

# FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-1  
January 4, 1982

## REGULATION O

Forms FFIEC 003 and 004

TO THE CHIEF EXECUTIVE OFFICER  
OF ALL MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

On November 21, 1979, the Federal Reserve Board published amendments to its Regulation O to implement the reporting requirements of Titles VIII and IX of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA). Titles VIII and IX and Regulation O require two separate kinds of reports: (1) an annual report to be submitted by executive officers and principal shareholders of member banks to the boards of directors of their banks with respect to indebtedness of the executive officers and principal shareholders and their related interests to the member bank's correspondent banks; and (2) a report to be submitted by each member bank to its primary federal bank supervisor concerning the principal shareholders of the reporting bank and the indebtedness of its executive officers and principal shareholders and their related interests to the reporting bank itself and to its correspondent banks.

Two forms are enclosed for your use and the use of your executive officers and principal shareholders. The forms are being provided to national banks at the request of the Comptroller of the Currency. Both of the forms have been approved by the Federal Financial Institutions Examination Council (FFIEC) for use by all federally insured banks and by their executive officers and principal shareholders. Thus, all insured banks will be using uniform report forms in complying with the reporting requirements of Titles VIII and IX of FIRA.

Member banks are required under Regulation O to file a Form FFIEC 003 with the appropriate Federal Reserve Bank, in the case of state member banks, or the Regional Administrator, in the case of national banks. The report must be filed by March 31 of each year and covers the previous calendar year. The time period covered by the 1982 report is January 1 to December 31, 1981. Some of the information required to be filed on Form FFIEC 003 will be taken from the FFIEC 004 (or similar form) forms submitted to the member banks by their executive officers and principal shareholders.

Form FFIEC 004 is provided to assist executive officers and principal shareholders of member banks in meeting their reporting requirements under Title VIII of FIRA. Your bank should make copies of the form available to your executive officers and principal shareholders. The executive officers and principal shareholders can, if they wish, provide the required information on other forms.

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Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

Executive officers and principal shareholders subject to the reporting requirements of Title VIII and FIRA must file annual reports concerning their indebtedness, and the indebtedness of their related interests, to the correspondent banks of the member bank. These reports are filed with the member bank's board of directors by January 31 of each year. The 1982 report covers the period January 1 to December 31, 1981.

Each member bank should notify its executive officers and principal shareholders of the reporting requirements of Title VIII and FIRA. The persons notified should include any person who was an executive officer or principal shareholder of the member bank during the period January 1 to December 31, 1981, since all of these persons are subject to reporting requirements if they were indebted to a correspondent bank of the member bank during this period. Each member bank is also required to make available to its executive officers and principal shareholders a list of the member bank's correspondent banks. A correspondent bank is defined as a bank that maintains one or more correspondent accounts for a member bank during the calendar year that in the aggregate exceed certain amounts specified in the regulation.

Form FFIEC 004, or similar form, that is filed by executive officers and principal shareholders, must be kept on file at the member bank for a period of three years. These reports are not required to be made available to the public; however, the reports will be reviewed by examiners during the course of the examination of the member bank. The reports filed by executive officers and principal shareholders are not required to be filed with the Reserve Bank or Regional Administrator.

Form FFIEC 003, which is filed by the member bank with the Reserve Bank or the Regional Administrator, is subject to public disclosure. Both the member bank and the primary federal bank supervisor are required to have a copy of the report available to the public upon request.

Comments that you might have with respect to the use of the enclosed forms will be appreciated.

Questions regarding the forms or the regulation should be directed to U. Anderson, Ext. 6275 or Marvin McCoy, Ext. 6657 of our Bank Supervision and Regulations Department.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Ext. 6289.

Sincerely yours,



William H. Wallace  
First Vice President

Enclosures



**Report on Ownership of the Reporting Bank and on  
 Indebtedness of its Executive Officers and  
 Principal Shareholders to the Reporting Bank and to its  
 Correspondent Banks**

Name of Reporting Bank \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

For the Calendar Year Ending December 31, 19 \_\_\_\_\_

Use additional page(s) if any of the lists contains more than ten names

Part I Principal Shareholders of Reporting Bank on December 31 of the Calendar Year	Part II List of Each Executive Officer and Each Principal Shareholder of the Reporting Bank During the Year who was, or Whose Related Interests were, Indebted to the Reporting Bank at any time During the Calendar Year	Part III List of Each Executive Officer and Each Principal Shareholder of the Reporting Bank that Filed with the Board of Directors of the Reporting Bank a Report on Indebtedness to Correspondent Banks
Name	Name	Name
1.	1.	1.
2.	2.	2.
3.	3.	3.
4.	4.	4.
5.	5.	5.
6.	6.	6.
7.	7.	7.
8.	8.	8.
9.	9.	9.
10.	10.	10.
	AGGREGATE AMOUNT OF INDEBTEDNESS: The sum of the highest amount of indebtedness outstanding to the reporting bank during the calendar year of each of the above-listed officers and shareholders and of each of their related interests.  (In thousands of dollars) \$ _____	AGGREGATE AMOUNT OF INDEBTEDNESS: The sum of the maximum amount of indebtedness outstanding during the calendar year to correspondent banks as reported for each of the above-listed officers and shareholders and for each of their related interests.  (In thousands of dollars) \$ _____

I, \_\_\_\_\_  
 Name and title of officer responsible for report

of the above-named bank do hereby declare that this report has been prepared in conformance with the instructions issued and is true to the best of my knowledge.

\_\_\_\_\_  
 Signature of officer responsible for report

\_\_\_\_\_  
 Date Signed

## General Instructions

### REPORTING REQUIREMENTS

#### Banks Required to File Reports

Every national bank, State member bank and insured State nonmember bank is required to file this report.

#### Where Reports are to be Sent

National Banks: To the Regional Administrator of the Region in which the reporting bank is located.

State Member Banks: To the Federal Reserve Bank of the District in which the member bank is located.

State Nonmember Banks: To the Regional Director of the Federal Deposit Insurance Corporation of the Region in which the reporting bank is located.

#### When Reports are to be Filed

The report for each calendar year must be filed with the appropriate banking agency by March 31 of the next year.

#### Availability of Reports

Copies of this report must be retained by the reporting bank and are required by law to be made available by the bank to the public upon request. The banking agencies are also required by law to make these reports available to the public upon request.

### DEFINITIONS

The following definitions are intended to provide general guidance in completing this report. For precise definitions, see the Federal Reserve Board's Regulation O (12 C.F.R. Part 215) or section 304.4 and Part 349 of the Federal Deposit Insurance Corporation's Rules and Regulations (12 C.F.R. 304.4 and Part 349).

#### Part I

Principal shareholders of reporting bank on December 31

Part I consists of a list by name of each individual, corporation, partnership, trust or other entity that was a principal shareholder of the

reporting bank on December 31 of the calendar year for which this report is filed. "Principal shareholder" means any person (other than an insured or foreign bank) that, directly or indirectly, owns, controls, or has the power to vote more than 10 per cent of any class of voting securities of the reporting bank.

The term "principal shareholder" includes a person that controls a principal shareholder (e.g., a person that controls a bank holding company). "Control" is defined in section 215.2(b) of Regulation O generally to be ownership or control of 25 per cent or more of a company's outstanding voting shares. However, the regulation presumes control in some cases where less than 25 per cent ownership or control exists.

For the purposes of determining who is a principal shareholder, shares owned or controlled by a member of an individual's immediate family are presumed to be controlled by the individual. "Immediate family" means the spouse of an individual, the individual's minor children, and any other of the individual's children (including adults) residing in the individual's home. For Parts I and II, only one individual in the immediate family needs to be listed provided that individual's name is used consistently in completing Parts I and II.

The list of principal shareholders should include the actual owner rather than the stockholder of record, where these differ.

#### Part II

List of each executive officer and each principal shareholder of the reporting bank during the year who was, or whose related interests were, indebted to the reporting bank at any time during the calendar year.

Part II consists of a list by name of each person who at any time during the calendar year was an executive officer or principal shareholder of the reporting bank and who was, or whose related interests were, indebted to the reporting bank at any time during the calendar year. Part II also requires the bank to report the aggregate amount of the highest amounts of indebtedness outstanding to the reporting bank by these persons and their related interests. In calculating the aggregate amount of indebtedness for Part II, the reporting bank shall (1) determine *separately* for each of its executive officers and principal shareholders and *separately* for each of their related interests, the highest amount of reportable indebtedness outstanding to the reporting bank during the calendar year; and (2) calculate and report the total of all of these separate highest amounts. In this determination of the separate highest amounts of indebtedness outstanding during the calendar year, the reporting bank may, at its

option, use either the indebtedness outstanding daily or the indebtedness outstanding at month-ends. The option chosen must be used consistently for all listed persons. In determining the highest amount of indebtedness outstanding of each principal shareholder, indebtedness of any member of the shareholder's immediate family is to be treated as indebtedness of the shareholder.

The term "executive officer" is defined in section 215.2(d) of the Board's Regulation O and means generally a person who participates or has authority to participate (other than in the capacity of a director) in major policymaking functions of the bank. Certain categories of bank officers, such as vice presidents, are considered executive officers unless they are excluded by resolution of the board of directors of the bank or by its bylaws from participation in major policymaking functions of the bank and do not participate therein.

"Related interest" means any company (except an insured or foreign bank) that is controlled by an individual or company, and any campaign or political committee, the funds or services of which will benefit a person or that is controlled by the person. The term "control" is defined in section 215.2(b) of Regulation O and, as discussed above, is generally ownership or control of 25 per cent or more of a company's voting shares.

The indebtedness that is reportable in the entry for aggregate amount of indebtedness in Part II includes all types of credit except the exclusions stated in section 215.3 of Regulation O.

#### Part III

List of each executive officer and each principal shareholder of the reporting bank that filed with the board of directors of the reporting bank a report on indebtedness to correspondent banks.

Under section 215.22 of Regulation O and section 349.3 of the Corporation's Rules and Regulations, each executive officer or principal shareholder of an insured bank who was indebted, or whose related interest was indebted, during a calendar year to a correspondent bank of such insured bank must, by January 31 of the next year, make a written report to the board of directors of such insured bank regarding that indebtedness. Part III of the form consists of (1) a list by name of each of the executive officers and principal shareholders of the reporting bank who submitted, by January 31 of the year in which this report is submitted, a report on such indebtedness to correspondent banks for the previous calendar year; and (2) the sum of the maximum amounts of indebtedness of these executive officers and principal shareholders and their related interests as reported in their submissions to the board of directors of the reporting bank.

**Report on Indebtedness of Executive Officers and  
 Principal Shareholders and their Related Interests  
 to Correspondent Banks**

For the Calendar Year Ending December 31, 19\_\_\_\_

\_\_\_\_\_  
 Name of Executive Officer or Principal Shareholder Submitting Report

\_\_\_\_\_  
 Name of Bank to which Report is Submitted

\_\_\_\_\_  
 City

\_\_\_\_\_  
 State

Form FFIEC 004



Approved by the Federal Financial Institutions  
 Examination Council - November 15, 1979

OMB No. 7100-0034 (FRB)  
 1557 0070 (OCC)  
 3064-0023 (FDIC)

Approval Expires September 1982

To be submitted by executive officers and principal shareholders of insured banks to the boards of directors of their banks in satisfaction of the reporting requirements of the Federal Reserve Board's Regulation O (12 C.F.R. Part 215) and Part 349 of the Federal Deposit Insurance Corporation's Rules and Regulations (12 C.F.R. Part 349) with respect to indebtedness to correspondent banks.

Status of Reporting Person:  <input type="checkbox"/> Executive Officer  <input type="checkbox"/> Principal Shareholder	A. Maximum amount of indebtedness outstanding during the calendar year:  (In thousands of dollars) \$ _____	D. Terms and Conditions of each extension of credit included as indebtedness in the amount reported in Box A (see Instruction 3). Use additional pages if indebtedness consists of more than three loans and/or more space is needed to report terms and conditions:  Loan 1:   Loan 2:   Loan 3:
If the report is submitted for indebtedness of a related interest, name and address of related interest for which the report is submitted:	B. Method used to determine maximum amount of indebtedness outstanding (check one):  <input type="checkbox"/> i. highest outstanding indebtedness during the calendar year  <input type="checkbox"/> ii. highest end of the month indebtedness outstanding during the calendar year	
Name and address of the correspondent bank to which the executive officer, principal shareholder, or related interest is indebted:	C. Amount of indebtedness outstanding 10 business days prior to the date of filing this Report:        (In thousands of dollars) \$ _____	

I hereby certify that information given above is complete, correct, true to the best of my knowledge.

\_\_\_\_\_  
 Signature of official responsible for report

\_\_\_\_\_  
 Date Signed

## General Instructions

### 1. Persons Required to File Report

A Report on Indebtedness to Correspondent Banks (Form FFIEC 004), or a similar form containing identical information, must be completed by each executive officer and each principal shareholder of an insured bank who was indebted, or whose related interests were indebted, during the calendar year for which the report is being submitted to a correspondent bank of their bank. All insured banks are required by law to make available to their executive officers and principal shareholders a list of the bank's correspondent banks. "Correspondent bank" means generally a bank that maintains a correspondent account in excess of a certain amount for the officer's or shareholder's bank.

The executive officer or principal shareholder must file a separate report concerning the indebtedness of the officer or shareholder to each correspondent bank and a separate report concerning the indebtedness of each of the related interests of the officer or shareholder to each correspondent bank. For example, if an executive officer is indebted to two correspondent banks, the officer must file two reports, one for each correspondent bank. If the executive officer has two related interests that were also both indebted to two correspondent banks, the officer would file six reports, two for the officer's own indebtedness and four for the indebtedness of the officer's related interests. If the executive officer is not indebted to a correspondent bank, but a related interest of the officer is indebted to a correspondent bank, the executive officer must file a report concerning the indebtedness of the officer's related interest to the correspondent bank.

### 2. Where and When Reports are to be Filed

The executive officer or principal shareholder must submit the report on indebtedness to correspondent banks to the board of directors of the reporting person's bank for each calendar year by January 31 of the next year.

### 3. What Must be Reported

The reporting person must include in each report on indebtedness to each correspondent bank: (a) the maximum amount of indebtedness outstanding during the calendar year, and (b) the terms and conditions of each extension of credit included in the maximum amount reported. The terms and conditions to be reported are: (1) the original amount and date; (2) the maturity date; (3) the payment terms; (4) the range of interest rates charged during the calendar year; (5) whether secured or unsecured; (6) if secured, a description of collateral and its value; and (7) any unusual terms or conditions.

In determining the maximum amount of indebtedness of a principal shareholder, the indebtedness of a member of the shareholder's immediate family is to be treated as indebtedness of the principal shareholder. Each maximum amount of indebtedness reported may include several separate extensions of credit. The reporting person must report separately the terms and conditions of each of these extensions of credit.

Each report on indebtedness to each correspondent bank must also include the amount of indebtedness outstanding to the correspondent bank 10 business days before the date the report on indebtedness is filed. If the information on the amount of indebtedness outstanding to a correspondent bank 10 business days before the filing of the report is not available or cannot be readily ascertained by the filing date, an estimate of the amount of such indebtedness may be filed, provided that the actual amount of such indebtedness is submitted to the bank's board of directors within the next 30 days.

### 4. Definitions

The following definitions are intended to provide general guidance in completing this report. For precise definitions, see the Federal Reserve Board's Regulation O (12 CFR Part 215) and Part 349 of the FDIC's Rules and Regulations (12 CFR Part 349).

- a. "Executive officer" is defined in section 215.2 of Regulation O and means generally an individual who participates or who has authority to participate (other than in the capacity of a director) in major policymaking functions of the bank. Certain categories of bank officers (*e.g.*, vice presidents) are presumed in Regulation O to be executive officers unless they are excluded by resolution of the board of directors of the bank or by its bylaws from participation in major policymaking functions of the bank and do not participate therein.
- b. "Principal Shareholder" means any individual or company (other than an insured bank or a foreign bank) that, directly or indirectly, owns, controls, or has the power to vote more than 10 per cent of any class of voting securities of the bank. The term includes a person that controls a principal shareholder (*e.g.*, a person that controls a bank holding company).

For the purpose of determining who is a principal shareholder, shares owned or controlled by a member of the individual's immediate family are presumed to be controlled by the individual.

"Immediate family" means the spouse of an individual, the individual's minor children, and any of the individual's children (including adults) residing in the individual's home. For reporting purposes, only one individual in the immediate family must file reports, if that individual's reports include the information on indebtedness of the individual's immediate family.

- c. Control of a company is defined in section 215.2(b) of Regulation O as generally ownership or control of 25 per cent or more of a company's outstanding voting shares. However, the regulation presumes control in some cases where less than 25 per cent ownership or control exists.
- d. "Related interest" means any company controlled by a person and any political or campaign committee, the funds or services of which will benefit a person or that is controlled by a person. However, a related interest does not include a bank or a foreign bank.
- e. "Indebtedness" includes any extension of credit (as defined in section 215.3 of Regulation O), but does *not* include:
  - i. commercial paper, bonds and debentures issued in the ordinary course of business; and
  - ii. consumer credit (as defined in section 226.2(p) of Regulation Z) in an aggregate amount of \$5,000, or less, from each correspondent bank, provided the credit is incurred under terms that are not more favorable than those offered the general public.
- f. "Maximum amount of indebtedness" means, at the option of the reporting person, either (i) the highest outstanding indebtedness during the calendar year for which the report is made, or (ii) the highest end of the month indebtedness outstanding during the calendar year for which the report is made. The method chosen should be consistently used for all indebtedness to the same correspondent bank. The reporting person must indicate on the report whether the maximum amount was determined as of the end of the month or on a daily basis.
- g. "Correspondent bank," "company," and other terms pertinent to this report are defined in the Board's Regulation O, 12 CFR Part 215 (1979) and Part 349 of the Federal Deposit Insurance Corporation's Rules and Regulations, 12 CFR Part 349.