area. Questions regarding training registration may be directed to Doris Jackson at 972-277-9618 or doris.jackson@ots.treas.gov

SECOND QUARTER FILING DEADLINES

You should complete and transmit the June 2001 TFR as soon as possible after the close of the quarter. All schedules except HC and CMR are due no later than Monday, July 30, 2001. Schedules HC and CMR are due no later than Tuesday, August 14.

Savings institutions that are exempt from filing Schedule CMR but choose to voluntarily file **must** follow the same filing deadlines as those institutions that are required to file. Institutions that fail to meet the filing deadline may not receive their interest rate risk reports for the quarter. We advise all voluntary filers to contact Doris Jackson (972-277-8618 or doris.jackson@ots.treas.gov) two days after transmitting their CMR, to confirm that OTS received your CMR filing.

If you have any questions concerning the preparation of your report, please call your Financial Reporting Division contact in Dallas, Texas, or Trudy Reeves in Washington, DC, at 202-906-7317. If you have a problem with the electronic filing software or transmission, call Cheyann Houts at 972-277-9617 or Doris Jackson at 972-277-9618.

JUNE 2001 CHANGES TO THE TFR INSTRUCTION MANUAL

Attached to this Bulletin are twenty-nine updated pages of the TFR Instruction Manual. The updated pages are dated June 2001. We have highlighted revisions and placed a bar in the right margin of the change. The changes are as follows:

Schedule SC, Statement of Condition, Page 208, Mortgage Loans: Clarified reporting property with more than one use. These loans should be reported according to the property type comprising the largest percentage of the value of the property securing the loan.

Schedule SC, Statement of Condition, Page 227, Other Assets Codes 24 and 25: Changed the caption of these codes to better reflect what should be reported using them. Code 25 should be used for key-person life insurance covering employees or borrowers where the policies are surrendered when the insured person is no longer employed or has paid off the loan. Code 24 should be used for life insurance that does not meet the definition of Code 25.

Schedule SO, Statement of Operations, Page 307, SO465, LOCOM Adjustments Made to Assets Held for Sale: Removed a sentence inadvertently included in the March 2001 instructions. Clarified that LOCOM adjustments should not be established as a valuation allowance.

Schedule HC, Thrift Holding Company, Page 1201 and 1202: Made editorial changes for clarity.

Schedule HC, Thrift Holding Company, Page 1202, HC300, Total Liabilities: Clarified that redeemable preferred stock, trust-preferred securities, and minority interest in common stock should be included with total liabilities.

Schedule HC, Thrift Holding Company, Page 1203, HC520, Debt Maturing Within the Next 12 Months (Excluding Deposits): Clarified which liabilities should be reported on this line. You should report on this line all borrowings that, within the next 12 months, either (1) contractually mature, (2) are callable at the option of the lender, or (3) otherwise become due and payable. Additionally, we defined *borrowings* and *callable* and provided an example.

Schedule CCR, Capital Requirement, Page 1409, CCR137, Accumulated Losses (Gains) on Certain Available-for-sale Securities and Cash Flow Hedges: Clarified that derivative instruments reported on the balance sheet as liabilities should not be included on this line.

Schedule CCR, Capital Requirement, Page 1410, CCR27, Tier 1 (Core) Capital Requirement: Changed the instructions for overriding the calculated capital requirement to revert to the December 2000 instructions.

Schedule CCR, Capital Requirement, Page 1417, General Instructions to Risk-weight Categories: Clarified that if you exclude assets, portions of assets, or adjustments to assets from Tier 1 (core) capital, you should exclude such assets, portions of assets, or adjustments from risk-weighted assets.

Schedule CCR, Capital Requirement, Page 1432, CCR80, Total Risk-based Capital Requirement: Changed the instructions for overriding the calculated capital requirement to revert to the December 2000 instructions.

Schedule CCR, Capital Requirement, Page 1433, CCR840, Tangible Equity Ratio: Changed the calculation of the tangible equity ratio to deduct servicing assets on nonmortgage loans from both the numerator and denominator to better reflect the regulatory definition of the tangible equity ratio.

Schedule CMR, Maturity and Rate Schedule, Page 1526, Commercial Loans: Added that mortgage warehouse loans should also be reported on CMR578.

Schedule CMR, Maturity and Rate Schedule, Pages 1538 and 1540, CMR501 and CMR511, Nonperforming Loans: Clarified that nonperforming loans should be reported at outstanding balance. *Out-*

standing balance is defined in the general instructions to Schedule CMR as the principal balance, net of LIP and before any yield adjustments or deductions for valuation allowances.

Schedule CMR, Maturity and Rate Schedule, Pages 1539 and 1541, CMR504 and CMR513, Unamortized Yield Adjustments: Added that unamortized yield adjustments on nonperforming loans should be included on these lines.

Schedule CMR, Maturity and Rate Schedule, Pages 1570 and 1571, Other Investment Securities: Corrected the codes for CMR479.

Schedule CMR, Maturity and Rate Schedule, Appendix A, Page 1601: Added code 431, which was inadvertently omitted in the March 2001 instructions.

SCHEDULE LD REQUIRED IN SEPTEMBER

As announced previously, effective with the September 2001 TFR, we have a new schedule for reporting 1-4 family residential properties without PMI where the loan-to-value ratio (LTV) is equal to or greater than 90 percent. The instructions for this section are included in the TFR Instruction Manual sent to you in March. Schedule LD is included in the electronic filing software under the TFR tab. It must be transmitted with the TFR and is due no later than Tuesday, October 30, 2001. We have included our response to several questions on calculating and reporting high LTV in the Q&A section of this Bulletin. We recommend that you review these Q&As before submitting your September TFR.

SOFTWARE CORNER

Always check for messages from OTS (Reports - Transmit - Receive Acknowledgments and Notices) prior to preparing and transmitting any report or amendment.

Schedule HC - Holding Company is a separate tab on the Reports screen. If you are not required to file Schedule HC, do not select the HC schedule for transmission. You can transmit Schedule HC directly from the HC schedule screen or select HC from the *Transmit Data to the OTS* screen. Schedule HC is not transmitted automatically with the TFR.

Schedule SB, Small Business Loans, which is filed only in June, is included in the TFR tab and is transmitted with the TFR.

The following supplemental schedule tabs are available for June:

- OBS - OFF-Balance-Sheet Positions – CMR page 36
- OAL - Supplemental Reporting of Assets and Liabilities – CMR page 37
- RMV - Reporting of Market Value Estimates – CMR page 38
- HC - Thrift Holding Company – TFR page 23
- BOS - Branch Office Survey

Questions & Answers

We post TFR Questions and Answers on the OTS web site at www.ots.treas.gov/tfrqanda.html. If you have a question that you would like to appear in this column or to which you would like an e-mail response, please submit it to tfr.instructions@ots.treas.gov.

Q&A No. 124

SUBJECT: Combining Junior and Senior loans for LTV Delinquency Reporting
LINES: LD210 through LD260
Date: June 13, 2001

Question: *Schedule LD instructions state:*

> *"In determining the LTV ratio, you must combine all loans secured by the same property regardless of whether you classify the loan as a mortgage or consumer loan in Schedule SC. If you hold a junior lien, you must include all liens senior to your lien in the LTV calculation, even if you do not hold all the senior liens."*

Must we combine a junior loan that is delinquent with a senior loan that is current in reporting the amount of delinquent high LTV on Schedule LD?

Answer: No. You report only the loan that is delinquent in the past due and nonaccrual section. However, you must report the combined loans in the high LTV balances if combined they meet the criteria for high LTV loans.

Q&A No. 125

SUBJECT: Partial PMI
LINES: Schedule LD
Date: June 13, 2001

Question: *Certain insurances and government guarantees do not cover the entire recorded investment. Is it correct that* ***any*** *level of insurance on loans originated at greater than 90% LTV will exempt them from being reported on this schedule?*

Answer: No. For loans insured by PMI, the loan does not have to be reported provided the insurance will cover first loss down through 90% LTV. For example, if a loan is originated for 95,000 on a 100,000 property and it is covered by 75% PMI, the PMI will cover the loss down to $71,250 (75% of 95,000). This brings the uninsured loan down to 71% LTV, a level less than 90%, and the loan does not have to be reported. However, if the loan is covered by other insurance where the lender takes the first loss, then the entire loan balance must be reported. An example of this is when the insurer covers 75% of the loss of a high LTV loan and the lender must cover the first 25% of the loss. In this situation the entire loan balance must be reported as high LTV.

Q&A No. 126

SUBJECT: Original vs. Current LTV Calculation
LINES: Schedule LD
Date: June 13, 2001

Question: *Should we report all outstanding recorded investments in loans that had been originated at LTVs in excess of 90% regardless of their current calculated LTV?*

Answer: No, report only loans where the current balance is equal to or greater than 90% LTV based on the appraisal or evaluation at origination. A more recent appraisal or evaluation may be used if available and if it meets your institution's own appraisal standards and the appraisal standards of OTS regulations.

Q&A No. 127

SUBJECT: High LTV Loan Participations
LINES: Schedule LD
Date: June 13, 2001

Question: *If a high LTV loan is participated out and the institution retains a portion of the loan, would the sale and the remaining participation be reported as high LTV?*

Answer: Yes, the portion retained by the institution would be reported on Schedule LD and the sold participation would be reported as a sale in the quarter in which it was sold.

Q&A No. 128

SUBJECT: LTV – Decrease in Property Value
LINES: Schedule LD
Date: June 13, 2001

Question: *If an institution is aware of a decrease in the value of property securing a loan, even though the bank has not changed the terms of the loan or received a new appraisal, should they change the appraisal value in the system and report the loan as a high LTV loan?*

Answer: No. Unless the loan is refinanced or additional funds are disbursed, a decrease in the value of the property subsequent to origination will not require reporting a loan as a high LTV loan.

Q&A No. 129

SUBJECT: LTV – Additional Collateral
LINES: Schedule LD
Date: June 13, 2001

Question: *If a loan does not have PMI or Government guarantee, but has other collateral pledged (such as a certificate of deposit), would it be reported on Schedule LD?*

Answer: If the institution or another institution issues a CD to the borrower and you have a validated hypothecation agreement, the CD amount may be reported as additional collateral. Other acceptable collateral is defined in the real estate lending regulations as:

> "any collateral in which the lender has a perfected security interest, that has a quantifiable value, and is accepted by the lender in accordance with safe and sound lending practices. Other acceptable collateral should be appropriately discounted by the lender consistent with the lender's usual practices for making loans secured by such collateral. Other acceptable collateral includes, among other items, unconditional irrevocable standby letters of credit for the benefit of the lender."

After appropriate discounting, the other acceptable collateral may be used in the calculation of loan-to-value.

Q&A No. 130

SUBJECT: Disbursements of Lines of Credit
LINES: Schedule LD
Date: June 13, 2001

Question: *If a revolving home equity line of credit was underwritten with an LTV greater than 90%, should we report every draw over the entire life of the loan in the origination section?*

Answer: Yes, report each disbursement, the same as you report them in Schedule CF.

Q&A No. 131

SUBJECT: High LTV Past Due Loans
LINES: LD210 – LD260
Date: June 13, 2001

Question: *In reporting Past Due and Non-Accrual Balances where multiple extensions of credit have been made on the same property, should we report the entire recorded investment or only the loan that is overdue?*

Answer: You report only the loans that are past due.

Q&A No. 132

SUBJECT: High LTV Charge-offs and Sales
LINES: LD310 – LD320
Date: June 13, 2001

Question: *Should charge-offs and sales be reported if the loan has an LTV greater than or equal to 90% at the time of charge-off, at the beginning of the quarter, or does the LTV calculation revert back to point of origination?*

Answer: Charge-offs and sales should be reported on Schedule LD if the loan was reported on schedule LD either in the prior or current quarter.

Q&A No. 133

SUBJECT: Installment Overdrafts
LINES: SC330, SC345
Date: June 13, 2001

Question 1: *We have a new product that is basically an overdraft demand deposit account repayment plan. We are allowing qualified individuals with overdraft demand deposit accounts to pay the overdraft amount in installments. The individual's demand deposit account goes to zero and the overdraft is recorded in a separate account.* ***The customer is not charged origination fees, interest, or finance charges.*** *They do not sign loan documents but they do sign a repayment plan agreement. We have established a loan loss reserve for these in cases of nonpayment. From our Bank's point of view, these are not technically loans. Should we classify them as Other Consumer Closed End loans on SC 330?*

Answer 1: We consider these assets loans even though you do not charge the customers interest. Because these are overdraft lines of credit, they should be reported on SC345 where overdraft plans are reported even though each overdraft is paid in installments.

Question 2: *Should the provision for loss expense be reported on SO570, Net Provision for Losses on Non Interest Bearing Assets?*

Answer 2: No. The provision for loss should be reported on SO321, because the assets being reserved against are loans, even though you do not charge the customers interest.

Q&A No. 134

SUBJECT: Loans on Mixed Use Property or on Two Properties
LINES: SC250, SC260
Date: June 13, 2001

Question 1: *We have loans secured by both the commercial and residential real estate of a borrower. The residential real estate is a single-family house. Do I report this loan on the TFR, as a non-residential or residential loan?*

Answer 1: You should report loans secured by property with more than one use or secured by several properties with different uses, such as residential and commercial, in the data field that describes the property type comprising the largest percentage of the value of the properties securing the loan. If you make a loan secured by commercial property, but take a second on the borrower's home as additional collateral on the loan, the loan should be reported as a nonresidential property loan.

Loans secured by single-family housing with incidental commercial use should be classified as a 1-4 family mortgage loan. However, a house used almost exclusively for commercial purposes in a neighborhood of single-family homes should be classified as a nonresidential real estate loan. For example, a structure originally built as a single-family house that is used as a doctor's office but also has an apartment leased out for living quarters would be classified as nonresidential if the commercial use generates a higher proportion of income than the residential apartment.

Question 2: *Would the risk-weighting for capital calculations be the same?*

Answer 2: In general, yes. Such loans should be risk weighted based on the classification of the loan in Schedule SC. However, residential loans are 100% risk weight unless they meet either the definition of Qualifying Mortgage Loan or Qualifying Multifamily Mortgage Loan in 12 CFR section 567.1.

Q&A No. 135

SUBJECT: Nonconstruction Bridge Loans
LINES: Schedules SC, LD, CCR, and CMR
Date: June 13, 2001

Question: *An institution is making nonconstruction "bridge" loans where they provide financing between the purchase of a new home and the sale of the old home. The customer pays interest-only (no principal) until the sale of the old home is closed, at which time the bridge loan is paid off. Where should these bridge loans be reported?*

Answer: Typically these loans are secured by a junior lien on one of the residences. If this is the case, the loan should be reported with second mortgages. In Schedule SC these would be reported on SC250, and in Schedule CMR, these would be reported on CMR311 or CMR312. During the time that the bridge loan is outstanding, it must be combined with all other liens on the same property to determine high LTV for reporting on Schedule LD and in determining risk weight for Schedule CCR of the bridge loan and all other liens on the same property held by the institution.

Q&A No. 136

SUBJECT: "Best Effort" Commitments to Sell Loans
LINE: CC330
Date: June 13, 2001

Question: *Should CC330, Commitments To Sell Loans, include loan sales that are "best effort" commitments? None of the loans that we sell are mandatory commitments. The loans are identified in our system, but if the loan sale is not consummated, there is no exposure for our institution. The TFR Instruction Manual reads, "Report outstanding commitments to sell whole mortgage and nonmortgage loans and participating interests."*

Answer: You should report as commitments the amount of loans that you expect to sell pursuant to a "best effort" commitment. This expectation may be based on your past performance and on knowledge of your current portfolio and your existing commitments to originate and purchase loans.

Q&A No. 137

SUBJECT: Combined Loan to Value with New Appraisal
LINES: CCR460
Date: June 13, 2001

Question: *How would an institution report the combined carrying value when there is a disparity in the appraisal amount on the two loans being combined? For example, a first lien was written for $100,000 five years ago on a property appraised at 150,000. Its outstanding balance is now $90,000. A second lien is written for $50,000, when the new appraisal amount is $200,000.*

The combined carrying value is now 140,000, which is less than 80% of the value at the origination of the junior lien, but exceeds 80% of the value at origination of the first lien.

Answer: In general, you should use the more current appraisal in this type of situation. However, the appraisal must meet your institution's own appraisal standards and the appraisal standards of OTS regulations. Appraisals are subject to review by OTS examiners. Note that in order to combine liens for risk weighting purposes, there must be no intervening lien. If there is an intervening lien, you must risk weight the two loans separately.

Do not include:

Mortgage-backed securities purchased subject to repurchase agreements, securities held as collateral received for loans made to others. Report on SC170, Federal Funds Sold and Securities Purchased Under Agreements to Resell.

SC20: Total

The electronic filing software will compute this line as the sum of SC210 through SC220, less SC227.

SC210: Insured or Guaranteed by an Agency or Instrument of the United States

Report all mortgage pass-through securities insured or guaranteed by an agency or sponsored enterprise of the United States.

Include:

1. Freddie Mac participation certificates.
2. Ginnie Mae and Fannie Mae pools.

Do not include:

1. Fannie Mae and Freddie Mac bonds. Report on SC130, U.S. Government, Agency, and Sponsored Enterprise Securities.
2. Mortgage derivatives, including CMOs collateralized by Fannie Mae, Ginnie Mae, and Freddie Mac mortgage-backed securities. Report on SC150, Mortgage Derivative Securities.
3. Mortgage pass-through securities **not** insured or guaranteed by an agency or instrument of the United States, even if they are issued by a government-sponsored enterprise. Report on SC215.

SC215: Other Mortgage Pool Securities

Report mortgage pass-through securities that are not insured or guaranteed by an agency or sponsored enterprise of the United States.

SC220: Accrued Interest Receivable

Report accrued interest receivable on mortgage pool securities reported on SC210 and SC215 if collection was probable at the time of accrual. You must place securities on which collection of interest is not probable in a nonaccrual status.

SC227: General Valuation Allowances

Report all general valuation allowances established on mortgage pool securities reported on SC210 through SC220. You must include all valuation allowances in the reconciliation of valuation allowances in Schedule VA.

MORTGAGE LOANS

Report mortgage loans, contracts, and leases that are the functional equivalent of loans secured by real estate, whether you purchased or originated them. See 12 CFR § 560.41. Report as mortgage loans only loans that are fully secured by real estate and loans where the value of the security property is supported by an appraisal or evaluation pursuant to the requirements of 12 CFR § 564, Appraisals.

Mortgage loans reported on SC230 through SC265 fall into four categories:

1. **Those held for investment:** Report these at cost.
2. **Those originated for sale:** Report these at the lower of cost or market value at the reporting date.
3. **Those previously held for investment and now held for sale:** Report these at the lower of cost or market value at the reporting date.
4. **Those held in a trading portfolio:** Report these at market value at each reporting date by directly adjusting the asset balance. Do not include adjustments to mark a trading portfolio to market in valuation allowances

All loans are reported at recorded investment less specific valuation allowances. **Recorded investment** is the principal balance of a loan adjusted for:

1. Direct write-downs.
2. Deferred loan fees net of direct costs.
3. Discounts and premiums on the purchase of mortgage loans and contracts.
4. Application of lower-of-cost-or-market accounting treatment to mortgages held for sale but not in a trading account.
5. Any undisbursed balances of loans closed, loans-in-process. Report the undisbursed amounts as commitments on CC105-115.
6. The undisbursed portion of mortgage lines of credit. Report these amounts as commitments on CC410-420.
7. Unearned interest.
8. Interest receivable that is capitalized to the loan balance.
9. Deposits accumulated for the payment of loans, hypothecated deposits.
10. Unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133.
11. Accumulated gain or loss (change in fair value) on mortgage loans attributable to the designated risk being hedged on a qualifying fair-value hedge under SFAS No. 133.

Do not adjust the loan balances in this section for: Allowance for loan and lease losses. Report these on SC283.

Do not divide a loan between categories. You should report loans secured by property with more than one use, such as residential and commercial, in the data field that describes the property type comprising the largest percentage of the value of the property securing the loan.

Capitalized loans should include accrued interest receivable and advances for the payment of taxes and insurance in the mortgage loan balance. Report accrued interest and advances for taxes and insurance on all other loans on SC272 and SC275, respectively.

3. Accounts with a material credit balance that are not contra-assets. Report on SC796, Other Liabilities and Deferred Income.
4. Identified core deposit intangibles. Report on SC660, Goodwill and Other Intangible Assets.

Memo: Detail of Other Assets

Report the three largest items constituting the amount reported in SC690. You should select codes best describing these items from the list below and report them on SC691, 693, and 697; report the corresponding amounts on SC692, 694, and 698. You must complete this detail if you report an amount on SC690. You should combine similar accounts, for example, all prepaid expenses should be combined and reported as 07. However, you should not combine unlike accounts in reporting code 99.

SC691, 693 and 697: Codes

01 Federal Home Loan Bank Stock.

02 Accrued Federal Home Loan Bank dividends.

03 Federal, state, or other taxes receivable, whether as the result of prepayment or net operating loss carrybacks.

04 Net deferred tax assets in accordance with SFAS No.109.

05 Insured portion of real estate acquired by foreclosure or deed in lieu of foreclosure on VA or FHA-HUD loans while the title is held pending conveyance to that agency.

06 Prepaid deposit insurance premiums.

07 Prepaid expenses.

08 Deposits for utilities and other services.

09 Advances for loans serviced for others, including advances for taxes and insurance and advances to investors.

10 Property leased to others under an operating lease as provided in 12 CFR § 560.41, net of accumulated depreciation.

11 Deferred issuance costs related to subordinated debentures, mandatory convertible securities, and redeemable preferred stock.

12 Amounts receivable under interest rate swap agreements.

13 Non-interest-bearing accounts receivable from a holding company or affiliate.

14 Other miscellaneous, non-interest-bearing, short-term accounts receivable.

15 Margin accounts.

16 Unamortized options fees.

19 Receivables from a broker for unsettled transactions.

20 Fair value of all derivative instruments reportable as assets under SFAS No. 133.

22 Unapplied loan disbursements.

Include only those loan disbursements that you cannot categorize.

23 Other residual interests in financial assets sold not appropriately reported elsewhere.

24 Bank-owned life insurance

Include the cash surrender value of all bank-owned life insurance that you do not consider key-person insurance, and therefore that you would not include in Code 25 below.

25 Key-person life insurance.

Include the cash surrender value of bank-owned life insurance that you consider key-person insurance, where the intended purpose is to provide the institution protection against the potential for losses arising from the untimely death of a key employee or borrower. These policies are generally surrendered when the key employee leaves your institution or when the borrower pays off his loan.

99 Other. **Use this code only for those items not identified above**.

SC692, 694, and 698: Amounts

Report the dollar amounts corresponding to the codes reported on SC691, 693, and 697.

SC699: General Valuation Allowances

Report all general valuation allowances established to recognize credit losses on receivables included in Other Assets.

You must include all valuation allowances in the reconciliation of valuation allowances in Schedule VA.

SC60: TOTAL ASSETS

The electronic filing software will compute this line as the sum of SC10, SC20, SC23, SC30, SC40, SC45, SC50, SC55, and SC 58. This amount must equal SC90, Total Liabilities, Redeemable Preferred Stock, Minority Interest, and Equity Capital.

NET INCOME (LOSS) FROM:

Report net income or loss on the categories below. Enter a loss as negative.

SO430: Sale of Assets Held for Sale and Available-for-Sale Securities

Include:

1. Profit or loss from the disposition of assets held for sale.
2. Profit or loss from the disposition of available-for-sale securities pursuant to SFAS No. 115.

When you sell securities classified as available-for-sale pursuant to SFAS No. 115, reverse the amount of the unrealized gain or loss previously recorded on SC860, Unrealized Gains (Losses) on Available-for-Sale Securities, and report the entire difference between amortized cost and net sales proceeds in earnings.

Because you recognize in income the lower-of-cost-or-market adjustments to assets held for sale as they occur, when you sell the assets, you recognize the difference between the recorded value and the net sales proceeds.

Do not include:

1. Gains or losses on trading assets. Report on SO485.
2. Lower-of-cost-or-market adjustments to assets held for sale. Report these adjustments on SO465.

SO461: Operations and Sale of Repossessed Assets

Include:

1. Net income or loss from repossessed assets reported on SC40, Repossessed Assets. Report direct expenses on repossessed assets, even if there is no income.
2. Gains and losses from the sale of repossessed assets reported on SC40, Repossessed Assets.

Do not include:

1. Adjustments to valuation allowances established on REO. Report these adjustments on SO570, Net Provision for Losses on Noninterest-Bearing Assets.
2. Write-downs taken when marking foreclosed assets to fair value at time of foreclosure. Report these write-downs on SO321, Net Provision for Losses on Interest-bearing Assets.

SO465: LOCOM Adjustments Made to Assets Held for Sale

Report adjustments to assets held for sale to value them at the lower-of-cost-or-market. The amounts reported here should directly adjust the asset and should not be established as a valuation allowance.

Do not include:

1. Any unrealized gains or losses on available-for-sale securities recorded pursuant to SFAS No. 115. Report these unrealized gains or losses only as a separate component of equity capital on SC860.
2. Profit or loss on the sale of assets held for sale. Report the profit or loss on SO430.
3. Operating income and expense from mortgage banking activities. Report in the appropriate income or expense category.

SO467: Sale of Securities Held-to-Maturity

Include:

1. Gains and losses from the sale or other disposition of mortgage pool securities that you reported on SC210 and SC215, Mortgage Pool Securities, and that were held-to-maturity.
2. Gains and losses from the sale or other disposition of securities that you reported on SC130 through SC185, Cash, Deposits and Investment Securities, and that were held-to-maturity.

Do not include:

1. Gains and losses from the sale of securities held in a trading portfolio. Report these gains or losses on SO485.
2. Gains and losses from the sale of available-for-sale securities. Report these gains and losses on SO430.

SO475: Sale of Loans Held for Investment

Report gains and losses from the sale or other disposition of mortgage and nonmortgage loans that you reported on SC230 through SC265 and SC300 through SC345.

Do not include:

1. Gains and losses from the sale of loans and securities in a trading portfolio. Report these gains and losses on SO485;
2. Gains and losses from the sale of loans held for sale. Report these gains and losses on SO430.
3. Recoveries of losses previously written off. Report on VA140, Recoveries.

SO477: Sale of Other Assets Held for Investment

Report gains and losses from the sale or other disposition of any assets that you did not report on SO430 through SO475 or SO485.

Include:

1. Gains and losses from the sale of real estate held for investment reported on SC45, Real Estate Held for Investment, that you may account for as current income in accordance with SFAS No. 66, *Accounting for Sales of Real Estate*.
2. Gains and losses from the sale of a branch operation or a portion thereof, such as deposits.
3. Gains and losses from the sale of loan servicing rights when sold separately from the loan.
4. Gains and losses from the sale of subsidiaries.

SCHEDULE HC — THRIFT HOLDING COMPANY

Throughout these instructions, ***you*** *and* ***your*** *refers to the reporting savings association and its consolidated subsidiaries;* ***we*** *and* ***our*** *refers to the Office of Thrift Supervision.*

GENERAL INSTRUCTIONS

Complete this schedule if you are owned by a thrift holding company, unless your holding company is a registered Bank Holding Company supervised by the Federal Reserve. If your holding company owns more than one thrift institution, we will advise you which institution should file this report. We will also advise you which holding company(ies) to report if you are owned by more than one. You should continue to report for each holding company designated until advised otherwise.

Report all data on a consolidated basis in accordance with GAAP for each designated holding company and its subsidiaries as of the end of the quarter. If the holding company has a quarter end other than a calendar quarter end, you may use data from the fiscal quarter ending within the reporting calendar quarter. For example, if the holding company's calendar year end is October, its **fiscal quarter ends** are January, April, July and October. You should use its fiscal quarter ending January 31 for the March 31 TFR, April 30 for June 30, July 31 for September 30, and October 31 for December 31.

Thrift holding companies that both (1) are insurance companies, and (2) do not prepare financial statements for external use in conformity with GAAP, are permitted to file this data from financial statements prepared in conformity with statutory accounting principles for insurance companies.

You must file Schedule HC no later than the 45th day following the end of the **calendar** quarter. We do **not** make public Schedule HC data for individual holding companies. We do make public aggregate data for Schedule HC.

HC100: HOLDING COMPANY NUMBER

Report the docket number of the holding company for which you are reporting. All holding company docket numbers begin with an H.

HC110: FISCAL YEAR END

Report the month of the fiscal year end of the holding company.

FILINGS UNDER THE SECURITIES EXCHANGE ACT OF 1934:

HC120: Is any company in this holding company's structure required to file periodic securities disclosure documents (for example, Forms 10-K and 10-Q) with the SEC, pursuant to the Securities Exchange Act of 1934?

Answer ***yes*** if the reporting holding company or any entity that directly or indirectly **owns** the reporting holding company, or that is directly or indirectly owned by the reporting holding company, files periodic securities disclosure documents with the SEC. Examples of disclosure documents are Forms 10-K and 10–Q. Answer ***no*** if you file securities disclosure documents with OTS, and your holding company does **not** file with the SEC.

HC200: TOTAL ASSETS

Report total consolidated assets.

HC300: TOTAL LIABILITIES

Report total consolidated liabilities, including redeemable preferred stock, trust-preferred securities, and minority interest in common stock.

HC400: TOTAL EQUITY

Report the total consolidated equity.

OTHER DATA:

HC510: INTANGIBLE ASSETS AND DEFERRED POLICY ACQUISITION COSTS

Report the unamortized balance of intangible assets and deferred policy acquisition costs of the consolidated holding company.

Some of the intangible assets you should include are:

1. Goodwill.
2. Core deposit intangibles.
3. Franchises.
4. Trademarks.
5. Patents.
6. Certain operating rights.

Deferred policy acquisition costs are capitalized costs that are incurred by insurance companies. They include variable acquisition costs such as commissions and underwriting and policy issuance expenses, related to both new and renewal premium revenue that are deferred, and then expensed as the related premium revenue is earned.

HC520: DEBT MATURING WITHIN THE NEXT 12 MONTHS (EXCLUDING DEPOSITS)

Report all borrowings of the consolidated holding company that would be classified as current liabilities if the holding company presented a classified balance sheet. In other words, include all borrowings that, within the next 12 months, either (1) contractually mature, (2) are callable at the option of the lender, or (3) otherwise become due and payable.

Borrowings, as the term is used here and for line HC530 below, means short-term or long-term debt, negotiated with specified terms, usually including interest rates and repayment dates. *Borrowings* exclude deposits and transactional liabilities, such as accounts payable, income taxes payable, and accrued liabilities. *Callable*, as the term is used here, refers to an option by the lender to require repayment of the borrowing before its contractual maturity.

A classified balance sheet is one that includes subtotals for current assets and current liabilities. Most thrift holding companies do not present a classified balance sheet. The parameters of current liabilities are detailed in Accounting Research Bulletin No. 43, *Restatement and Revision of Accounting Research Bulletins*, Chapter 3A, as revised by SFAS No. 78, *Classification of Obligations That Are Callable by the Creditor*.

Example: A holding company's borrowings, on a consolidated basis, include a Federal Home Loan Bank (FHLB) advance where the contractual maturity date is beyond the next 12 months. However, beginning on a date within the next 12 months, the FHLB may exercise its option to require immediate repayment of the advance. You should include that advance in line HC520.

HC530: ALL OTHER DEBT (EXCLUDING DEPOSITS)

Report all borrowings of the consolidated holding company **except**:

1. Debt maturing within the next 12 months reported on HC520.
2. Deposit and escrow liabilities held by you or any other subsidiary depository institution.

HC540: NET CASH FLOW FROM OPERATIONS FOR THE QUARTER

Report the net increase or decrease in cash and cash equivalents from operating activities for the quarter as would appear in a consolidated statement of cash flows prepared in accordance with SFAS No. 95. Do not include any change in cash and cash equivalents from investing and financing activities.

HC550: NET INCOME FOR THE QUARTER

Report the consolidated net income of the holding company for the quarter.

HC560: INTEREST EXPENSE FOR THE QUARTER (EXCLUDING INTEREST ON DEPOSITS)

Report the consolidated interest expense of the holding company for the quarter, excluding interest expense on deposit and escrow liabilities held by you or any other subsidiary depository institution.

CCR170: Disallowed Servicing Assets, Disallowed Deferred Tax Assets, and Other Disallowed Assets

For most savings associations this line will equal CCR133. Accordingly, the electronic filing software will automatically generate this line from CCR133. However, this amount may change in certain cases. For example, deferred tax liabilities are deductible from servicing assets on CCR133, but are not deductible from servicing assets on CCR170.

Report this as a positive amount. The electronic filing software will deduct this line from total assets in calculating Tier 1 (core) capital.

Add:

CCR137: Accumulated Losses (Gains) on Certain Available-for-Sale Securities and Cash Flow Hedges

Report on this line:

1. Accumulated Unrealized Gains and Losses on Certain Available-for-Sale Securities

Report amounts included in total assets for accumulated unrealized gains and losses on certain AFS securities, including any related component of income tax assets. Calculate the amount included on this line for unrealized gains and losses on certain AFS securities as follows:

The amount included in SC60, Total Assets, that corresponds to the separate component of equity capital on SC860.

Plus: As a positive number, any amount included in SC60 that represents net unrealized **losses** on **equity** securities, but not debt securities.

2. Derivative Instruments Reported as Assets Related to Qualifying Cash Flow Hedges

Report amounts included in total assets for derivative instruments related to qualifying cash flow hedges, including any related component of income tax assets. Do not include derivative instruments reported as liabilities.

Report the result on CCR137 as follows:

When the amount on this line represents a net amount that **increased assets** reported on Schedule SC, report a **negative** number that will deduct this amount from total assets for regulatory capital purposes.

When the amount on this line represents a net amount that **decreased assets** reported on Schedule SC, report a **positive** number that will add this amount back to total assets for regulatory capital purposes.

Report the corresponding adjustment to equity capital on CCR102. See the instructions for CCR102 for additional information.

CCR250: Qualifying Intangible Assets

For most savings associations, this line will equal CCR220; therefore, the electronic filing software will generate the amount from CCR220. In certain cases, it may be appropriate to change this amount. For example, where you have deducted deferred tax liabilities from corresponding grandfathered CDIs in CCR220, you must enter the gross amount of grandfathered CDIs manually in this field.

CCR25: Adjusted Total Assets

The electronic filing software will compute this line as follows: CCR135 less CCR145, CCR155, CCR170, plus CCR137 and CCR250.

CCR27: Tier 1 (Core) Capital Requirement

This represents the Tier 1 capital necessary for adequate capitalization pursuant to 12 CFR § 565.

The electronic filing software will compute this line as CCR25, Adjusted Total Assets, multiplied by four percent. If we have assigned you a composite CAMELS rating of one, you should override the calculated amount and report CCR25 multiplied by three percent.

If you have an individual minimum capital requirement (IMCR) set by OTS that requires the maintenance of a capital level in excess of the minimum requirement, you should override the calculated amount and report your IMCR.

This amount should never be less than three percent of CCR25.

RISK-WEIGHT CATEGORIES

General Instructions

To calculate the total risk-based capital standard you must classify your assets in one of five risk-weight categories described below. Do **not** risk weight the assets that you have deducted from Tier 1 (core) capital – for example, nonincludable subsidiaries, nonqualifying intangibles, and disallowed assets.

Consolidate the assets of includable, GAAP-consolidated subsidiaries in determining the appropriate risk-weight categories. However, exclude the assets of **nonincludable subsidiaries** and **nonincludable equity investments** when computing risk-weighted assets.

Tier 2 (supplementary) capital includes ALLL but does not include other general valuation allowances. Consequently, to calculate the amount to be risk-weighted, you may deduct allocated general valuation allowances from assets other than loans and leases but you may **not** deduct **ALLL** from loans and leases. In other words, you should risk-weight loans at their recorded investment less only their specific valuation allowances, and risk-weight all other assets at their recorded investment less their specific valuation allowances and allocated general valuation allowances.

You should risk-weight assets after you make regulatory capital adjustments to those assets. For example, if we required you to deduct gains or add back losses on AFS securities in Tier 1 (core) capital, you should risk weight those securities at historical cost, not at fair value. The same is true for adjustments for disallowed servicing assets, disallowed net deferred tax assets, and other adjustments to Tier 1(core) capital. If you exclude assets, portions of assets, or adjustments to assets from Tier 1 (core) capital, you should exclude them from risk-weighted assets. Additionally, where you have included up to 45 percent of the pretax unrealized gains, net of unrealized losses, on AFS equity securities in Tier 2 capital (CCR302), you should include 100 percent of those unrealized gains in risk-weighted assets. In other words, you should risk-weight the fair value, not the historical cost, of these AFS equity securities.

In determining the appropriate risk-weight category for **secured loans**, you must look at the type of collateral. In determining the appropriate risk-weight category for investments in **mutual funds**, you must look to the characteristics of the assets in the fund. Where the portfolio of a mutual fund consists of various assets that require different treatment under the capital requirement, you have two alternatives:

1. You may deal with the entire ownership interest in the mutual fund based on the asset with the highest capital requirement in the portfolio, or exclude the mutual fund from assets and thus deduct it from calculations of total capital, as appropriate.
2. You may assign different risk-weight categories to the mutual fund on a pro-rata basis, according to the investment limits for different categories in the fund's prospectus.

Regardless of the risk-weighting method used, the total risk-weight of a mutual fund must be no less than 20 percent.

Multiply the sum of each risk-weight category by the appropriate risk-weight percentage for that category. For instance, you would multiply the sum of the zero percent risk-weight category by zero percent. After adding each risk-weight category and multiplying by its appropriate risk-weight, add the product of each risk-weight category. This results in the on-balance-sheet portion of the total risk-based capital standard.

Include **off-balance-sheet items** in the total risk-based capital standard after converting them into on-balance-sheet equivalents. Convert off-balance-sheet items by taking the dollar amount of the off-balance-sheet item or the grossed up amount of off-balance-sheet recourse obligations under 12 CFR § 567.1, as appropriate. Multiply that amount by the appropriate credit conversion factor from the table that follows the discussion of risk-weight categories. Additionally, you should risk-weight interest-rate and exchange-rate contracts by calculating a credit equivalent amount. See explanation following the discussion of off-balance-sheet items.

Report in the appropriate category all on-balance-sheet assets together with all on-balance-sheet equivalents (off-balance-sheet items after converting them according to the discussion above). From the sum of on-balance-sheet and off-balance-sheet risk-weighted assets, deduct ALLL that exceeds the amount you may include as capital on CCR350.

Note: Report all loans and investments that are more than **90 days past due** on CCR505, 100 percent Risk-weight. Report all of these loans on CCR505 regardless of the type of investment or collateral, except for FDIC covered assets. Report FDIC covered assets on CCR410, 0% Risk-weight: FDIC Covered Assets.

0% Risk-weight

CCR400: Cash

Report all cash-on-hand, including the amount of domestic and foreign currency owned and held or in transit in all your offices. Convert any foreign currency into U.S. dollar equivalents as of the date of the report.

Do not include:

- Cash deposited in another financial institution, whether interest-bearing or non-interest-bearing. Report on CCR445.
- Cash equivalents such as travelers' checks. Report on CCR445.

CCR405: Securities Backed by Full Faith and Credit of U.S. Government

Report the amount of securities issued by and other direct claims on the following:

- The U.S. Government or its agencies to the extent such securities or claims are **unconditionally** backed by the full faith and credit of the U.S. Government.
- The central government of an Organization of Economic Cooperation and Development (OECD) country.

Include:

- GNMA securities.
- U.S. Treasury securities.
- SBA pools or certificates, or portions thereof, that have an unconditional guarantee by the full faith and credit of the U.S. Government.

Do not include:

- Notes and obligations of the FDIC. Report on CCR408.
- Assets collateralized by U.S. Government securities. Report on CCR450, 20% Risk-weight: Other.
- Mortgage-backed securities (MBS) where you have recourse for the underlying loans. The capital requirement on such obligations should follow the standard treatment of recourse obligations.

CCR408: Notes and Obligations of the FDIC

Report notes and obligations of the FDIC that have the unconditional backing by the full faith and credit of the U.S. Government, except for those on CCR410.

replacement cost of the contract) to the potential credit exposure of $50 thousand (equal to the $10 million notional amount times 0.5%, for this contract with a remaining maturity of 2 years). You include the $130 thousand in assets to risk-weight, in the 20 percent risk-weight category on CCR435, because the counterparty is a Federal Home Loan Bank.

Netting of Current Replacement Value under Qualifying Bilateral Netting Agreements

You may net the current replacement values of multiple rate contracts with a single counterparty under a qualifying bilateral netting agreement in accordance with the OTS' bilateral netting rule according to 12 CFR § 567.6(a)(2)(v)(B). A bilateral netting agreement is a master contract under which two parties agree to net the amounts they owe each other under rate contracts covered by the agreement to reduce their credit exposure. You may only net contracts for capital purposes under this rule if all of the following are true:

- The rate contracts are between the same two parties.
- You net only interest rate contracts and foreign exchange rate contracts for capital purposes.
- The bilateral netting contract covering the rate contracts results in a single netted amount being payable or receivable in case of the default, insolvency, bankruptcy, or similar circumstance of either party.
- If you are party to the bilateral netting agreement, you have legal opinions concluding that the courts and other legal authorities of relevant jurisdictions would uphold the contract.

CCR605: Low-level Recourse Amount (Before Risk Weighting)

Report the low-level recourse amount if you elect to convert your low-level recourse exposure to a risk-weighted asset amount under the risk-weighting alternative. This is the maximum amount of your undertaking to absorb credit losses on assets if this is less than the normal total risk-based capital charge, 8 percent of risk-weighted asset amount, on the entire amount of the asset pool.

Include:

1. The amount of recourse liability (low-level recourse amount) that you retain when it is less than the capital requirement for credit-risk exposure. Therefore, you do not convert it to an on-balance-sheet equivalent. In the sale of most assets with one percent recourse, the amount of liability retained usually is less than the capital requirement. You would report one percent of the assets sold on CCR375 or CCR605. See the instructions for the 100 percent credit conversion factor in the Conversion of Off-balance-sheet Items to On-balance-sheet Equivalents section.
2. The amount of on-balance-sheet financial instruments reported pursuant to SFAS No. 125 representing subordinated credit risk interests, including interests in spread accounts and asset pools. However, your low-level recourse requirement may exceed the amount of this instrument if you are subject to credit losses exceeding the amount of the instrument.

CCR62: Low-level Recourse Risk-weighted Assets

This notional risk-weighted amount is your low-level recourse amount on CCR605 multiplied by 12.5. ***Note:*** This computation results in a risk-weighted asset amount that when multiplied by 8 percent results in your low-level recourse amount. By converting your low-level recourse amount into risk-weighted assets, this method increases your total risk-based capital requirement instead of reducing its total risk-based capital like the deduction method.

The electronic filing software will compute this line as CCR605 multiplied by 12.5, the reciprocal of the 8 percent risk-based capital requirement.

CCR64: ASSETS TO RISK WEIGHT

The electronic filing software will automatically compute this line as the sum of CCR420, CCR455, CCR485, CCR510, and CCR605.

Total assets subject to risk weighting are as follows:

- Adjusted Total Assets, CCR25.
- ALLL, CCR350 plus CCR530.
- Assets you are required to deduct, reported on CCR370.
- Off-balance-sheet items you are required to convert to assets to risk weight.
- Unrealized gains on AFS equity securities reported on CCR302.
- Less any on-balance-sheet assets reported on CCR375.

CCR75: Subtotal Risk-weighted Assets

The electronic filing software will compute this line as the sum of CCR40, CCR45, CCR50, CCR55, and CCR62.

CCR530: Excess Allowances for Loan and Lease Losses (ALLL)

Report total ALLL less the amount reported on CCR350, Tier 2 (supplementary) Capital: Allowances for Loan and Lease Losses.

CCR78: TOTAL RISK-WEIGHTED ASSETS

The electronic filing software will compute this line as CCR75 minus CCR530.

CCR80: Total Risk-based Capital Requirement

The electronic filing software will compute this line as CCR78, Total Risk-weighted Assets multiplied by eight percent. This represents the Total Risk-based Capital necessary to be deemed adequately capitalized pursuant to 12 CFR Part 565.

If you have an individual minimum capital requirement (IMCR) set by OTS that requires the maintenance of a capital level in excess of the minimum requirement, you should override the calculated amount and report your IMCR.

This amount should never be less than eight percent of CCR78.

CAPITAL AND PROMPT CORRECTIVE ACTION RATIOS

The electronic filing software will compute the following ratios. These ratios provide you and the data user with instantaneous calculation of important capital ratios.

CCR810: Tier 1 (Core) Capital Ratio

The electronic filing software will compute this ratio as Tier 1 (core) capital divided by adjusted total assets (CCR20/CCR25), expressed as a percentage.

CCR820: Total Risk-Based Capital Ratio

The electronic filing software will compute this ratio as total risk-based capital divided by risk-weighted assets (CCR39/CCR78), expressed as a percentage.

CCR830: Tier 1 Risk-Based Capital Ratio

The electronic filing software will compute this ratio as Tier 1 (core) capital, less low-level recourse deduction, divided by risk-weighted assets ((CCR20-CCR375)/CCR78), expressed as a percentage.

CCR840: Tangible Equity Ratio

The electronic filing software will compute this ratio as Tier 1 (core) capital plus cumulative perpetual preferred stock less servicing assets on nonmortgage loans divided by tangible assets less servicing assets on nonmortgage loans ([CCR20-CCR220+SC812-SC644]/[CCR25-CCR250-SC644]), expressed as a percentage.

Example: You have one adjustable-rate second mortgage loan indexed to the prime rate with a margin of 150 basis points, and an outstanding balance of $100,000. You also have a mortgage security backed by adjustable-rate second mortgage loans with an outstanding balance of $200,000. The loans underlying the security also use the prime rate as an index and have a margin of 150. The servicer receives 50 basis points. You receive a pass-through rate of prime plus 100 basis points. Calculate the weighted-average margin as follows:

$$\text{Weighted-Average Margin} = \frac{\$100{,}000\,(150) + \$200{,}000\,(100)}{\$300{,}000}$$

$$= 116.6$$

$$= 117 \text{ – rounded to nearest basis point}$$

CMR319: Reset Frequency

For the adjustable-rate second mortgages tied to the index on CMR315, report the coupon reset frequency, in months. For loans with payments and accrual rates that reset with different frequencies, report the accrual rate reset frequency. If loans tied to the index on CMR315 reset with varying frequencies, calculate a weighted-average reset frequency in the same manner as described for the WARM in the general instructions to Schedule CMR.

Fixed-Rate

Report the following items for performing fixed-rate second mortgage loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481 or as code 121 in Supplemental Reporting of Market Value Estimates, as appropriate.

CMR312: Balances

Report the outstanding balance of the following items:

1. Fixed-rate, second mortgage loans.
2. The pro rata share of participations in fixed-rate, second mortgage loans.
3. Securities backed by fixed-rate, second mortgages.

CMR314: Weighted-Average Remaining Maturity (WARM)

Calculate the WARM for fixed-rate, second mortgage loans as described in the general instructions to Schedule CMR. For balloon mortgages, use the remaining time until payment of the balloon, not the amortization period.

CMR318: Weighted-Average Coupon (WAC)

Report the WAC calculated as described in the general instructions to Schedule CMR. For securities backed by second mortgage loans, use the coupon rate of the security (the pass-through rate), not the WAC of the collateral.

Supplemental Reporting

If you hold second mortgages tied to a variety of different indices you may wish to report those balances disaggregated by index type in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. See the instructions for Supplemental Reporting for information.

COMMERCIAL LOANS

Report on CMR325 through CMR330 information on all performing commercial loans and commercial financing leases, of the types on SC32.

In addition, include:

1. Mortgage warehouse loans, loans collateralized by mortgage loans rather than liens directly on the real estate, including those reported as Mortgage Loans on SC23. Also include mortgage warehouse loans on CMR578.
2. Pass-through securities backed by commercial nonmortgage loans and leases, even though you report these as securities in Schedule SC, rather than as loans.

Do not include:

SBA securities. Report on CMR473 through CMR475.

Adjustable-Rate

Report the following items for performing, adjustable-rate, commercial loans and pass-through securities backed by such loans. Report pay-through securities in Cash, Deposits, and Securities on CMR461 through CMR481 or as code 121 in Supplemental Reporting of Market Value Estimates, as appropriate.

CMR325: Balances

Report the outstanding balance of adjustable-rate commercial loans.

CMR327: Weighted-Average Remaining Maturity (WARM)

Report the WARM for all adjustable-rate commercial loans calculated as described in the general instructions to Schedule CMR. For demand loans that pay interest only and have no definite maturity, use one month when you calculate WARM.

CMR329: Margin

For the balances tied to the index on CMR333, calculate the weighted-average margin as described in the general instructions to Schedule CMR. Report the result, in basis points.

CMR331: Reset Frequency

For the adjustable-rate commercial loans tied to the index on CMR333 below, report the coupon reset frequency, in months. For loans with payments and accrual rates that reset with different frequencies, report the accrual rate reset frequency. If loans tied to the index on CMR333 reset with varying frequencies, calculate the weighted-average reset frequency in the same manner as described for the WARM in the general instructions to Schedule CMR.

CMR473 through CMR475: Government and Agency Securities

Report debt instruments issued by the US government and nonmortgage debt issued by federal agencies.

Include:

1. US Treasury securities, except Treasury bills on CMR470.
2. Nonmortgage debt issued by FNMA, FHLMC, GNMA, the FHLB System, and other government sponsored agencies.
3. FICO bonds.
4. SBA securities.

Do not include:

1. Mortgage-backed instruments or derivatives issued or guaranteed by FNMA, FHLMC, or GNMA. Report with Mortgage-Backed or Mortgage-Derivative Securities as appropriate.
2. Complex securities, including structured securities, as described in Thrift Bulletin 13a, Appendix D.
3. Stripped securities. Report on CMR470.
4. Stock of Federal agencies.
5. Securities issued by state or local governments.
6. Securities purchased under overnight repurchase agreements.

On CMR473 report the outstanding principal balance of the relevant instruments. Report the WAC of those balances on CMR474 and their WARM on CMR475. The general instructions to Schedule CMR describe how to calculate both of these items.

Supplemental Reporting

If the balance reported on CMR473 includes adjustable-rate or inverse floating-rate securities, report that balance at a greater level of detail in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

CMR476 through CMR478: Term Fed Funds, Term Repurchase Agreements, and Interest-Earning Deposits

Include any Fed funds sold and securities purchased under repurchase agreements that you did not report on CMR461. Also, include interest-earning nonmaturity deposits and all time deposits held with banks and other depository institutions, including FHLBs. Report the outstanding principal balance on CMR476, the WAC of those balances on CMR477, and their WARM on CMR478. For deposits that have no contractual maturity, use one month when you calculate the WARM.

CMR479 through CMR481: Other (Munis, Mortgage-Backed Bonds, Corporate Securities, Commercial Paper, Etc.)

This section includes a broad range of securities:

1. Debt securities issued by state and local governments.
2. Commercial paper and other corporate debt securities, except for structured securities as described in Appendix D of Thrift Bulletin 13a.

3. Mortgage-backed bonds.
4. Promissory notes.
5. Limited life preferred stock.

Do not include:

Callable and other structured securities of these types. Report the market value estimates of these on **Supplemental Reporting of Market Value Estimates** using asset code 121 found in Appendix D.

Report the outstanding principal balance of these securities on CMR479, their WAC on CMR480, and their WARM on CMR481. In calculating the WAC use the tax-equivalent yield for state, county, and municipal securities. Use the dividend yield for preferred stock.

Supplemental Reporting

If the balance reported on CMR479 includes adjustable-rate or inverse floating-rate securities, you may report that balance at a greater level of detail in the Supplemental Reporting Section. The additional detail provided by such reporting improves the estimates produced by the OTS Model. For information, see the instructions for Supplemental Reporting for Assets and Liabilities.

Outstanding Balance of Complex Securities (Not including Mortgage Derivative Securities)

Thrifts with complex securities, including structured securities, are required to self-value these instruments in the section **Supplemental Reporting of Market Value Estimates** using asset code 121 in Appendix D. We define both complex securities and structured securities in Thrift Bulletin 13a, Appendix D. Do not include mortgage derivative securities.

CMR490: Total Cash, Deposits, and Securities

The electronic filing software will compute this line as the sum of the balances on CMR461, CMR464, CMR470, CMR473, CMR476, and CMR479. For all editing and output data uses, our data systems will add the balance for complex securities reported as code 121 in the section for Supplemental Reporting of Market Value Estimates to this line.

ADDITIONAL ITEMS

You report in this section certain additional items needed for the OTS Model. The definitions and instructions for these items are the same as on Schedule SC.

Items Related to Mortgage Loans and Securities

The following items pertain to asset balances on CMR125, CMR185, CMR261, CMR262, CMR281, CMR282, CMR291, CMR292, CMR311, and CMR312.

CMR501: Nonperforming Loans

Report the outstanding balance of nonperforming mortgage loans and securities. Nonperforming loans are nonaccrual loans plus loans that are at least 90 days past due but still accruing interest. Outstanding balance is defined in the general instructions to Schedule CMR.

Include:

Nonperforming mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Nonperforming home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR502: Accrued Interest Receivable

Report amounts for the types on SC220, Accrued Interest Receivable on Mortgage Pool Securities, and SC272, Accrued Interest Receivable on Mortgage Loans.

Include:

Interest receivables on mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Interest receivables on home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR503: Advances for Taxes and Insurance

Report amounts paid on behalf of borrowers for taxes and insurance of the types reported on SC275, Advances for Taxes and Insurance.

Include:

Advances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Advances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR504: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts related to balances on CMR125, CMR185, CMR261, CMR262, CMR281, CMR282, CMR291, CMR292, CMR311, CMR312, and CMR501.

Include:

Premiums or discounts related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Premiums or discounts related to home equity or secured home improvement loans that you reported as Consumer Loans in Schedule SC.

CMR507: Less: Valuation Allowances

Report general and specific valuation allowances established to recognize credit losses.

Include:

Allowances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Allowances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

CMR508: Unrealized Gains (Losses)

Report, on a consolidated basis, gross unrealized gains (losses) on loans held for sale, available-for-sale securities, and trading securities. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss (change in fair value) on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Include:

Unrealized gains or losses related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

Do not include:

Unrealized gains or losses related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Items Related to Nonmortgage Loans and Securities

The following items pertain to asset balances on CMR325, CMR326, CMR335, and CMR336.

CMR511: Nonperforming Loans

Report the outstanding balance of nonperforming nonmortgage loans. Nonperforming loans are nonaccrual loans plus loans that are at least 90 days past due but still accruing interest. Outstanding balance is defined in the general instructions to Schedule CMR.

Include:

Nonperforming home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Nonperforming mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR512: Accrued Interest Receivable

Report amounts of the types on SC348, Accrued Interest Receivable on Nonmortgage Loans.

Include:

Interest receivables on home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Interest receivables on mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR513: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts related to balances on CMR325, CMR326, CMR335, CMR336, and CMR511.

Include:

Premiums or discounts related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Premiums or discounts related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR516: Less: Valuation Allowances

Report general and specific valuation allowances established to recognize credit losses.

Include:

Allowances related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

1. Allowances related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.
2. Valuation allowances established to recognize decreases in the value of real estate held for investment or repossessed assets. See instructions for CMR520 and CMR525 for proper treatment of such valuation allowances.

CMR517: Unrealized Gains (Losses)

Report unrealized gains (losses) on loans held for sale, available-for-sale securities, and trading securities. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss, change in fair value, on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Include:

Unrealized gains or losses related to home equity or secured home improvement loans that you reported as consumer loans in Schedule SC.

Do not include:

Unrealized gains or losses related to mortgage warehouse loans that you reported as mortgage loans on Schedule SC.

CMR520: Real Estate Held for Investment

Report assets of the types on SC45. Report those amounts net of any appropriate valuation allowances. CMR520 should equal SC45.

CMR525: Repossessed Assets

Report repossessed assets of the types on SC405 through SC430. Report those amounts net of any appropriate valuation allowances. CMR525 should equal SC40.

CMR530: Equity Investments Not Subject to SFAS No. 115 (Excluding FHLB Stock)

Report equity investments of the type on SC50, net of any appropriate valuation allowances. Do not report any loans made to such entities. You should reclassify any investments accounted for by the equity method with a negative balance to CMR786, Miscellaneous Liabilities I.

CMR535: Office Premises and Equipment

Report assets of the types on SC55. CMR535 should equal SC55.

Items Related to Certain Investment Securities

CMR538: Unrealized Gains (Losses)

Report gross unrealized gains (losses) on any available-for-sale securities and trading securities on CMR461, CMR473, CMR476, and CMR479 or as code 121 in Supplemental Reporting of Market Value Estimates. Also report the unamortized deferred gains and losses on hedging transactions closed prior to adoption of SFAS No. 133, and the accumulated gain or loss, change in fair value, on the asset attributable to the designated risk being hedged on a qualifying fair value hedge under SFAS No. 133.

Do not include:

1. Unrealized gains (losses) related to equity securities reported on CMR464.
2. Unrealized gains (losses) related to zero-coupon securities reported on CMR470.

Both CMR464 and CMR470 are reported at recorded investment and, thus, already include unrealized gains or losses.

CMR539: Less: Unamortized Yield Adjustments

Report the net amount of unamortized premiums and discounts on securities whose balances you report on CMR461, CMR473, CMR476, and CMR479 or as code 121 in Supplemental Reporting of Market Value Estimates.

Do not include:

1. Unamortized yield adjustments related to equity securities reported on CMR464.
2. Unamortized yield adjustments related to zero-coupon securities reported on CMR470.

Both CMR464 and CMR470 are reported at recorded investment and, thus, already include premiums and discounts.

Column 4: Margin/WAC

If the entry represents an adjustable-rate loan, report the weighted-average margin, in basis points, in column 4. If it is a fixed-rate loan, report the WAC, in basis points, in column 4. Note that this differs from treatment in the Assets section of Schedule CMR, where the WAC is in percentage points. Report the net margin or the pass-through rate for adjustable-rate and fixed-rate securities, respectively. We describe how to calculate the weighted-average margin and the WAC in the general instructions to Schedule CMR.

Column 5: Rate Reset Frequency

If the loan is adjustable-rate, report the weighted-average frequency where the coupon rate resets, in months, in column 5. You should calculate the weighted-average frequency of the coupon reset in the same manner as the WARM, as described in the general instructions to Schedule CMR. However, instead of months to maturity, use months between coupon reset dates. If the loan is fixed-rate, leave column 5 blank.

Column 6: Months to Full Amortization

Leave this column blank for all assets except multifamily and nonresidential balloon mortgage loans and securities – asset codes 100, 105, 106, 107, 108, and 109. For those assets, report the weighted-average number of months remaining until the balloon mortgage would fully amortize. Calculate this item in the same manner as described for WARM, in the general instructions to Schedule CMR. However, instead of months to maturity, use months to full amortization.

Column 7: Remaining Maturity

Report the WARM, in months, in column 7. Calculate the WARM as described in the general instructions to Schedule CMR. For balloon mortgages, use the number of months until payment of the balloon.

Column 8: Distance to Lifetime Cap

Use this column only for adjustable-rate multifamily and nonresidential mortgage loans and securities, asset codes 100 through 119. For all other types of loans, leave it blank.

For each asset code, calculate the difference between the WAC and the weighted-average lifetime cap for the loans or securities in that category. Report the result in column 8, in basis points. For example, for a WAC of 10 percent and a cap of 12 percent, report a value of 200 basis points. Calculate the WAC as described in the general instructions to Schedule CMR. Calculate the weighted-average lifetime cap the same way. For loans and securities that have no lifetime caps, report 9999 in this column.

Column 9: Distance to Lifetime Floor

Use this column only for adjustable-rate multifamily and nonresidential mortgage loans and securities, asset codes 100 through 119. For all other types of loans, leave it blank.

For each asset code, calculate the difference between the current WAC and the weighted-average lifetime floor for the loans in that category. Report the result in column 9, in basis points. For example, for a WAC of 10 percent and a floor of 8 percent, report a value of 200 basis points. For loans and securities that have no lifetime floor, report 9999 in this column.

Mortgage-Related Mutual Funds

Mortgage-related mutual funds are those with any investments in mortgage pools, mortgage securities, mortgage-derivative securities, mortgage servicing rights, or other mortgage-related instruments. Besides reporting investments in such mortgage-related mutual funds on CMR584, you may report more detail about the asset holdings of such funds using the method described below.

Reporting this additional information improves the accuracy of the interest rate risk estimate that OTS produces. The OTS Model conservatively assumes that the market value of mortgage-related mutual funds on CMR584 consists entirely of fixed-rate MBS. If you provide information about the composition of mutual fund assets under this optional reporting method, the model will use assumptions that better reflect the true interest rate sensitivity of those mutual funds.

To report optional information about the composition of mortgage-related mutual funds you should do the following:

1. Determine your pro rata share of the current market value, net asset value, of each mutual fund where you have investments.
2. Distribute the market value of your share of each mutual fund into the asset categories shown in Appendix C in the section that applies to CMR584. Besides the entry number column, you report information in two columns: Asset Code and Balance.

Column 1: Asset Code

Asset codes that you may use to report supplemental information about mortgage-related mutual funds are in Appendix C in the section that applies to CMR584. Report those asset categories that reflect your mutual funds' investments.

Column 3: Balance

Report your pro rata share of the current market value of each reported asset category. The total market value of all mortgage-related mutual fund asset categories on the Supplemental Reporting form must equal the amount on CMR584.

Example: You have invested in a single mortgage-related mutual fund. The fund's net asset value as of the reporting date is $100 million and your shares in the fund are worth $1 million. The mutual fund's asset portfolio consists of $50 million in fixed-rate MBS, $45 million in adjustable-rate MBS, and $5 million in Treasury securities. You would report its pro rata share in these three types of assets in the following manner on the Supplemental Reporting for Assets and Liabilities section of Schedule CMR:

[1] Asset Code	[2] Rate Index Code	[3] Balance $000	[4]	[5]	[6]	[7]	[8]	[9]
160		500		Columns [4] through [9] should be left blank				
162		450						
179		50						

Note that the entries sum to the $1 million you reported on CMR584.

Other Investment Securities

You can provide additional information about securities on CMR473 and CMR479. You may distinguish three different types of instruments – fixed coupon, floating-rate, and inverse floating-rate securities – using the codes listed in the appropriate sections of Appendix C.

Column 1: Asset Code

Asset codes for reporting supplemental information are in Appendix C. For CMR473, Government and Agency Securities including SBA securities, applicable asset codes are 300 through 304. For CMR479, Other Securities – Munis, Mortgage-Backed Bonds, Corporate Securities, Commercial Paper, Etc. – applicable codes are 120, 122, and 124.

Column 2: Rate Index Code

From the list of Interest Rate Index Codes in Appendix A, report the code representing the index the security uses. Use code 900 if the security has a fixed coupon.

Column 3: Balance

For each type of security, report the outstanding balance of all securities of that type on CMR473 or CMR479. The total outstanding balance on the Supplemental Reporting section with asset codes 300 through 304 must equal the amount on CMR473. In addition, the total balance with asset codes 120, 122, and 124 must equal the amount on CMR479.

Column 4: Margin/WAC

If the entry represents a floating-rate security, report the margin, **in basis points**, in column 4. If the security is a fixed-coupon security, report the coupon, **in basis points**, in column 4. Note that this differs from treatment in the Assets section of Schedule CMR, where the coupon is in percentage points.

Column 5: Rate Reset Frequency

If the balance reported in column 3 is floating-rate or inverse floating-rate, report the frequency that the coupon rate resets, in months, in column 5. If the balance reported in column 3 is fixed-coupon, leave column 5 blank.

Column 6:

Leave this column blank.

Column 7: Remaining Maturity

Report the remaining maturity, in months, in column 7.

Column 8:

Use this column only for reporting the benchmark rate (in basis points) of inverse floating-rate securities. For example, if you derive the coupon of such a security using the formula 17.5 minus six-month LIBOR, the benchmark rate is 17.5, and you should report it as 1750 basis points in column 8. For all other types of securities, leave this column blank.

Column 9:

Leave this column blank.

SUPPLEMENTAL REPORTING FOR LIABILITIES (REQUIRED)

Report variable-rate, fixed-maturity liabilities in the section, **Supplemental Reporting for Assets and Liabilities**.

Include liabilities of the following types that have contractually stated maturities and indexed rates:

1. Certificates of deposit.
2. FHLB advances.
3. Commercial bank loans.
4. Repurchase agreements.
5. Retail repurchase agreements.
6. Commercial paper issued.
7. Subordinated debt.
8. Redeemable preferred stock.
9. All other borrowings.

Do not include:

1. Mortgage collateralized securities. Report on Supplemental Reporting of Market Value Estimates.
2. Structured borrowings. Report on Supplemental Reporting of Market Value Estimates.

General Instructions:

Report information about your VRFM liabilities as follows:

Assign liability and index codes to each VRFM liability that you issue, using the lists of codes in Appendix D and Appendix A, respectively. For example, each variable-rate FHLB advance indexed to the Fed Funds rate would have the liability code 220, the code for FHLB advances, and the index code 800 (the code that shows that the interest rate on the advances uses the Fed Funds rate as an index). Report each VRFM liability you issue using either one of two ways:

A. **Individually –** This option produces a very accurate valuation, but it might require the reporting of a large amount of data.

B. **Aggregated with similar liabilities** – This option produces somewhat less accurate valuations, but it requires the reporting of a smaller amount of data.

1. If you choose the individual option, supply the required information – liability code, index code, balance, margin, rate reset frequency, months to reset, and remaining maturity – for each VRFM liability issued that you report individually. For example, you would report each FHLB advance described in the example above individually.
2. If you choose the aggregated option, report VRFM liabilities on the Supplemental Reporting Form aggregated by liability and index code. Thus, you would report all VRFM liabilities that have the same liability and index code aggregated as a single position. For example, you would report all FHLB advances described in the preceding example together as a single position regardless of differences in margin, rate reset frequency, months to next reset, or remaining maturity.

Entry Number

Number all lines used to report supplemental information, starting with the number 1.

Column 1: Liability Code

The liability code is a three-digit code that denotes the type of liability reported. The codes are included in Appendix D – **List of Codes Used for Supplemental Reporting**.

Column 2: Rate Index Code

The index code is a three-digit code that describes the index of the VRFM liability reported. The codes are in Appendix A, **List of Interest Rate Index Codes**.

Column 3: Balance

If you choose option A, report the outstanding balance of each individual VRFM liability. If you choose option B, report the total outstanding balance of that position. In either case, do not report the carrying values.

APPENDIX A

LIST OF INTEREST RATE INDEX CODES

Code	Index
303	3-month Treasury security
306	6-month Treasury security
312	1-year Constant Maturity Treasury
324	2-year Constant Maturity Treasury
336	3-year Constant Maturity Treasury
360	5-year Constant Maturity Treasury
370	7-year Constant Maturity Treasury
380	10-year Constant Maturity Treasury
401	1-month London Interbank Offered Rate (LIBOR)
403	3-month London Interbank Offered Rate (LIBOR)
406	6-month London Interbank Offered Rate (LIBOR)
412	1-year London Interbank Offered Rate (LIBOR)
431	FannieMae LAMA Index (to be used for liabilities only)
503	3-month FHLB advance rate
506	6-month FHLB advance rate
512	1-year FHLB advance rate
524	2-year FHLB advance rate
536	3-year FHLB advance rate
548	4-year FHLB advance rate
560	5-year FHLB advance rate
603	3-month fixed-rate CD rate
606	6-month fixed-rate CD rate
612	1-year fixed-rate CD rate
660	5-year fixed-rate CD rate
710	FHLMC/FNMA 30-year, fixed-rate mortgage commitment rate
720	National Average Contract Rate for the Purchase of Previously Occupied Homes
800	Federal funds rate
811	11th District FHLB Cost-of-Funds Index (COFI)
812	Lender’s own Cost-of-Funds
820	Federal Cost-of-Funds Index
830	Prime rate
900	Fixed-rate
910	Rate adjusted at lender’s discretion
911	Any other index

TFR INDUSTRY TRAINING REGISTRATION FORM

Office of Thrift Supervision

Financial Reporting Division
Dallas, Texas

COMPLETE ONE FORM FOR EACH ATTENDEE

PLEASE TYPE OR PRINT LEGIBLY AND PROVIDE ALL INFORMATION REQUESTED

NAME ____
Last First MI

INSTITUTION NAME____

INSTITUTION DOCKET NUMBER _________

PHONE________________ FAX ________________

E-MAIL ADDRESS ____

BUSINESS MAILING ADDRESS ____

____

____

____

Class Preference (circle one):

Session 1 Sept 17 (1:00 – 5:00) & Sept 18 (8:00 – 12:00)

Session 2 Sept 19 (1:00 – 5:00) & Sept 20 (8:00 – 12:00)

Has anyone from your institution previously attended TFR training? Yes No (circle one)

Length of time that you have been a TFR Report Preparer _____________

A class confirmation along with a listing of local hotels and other class information will be faxed to all atendees by August 16.

Return both sides of this form to OTS at the address on the back no later than Tuesday, July 17, 2001.

Describe any reporting issues that you would like to see addressed in this training session:

Comments:

If you have questions about this registration form, please call Doris Jackson at 972-277-9618.

Mail this form to:

Office of Thrift Supervision
Financial Reporting Division
225 E. Carpenter Freeway, Suite 500
Irving, Texas 75062-2326

Attention: Doris Jackson

Or **Fax** both sides of this form to:

972-277-9596
Attention: Doris Jackson

Return both sides of this form to OTS at the address above no later than Tuesday, July 17, 2001.