

## Merritt, Shaquita

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**From:** Jeff Spaulding <Jspaulding@arrowbank.com>  
**Sent:** Thursday, July 24, 2014 11:35 AM  
**To:** Regs.Comments  
**Cc:** Terry Goodemote; Sandy Goyette; April L. VanDerwerken  
**Subject:** FFIEC 031 and 041  
**Attachments:** Schedule RC - R - Column J, Line 8.pdf; Schedule RC-R - Instructions Col J, Line 8.pdf

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Agency: OCC  
Subject: FFIEC 031 and 041

Comment for Revised Schedule RC-R:  
In the Draft Form, Column J, Line 8 is greyed-out, but the Draft Instructions include an amount for this item.

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**FFIEC 031 and FFIEC 041**

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<sup>4</sup> Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real

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**Part II. (cont.)****Item No.    Caption and Instructions**

- 8**  
(cont.)
- *In column C—0% risk weight, include:*
    - The carrying value of Federal Reserve Bank stock included in Schedule RC-F, item 4;
    - Accrued interest receivable on assets included in the zero percent risk weight category (column C of Schedule RC-R, Part II, items 1 through 7); and
    - The carrying value of gold bullion not held for trading that is held in the bank's own vault or in another bank's vault on an allocated basis, and exposures that arise from the settlement of cash transactions (such as equities, fixed income, spot foreign exchange, and spot commodities) with a central counterparty where there is no assumption of ongoing credit risk by the central counterparty after settlement of the trade and associated default fund contributions.
  - *In column G—20% risk weight, include:*
    - The carrying value of Federal Home Loan Bank stock included in Schedule RC-F, item 4;
    - Accrued interest receivable on assets included in the 20 percent risk weight category (column G of Schedule RC-R, Part II, items 1 through 7); and
    - The portion of customers' acceptance liability reported in Schedule RC, item 11, that has been participated to other depository institutions.
  - *In column H—50% risk weight, include accrued interest receivable on assets included in the 50 percent risk weight category (column H of Schedule RC-R, Part II, items 1 through 7).*
  - *In column I—100% risk weight, include:*
    - Accrued interest receivable on assets included in the 100 percent risk weight category (column I of Schedule RC-R, Part II, items 1 through 7);
    - Delivery-versus-payment (DvP) and payment-versus-payment (PvP) transactions in which the counterparty has not made delivery or payment within 5 to 15 business days after the contractual settlement date as described in §.38 of the regulatory capital rules; and
    - The amount of all other assets reported in column A that is not included in columns B through Q.
    - Also include the amounts of items that do not exceed the 10% and 15% common equity tier 1 capital deduction thresholds and are included in capital, as described in §.22 of the regulatory capital rules. These amounts pertain to three items:<sup>15</sup>
      - Significant investments in the capital of unconsolidated financial institutions in the form of common stock;
      - Mortgage servicing assets; and
      - DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances.
  - *In column J—150% risk weight, include accrued interest receivable on assets included in the 150 percent risk weight category (column J of Schedule RC-R, Part II, items 1 through 7).*
  - *In column M—400% risk weight, for equity securities (other than those issued by investment firms) that do not have readily determinable fair values reported in Schedule RC-F, item 4, include the historical cost of these equity securities (as reported in Schedule RC-F, item 4)*

<sup>15</sup> Note: These items will become subject to a 250 percent risk weight beginning in 2018.