

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N.Y. 10045

AREA CODE 212 720-6375

CHESTER B. FELDBERG
EXECUTIVE VICE PRESIDENT

H. Cir. No. 10500

December 13, 1991

To the Chief Executive Officer of Each Member Bank
in the Second Federal Reserve District:

Since 1979 member banks have been subject to certain reporting and disclosure requirements set forth under the Board's Regulation O. These requirements were established in Titles VIII and IX of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA), as amended by the Garn-St. Germain Depository Institutions Act of 1982.

A copy of Form FFIEC 004 is enclosed to assist your bank and your bank's executive officers and principal shareholders in complying with the requirements set forth in Regulation O. Form FFIEC 004 has been approved by the Federal Financial Institutions Examination Council (FFIEC) for the use of executive officers and principal shareholders. Please duplicate the form in accordance with your needs. Executive officers and principal shareholders can provide, if they wish, the required information on other forms.

Executive officers and principal shareholders subject to the reporting requirements 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 to be filed with the member bank's board of directors by January 31 of each year. The 1992 report covers the period January 1 to December 31, 1991.

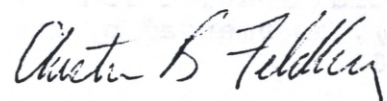
Each member bank should notify its executive officers and principal shareholders of the reporting requirements. The persons notified should include any person who was an executive officer or principal shareholder of the member bank during the period January 1 to December 31, 1991, since all such persons 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.

The FFIEC 004, or any similar form 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 an examination of the member bank. The reports filed by executive officers and principal shareholders are not required to be filed with this Reserve Bank or the Regional Administrator of National Banks.

Any questions your bank may have on the current forms should be directed to Stuart Desch, Senior Examiner, Domestic Banking Division (Tel. No. 212-720-5887). Questions regarding Regulation O should be directed to our Compliance Examinations Division (Tel. No. 212-720-5914).

Sincerely,



Chester B. Feldberg
Executive Vice President

Enclosure

Attn: Mr. 10500

Board of Governors of the Federal Reserve System
Office of the Comptroller of the Currency
Federal Deposit Insurance Corporation

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

For the Calendar Year Ending December 31, 19____

Form FFIEC 004

Approved by the Federal Financial Institutions Examination Council 11/15/79
OMB No. 7100-0034 (FRB) Expires 9/30/92
1557-0070 (OCC) Expires 9/30/92
3064-0023 (FDIC) Expires 9/30/92

Name of Executive Officer or Principal Shareholder Submitting Report

Name of Bank to which Report is Submitted

City State

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 ten business days prior to the date of filing this report: (In thousands of dollars) \$ _____ | |

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

Signature of official responsible for report

Date Signed

Disclosure of Estimated Burden

The estimated average burden associated with this information collection is .95 hours per respondent and is estimated to vary from .27 to 2 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503, and to one of the following:

- Secretary
Board of Governors of the Federal Reserve System
Washington, D.C. 20551
- Legislative and Regulatory Analysis Division
Office of the Comptroller of the Currency
Washington, D.C. 20219
- Assistant Executive Secretary

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 the extension of credit is secured or unsecured; (6) if secured, a description of the collateral; 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 ten business days before the date on which the report on indebtedness is filed. If the information on the amount of indebtedness outstanding to a correspondent bank ten 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 thirty 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 percent 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 percent or more of a company's outstanding voting shares; however, the regulation presumes control in some cases where less than 25 percent ownership or control exists.
- d. "Related interest" means (1) a company that is controlled by a person or (2) a political or campaign committee that is controlled by a person or the funds or services of which will benefit a person.
- 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. indebtedness 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 and Part 349 of the Federal Deposit Insurance Corporation's Rules and Regulations, 12 CFR Part 349.