

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7765]
December 5, 1975

POSTPONEMENT OF EFFECTIVE DATE FOR IMPLEMENTING PROPOSED CHANGES
IN REPORTS OF CONDITION AND INCOME

*To the Chief Executive Officer
of the State Member Bank Addressed, and Others Concerned:*

Our Circular No. 7725, sent to you on October 8, 1975, announced proposed changes in the Report of Condition and Report of Income; these revisions were scheduled to be implemented on December 31, 1975. The Board of Governors of the Federal Reserve System, together with the Comptroller of the Currency and the Federal Deposit Insurance Corporation, have now postponed, to March 31, 1976, the effective date for implementing the proposal. In this regard, the Board of Governors issued the following statement on December 3:

The Board of Governors of the Federal Reserve System, together with the other Federal bank regulatory agencies, today postponed the effective date for implementing proposed revised condition and income reports required of banks under their supervision.

The proposed revisions were published for comment on October 1, at which time the date of implementation was December 31, 1975.

The Federal Reserve Board, the Federal Deposit Insurance Corporation and the Comptroller of the Currency have agreed to defer the initial filing of the revised reports to March 31, 1976. The FDIC and the Comptroller are issuing similar announcements.

As a consequence of the postponement, the year-end 1975 report of condition and the 1975 income statement for State member banks will be in the current formats. The schedule of the maturity distribution of investment security holdings (Schedule B), which has been reported in recent years only for June 30, will also be required for the 1975 year-end statement. The postponement of the proposed revisions was made in light of extensive and constructive comments received from banks. It affects both the universal condition and income statements to be filed by all banks and proposed large bank supplements to these reports. The deferment was adopted to give banks more time to prepare for the new reporting requirements and to give regulatory agencies additional time to take account of comment received.

The postponements will not change the main thrust of the proposals, but the final versions of the reports, particularly of the large bank supplements, are expected to contain modifications to the original proposals. The agencies will announce the contents of the final version of the universal reports of condition and income in mid-December and will issue detailed forms, instructions, and definitions for them early in January.

In the preparation of the final form of the large bank supplements, the agencies are giving careful study to comment received and will also meet with a panel of bankers that the Bank Administration Institute will be asked to designate. A revised version of the large bank supplements and detailed instructions for them will be issued as soon in 1976 as possible.

Any questions regarding this matter may be directed to our Banking Studies Department (Telephone No. 212-791-5854). Additional copies of this circular will be furnished on request.

PAUL A. VOLCKER,
President.