



FIL-86-2005
September 1, 2005

BANK REPORTS

TO: CHIEF EXECUTIVE OFFICER (also of interest to Chief Financial Officer)

SUBJECT: Proposed Revisions to the Reports of Condition and Income (Call Report)

The Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (Board), and the Federal Deposit Insurance Corporation (FDIC) (the agencies) are requesting comment on proposed revisions to the Reports of Condition and Income (Call Report). The proposal, which has been approved by the Federal Financial Institutions Examination Council (FFIEC), represents the agencies' first set of revisions to the content of the Call Report since March 2002 that would significantly affect banks of all sizes. The proposed changes would take effect as of the March 31, 2006, report date.

In developing this proposal, the agencies have considered a range of potential information needs, particularly in the areas of credit risk, liquidity, and liabilities, and have identified those additions to the Call Report that are believed to be most critical and relevant to the agencies as they seek to fulfill their supervisory and other responsibilities. At the same time, the agencies have identified certain existing Call Report data that are no longer considered sufficiently essential to warrant their continued collection from some or all banks. On balance, the agencies recognize that the increase in reporting burden that would result from the addition to the Call Report of the proposed new items would not be fully offset by the proposed elimination of other Call Report items. Nevertheless, when viewing these proposed revisions to the Call Report within a larger context, they are intended to enhance the agencies' on- and off-site supervision activities, which should help to control the overall regulatory burden on banks.

The agencies encourage you to review the proposal and comment on those aspects that are of interest to you. For each proposed revision of an existing item or proposed new item, the agencies are particularly interested in comments from banks on how readily available the information is for reporting purposes. In addition, comments are requested on any asset size threshold or other measure that should be established for determining the set of banks that should report the proposed new information. Finally, the agencies seek comment on whether, for a particular proposed revision, there is an alternative set of information that could satisfy the agencies' data needs in that area and be less burdensome for banks to report than the new or revised items that the agencies have proposed.

Comments may be sent to any or all of the banking agencies by the methods listed on the first page of the attached Federal Register notice. All comments will be shared among the agencies and should be submitted by October 24, 2005. The FFIEC and the agencies will consider all of the comments as they formulate a final set of revisions to the Call Report for implementation in March 2006.

The proposed changes to the Call Report that are intended to reduce reporting burden involve eliminating existing items for estimated uninsured deposits, asset-backed securities held as investments, income from nontrading derivatives, and bankers acceptances for some or all banks. The proposal includes new or revised items relating to construction loans; commercial real estate loans; lease financing receivables; Federal Home Loan Bank advances; nonaccrual assets; credit derivatives; residential mortgage banking activities; income from annuity sales, investment banking, brokerage, and underwriting; certain secured borrowings; life insurance assets; and income from international operations. The agencies are also proposing to revise the officer declaration and director attestation requirements and signatures that apply to the Call Report. All of the proposed revisions are more fully discussed in the attached Federal Register notice.

To assist you in understanding the proposed reporting changes, draft copies of the March 2006 Call Report forms will be available for your review by mid-September on the FFIEC's Web site (www.ffiec.gov/ffiec_report_forms.htm).

For further information about the proposed Call Report revisions, please contact Gary Christensen at the OCC (202-874-4482), Arthur Lindo at the Board (202-452-2695), or Robert Storch at the FDIC (202-898-8906).

Tamara J. Wiseman
Executive Secretary

Attachment

Distribution: Insured Commercial Banks and State-Chartered Savings Banks