

FR 2910a Frequently Asked Questions

What is the purpose of the FR 2910a report?

FR 2910a data is used for annual benchmarking of monetary aggregates and monitoring compliance with Regulation D, Reserve Requirements of Depository Institutions, which defines depository institutions that are subject to reserve requirements, the liabilities that are reservable, and the associated reporting, reserve calculation and maintenance requirements.

What types of institutions are required to submit the FR 2910a report?

FR 2910a reporters consist of all depository institutions with net transaction accounts less than or equal to the annual exemption amount and the reduced reporting limit determined by the Federal Reserve Board. The current annual exemption amount is \$10.7 million and the reduced reporting limit is \$1.415 billion dollars.

The annual exemption amount is the amount of an institution's reservable liabilities that is subject to a zero-percent reserve requirement. The exemption amount is used in two ways. First, it is used for all FR 2900 reporters in the reserve requirement calculations during the calendar year (January through December) following the announcement of the revised amount. Second, for those depository institutions whose deposits reporting status is based on the level of their total reservable liabilities, it is used to determine who must file the FR 2900 and who is eligible for reduced reporting (i.e. FR 2900Q and FR 2910a) for the 12-month period beginning in the September following the announcement of the revised exemption amount each year.

How does the Federal Reserve determine which respondents are eligible to report the FR 2910a?

The Federal Reserve uses the December Call Report from the prior year to determine if the deposits and reservable liabilities are within the appropriate levels. In addition, institutions for which Call Report data is not available, and therefore whose deposit size is unknown, will be required to file the FR 2910a as of June 30, 2011.

What is the frequency of the FR 2910a report?

The FR 2910a report is filed annually with the Federal Reserve Bank with an as-of date June 30th.

What are Deposits?

For the purposes of this report, deposits include the sum of total transaction accounts, total savings deposits, small time deposits, and ineligible acceptances and obligations issued by affiliates maturing in less than 7 days.

What are Primary Obligations?

Generally, a primary obligation is a liability that is issued or undertaken by a depository institution as a means of obtaining funds. For purposes of this report, primary obligations are considered deposits when they are entered into with nonexempt entities. Please refer to pages 2 and 3 of the FR 2910a instructions for a complete discussion of primary obligations.

What are Net Transaction Accounts?

Net transaction accounts are the sum of transaction accounts minus demand balances due from other U.S. depository institutions and cash items in the process of collection.

What are Reservable Liabilities?

Reservable liabilities consist of the sum of (A) net transaction accounts + (B) nonpersonal savings deposits + (C) nonpersonal time deposits (regardless of maturity).

What are nonpersonal savings and time deposits?

Nonpersonal savings and time deposits are deposits that are transferable or in which any beneficial interest is held by a depositor other than a natural person. A natural person is an individual or a sole proprietorship. A natural person is not a corporation, even if owned by an individual, a partnership or other association. Please see 8 of the FR 2910a instructions for additional details.

Moreover, please note that a deposit is transferable, it is nonpersonal, regardless of the depositor. A deposit is transferable unless it includes on the face of a document evidencing the account a statement that the deposit is not transferable or that it is transferable on the books of, or with the permission of, the reporting institution.

What are Legitimate Differences?

The legitimate difference documents are designed to assist depository institutions when completing their FR 2910a report by comparing certain FR 2910a items with similarly defined items on the quarterly financial statements. In addition, the legitimate difference documents will help depository institutions better understand questions that may be asked by Federal Reserve System analysts when comparing the data from the two reports, a process known as "interseries editing." Interseries editing enhances data quality by reconciling reporting discrepancies. Such discrepancies may be the result of a reporting error, or they may instead reflect legitimate differences between the items being compared.

How should negative or overdrawn balances be reported?

Negative or overdrawn balances in any account should be regarded as zero when computing deposits totals. Customers' overdrawn deposit accounts should be regarded as loans made by the reporting institution and should not be reported as negative deposits.

What if our institution has negative Reservable Liabilities and/or negative Net Transaction accounts?

When calculating Item 2, Reservable Liabilities, and Item 2.a, Net Transaction Accounts, your result may be negative. Please indicate a negative result with a minus sign or parentheses around the negative amount.

What if our institution has transactions denominated in non-U.S. currency?

The currency must be valued in U.S. dollars by using the exchange rate prevailing on the report date.

How do I report brokered deposits?

Brokered deposits are funds deposited at a depository institution on behalf of individual depositors by brokers or dealers. In calculating item 1, your institution should exclude any portion of a brokered time deposit that is \$100,000 or greater and credited to a single depositor. In determining if a time deposit has a balance of \$100,000 or more, do not combine deposits that are represented by separate certificates or accounts, even if held by the

same customer.

In determining if brokered deposits should be reported as nonpersonal savings or time deposits, if a broker provides a secondary market in these deposits, as is usually the case, such deposits are transferable even if they are transferable only on the books and records of the broker and not on the books and records of the reporting institution itself. Transferable brokered deposits in the form of savings or time deposits are regarded as nonpersonal savings or nonpersonal time deposits unless they are (1) deposited to the credit of, and the entire beneficial interest is held by, natural persons and (2) subject to an agreement between the broker and the reporting institution that includes all of the following essential terms:

1. The broker will maintain records of the names of the beneficial owners of all brokered deposits, and such records will be made available to any agency regulating the reporting institution.
2. The broker will determine the amount of deposits beneficially owned by natural persons and by entities other than natural persons and will provide a written report to the reporting institution with that information. That written report must (1) be submitted on the close of business every Monday or on the opening of business Tuesday for the oneweek period beginning on the previous Tuesday and ending on Monday; (2) include daily data on the actual amount of personal time deposits and the actual amount of nonpersonal time deposits; and (3) include daily data on the amount of deposits in which the beneficial interest of any one depositor in principal plus interest exceeds \$100,000. (For this purpose, separate deposits or accounts are not aggregated even if held by the same customer.)
3. The reporting institution has access to records concerning the deposits brokered for it, and those records should either be delivered to the offices of the reporting institution or, where appropriate, its federal or state regulator, or access to the records must be provided to the reporting institution and its supervisory authority on the broker's premises.
4. The broker will commit to provide the reporting institution with any other data about the brokered deposits that may be needed in the future by the institution's state or federal regulator.

Where do I report Federal Reserve Balances, Federal Home Loan Bank Balances (FHLBs), or Excess Balance Accounts (EBAs)?

Federal Reserve, FHLBs balances, and EBAs are excluded from the FR 2910a.

The following changes were effective beginning in 2007.

- Revision to the reporting form title from Annual Report of Total Deposits and Reservable Liabilities to Annual Report of Deposits and Reservable Liabilities.
- Replacement of data item 1, total deposits, with total transaction accounts, savings deposits, and small time deposits. Note: The new item excludes all time deposits with balances of \$100,000 or more.
- Items 2 and 2a are to be completed, regardless of the balance reported in line item 1.
- Revision to the report instructions to require depository institutions to submit either a positive or a negative value in data item 2.a, Net Transaction Accounts, and item 2, Reservable Liabilities, rather than reporting negative values as zero, as was previously required. Note: Negative or overdrawn balances in any account should be regarded as zero when computing deposit totals.

What are common FR2910a reporting errors?

Common reporting errors include item 1 being greater than item 2a, item 2a being greater than item 2, and subtracting item 2 from item 1 to obtain item 2a. These are often a result of

calculation errors. Other common, possible errors include reporting zeros, large fluctuations in report items from the prior year, and large discrepancies between similar items on the quarterly financial statements. Depository Institutions may be contacted to verify accuracy and provide substantive explanations of atypical data.

What if the reporting date is a Saturday or Sunday?

If your institution is closed on the as of date of the report, the closing balances of the preceding day should be used.

Do I need to submit the worksheet?

Use and submission of the worksheet, while optional, is strongly recommended.

How is the FR 2910a report submitted to the Federal Reserve Bank?

Reporters can submit the FR 2910a report via fax at (312) 322-5231 or (800) 201-8065.

Who should be the primary contact for the FR 2910a report?

Generally, the primary contact for the FR 2910a report should be a Chief Financial Officer or the person who also completes your institution's Call report. Additionally, it is strongly encouraged your institution has a backup contact to ensure timely reporting and that someone will be able to answer possible inquiries our office may have regarding the report.