FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-57
March 21, 1980

TO NONMEMBER BANKS SUBJECT TO NEW SPECIAL DEPOSIT REQUIREMENT ON MANAGED LIABILITIES:

Pursuant to the Credit Control Act (12 U.S.C. §§ 1901-1909) as implemented by Executive Order 12201, the Board of Governors of the Federal Reserve System has adopted provisions requiring commercial banks that are not members of the Federal Reserve System to maintain a non-interest bearing special deposit with the Federal Reserve on certain managed liabilities outstanding during a base period. The purpose of this action is to better control the expansion of bank credit and thereby serve to dampen inflationary forces. The 10 percent special deposit requirement will apply to the amount by which the daily average amount of an institution's total managed liabilities during a deposit computation period exceeds a base amount calculated generally as either the daily average amount of such liabilities outstanding during the base period (February 28 to March 12, 1980) or $100 million, whichever is greater.

Enclosed are forms and instructions for your use in complying with these provisions:

FR 2412y is to report managed liabilities and gross foreign loans for the period February 28-March 12, 1980 to establish the base amount of managed liabilities. This report is due March 31, 1980.

FR 2412c is a weekly report of managed liabilities. The first weekly period covered is March 20-26, 1980 and the report for that week is due March 31, 1980. Subsequent weekly reports are due the Friday following the report date.

FR 2412d is a supplement to be filed with FR 2412c indicating weekly gross foreign loan balances to be used to reduce the managed liabilities base by the amount of foreign loan reductions.

The special deposit requirement is effective on excess managed liabilities over the base amount outstanding during the seven-day computation period beginning March 20, 1980, and each seven-day period thereafter. The non-interest bearing special deposit for the computation periods beginning March 20, 27, and April 3, 1980 must be held during the deposit maintenance period beginning April 17, 1980. Thereafter the special deposit must be held during the seven-day maintenance period beginning eight days after the end of the corresponding computation period.

For additional information or assistance, please contact:

Dallas	Bill Green, Manager, Statistical Department, Ext. 6394
Houston	Rodney Franklin, Manager, Accounting Department (713) 659-4433, Ext. 50
San Antonio	Leonard Briggs, Manager, Accounting Department (512) 224-2141, Ext. 20
El Paso	Larry Wilson, Manager, Accounting Department (915) 544-4730, Ext. 210

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures

March 15, 1980 FR 2412c, FR 2412y

INSTRUCTIONS

Nonmember Bank Report of Managed Liabilities for
Calculation of the Base for Special Deposit Requirements

and

Nonmember Bank Report of Managed Liabilities for
Special Deposit Requirements

Who must report. The Nonmember Bank Report of Managed Liabilities for Calculation of the Base for Special Deposit Requirements (FR 2412y) and the Nonmember Bank Report of Managed Liabilities for Special Deposit Requirements (FR 2412c) are required for each commercial bank that is not a member of the Federal Reserve System whose total liabilities on December 31, 1979 were $150 million or more.

Purpose of the report. The base report (FR 2412y) will be used to establish the initial managed liabilities base for the calculation of special deposit requirements. The weekly special deposit report (FR 2412c) will be used to assess the special deposit requirements.

The special deposit requirement will be calculated for each seven-day computation period of Thursday through Wednesday beginning March 20, 1980. This special deposit must be held at the Federal Reserve Bank of the district in which the reporting institution is located during the seven-day maintenance periods beginning on Thursday, eight days after the close of the computation week. Each covered bank shall maintain a non-interest bearing special deposit equal to 10 percent of the amount by which the daily average of the reporting bank's total managed liabilities during the seven-day computation period exceeds the managed liabilities base. 1/

In a computation period in which the daily average total managed liabilities subject to special deposit requirements equal or fall below your institution's base, no special deposit requirements will be applied. Subsequently, if the daily average total of such liabilities in any computation period exceeds your institution's base, special deposit requirements will again be applied.

1/ For an institution that was a net lender abroad during the base period (that is, its total managed liabilities for the base period was negative), the special deposit requirement will be applied to the amount by which the institution increases its managed liabilities over the base, even if it remains a net lender abroad during subsequent periods. For example, if a reporting institution's base was -$100 million, and it reported daily average managed liabilities during a computation week of -$25 million, the special deposit requirement will be applied to the increase in managed liabilities; that is, to $75 million [(-$25) - (-$100) = $75].

How to report. All amounts should be reported to the nearest thousand dollars as of the close of business each day. For any day on which the reporting institution was closed, report the closing balance of the preceding day.

Amounts denominated in foreign currencies should be initially valued in U.S. dollars at the prevailing exchange rate at the time the transaction originally occurs and should be periodically revalued on a consistent basis.

Consolidation. A consolidated report should be prepared combining appropriate accounts of the following entities: (1) the bank's head office; (2) all branches located in the 50 states of the United States or the District of Columbia; and (3) all operations subsidiaries of the bank located in the 50 states of the United States or the District of Columbia (operations subsidiaries are majority-owned subsidiaries of the bank that are separately incorporated to perform functions that the bank is empowered to perform directly). Edge Act and Agreement Corporation subsidiaries are not to be consolidated in this report.

General definitions. For purposes of this report, the terms "U.S." and "non-U.S.," which are used in the item definitions below, are defined as follows:

U.S.: The 50 states of the United States and the District of Columbia.

Non-U.S.: Any geographic area located outside the 50 states of the United States and the District of Columbia. Thus, for purposes of this report, non-U.S. includes the Commonwealth of Puerto Rico and dependencies and possessions of the United States.

ITEM DEFINITIONS

Column 1: U.S. Government and Federal agency securities sold under repurchase agreements with original maturities of less than one year to NONEXEMPT entities. Report in this column the amount outstanding of all repurchase agreements with original maturities of less than one year involving U.S. Government and Federal agency securities entered into with any NONEXEMPT entity, wherever located. The following entities are exempt:

1. a U.S. office or operations subsidiary of a bank that is a member of the Federal Reserve System;

2. a U.S. office of an Edge Act or Agreement Corporation engaged in the banking business;

3. a U.S. branch or agency of a bank organized under foreign (non-U.S.) law whose worldwide banking assets exceed $1 billion (U.S. dollars); and

4. a Federal Reserve Bank.

Repurchase agreements entered into by any reporting institution with nonexempt entities, such as nonmember banks and nonbank dealers, will not be subject to the special deposit requirement and should not be reported in this column if such transactions are intended to provide collateral to nonexempt entities in order to engage in repurchase transactions with the Federal Reserve System Open Market Account.

NOTE: If you are unable to reasonably determine from your records whether your repurchase agreements with commercial banks were made with exempt banks (the institutions listed in 1 through 3 above) or with nonexempt commercial banks and trust companies that are not members of the Federal Reserve System, you may estimate this breakdown for purposes of the base report (FR 2412y). However, if you estimate this breakdown, not less than 80 percent of your total repurchase agreements with commercial banks may be estimated to have been made with the exempt institutions listed in 1 through 3 above. Such estimates are not permitted, however, on subsequent weekly reports of managed liabilities (FR 2412c).

Repurchase agreements consist of sales of securities under a prearranged agreement to repurchase the same or similar securities at a later date. Include in this column only transactions involving U.S. Government and Federal agency securities, and obligations that are fully guaranteed as to principal and interest by the U.S. Government or a Federal agency. For the treatment of repurchase agreements involving other securities or assets of the reporting institution, refer to the instructions for completing Column 4 of this report.

Column 2: U.S. Government and Federal agency securities held in Trading Account. Report in this column the amount outstanding of U.S. Government and Federal agency securities, and other obligations that are fully guaranteed as to principal and interest by the U.S. Government or a Federal agency, held in the reporting institution's Trading Account. Trading Account securities generally refer to securities that the reporting institution regularly deals in or purchases with the intention of reselling. Securities that are held for possible resale should not be reported in this column, regardless of whether or not held in a designated Trading Account. Securities held in the Trading Account should be valued in the same manner as is used for Federal income tax purposes. In determining the amount of U.S. Government and Federal agency securities held in the Trading Account, you may include securities held in the Trading Account that have been: (a) sold under prearranged agreements to repurchase at a later date; (b) pledged against deposits or used as collateral for other liabilities; or (c) lent temporarily to other entities.

DO NOT INCLUDE in this column:

1. securities purchased under prearranged agreements to resell the securities at a later date; and

2. securities borrowed from other entities or your customer's securities held as collateral.

NOTE: Do not net short sales of securities against the Trading Account position. Thus, the amount reported in this column cannot be negative.

Column 3: Amount of Column 1 minus Column 2. Enter the amount reported in Column 1 minus the amount in Column 2. If the substraction results in a negative amount (i.e., if the amount of Trading Account securities exceeds the amount of repurchase agreements to nonexempt entities), enter zero.

Column 4: Gross Federal funds and other borrowings with original maturities of less than one year from covered entities. Report in this column the amount outstanding of borrowings (as defined in Section B below) with original maturities of less than one year--including repurchase agreements not reported in Column 1 and gross purchases of Federal funds--from U.S. offices of the following entities:

A. Entities covered by Column 4:

1. U.S. commercial banks and trust companies that are not members of the Federal Reserve System and their operations subsidiaries;
2. a U.S. branch or agency of a bank organized under foreign (non-U.S.) law whose worldwide banking assets are $1 billion or less (U.S. dollars);
3. mutual and stock savings banks;
4. building or savings and loan associations;
5. cooperative banks;
6. credit unions;
7. U.S. Government agencies and instrumentalities, including the Federal Home Loan Bank Board, Federal Home Loan Bank, Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperatives, the Federal Home Loan Mortgage Association, Federal Deposit Insurance Corporation, and Federal National Mortgage Association (DO NOT include borrowings from the U.S., such as Treasury tax and loan account note balances);
8. Export-Import Bank of the United States;
9. Government Development Bank of Puerto Rico;
10. Minbanc Capital Corporation;
11. securities dealers, but only when the borrowing (a) has a maturity of one day, (b) is in immediately available funds, and (c) is in connection with the clearance of securities; and
12. Edge Act Corporations not engaged in banking.

NOTE: If you are unable to reasonably determine from your records whether your borrowings from commercial banks were made with commercial banks and trust companies that are not members of the Federal Reserve System (Item 1 above), you may estimate this breakdown for purposes of the base report (FR 2412y). However, if you estimate this breakdown, not less than 80 percent of your total borrowings from commercial banks may be estimated to have been from exempt institutions (a U.S. office or operations subsidiary of a bank that is a member of the Federal Reserve System; a U.S. office of an Edge Act or Agreement Corporation; or a U.S. branch or agency of a bank organized under foreign law whose worldwide banking assets exceed $1 billion). Such estimates are not permitted, however, on subsequent weekly reports of managed liabilities (FR 2412c).

B. INCLUDE as borrowings the following obligations with original maturities of less than one year that are issued to the entities designated in Section A above:

1. gross purchases of Federal funds;

2. promissory notes, acknowledgments of advance, and similar obligations, whether secured or unsecured, whether written or oral, and whether in immediately-available, clearinghouse, or other funds;

3. repurchase agreements involving assets or securities other than securities of, or fully guaranteed by, the U.S. Government and Federal agencies;

4. mortgage-backed securities that are issued by the reporting institution and that represent sales of participation certificates in pools of one-to-four family mortgages when the reporting institution retains more than a 10 percent interest in the pool;

5. overdrawn balances in deposit accounts held at any of the entities specified in Section A above; and

6. due bills and similar obligations that are issued by the reporting institution and that involve a receipt of funds by the reporting institution to be used in its banking business.

NOTE: Due bills generally refer to obligations representing a promise to sell or deliver securities at some future date and are issued in lieu of the security to be sold or delivered at times when the security is in short supply or currently unavailable. However, due bills or similar obligations issued to any entity designated in Section A above that are not issued to obtain funds to be used by the reporting institution in its banking business should not be reported in this column. If any due bills not issued to obtain funds to be used in the banking business remain uncollateralized for more than three business days, such amount should be reported in Column 5.

EXCLUDE from this column the following obligations:

1. borrowings from any U.S. office of (a) a bank that is a member of the Federal Reserve System and the bank's operations subsidiaries, (b) an Edge Act or Agreement Corporation, or (c) a branch or agency of a bank organized under foreign law whose worldwide banking assets exceed $1 billion (U.S. dollars);

2. borrowings of the type indicated in Section B above from any entity not designated in Section A above, i.e., generally nonbanks (If of original maturity of 30 days or more but less than one year and in an amount of $100,000 or more, such borrowings are included in Column 5 of this report.);

3. borrowings from a Federal Reserve Bank;

4. loans sold with recourse;

5. mortgage indebtedness;

6. subordinated notes that meet the requirements of Section 329.1(f) of FDIC regulations;

7. borrowings from the United States, including Treasury tax and loan account note balances;

8. borrowings that are included in Column 10 of this report; and

9. funds received from sale of bankers acceptances issued or undertaken by the reporting institution that are ineligible for discount by Federal Reserve Banks. (If the remaining maturity at the time the reporting institution receives the proceeds is less than one year, such obligations are included in Column 6 of this report.)

Column 5: All time deposits of $100,000 or more with original maturities of less than one year. Report in this column the amount outstanding of all time deposits of $100,000 or more with original maturities of less than one year. Time deposits are defined as deposits that are payable on a specified date after a specified period of time from the date of deposit, or after a specified notice period, which in all cases may not be less than 30 days from the date of deposit.

INCLUDE as time deposits:

1. time certificates of deposit, whether evidenced by negotiable or non-negotiable instruments;

2. time deposits, open-account evidenced by written contracts;

3. savings certificates, notice accounts, or passbook accounts (but not savings deposits);

4. money market certificates;

5. funds received or held in escrow accounts that may be withdrawn after not less than 30 days from the date of deposit or after not less than 30 days written notice of an intended payment;

6. interest-bearing and noninterest-bearing time deposits;

7. deposits in time accounts of Individual Retirement Account (IRA) funds or Keogh Plan funds;

8. time deposits maintained as compensating balances or pledged as collateral for loans;

9. all interest paid by crediting time deposit accounts;

10. time deposit accounts at non-U.S. offices of the reporting institution when the deposit is guaranteed payable at a U.S. office in the event the non-U.S. office is precluded from making payment;

11. the liability of the reporting institution on promissory notes, acknowledgments of advance, repurchase agreements involving assets of the reporting institution other than U.S. Government or Federal agency securities, and other similar obligations that are issued in original maturities of 30 days or more but less than one year to obtain funds for use in the banking business <u>except</u> such obligations included in Column 4 or Column 10 of this report;

12. due bills and similar obligations undertaken by the reporting institution to sell or deliver securities, when issued primarily to obtain funds for use in the banking business and that have an original maturity of less than one year <u>except</u> such obligations included in Column 4 of this report; and

13. due bills and similar obligations that are issued by the reporting institution to <u>any</u> entity to obtain funds not to be used in the banking business of the reporting institution which have a maturity of less than one year, and which remain uncollateralized for more than three business days.

For special deposit purposes, funds kept with the bank for a stated period of one year or more under a master agreement specifying that the funds will be placed in a series of short-term certificates of deposit (CDs)--sometimes referred to as "roly-poly" CDs--should be regarded as the issuance of a series of short-term CDs by the reporting institution and not as the creation of a long-term deposit. Thus, for purposes of this report, the relevant time period is the maturity of each certificate of deposit issued under the terms of the agreement and not the expiration date of the master agreement.

EXCLUDE from time deposits the following liabilities:

1. funds accumulated in installments for the payment of installment loans (hypothecated deposits) that do not immediately reduce the unpaid balance of the loan, but that are irrevocably assigned to the reporting institution and cannot be reached by its customer or the customer's creditors;

2. funds received and credited to dealer reserve or dealer difference accounts that the reporting institution is not obligated to make available to either the dealer or the dealer's creditors;

3. funds obtained from state and municipal housing authorities under loan-to-lender programs;

4. borrowings from a Federal Reserve Bank;

5. all repurchase agreements involving U.S. Government or Federal agency securities and other obligations fully guaranteed as to principal and interest by the U.S. Government or a Federal agency;

6. all amounts included in Column 4, Column 7, and Column 10 of this report;

7. savings deposits (a deposit for which the bank merely reserves the right to require at least 30 days written notice of an intended withdrawal);

8. Christmas, vacation, and other similar club accounts;

9. NOW accounts (classified as savings deposits and thus excluded from this report);

10. matured time deposits, which are classified as demand deposits and thus excluded from this report, unless the deposit provides for automatic renewal at maturity; and

11. interest accrued but not yet paid.

Column 6: Total supplementary deposits with maturities of 30 days or more but less than one year. Report in this column the outstanding amount of supplementary deposits with remaining maturities of 30 days or more but less than one year at the time the reporting institution receives the proceeds. These supplementary deposits represent funds obtained by the reporting institution through (a) issuance of obligations by affiliates, and (b) its use of ineligible acceptances.

Include in this column the amount outstanding of the proceeds of obligations issued by the reporting bank's affiliates (as defined in 12 U.S.C. § 221a) in the form of promissory notes, acknowledgments of advance, due bills, or similar obligations (written or oral) that are supplied to the reporting institution (or its operations subsidiaries) for the latter's use in its banking business or to maintain the availability to the reporting institution of such funds.

The amount included as obligations issued by the reporting institution's affiliates should exclude:

1. funds obtained by the reporting institution through those obligations issued by affiliates that are supplied to the reporting institution by the affiliates in the form of deposits in the reporting bank;

2. obligations issued by affiliates that arise from the transfer of direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof that the affiliate is obligated to repurchase;

3. obligations of affiliates issued to and held for the account of any agency of the United States or the Government Development Bank of Puerto Rico; and

4. obligations of affiliates issued to and held for the account of a domestic banking office of another bank.

Also report in this column the outstanding amount of funds obtained by the reporting institution through its use of ineligible acceptances with remaining maturities of 30 days or more but less than one year (acceptances not eligible for discount by Federal Reserve Banks--see Section 201.4(b) of Regulation A), when the obligation is issued or undertaken by the reporting institution as a means of obtaining funds for use in its banking business (regardless of the nature of the buyer). Ineligible acceptances are sometimes referred to as finance bills.

The amounts to be reported are the funds received, and not necessarily the face amount of the ineligible acceptances issued or undertaken; therefore, the amounts outstanding reported in this column may differ from the face amounts of outstanding ineligible acceptances.

Column 7: Gross balances due to own non-U.S. branches. Report the amount outstanding of gross liabilities of the reporting institution's U.S. banking offices to non-U.S. branches of the reporting institution and to its own Edge Act Corporations not engaged in the banking business. Gross liabilities may arise from:

1. funds placed on deposit at the head office or other U.S. banking offices of the bank by non-U.S. branches whether in the form of demand or time deposits;

2. borrowings by the head office or other U.S. banking offices of the bank from non-U.S. branches;

3. sales of assets under agreements to repurchase by the head office or other U.S. banking offices to non-U.S. branches;

4. overdrawn balances in deposit accounts of the head office or other U.S. banking offices of the bank at non-U.S. branches (note that such overdrawn balances should not be treated as negative balances in Column 8);

5. other liabilities of the bank's non-U.S. branches to the head office or other U.S. banking offices of the bank, such as those resulting from clearing activities, payments related to foreign exchange transactions, bankers acceptance transactions, funds channeled to U.S. banking offices and other activities.

Column 8: Gross balances due from own non-U.S. branches. Report the amount outstanding of gross claims of the reporting institution's U.S. banking offices on non-U.S. branches of the reporting institution. Gross claims may arise from:

1. funds placed on deposit by the head office and other U.S. banking offices of the bank at non-U.S. branches, whether in the form of demand or time deposits;

2. funds advanced by the head office and other U.S. banking offices of the bank to non-U.S. branches;

3. purchases of assets under agreements to resell from non-U.S. branches;

4. overdrawn balances in deposit accounts of the bank's non-U.S. branches at the head office and other U.S. banking offices of the bank (note that such overdrawn balances should not be treated as negative balances in Column 7); and

5. other claims on the non-U.S. offices of the bank, such as those resulting from clearing activities, foreign exchange transactions, bankers acceptance transactions, unremitted branch earnings, funds channeled to non-U.S. banking offices, and other activities.

Column 9: Net balances due to own non-U.S. branches. Enter in this column the amount reported in Column 7 minus the amount in Column 8. If the subtraction results in a negative amount, enter that negative amount.

Column 10: Other borrowings with original maturities of less than one year from non-U.S. banking offices and designated non-U.S. entities. Report in this column all outstanding borrowings by the reporting institution's U.S. offices that have original maturities of less than one year and that were obtained from:

1. non-U.S. banking offices of other U.S. banks and non-U.S. banks;

2. foreign national governments that perform functions similar to those performed by the Federal government of the U.S. (state, provincial, regional, municipal, or other regional governmental units should not be included as foreign national governments);

3. international entities of which the United States is a member; and

4. other foreign, international or supranational entities exempt from interest rate limitations under Section 329.3(g)(3) of FDIC regulations.

INCLUDE as borrowings:

1. promissory notes, acknowledgments of advance, and similar instruments, regardless of the terminology used to describe the borrowings (including items that are referred to as "Federal funds");

2. repurchase agreements involving assets other than U.S. Government and Federal agency securities;

3. overdrawn balances at non-U.S. banking offices of other banks; and

4. due bills or similar obligations that remain uncollateralized for more than three business days from the date of issue.

Column 11: Assets sold to and held by own non-U.S. branches acquired from U.S. banking offices. Report in this column amounts received for assets sold outright to, and still held by, the bank's own non-U.S. branches and own Edge Act Corporations not engaged in the banking business. Include such assets as:

1. loans and securities sold outright by U.S. banking offices of the bank to non-U.S. branches; and

2. participations in loans or other assets sold to the bank's non-U.S. branches.

DO NOT INCLUDE in this column sales of assets under agreements to repurchase by U.S. banking offices to the bank's non-U.S. branches. Such transactions should be reported in Column 7. The amount reported here includes assets that are claims on both U.S. and non-U.S. residents.

Column 12: Credit extended by own non-U.S. branches to U.S. residents. Report in this column the amount of credit extended directly by the reporting institution's non-U.S. branches and its own Edge Act Corporations not engaged in the banking business to U.S. residents. However, if the amount of credit extended to non-U.S. residents by any particular non-U.S. branch or Edge Act Corporation did not exceed $1 million at any time during the computation period, the amount for that branch should not be reported. In addition, if the aggregate amount of credit extended to any particular U.S. resident by all non-U.S. branches did not exceed $100,000, the amount of credit extended to that U.S. resident should not be reported. Also, exclude from this item:

1. amounts representing credit to U.S. residents acquired from U.S. banking offices of the reporting institution (included in Column 11 of this report);

2. net balances at the reporting institution's non-U.S. branches due from its domestic offices;

3. credit extended to member banks, domestic Edge Act and Agreement Corporations engaged in the banking business, or to U.S. branches and agencies of non-U.S. banks; and

4. credit exended to a non-U.S. branch, office, subsidiary, or affiliate controlled by one or more U.S. organizations if the proceeds of the credit will be used in its non-U.S. business.

Column 13: Total liabilities subject to marginal reserve requirements. Algebraic sum of Columns 3, 4, 5, 6, 9, 10, 11, and 12. This amount may be negative. If this amount is negative, enter the negative amount.

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THE FOLLOWING ITEM APPEARS ONLY ON THE FR 2412y

Section II: Gross loans to non-U.S. residents and gross balances due from non-U.S. offices of other institutions. Report in this column the total of gross loans to non-U.S. residents and gross balances due from non-U.S. offices of other institutions. For purposes of this report, a non-U.S. resident is defined to include:

1. any individual residing (at the time the credit is extended) outside the 50 states of the United States or the District of Columbia;

2. any corporation, partnership, association or other entity organized outside the 50 states of the United States or the District of Columbia; and

3. any branch or office of any other entity, wherever organized, that is located outside the 50 states of the United States or the District of Columbia.

Credit extended to a U.S. branch, office, subsidiary, affiliate or other U.S. establishment controlled by one or more non-U.S. corporations will not be deemed to be credit extended to non-U.S. residents if the proceeds will be used in its U.S. business or that of other U.S. affiliates of the controlling non-U.S. corporation.

Foreign offices of other institutions includes the following:

1. any banking office of a bank organized under domestic or foreign law that is located outside the 50 states of the United States and the District of Columbia;

2. foreign national governments (including agencies and instrumentalities thereof, such as foreign central banks, exchange stabilization funds, monetary agencies and currency boards) that perform functions similar to those performed by the Federal government of the U.S. (but not state, provincial or other regional governmental entities); and

3. any international organization of which the United States is a member, such as the International Bank for Reconstruction and Development (World Bank), International Monetary Fund, and the Inter-American Development Bank, and other foreign, international, or supranational entities exempt from interest rate limitations under Section 329.3(g)(3) of FDIC regulations.

For purposes of this report, gross loans to non-U.S. residents include all credit extended directly to non-U.S. residents by U.S. offices of a reporting nonmember bank. Gross balances due from foreign offices of other institutions may arise from the following:

1. funds placed on deposit at any covered non-U.S. entity, whether payable on demand or at the expiration of a specified maturity;

2. funds advanced by the reporting institution that result in a claim against any covered non-U.S. entity;

3. sales of assets (including sales of participations in assets) to any covered non-U.S. entity;

4. purchases of assets under agreements to resell from any covered non-U.S. entity;

5. overdrawn balances in deposit accounts held by the reporting institution for any covered non-U.S. entity; and

6. other claims on any covered non-U.S. entity, such as those resulting from clearing activities, foreign exchanges transactions, bankers acceptance transactions, and other activities.

Nonmember banks should exclude loans to and balances due from their own non-U.S. branches which are reported in column 8 of the nonmember bank report of managed liabilities for special deposit requirements (FR 2412c).