REGULATION D

Proposal To Reduce Deposit Reporting by Small Institutions

To All Depository Institutions in the Second Federal Reserve District, and Others Concerned:

The following statement was issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board has issued for comment a proposal to reduce the deposit reporting burden for small institutions. Comment was requested by April 8, 1983.

The Board took this action in view of the provisions of the Garn-St Germain Act that directs the Board to reduce the administrative burden associated with deposit reporting at commercial banks and thrift institutions with $2.1 million or less in total reservable liabilities. Under the legislation, the Board is to take into account its responsibility for insuring compliance with the reserve requirement provisions of Regulation D and for collecting data necessary for monitoring and controlling the monetary and credit aggregates.

Currently, small depository institutions either are deferred from reporting requirements or are required to file a report of at least 22 items either weekly or quarterly. The Board’s proposal would amend Regulation D requiring such institutions to submit either a six-item report each calendar quarter, a two-item report once each year, or no report at all, depending upon their deposit levels.

The Board’s proposal provides a very substantial reduction in reporting burden for depository institutions while minimizing any deterioration in the quality of the aggregates.

Printed on the following pages is the text of the Board’s proposal, which has been reprinted from the Federal Register of March 14, 1983. Comments thereon should be submitted by April 8, 1983, and may be sent to our Legal Department.

Questions regarding reporting requirements under Regulation D may be directed to the following:

Richard J. Gelson, Vice President (Tel. No. 212-791-8225), Nancy Bercovici, Manager, Statistics Department (Tel. No. 212-791-8227), or Paula B. Schwartzberg, Chief, Deposit Reports Division (Tel. No. 212-791-8590).

ANTHONY M. SOLOMON,
President.
The Board is proposing to amend Regulation D—Reserve Requirements of Depository Institutions (12 CFR Part 204) to reduce substantially the amount of reporting required from most depository institutions that have total reservable liabilities of $2.1 million or less, as required by section 411 of the Garn-St Germain Depository Institutions Act of 1982. Under the proposal such institutions generally would be required to submit either a six item report each calendar quarter, a two item report once each year, or no report at all, depending upon their total deposit levels. Current rules require that institutions with total deposits of $2 million or less submit either a six item report each calendar quarter, a two item report once each year, or no report at all, depending upon their total deposit levels. Currently, these institutions that have not previously been deferred from reporting requirements submit a report of at least 22 items either weekly or quarterly.

**DATES:** Comments must be received by April 8, 1983.

**ADDRESS:** Interested parties are invited to submit written data, views, or arguments concerning the proposal to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551, or such comments may be delivered to room B-2223 between 8:45 a.m. and 5:15 p.m. Comments may be inspected in room B-1222 between 8:45 a.m. and 5:15 p.m., except as provided in section 261.6(a) of the Board’s Rules Regarding Availability of Information (12 CFR 261.6(a)).

**FOR FURTHER INFORMATION CONTACT:** Gilbert T. Schwartz, Associate General Counsel (202/452-3625), Paul S. Pilecki, Senior Attorney (202/452-3281), or Robert G. Ballen, Attorney (202/452-3265), Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** Section 102 of the Monetary Control Act (Title I of Pub. L. 96–221) ("MCA") authorizes the Board to require reports from any depository institution as the Board may deem necessary or desirable to discharge its responsibility to monitor and control monetary and credit aggregates. In this regard, the Board is permitted to classify depository institutions and impose different reporting requirements on each class (section 11(a) of the Federal Reserve Act, 12 U.S.C. 246(a)).

Section 411 of the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97–320), which was approved on October 15, 1982, provides that a reserve requirement of zero percent shall apply to reservable liabilities of $2 million or less for each depository institution. The Act also requires that, consistent with the Board’s responsibility to monitor and control monetary and credit aggregates, depository institutions with reservable liabilities of $2 million or less are to be subject to less overall reporting requirements than depository institutions that have total reservable liabilities greater than $2 million. The Board is also to minimize the reporting necessary to determine whether depository institutions have total reservable liabilities of $2 million or less. This $2 million figure is to be adjusted each year for the next succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease in total reservable liabilities of all depository institutions (12 U.S.C. 461(b)(11)). The Board has adjusted this $2 million figure to $2.1 million for 1983 in accordance with the Act.

Therefore, the Board is proposing to reduce substantially the reporting required from most depository institutions that have total reservable liabilities of $2.1 million or less. Under current Regulation D, depository institutions that have not been deferred from reserve and reporting requirements submit a 22 item report (Report of Transaction Accounts, Other Deposits and Vault Cash—FR 2900) and a supplement to that report (FR 2900s) for each day and period computation. First, depository institutions with more than $2.1 million in total deposits will be required to submit a six item report FR 2900q annually. These institutions are to file this report as of a single day in June that corresponds to the last day of the calendar month. Second, institutions with total reservable liabilities and $2 million or more but less than $15 million in total deposits will be required to submit either a six item report FR 2900q quarterly. Third, institutions with $2.1 million or less in total reservable liabilities and $15 million or more in total deposits will be required to submit a six item report FR 2900q quarterly. All institutions that are required to report quarterly (either form FR 2900 or 2900q) shall file this report once each June, September, December, and March for the seven day computation period that begins on the third Thursday of the given month. Fourth, institutions with total deposits of $2.1 million or less in total reservable liabilities and $2 million or more but less than $15 million in total deposits will be required to submit a two item report FR 2910q annually. These institutions are to file this report as of a single day in June that corresponds to the last day of the calendar month. Fifth, institutions with less than $2 million in total deposits will not be required to submit any report if their total deposits or estimates thereof can be derived by the Federal Reserve from existing available sources of data such as Reports of Condition filed with a federal supervisory agency or reports filed with state regulators. Once a year (including 1983), a depository institution may elect to report—as of the relevant reporting date in September—in accordance with any category requiring a more comprehensive form or the same form filed on a more frequent basis than required of the category in which the institution would otherwise be placed. Institutions with total deposits of $2.1 million or less in total reservable liabilities that are not noted below, will be required to submit either a six item report quarterly, a two item report annually, or no report at all, depending upon their total deposit levels.

**Proposed reporting categories.** Under the proposal, the following five categories of reporting will be instituted: First, depository institutions with more than $2.1 million in total reservable liabilities and $15 million or more in total deposits will be required to report the FR 2900 weekly as under current procedures. Second, institutions with more than $2.1 million in total reservable liabilities and less than $15 million in total deposits will be required to report form FR 2900 quarterly. Third, institutions with $2.1 million or less in total reservable liabilities and $15 million or more in total deposits will be required to submit a six item report FR 2910q quarterly. All institutions that are required to report quarterly (either form FR 2900 or 2910q) shall file this report once each June, September, December, and March for the seven day computation period that begins on the third Thursday of the given month. Fourth, institutions with total deposits of $2.1 million or less in total reservable liabilities and $2 million or more but less than $15 million in total deposits will be required to submit a two item report FR 2910q annually. These institutions are to file this report as of a single day in June that corresponds to the last day of the calendar month. Fifth, institutions with less than $2 million in total deposits will not be required to submit any report if their total deposits or estimates thereof can be derived by the Federal Reserve from existing available sources of data such as Reports of Condition filed with a federal supervisory agency or reports filed with state regulators. Once a year (including 1983), a depository institution may elect to report—as of the relevant reporting date in September—in accordance with any category requiring a more comprehensive form or the same form filed on a more frequent basis than required of the category in which the institution would otherwise be placed.
# QUARTERLY REPORT OF SELECTED DEPOSITS, VAULT CASH, AND RESERVABLE LIABILITIES

For the week ended ________________, 19__

This report is required by law [12 U.S.C. §248(a) and §461].

The Federal Reserve System regards the information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

**PLEASE READ INSTRUCTIONS PRIOR TO COMPLETION OF THIS REPORT**

Report all balances as of the close of business each day to the nearest thousand dollars.

<table>
<thead>
<tr>
<th>SELECTED DEPOSITS</th>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
<th>Column 5</th>
<th>Column 6</th>
<th>Column 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transaction Accounts............</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Total Other Savings Deposits....</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Total Time Deposits.............</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. All Time Deposits in Denomi­nations of $100,000 or More (included in Item 3).........</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Vault Cash........................</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**6. TOTAL RESERVABLE LIABILITIES**

---

Name of Reporting Institution

Address

Please return by no later than

To:

I certify that the information shown on this report is correct

Authorized Signature

Title

Person to be Contacted Concerning this Report (please print)

Area Code and Telephone Number
required to file FR 2900 will not be required to report Eurocurrency liabilities (form FR 2950). However, all institutions required to file FR 2900 will continue to report Eurocurrency liabilities as under current procedures.

**Initial determination of applicable category.** Under the proposal, Reserve Banks will determine that initial placement of institutions in the appropriate categories and inform the institutions. The determinations will be made as follows: For an institution currently filing the FR 2900 weekly, if the institution’s total reservable liabilities are more than $2.1 million for any one of the last 13 reserve computation periods of 1982, that institution will continue to submit the FR 2900, either weekly or quarterly depending on the largest report of total deposits during these same 13 weeks. If an institution’s total reservable liabilities are $2.1 million or less for each of these 13 weeks, the applicable reporting category (FR 2910q, FR 2910a, or no report at all) will be determined based upon the institution’s largest report of total deposits during these same 13 computation periods. For an institution currently filing the FR 2900 quarterly, if the institution’s total reservable liabilities are more than $2.1 million on either of the last two reports filed in 1982, then the institution must continue to submit the FR 2900. For purposes of determining quarterly or weekly FR 2900 reporting for an institution currently filing the FR 2900 quarterly, total deposits are based on the largest of the institution’s last two deposit reports of 1982. If the institution’s total reservable liabilities are $2.1 million or less for each of these two reports, the applicable reporting category also will be determined based upon the institution’s largest report of total deposits for the last two deposit reports of 1982.

For depository institutions that currently do not file the FR 2900 weekly or quarterly, the applicable category will be determined from information derived from Reports of Condition submitted to federal supervisory agencies. If no such reports are available, this information will be derived from other sources such as reports filed with state regulators. If the requisite information cannot be derived from any such sources, then the institution will be expected to submit in June 1983 the FR 2910a or FR 2910q as appropriate. The appropriate category for the institution will then be determined from the submitted form.

Institutions with $2.1 million or less in reservable liabilities that currently submit the FR 2900 weekly or quarterly will continue to report under current procedures through the week ending April 27, 1983, at which time they will cease reporting under current procedures and begin reporting under the new procedures as of the appropriate reporting date for the institution’s category in June 1983 as described above.

**Ongoing category adjustment.** Under the proposal, Reserve Banks will determine the placement of institutions in the appropriate category and inform the institutions. Movement to another category on an ongoing basis, beginning in 1984, will be determined as follows: An institution reporting the FR 2900 weekly will move to another category if on the 13 reports ending the last full reporting week of June of a given year the institution qualified for a different category under criteria described above for initial determinations. This institution will continue to submit the FR 2900 on a weekly basis until the reporting period that begins on the third Tuesday in September of that year. An institution reporting the FR 2900 quarterly or the FR 2910q will move to another category if on the two reports submitted as of March and June of a given year the institution qualified for a different category under the criteria described above for initial determinations. An institution reporting the FR 2910a will move to another category if on the June report of a given year the institution qualified for a different category. Institutions not reporting previously may be asked to submit the FR 2910a for the first time as of that June in order to determine their appropriate reporting category.

An institution that is reclassified into the category requiring the FR 2900 on a weekly basis will submit the FR 2900 weekly starting with the weekly reporting period that begins on the third Tuesday in September. An institution that is reclassified into a category requiring quarterly reports—either the FR 2900 on a quarterly basis or the FR 2910q—will submit the appropriate quarterly report starting with the September reporting date. An institution that is reclassified (on the basis of information through June) into the category requiring the FR 2910a annual report will submit the FR 2910a as of June of the following year.

**Institutions not subject to the proposal.** The Board proposes that the reporting procedures described above not apply to Edge Act and Agreement Corporations and U.S. branches and agencies of foreign banks. These institutions would continue to report weekly as under current procedures.
draft forms FR 2910q and FR 2910a. Commenters are urged to submit their comments as soon as possible so that the Board is able to implement reductions in reporting requirements in as timely a manner as possible.

The impact of this proposal on small entities has been considered in accordance with section 603 of the Regulatory Flexibility Act (Pub. L. 96-354; 5 U.S.C. 303). As described above, the proposal will reduce significantly the recordkeeping and reporting requirements imposed upon small depository institutions. The Board estimates that the proposal reduces the net reporting burden of depository institutions by approximately 600,000 hours.

List of Subjects in 12 CFR Part 204

Banking, banking. Currency, Penalties, Reporting requirements.

PART 204—[AMENDED]

Pursuant to its authority under sections 11a, 19, 25, and 25(a) of the Federal Reserve Act (12 U.S.C. 248(a), 461, 601 et seq., 611 et seq.) and under section 7 of the International Banking Act of 1978 (12 U.S.C. 3105), the Board proposes to amend § 204.3 of Regulation D (12 CFR Part 204) as follows:

1. By amending § 204.3(c) by removing the heading "Computation of required reserves. ", and inserting in its place, "Computation of required reserves for institutions that report on a weekly basis.", and by revising the introductory text of paragraph (a) and revising paragraph (d) as set forth below.

§ 204.3 Computation and maintenance.

(a) Maintenance of required reserves. A depository institution, a U.S. branch or agency of a foreign bank, and an Edge or Agreement Corporation shall maintain reserves against its deposits and Eurocurrency liabilities in accordance with the procedures prescribed in this section and § 204.4 and the ratios prescribed in § 204.9. Penalties shall be assessed for deficiencies in required reserves in accordance with the provisions of § 204.7. Every depository institution, U.S. branch or agency of a foreign bank, and Edge or Agreement Corporation shall file reports of deposits in accordance with the instructions of the Board. For purpose of this part, the obligations of a majority owned (50 percent or more) U.S. subsidiary (except an Edge or Agreement Corporation) of a depository institution shall be regarded as obligations of the parent depository institution.

(d) Computation of required reserves for institutions that report on a quarterly basis. Required reserves are computed on the basis of the depository institution's daily average deposit balances during a seven-day computation period that begins on the third Tuesday of June, September, December, and March. In determining the reserve balance that a depository institution is required to maintain with the Federal Reserve, the daily average vault cash held during the computation period is deducted from the amount of the institution's required reserves. The reserve balance that is required to be maintained with the Federal Reserve shall be maintained during a corresponding period that begins on the fourth Thursday following the end of the institution's computation period and ends on the fourth Wednesday after the close of the institution's next computation period. Such reserve balance shall be maintained in the amount required on a daily average basis during each week of the quarterly reserve maintenance period.

2. In addition, the Board also proposes to amend 204.3(c), published at 47 FR 44707, October 12, 1982, to become effective February 4, 1984, by removing the heading "Computation of required reserves. ", and inserting in its place, "Computation of required reserves for institutions that report on a weekly basis."; and by revising § 204.3(d), also published at 47 FR 44707, to become effective February 2, 1984, as set forth below:
ANNUAL REPORT OF TOTAL DEPOSITS AND TOTAL RESERVABLE LIABILITIES
For Wednesday, June ___, 1983

This report is required by law [12 U.S.C. §248(a) and §461]. The Federal Reserve System regards the information provided by each respondent as confidential. If it should be determined subsequently that any information collected on this form must be released, respondents will be notified.

<table>
<thead>
<tr>
<th>Amount Outstanding (in thousands of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mil.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

1. Total Deposits
   (If the amount reported in this item is less than $2.0 million, item 2 need not be completed)

2. Total Reservable Liabilities
   If the amount reported in Item 1 is greater than $15 million and the amount reported in Item 2 is $1.1 million or less, please complete the attached form FR 2910q and submit that report to the Reserve Bank indicated. Otherwise please sign below and return this form (FR 2910a) to the Reserve Bank indicated.

Name of Institution ________________________________
Signature, title ________________________________
Address ________________________________
Person to be contacted concerning this report ________________________________

(Area code) Telephone Number and Ext.