Instructions for the Report of Financial Condition and Related Instructions

The line-item instructions are given schedule by schedule, beginning with the balance sheet, then

Schedule RC
Balance Sheet

Line-Item Instructions

Item No.	Caption and Instructions

Assets

1 **Cash.**
Each reporting institution must report in item 1 its total holdings of cash and balances due from depository institutions. These include:

(a) Cash items in process of collection, currency, and coin.

(1) Include all checks or drafts in process of collection that are drawn on a depository institution (or on a Federal Reserve bank) and that are payable immediately upon presentation in the United States. This includes both checks that have been forwarded for deposit, but for which the reporting institution has not been given credit and checks on hand (i.e., from undeposited receipts) that will be presented for payment or forwarded for collection on the following business day. (However, exclude those undeposited receipts received in late mails that will be included in the next day's business.)

Also include Government agency items that are payable immediately upon presentation and that are in process of collection and any other items in process of collection that are payable immediately upon presentation in the United States and that are customarily cleared or collected as cash items by depository institutions in the United States.

(2) Include all currency and coin (any foreign currency and coin that may be held should be converted into U.S. dollar equivalents as of the report date) owned and held in all offices of the reporting institution. In addition, include amounts held in petty cash accounts and change funds in both central and field offices. Also include currency and coin in transit to any depository institution for which the reporting institution has not yet received credit, and currency and coin in transit from any depository institution for which the reporting institution's account at the depository institution has already been charged.

Item No.	Caption and Instructions

(b) Holdings of interest-bearing and noninterest-bearing balances due from depository institutions in the United States and banks in foreign countries, whether in the form of demand, savings, or time balances. Though noninterest-bearing certificates of deposit and nonnegotiable interest-bearing certificates of deposit are to be included in this item, negotiable interest-bearing certificates of deposit are to be reported in Schedule RC-B, item 5(b).

(c) Balances of all types, and for all purposes, due from Federal Reserve banks (e.g., funds held at Federal Reserve banks for payment of interest on consolidated and System-wide bonds, purchase of securities, redemption of called consolidated and System-wide bonds, clearing and working balances, etc.) as shown on the books of the reporting institution.

2 **Securities.**
Report in item 2 the amount of securities from Schedule RC-B. (See instructions for Schedule RC-B.) In most instances, the amount reported in item 2 will agree with Schedule RC-B, column B, item 13, unless the institution is accounting for any portion of its securities on a "held-to-maturity" basis. Securities reported must be accounted for in accordance with Accounting Standards Codification (ASC) Topic 320, Investments-Debt and Equity Securities (formerly Statement of Financial Accounting Standards (SFAS) No. 115, *Accounting for Certain Investments in Debt and Equity Securities*).

3 **Accounts receivable.**
Report the amount of the reporting institution's accounts receivable in the form of amounts due on open accounts from other Farm Credit institutions and from others. Also include such receivables as:

(a) Amounts of accrued compensation and patronage receivable from Farm Credit institutions due to the reporting institution relating to participations in loans, notes receivable, and sales contracts.

(b) Amounts due from employees for reimbursable costs paid under employee retirement and group insurance plans, or for other amounts advanced for which the reporting institution is to be reimbursed.

(c) Amounts due from borrowing associations, non-borrowing associations, and district banks for the amount of investment required to be made in the reporting

Item No.	Caption and Instructions

institution's stock or participation certificates, in accordance with FCA regulations and guidelines, for which payment has not yet been received.

(d) Amounts due from bonding companies for losses and legal expenses that were covered by bond.

(e) Amounts due from courts and trustees in connection with foreclosed properties upon which the reporting institution had a lien and where the foreclosure sale was made to another.

All amounts of accounts receivable reported should be net of any amounts deemed uncollectible and charged off.

4 **Loans, notes, sales contracts, and leases.**

The amounts reported by the institution, as appropriate for its portfolio and in conformance to the applicable statutory and regulatory requirements, must reflect net principal amounts outstanding as of the close of business on the report date. This requires, among other things, that the reported amounts be net of:

(a) All payments on principal received as of the close of business on the report date, including advance payments that are intended for irrevocable application to the reduction of principal, and also such payments received but not yet applied to the loan accounts as of that time; and

(b) Undisbursed loan funds (deferred payment of loans), but include loan funds disbursed before the loan closing is recorded.

Unamortized loan fees should be deducted from loans in the amounts to be reported here, analogous to the treatment of discounted loans. The treatment of loan fees should be in accordance with ASC Subtopic 310-20, Nonrefundable Fees and Other Costs (formerly SFAS No. 91, *Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases*).

The amounts reported must reflect the cost of, or funds extended for, the loans, etc. In the case of loans acquired on a discount basis, the amount to be reported must be the cost adjusted by the addition of the cumulative accretion of discount through the report date. Such accretion of discount must be taken over the life of the instrument in accordance with Generally Accepted Accounting Principles (GAAP).

Item No.	Caption and Instructions
4(a)	**Accrual loans and leases.**

Loans of the reporting institution, in general, consist of extensions of credit, other than sales contracts and other contractual notes representing the financing of other property owned (which are treated below), resulting from either direct negotiations between the reporting institution and its customers, or the purchase of such assets from others through discounting, participations, or any other means. Similarly, loans should be reported net of such loan amounts sold, including sales of participations in these loans to other Farm Credit institutions and to any other financial institution.

Loans include the holdings by the reporting institution of its own acceptances (i.e., drafts accepted by the reporting institution) that were acquired through discount, purchase, or participation, but exclude the holdings of other institutions' acceptances (these are to be reported in Schedule RC-B, item 5(c)).

Loans consist of the unmatured principal balance of accrual loans made under the authority of the Act. The Act authorized System banks and associations to make loans to bona fide farmers, ranchers, producers or harvesters of aquatic products, rural residents, and persons furnishing services directly related to the on-farm operating needs of farmers and ranchers. The Act further authorizes Banks for Cooperatives to make loans to eligible cooperatives and to domestic or foreign parties that substantially benefit a cooperative which is a voting stockholder. Farm Credit banks are authorized to make loans, discount for, and extend other similar credit to System associations and other financing institutions making loans to farmers, ranchers, and producers or harvesters of aquatic products. Under the Act, Agricultural Credit Banks have the lending authorities of both the Banks for Cooperatives and Farm Credit banks. In addition, System institutions may participate in loans with other System institutions. The Farm Credit Leasing Services Corporation is authorized to enter into financial leasing agreements. (Note: In some schedules of the Call Report, but not in Schedule RC, loans, etc., are combined with accrued interest receivable.)

If an institution buys a portion of an individual loan that is unconditionally guaranteed (100 percent guaranteed) by the USDA or SBA, then the institution must include the loan portion balance in Schedule RC, items 4(a), 4(e), or 6 as appropriate.

Lease receivables consist of amounts of receivables established as a result of the institution's financial leasing program. Lease financing transactions have many of the characteristics of other forms of installment loans. A typical lease agreement

Item No.	Caption and Instructions
	contains an option providing for purchase of the leased property by the lessee at the expiration of the lease at fair value or at a specified price. Lease receivables must be accounted for in accordance with ASC Topic 840, Leases (formerly SFAS No. 13, *Accounting for Leases*). Report in this item the amounts outstanding of all holdings of accrual loans and leases in accordance with the preceding instructions.
4(b)	**Notes receivable from other Farm Credit System institutions.** This asset consists of the outstanding balance of notes receivables from Farm Credit banks, associations, or other Farm Credit System institutions. Notes receivable consist of the outstanding balance of short- and long-term corporate notes issued under formal legal procedures and secured by the pledge of specific collateral or by the general credit and good faith of the institution. Accordingly, notes receivable represent a contractual receivable and have definite repayment terms and conditions. Notes are generally interest bearing and the amount extended and recorded is the face amount of the note. In some cases, however, notes are issued on a discount basis and the interest is deducted in advance. Report in this item the amounts outstanding of all holdings of accrual notes receivable from other Farm Credit institutions.
4(c)	**Other notes receivable.** Report in this item the amounts outstanding of all holdings of other accrual notes receivable. Do not include in this item notes receivable from Farm Credit banks, associations, or other System institutions which are reported in item 4(a) above, (except for sales contracts and other contractual notes representing the financing of other property owned that are not reported on item 4(c)).
4(d)	**Accrual sales contracts.** Sales contracts consist of sales contracts to finance notes or other similar contractual agreements specifically entered into for the sale of property acquired through foreclosure or otherwise obtained in liquidation of loans. Amounts reported in this item shall represent all holdings of sales contracts outstanding. Sales contracts entered into by the reporting institution that offer interest rates substantially lower than prevailing market rates must be valued and accounted for in accordance with ASC Topic 835, Interest (formerly Accounting Principles Board (APB) Opinion No. 21, *Interest on Receivables and Payables*). ASC Topic 835 requires a sales contract bearing an interest rate substantially below market (i.e., not commensurate with the risk involved) to be discounted to its present value. The resulting loss must be recognized at the time of sale and the discount must be amortized over the term of the contract.

Item No.	Caption and Instructions

4(e) **Nonaccrual loans, etc.**

Nonaccrual loans represent all loans, and contracts and receivables appropriately classified as loans, where there is a reasonable doubt as to collection of future interest accruals. In substance, nonaccrual loans reflect loans where the accrual of interest has been suspended. Amounts include unpaid principal and accrued interest receivable plus any other appropriate amounts. (See definition of nonaccrual loans in 12 CFR 621.6(a).) Report in this item all loans, leases, notes receivable, and sales contracts that are in a nonaccrual status as of the close of business on the report date. Loans, etc., must be placed in nonaccrual status in accordance with GAAP, regulatory requirements, and other guidelines. (See instructions for Schedule RC-F for a definition of nonaccrual loans.)

If an institution buys a portion of an individual loan that is unconditionally guaranteed (100 percent guaranteed) by the USDA or SBA, then the institution must include the loan portion balance in Schedule RC, items 4(a), 4(e) or 6 as appropriate.

4(f) **Allowance for losses on loans, etc.**

The allowance for loan losses is an estimate of the amount of potential losses within an institution's loan portfolio at a point in time. The allowance is maintained (added to) by charges against earnings in the form of operating expenses, routinely referred to as "provisions for loan losses." An institution is required to maintain an allowance for loan losses that is considered reasonable and adequate to provide for the inherent risk of losses, and which approximates the current amount of loans that will not be collected. Losses on loans are to be charged off to the allowance when **known** and under no circumstances shall charge-offs be deferred or amortized over a number of accounting periods.

Report in this item the allowance for losses on loans, leases, notes receivable, sales contracts, and nonaccrual as determined in accordance with ASC Topic 450, Contingencies (formerly SFAS No. 5, *Accounting for Contingencies*), ASC Subtopic 310-40, Troubled Debt Restructurings by Creditors (formerly SFAS No. 114, *Accounting by Creditors for Impairment of a Loan* (as amended by SFAS No. 118)) and other applicable accounting guidance. **The amount reported here must equal Schedule RI-E, item 8.**

Item No.	Caption and Instructions
4(g)	**Loan valuation adjustments for fair value.** Report in this item the amount that represents adjustments to value loans outstanding in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities,* as amended by SFAS No. 138). If the amount represents an adjusted reduction, report the amount with a preceding minus sign.
4(h)	**Net loans, etc.** Report in this item the total of sub-items 4(a) + 4(b) + 4(c) + 4(d) + 4(e) - 4(f) + 4(g). Please note: The amounts reported in item 4 must also exclude accounts receivable, which are to be reported in item 3 of this schedule.
5	**Accrued interest receivable.** Report in the appropriate sub-items of item 5 the reporting institution's accrued interest receivable; that is, interest earned but not yet collected. In the case of loans, etc., or securities that have been sold either directly or in the form of participations, the accrued interest on the instruments so transferred must be reported by the buyer and be excluded from the reported amounts of the seller. In accruing interest, the reporting institution shall use the procedures prescribed by regulation, FCA policy, and GAAP as appropriate.
5(a)	**Accrued interest receivable on loans and leases.** Report the amount of accrued interest receivable on loans and leases (as defined under sub-item 4(a) above).
5(b)	**Accrued interest receivable on notes receivable from other Farm Credit System institutions.** Report the amount of accrued interest receivable on notes receivable (as defined under sub-item 4(b) above).
5(c)	**Accrued interest receivable on other notes receivable.** Report the amount of accrued interest receivable on other notes receivable (as defined under sub-item 4(c) above).
5(d)	**Accrued interest receivable on sales contracts.** Report the amount of accrued interest receivable on sales contracts (as defined under sub-item 4(d) above).

Item No.	Caption and Instructions
5(e)	**Accrued interest receivable on securities.** Report the amount of accrued interest receivable on securities (as defined in Schedule RC-B).
5(f)	**Derivatives** Report the amount of accrued interest receivable on derivatives. Derivative interest receivable and payable positions from the same counterparties may be netted if netting agreements exist.
5(g)	**Total accrued interest receivable.** Enter the total of sub-items 5(a), 5(b), 5(c), 5(d), 5(e) and 5(f).
6	**Loans and leases held for sale.** Report the amount of loans and leases held for sale (LLHS) in accordance with generally accepted accounting practices. LLHS should be reported at the lower of cost or fair value, except for those that the institution has elected to account for at fair value under a fair value option. For LLHS reported at the lower of cost or fair value, the amount by which cost exceeds fair value, if any, should be accounted for as a valuation allowance within this item. Therefore, no allowance for losses should be established for LLHS; credit losses and incremental interest rate or liquidity related valuation adjustments should be recognized as a reduction to the recorded loan amount rather than in the allowance. [In addition, origination fees and costs for LLHS are typically capitalized in the basis of the loan, included in the calculation of gains and losses on sale, and recognized in earnings at the time of origination for LLHS recorded at fair value.] All loans and leases reported in this item must also be reported in Schedule RC.1, line 1.i.
7	**Equity investments in other Farm Credit institutions.** Report in item 7 the amount of the institution's equity investments in other System institutions. If the reporting institution is an association, the amount reported in item 7 must reconcile to the sum of items 2(a), 2(c), and 2(d) reported in Schedule RC.1, Memoranda. If the reporting institution is a bank, the amount reported in Schedule RC, item 7 must reconcile to the sum of items 2(b), 2(c), and 2(d) reported in Schedule RC.1. If the reporting institution is a Farm Credit institution other than a bank or an association, the amount reported in Schedule RC, item 7 must reconcile to the sum of items 2(c) and 2(d) reported in Schedule RC.1. The equity investments in other System institutions reported in item 7 include, as appropriate for the reporting institution, capital stock, paid-in capital, paid-in surplus, equity in allocated and other surplus, and any allowance for losses on equity investments.

Item No.	Caption and Instructions

8 **Other property owned.**

Other property owned is the collective name for assets of which a System institution has gained possession, usually as the result of foreclosure or the taking of a deed or title in lieu of foreclosure. System institutions may also gain possession of these properties through abandonment of the property by the borrower or other occurrences. (See instructions for Schedule RC-M for additional information.)

Report the value, net of depreciation, of foreclosed personal and real property held by the reporting institution at the report date. Amounts reported are to be accounted for in accordance with ASC Topic 360, Property, Plant, and Equipment (formerly SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*), and other applicable accounting guidance.

Suitable bases that may serve as measures of fair market value are the bid-in price of the assets and appraised value. The fair market value at the time of acquisition may remain the book value (net of depreciation) of the asset; however, expenditures to complete or improve the property may be capitalized and added to the book value, but only if they are likely to be recovered on disposition.

The amounts reported for buildings and equipment, etc., acquired in the liquidation of loans and being operated by the reporting institution for income-producing purposes, must be net of any accumulated depreciation.

9 **Premises and other fixed assets net of depreciation.**

Report the acquisition cost to the reporting institution, less accumulated depreciation, of all premises and equipment owned and used by the reporting institution in the conduct of its business. Include construction in progress; costs of improvement and betterment that increase the value of the property; total acquisition cost of the land upon which the premises are built; furniture; fixed machinery and equipment; computer equipment; purchased software; and automobiles and other fixed assets owned by the reporting institution and used in the conduct of its business. Include the proportionate share of the costs of property owned and used jointly.

Item No.	Caption and Instructions
10	**Other assets.**

Report in item 10 any assets that are not appropriately reported in the preceding asset items. This includes, as appropriate for the reporting institution, such items as:

(a) Prepaid and deferred expenses.

(b) Deferred tax assets (net) in accordance with ASC Topic 740, Income Taxes (formerly SFAS No. 109, *Accounting for Income Taxes*).

(c) Assets held in nonqualified benefit trusts.

(d) Pension and other postretirement benefit plan assets.

(e) Equity securities that do not have readily determinable fair values. Use the equity or cost method for equity securities without readily determinable fair values. These equity securities are outside the scope of ASC Topic 320, Investments-Debt and Equity Securities (formerly SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*). System examples include (not an exhaustive list):

- Rural Business Investment Companies;
- Farm Credit System Association Insurance Captive Company; and,
- Unincorporated Business Entities (not consolidated on the balance sheet).

(f) Servicing assets in accordance with ASC topic 860 (formerly SFAs No. 156 Accounting for Servicing of Financial Assets.

(g) Derivative assets with positive fair values. Derivatives in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).

(h) Any other assets not specifically provided for above.

11 **Total assets.**

Report the sum of items 1 through 10 as appropriate. The amount reported here must equal the amount reported for item 25, "Total liabilities and net worth," of this schedule.

Item No.	**Caption and Instructions**

Liabilities

12 **Interest bearing liabilities**

12(a) **System-wide notes and bonds outstanding.**
Report in this item the par or face amount of the institution's participation in System-wide bonds, medium-term notes, and System-wide notes that have been issued in accordance with the Act and regulations and are outstanding as of the report date. Also, the amount of any unamortized discount or premium and unamortized debt issuance costs related to the institution's participation in System-wide bonds, medium-term notes, and System-wide notes should be reported as a direct deduction from or addition to the face amount of these bonds and notes reported in this item.

The accounting for transactions involving the issuance of foreign currency denominated debt (FCDD) shall conform with ASC Topic 830, Foreign Currency Matters (formerly SFAS No. 52, *Foreign Currency Translation*), and other authoritative literature governing the accounting for such transactions. ASC Topic 830 generally requires a FCDD transaction to be recorded in U.S. dollars at the exchange rate in effect at the time of issuance. After issuance, any change in the exchange rate is to be reported as an increase or decrease to the amount of debt outstanding. The amount of the increase or decrease is a foreign currency translation gain or loss, which is to be included in income for the period (Schedule RI-B, items 5(a) and 5(b), respectively.) Similarly, at maturity, any resulting currency translation gain or loss is also to be reported in income (Schedule RI-B, items 5(a) and 5(b), respectively.) Accounting for hedges of foreign currency forecasted transactions shall conform with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*).

Amounts due to and due from brokers or other intermediaries involved in the swap transactions are to be reported as accounts receivables (Schedule RC, item 3) or accounts payables (Schedule RC, item 14.) Discounts and premiums are to be amortized in the income (Schedule RI, item 5(c) and Schedule RI-C.1, item 4, respectively) over the term of an individual swap transaction. A change in the exchange rate is to be reported as an increase or decrease in the amount due to or due from the broker. The amount of the increase or decrease represents a gain or loss which is to be reported in income for the reporting period (Schedule RI-B, items 5(a) and 5(b), respectively.)

Item No.	Caption and Instructions
12(b)	**Notes payable to other Farm Credit System institutions.** Report in this item the face amount of notes payable to other Farm Credit System institutions that are outstanding as of the report date. Also, the amount, if any, of the unamortized discount or premium and unamortized debt issuance costs related to these notes should be reported as a direct deduction from or addition to the face amount of these notes. A reporting institution that is a direct lender association is to report the amount of its direct note with the district bank in this item.
12(c)	**Limited-life (term) preferred stock.** Report the amount of outstanding limited-life (term) preferred stock including any amounts received in excess of its par or stated amounts. This limited-life (term) preferred stock is not held by another FCS bank or association. Term preferred stock is any class of capital stock that has a stated maturity date and provides the investor with some preference relative to other classes of capital stock with respect to the payment of dividends, in the event of bankruptcy or liquidation, or some other feature. Limited-life (term) preferred stock is an interest bearing liability.
12(d)	**Subordinated notes and bonds.** Report the amount of subordinated notes and debentures. Include the fair value of subordinated notes and debentures that are accounted for at fair value under a fair value option. Note that prior to January 1, 2017, IBLSUBNOTEBOND included both subordinated notes and bonds and limited-life (term) preferred stock).
12(e)	**Other interest-bearing debt.** Report in this item the par or face amount of other bonds, notes payable, and other interest bearing debt that are outstanding as of the report date. Include in this item the par or face amount of any Farm Credit investment bonds outstanding. Also, the amount, if any, of the unamortized discount or premium and unamortized debt issuance costs related to these bonds and notes should be reported as a direct deduction from or addition to the face amount of these bonds and notes. Funds Held amounts that bear interest expense (and are not required to be accounted for as an offset to loans or some other assets) should be reported in this item. Non-interest bearing Funds Held amounts should be reported as Other Liabilities.

Item No.	Caption and Instructions

12(f) **Debt adjustment for fair value.**
Report in this item the amount that represents adjustments to value interest bearing debt outstanding in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133*, Accounting for Derivative Instruments and Hedging Activities*, amended by SFAS No. 138). If the amount represents an adjusted reduction, report the amount with a preceding minus sign.

12(g) **Total interest bearing liabilities.**
Report in this item the sum of items 12(a) + 12(b) + 12(c) + 12(d) + 12(e) + 12(f).

13 **Accrued interest payable.**
Report in the appropriate sub-items of item 13 the accrued interest payable on the reporting institution's interest-bearing liabilities as reported in items 12(a), 12(b), 12(c), 12(d) and 12(e). In accruing interest, the reporting institution shall use procedures prescribed by regulations, FCA guidelines, and GAAP as appropriate.

13(a) **Accrued interest payable on System-wide notes and bonds outstanding.**
Report the amount of accrued interest payable on System-wide bonds, medium-term notes, and System-wide notes (as corresponds to item 12(a) above).

13(b) **Accrued interest payable on notes payable to other Farm Credit System institutions.**
Report the amount of accrued interest payable on notes payable to other Farm Credit System institutions (as corresponds to item 12(b) above).

13(c) **Accrued interest payable on: Limited-life (term) preferred stock.**
Report the amount of accrued interest payable on limited-life (term) preferred stock (as corresponds to item 12(c) above).

Note that prior to January 1, 2017, the existing AIPSUBNOTEBOND included accrued interest on both subordinated notes and bonds and limited-life (term) preferred stock.

13(d) **Accrued interest payable on subordinated notes and bonds**
Report the amount of accrued interest payable on subordinated notes and bonds (as corresponds to item 12(d) above).

Item No.	**Caption and Instructions**

13(e) Derivatives

Report the amount of accrued interest payable on derivatives (as corresponds to item 5(f) above). Derivative interest receivable and payable positions from the same counterparties may be netted if netting agreements exist.

13(f) Accrued interest payable on other interest-bearing debt.

Report the amount of accrued interest payable on other interest-bearing debt (as corresponds to item 12(d) above).

13(g) Total accrued interest payable.

Report in this item the sum of sub-items 13(a) through 13(f).

14 Accounts payable.

Report in this item the institution's accounts payable in the form of amounts due on open account to other Farm Credit institutions and to others, including trade payables and other payables related to the business operations of the reporting institution. Include, among others, such payables as:

(a) Amounts of accrued compensation payable to other Farm Credit institutions and to other lenders for services rendered to the reporting institution connected with participations in loans, notes receivable, and sales contracts purchased by the reporting institution from these other lending institutions.

(b) Actual or estimated liability for Federal and other taxes on the income of the reporting institution.

(c) Sales taxes payable.

(d) Undistributed dividends on stock and participation certificates declared and payable.

(e) Undistributed patronage refunds payable in cash.

(f) Amount of capital stock and allocated surplus called for retirement and not yet paid.

(g) Insurance premiums payable.

Item No.	Caption and Instructions

(h) Liability for required stock investments in other Farm Credit institutions for which payment has not yet been made.

Exclude from accounts payable any liabilities in the form of trust accounts or escrow accounts, holding accounts, etc., representing funds collected by, or deposited with, the reporting institution for particular purposes and not yet disbursed. Such liabilities are to be reported in Schedule RC, item 16, "Other liabilities."

15 **Reserve for credit losses on off-balance sheet exposures.**
Each reporting institution must report in item 15 its reserve for credit losses on off-balance sheet exposures, including its reserve for losses on unfunded commitments.

16 **Other liabilities.**
Report in this item any liabilities that are not appropriately reported in the preceding liability items. This includes, as appropriate for the reporting institution, such items as:

(a) Deferred income.

(b) Net deferred taxes.

(c) Liabilities held in nonqualified benefit trusts.

(d) Accrued salaries and benefits.

(e) Pension and other postretirement benefit plans.

(f) Servicing liabilities in accordance with ASC topic 860 (formerly SFAs No. 156 Accounting for Servicing of Financial Assets.

(g) Derivative liabilities with negative fair values. Derivatives in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).

(h) Any other liability not specifically provided for above.

17 **Total liabilities.**
Report the sum of items 12 through 16.

Item No.	Caption and Instructions

Net Worth

18 **Capital stock.**
Report in this item all: (1) capital stock and participation certificates purchased by a member-borrower and (2) allocated capital stock held by member-borrowers. Report amounts that are both protected as well as unprotected under section 4.9A, "Protection of Borrower's Stock," of the Act.

Member-borrowers purchase a required amount of capital stock and participation certificates as a condition of obtaining a loan and becoming a member.

Member-borrowers may receive allocated capital stock from an institution through a patronage refund program. When an institution's board declares a patronage refund to its member-borrowers it may distribute capital (usually net income) in three forms: cash, equity (stock or surplus), or both. Allocated capital stock represents that portion of a patronage refund distributed to the member-borrowers through a written notice of allocation, that the institution retains as equity for the benefit of the membership.

The amount reported should equal the sum of Schedule RI-D, line 12 column A and B.

19 **Perpetual preferred stock.**
Report in this item the amount of perpetual preferred stock outstanding at the institution. The term "perpetual" in the type of preferred stock means this form of preferred stock has no defined maturity date and as a result is reported as equity under GAAP. Include in this line item all preferred stock that has no maturity date. For example, this will include noncumulative perpetual preferred stock, cumulative perpetual preferred stock, and "continuously redeemable" preferred stock (H or Harvest). Limited-life preferred stock has a stated maturity date and as a result is reported as a liability under GAAP.

20 **Paid-in capital.**
Report the amount of outstanding paid-in capital, surplus, etc. (other than capital stock) that either has been provided by member-borrowers, Farm Credit institutions, and others or has been accumulated by other transactions that are appropriately accounted for as paid-in capital. The most common transaction resulting in paid-in capital is amounts paid in excess of par for the institution's capital stock

Item No.	Caption and Instructions
	when issued. Amounts representing financial assistance from other Farm Credit institutions in the form of paid-in surplus are to be reported on this line.

21	**Allocated Surplus.**
	Report in this item the amount of allocated surplus held by member-borrowers in an institution. This equity investment is not purchased as a condition of attaining a loan, but instead allocated to the member-borrower through a patronage refund program. Report amounts that are both protected as well as unprotected under section 4.9A, "Protection of Borrower's Stock," of the Act.
	
	When an institution's board declares a patronage refund to its member-borrowers it may distribute capital (usually net income) in three forms: cash, equity (stock or surplus), or both. Allocated surplus represents that portion of a patronage refund distributed to the member-borrowers through a written notice of allocation, that the institution retains as equity for the benefit of the membership.
	
	This line item includes the following allocated surplus:
	1. qualified allocated surplus, and
	2. nonqualified allocated surplus.
	    a. Retireable, or
	    b. Not retireable.

22	**Unallocated retained earnings.** Report in this item the amount of unallocated retained earnings (including undistributed earnings or losses). The amount reported in this item is net of stock or surplus allocations and cash distributions of dividends and patronage. Record equity allocations as a transfer to another net worth categories (See RI-D Statement of in Net Worth) and record cash distributions until paid as a payable (see Schedule RC Balance Sheet). If it is clearly the institution's plans to allocate stock or surplus at yearend or to make other cash distributions (dividends or patronage) report the accruals or distributions in the quarterly Call Reports. Make quarterly accruals as prescribed in the ASC Subtopic 905-310-25 (formerly AICPA's Statement of Position (SOP) 85-3, Accounting by Agricultural Producers and Agricultural Cooperatives. Under this SOP, institutions must accrue patronage refunds it expects to pay when (1) it's probable to declare a patronage refund in the applicable period, (2) it's reasonable to estimate the yearly patronage refund, and (3) the accrual are consistent from year to year. amount of the refund can be reasonably estimated, and (3) the accruals can be consistently made from year to year.

Item No.	Caption and Instructions
23	**Accumulated other comprehensive income (net).** Report the amount from Schedule RC-H, item 1(f), "Accumulated other comprehensive income."
24	**Total net worth.** Report the sum of items 18 thru 23.
25	**Total liabilities and net worth.** Report the sum of items 17 and 24. **The amount reported here must equal the amount reported in item, "Total assets."**

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	**Caption and Instructions**

1 **Loan information.**
Report the following information on the institution's loan portfolio:

1(a) **Loan types.**

Each of the following loan types includes the amount of all loans, notes, and lease receivables that are outstanding (principal and interest), including net participations. **Loans made to similar entities under the authorities of § 613.3300 should be included in the respective category where the "functionally similar" loans are reported.** For example:

- Similar entity transactions entered into by CoBank to entities that are functionally similar to agricultural cooperatives would be included in the category "Loans to Cooperatives" sub-group.
- Similar entity transactions entered into by CoBank to entities that are functionally similar to directly eligible energy borrowers would be reported in the "Energy" category.
- Similar entity transactions entered into by Farm Credit banks or associations to entities that are functionally similar to farm related businesses would be reported in the "Farm related business" sub-group.

Banks and associations purchasing loan participations from other FCS lenders should report them in the same category as the "lead" FCS lender. Multiple purpose transactions should be reported under the loan type that represents the largest dollar volume of principal outstanding. For Call Reporting purposes, loans are categorized by 9 types, with additional breakout of two categories into sub-groups and a separate category for lease financing. The loan type categories and sub-groups are defined below.

1a(i) **Production agriculture.**
The production agricultural category is defined to include loans that consist of extensions of credit for mortgages, operating funds, and equipment financing used for agricultural and aquatic production and harvesting purposes.

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions
1a(i)(A)	**Real estate mortgage.** Long term real estate loans and notes receivable made to borrowers pursuant to § 613.3000 and under the authorities of § 614.4030(a), and § 614.4050(a). Generally, the loan purpose is to purchase farm real estate, refinance existing mortgages, or construct various facilities used in operations.
1a(i)(B)	**Production and intermediate term.** Loans and notes receivable made to borrowers pursuant to § 613.3000 and under the authorities of § 614.4040(a), and § 614.4050(b). Generally, the loan purpose is for operating funds and equipment.
1a(ii)	**Agribusiness.** Agribusiness loans consist of loans made to cooperatives and their subsidiaries, farm related businesses, and processing and marketing entities.
1a(ii)(A)	**Loans to cooperatives.** Loans and notes receivable made to borrowers pursuant to § 613.3100(b) and under the authorities of § 614.4010(d). Include loans for any cooperative purpose other than for communication, or energy and water/waste disposal. Institutions that participate with the ACB in loans to cooperatives should report their portion of the loan in this category, if the ACB has reported the loan as a loan to cooperative.
1a(ii)(B)	**Processing and marketing.** Loans and notes receivable made to borrowers pursuant to § 613.3010 for any marketing and processing purpose and under the authorities of § 614.4030(a), § 614.4040(a), and §§ 614.4050(a) and (b). To the extent that loans made to similar entities are included in the processing and marketing loan type as required by the line item instructions in 1(a), such loans shall be reported under item 1a(ii)(B)(1), "Loans made under 613.3010(a)(1) and (a)(2)."
1a(ii)(B)(1)	**Loans made under 613.3010(a)(1) and (a)(2).**
1a(ii)(B)(2)	**Loans made under 613.3010(a)(3).**
1a(ii)(B)(3)	**Loans made under 613.3010(a)(4).**
1a(ii)(B)(4)	**Loans made under 613.3010(a)(5).**

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions

1a(ii)(B)(5) **Total Processing and Marketing Loans.**
Report in this item the sum of sub-items 1a(ii)(B)(1) through 1a(ii)(B)(4).

1a(ii)(C) **Farm related business.**
Loans and notes receivable made to borrowers pursuant to § 613.3020 for any farm related business purpose and under the authorities of § 614.4030(a), § 614.4040(a), and §§ 614.4050(a) and (b).

1a(iii) **Communication.**
Loans and notes receivable made to borrowers pursuant to § 613.3100(c) for any telecommunication purposes and under the authorities of § 614.4010(d).

1a(iv) **Energy.**
Loans and notes receivable made to borrowers pursuant to § 613.3100(c) for any rural electric purpose and under the authorities of § 614.4010(d).

1a(v) **Water/waste disposal.**
Loans and notes receivable made to borrowers pursuant to § 613.3100(d) for any water/waste disposal purpose and under the authorities of § 614.4010(d).

1a(vi) **Rural residential real estate.**
Loans and notes receivable made to borrowers pursuant to § 613.3030 for any rural home purpose under the authorities of § 614.4030(a), § 614.4040(a), and §§ 614.4050(a) and (b).

1a(vii) **International.**
Loans and notes receivable made to borrowers pursuant to § 613.3200 for any international business operations purpose and under the authorities of § 614.4010(d).

1a(viii) **Lease receivables.**
Finance leases made under regulatory authorities. Report the net investments for all finance leases where the reporting institution is the lessor. The net investment for all finance leases (i.e., direct financing leases, leveraged leases, and sales-type leases) should correspond to the amount of finance leases included in Schedule RC, items 4(a), 4(d), and 4(e), as applicable. Except, the Farm Credit Leasing Services Corporation should report both finance and operating lease receivables and assets consistent

Item No.	Caption and Instructions
	with its reporting of these leases on schedule RC, items 4(a), 4(d), and 4(e), as applicable.
1a(ix)	**Direct loans to associations (FCBs and ACB only).** Report the amount of direct loans made by the FCB or the ACB to System associations and still outstanding at the report date under the authorities of § 614.4000(b) and § 614.4010(b).
1a(x)	**Discounted loans to OFIs (FCBs and ACB only).** Report the total outstanding balance of all loans to OFIs with which the bank currently has a lending relationship under the authorities of § 614.4000(c) and § 614.4010(c).
1a(xi)	**Other loans.** Report the amount of loans outstanding that do not fall into the categories that are listed above (items 1(a)(i) through 1(a)x)). Pools of loans cannot be reported in "Other loans" without first segregating loan components of the pools by categories. Loans that fall into one of the categories 1 (a)(i) – 1(a)(x) described above must be reported in their respective categories accordingly. Remaining loans in the pools that have been identified but do not fit into any of the categories described above will then be reported in "Other Loans". "Other Loans" may include, but are not limited to, mission related investments that are reported as loans but do not specifically fit into any of the categories describes in 1(a)(i) – 1(a)(x). The amount reported in "Other Loans" should be immaterial in relation to the amount reported in 1(a)(xii) "Total". Any amount reported in this category must be explained in an addendum.
1a(xii)	**Total loans.** Report the sum of items 1(a)(i) thru 1(a)(xi). The amount reported here must equal the sum of Schedule RC, items 4a thru 4e plus items 5a thru 5d.
1(b)	**Leases.** Report the appropriate amounts in sub-items of item 1(b) that represent the reporting institution's net investments for finance leases and net receivables for operating leases. Report only those lease amounts where the reporting institution is the lessor. All leases are to be accounted for by the reporting institution in accordance with ASC Topic 840, Leases (formerly SFAS No. 13, *Accounting for Leases*), and other authoritative FASB guidance.

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions

1(b)(i) **Finance.**
Report the outstanding amount of net investments for all finance leases (i.e., direct financing leases, leveraged leases, and sales-type leases). The amount reported should correspond to the amount of finance leases included in Schedule RC, item 4(a), 4(d), and 4(e), as applicable.

1(b)(ii) **Operating–receivables.**
Report the outstanding net receivable amount that represents lease payments due for all operating leases. The amount reported should correspond to the amount of net receivables for operating leases included in Schedule RC, item 9 **(except for the Farm Credit Leasing Services Corporation, which should continue to report all lease assets in schedule RC item** 4(a), 4(d), and 4(e)**, as applicable)**. Do not report in this item the book value of equipment or other leased items that represent the fixed assets being leased by the reporting institution under an operating lease arrangement and reported in sub-item 1(b)(iii) below.

1(b)(iii) **Operating–assets.**
Report the net amounts outstanding that are recorded as fixed-asset assets for all operating leases. The amounts reported should correspond to the net amounts recorded as fixed asset amounts included in Schedule RC, item 9 **(except for the Farm Credit Leasing Services Corporation, which should continue to report all lease assets in schedule RC item** 4(a)**,** 4(d)**, and** 4(e)**, as applicable)**. Do <u>not</u> report in this item the amounts that represent outstanding receivables due to the reporting institution under an operating lease arrangement and reported in sub-item 1(b)(ii) above.

1(c) **Loan syndication to eligible borrowers (excluding similar entity transactions).**
Report the gross outstanding amount (principal and interest) of loan syndication transactions (exclude syndication leases) where the institution has a direct contractual relationship with an eligible borrower. **The 'gross' amount should not be reduced by any subsequent participation sales.** These are loan syndication transactions made under the institution's direct lending authorities in Part 614, Subpart A of the FCA regulations and in which the institution was involved in the original contracts for the transaction. **Do not include amounts that represent an assignment of interest in loan syndications, which instead should be reported on Schedule RC-**

Line-Item Instructions

Item No.	Caption and Instructions
	O, Asset Purchases and Sales. Do not include loan syndication transactions entered into under the similar entity and secondary market authorities of § 613.3300 and § 614.4910 of the FCA regulations.
1(d)	**Guarantees:**
1(d)(i)	**Federal.** Report the gross outstanding amount of loans (book value) that are guaranteed by a U.S. Government agency. The amount reported should be principal only, net of participations sold, and include both the guaranteed and unguaranteed portions of the loan. Examples of U.S. Government agencies are the Small Business Administration, Federal Housing Administration, or any USDA agency such as the Farm Service Agency, Rural Business-Cooperative Service, Rural Utilities Service, Rural Housing Service, and foreign export guarantee programs of USDA. Do not include guarantees provided by the Federal Agricultural Mortgage Corporation (Farmer Mac).
1(d)(ii)	**State and Local.** Report the gross outstanding amount (principal only) of loans that are guaranteed by a state or local government agency.
1(d)(iii)	**Farmer Mac.** Report the gross outstanding amount (principal only) of loans that are guaranteed by Farmer Mac.
1(d)(iv)	**Other.** Report the gross outstanding amount (principal only) of loans that are guaranteed by an entity not explicitly covered by one of the above categories, such as loans guaranteed by a Government-sponsored enterprise other than Farmer Mac.
1(e)	**Other financial institutions (OFIs).** The following items on OFIs are intended for banks only.
1(e)(i)	**Number of OFIs.** Report the number of OFIs with which the bank currently has a lending relationship.

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions

1(e)(ii) **Number of loans to OFIs.**
Report the total number of loans that the bank currently has outstanding to OFIs. Loans that a bank has individually discounted are to be counted as separate loans for reporting purposes.

1(f) **Association loans outside its chartered territory.**
Any loan originated by the institution in which the borrowing entity is headquartered outside of the association's chartered territory should be reported. If the farming operation is based from the individual's home residence, the headquarters would be the individual's residence location. Loan participations purchased from outside the association's chartered territory would not be reported.

1(f)(i) **Number of loans outstanding.**
Report the number of loans currently outstanding to members that are headquartered outside of the association's chartered territory.

1(f)(ii) **Number of loans made.**
Report the number of loans originated during the reporting period to members that are headquartered outside of the association's chartered territory.

1(f)(iii) **Amount of loans outstanding.**
Report the total outstanding balance (**gross** principal and interest) of all loans to **members that are headquartered outside of the association's chartered territory.**

1(f)(iv) **Amount of loans made.**
Report the total outstanding balance (**gross** principal and interest) of all loans originated during the reporting period to members that are headquartered outside of the association's chartered territory.

1(g) **Loans in bankruptcy and/or foreclosure**

1(g)(i) **Total amount of loans in bankruptcy.**
Report the amount of the institution's total outstanding balance (principal and interest) of all loans in bankruptcy at the report date. A loan shall be considered, and reported, in bankruptcy if the reporting institution has received notice that a petition has been filed with a court of competent jurisdiction by or against the borrower under

Line-Item Instructions

Item No.	Caption and Instructions
	any chapter of the Federal Bankruptcy Act or similar State statute. A loan shall remain "in bankruptcy" for reporting purposes until the court's jurisdiction is terminated or relief from the automatic stay is granted that permits collection to proceed fully, and a detailed analysis of the loan supports a reclassification. Such analysis shall consider all pertinent factors and shall be well documented. If a debt adjustment plan has been confirmed by the court, the loan shall be classified and reported as "formally restructured" unless no concessions are granted by the creditor under the plan.
1(g)(ii)	**Total amount of loans in foreclosure.** Report the amount of the institution's total outstanding balance (principal and interest) of all loans in foreclosure at the report date. A loan shall be considered and reported, in foreclosure if the reporting lender has authorized initiation of, proceedings under State law or deed of trust to terminate the borrower's right in any property in which the lender has a security interest. If the reporting lender has received notice that a third party has initiated proceedings under State law or deed of trust to terminate the borrower's right in any property in which the lender has a security interest, the lender shall promptly review the potential impact of the third-party actions and classify, and report, the loan accordingly. The review shall consider all pertinent factors and the classification shall be well documented in the loan file.
1(g)(iii)	**Total amount of loans in both bankruptcy and foreclosure.** Report the amount of the institution's total outstanding balance (principal and interest) of all loans in both bankruptcy and foreclosure at the report date.
1(h)	**FCS institution loans purchased from the FDIC.** Farm Credit institutions with direct lending authority shall report in these subitems the number and amount of loans purchased from the Federal Deposit Insurance Corporation (FDIC), pursuant to the authorities provided in § 614.4070(d) and § 614.4325(b).
1(h)(i)	**Number of loans outstanding purchased from the FDIC.** Report the number of loans outstanding purchased from the FDIC, pursuant to the authorities provided in § 614.4070(d) and § 614.4325(b).
1(h)(ii)	**Amount of loans outstanding purchased from the FDIC.** Report the total outstanding balance (gross principal and interest) of all loans purchased from the FDIC pursuant to the authorities provided by § 614.4070(d) and § 614.4325(b).

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions
1(i)	**Loans and leases held for sale:** Report the amount of amortized cost and fair value of loans and leases held for sale in the line items below.
1(i)(i)	**Amortized cost.** Report amortized cost of the loans and leases reported on Schedule RC, line item 6, loans and leases held for sale.
1(i)(ii)	**Fair value.** Report fair value of the loans and leases reported on Schedule RC, line item 6, loans and leases held for sale. When the fair value option is elected, amounts reported in this item should agree with Schedule RC, line item 6, loans and leases held for sale.
2	**Equity investments in other Farm Credit institutions.** Report in these sub-items the amount of the institution's equity investments in other Farm Credit institutions.
2(a)	**Association investment in district bank**
2(a)(i)	**Purchased.** Report the amount of the reporting association's **purchased** investment in capital stock **or other equity** of its district FCB or ACB. **Typically, stock that an association purchases from a System bank would have a cost basis per share of greater than $0.**
2(a)(ii)	**Allocated.** Report the amount of the reporting association's **allocated** investment in **capital stock or other equity** of its **affiliated bank**.
2(a)(iii)	**Allotment of allocated per § 615.5208.** Report the amount of the association's allotment of allocated investment in its affiliated bank that the association counts for the purpose of computing permanent capital as specified in an allotment agreement entered into in accordance with § 615.5208(a), or as specified by § 615.5208(b) if an agreement between the association and its affiliated bank does not exist**.**

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions
2(b)	**Bank investment in district associations.** Report the amount of the reporting bank's investment in stock and allocated surplus of its district associations.
2(c)	**Investment in other FCBs and ACB.** Report the amount of the reporting institution's investment in equity of other FCBs and/or ACB (excluding an association's equity investment in its district bank).
2(d)	**Investment in other Farm Credit institutions.** Report the amount of the reporting institution's other investments in equity of other Farm Credit Institutions (not reported in items 2(a), 2(b), and 2(c)).
3	**Equity investments in non-Farm Credit institutions** Report the amount of the institution's equity investment in non-Farm Credit institutions.
4	**Miscellaneous.** Report in these sub-items the requested miscellaneous information.
4(a)	**Farm Credit investment bonds outstanding.** Report in this item the par or face amount of the institution's participation in Farm Credit investment bonds outstanding as of the report date net of any unamortized discount or premium related to these bonds.
4(b)	**Investments in farmers' notes.** Report in this item the gross amount outstanding (principal and interest) of the institution's investments in notes and other obligations evidencing purchases of items that are of a capital nature and that the institution purchased from cooperatives or private dealers under the authorities in § 615.5172.
4(c)	**Funds held (VAP and VACP accounts):**
4(c)(i)	**Total amount held in accounts.** Report the total aggregate amount outstanding at the end of the period of funds held in the form of voluntary advance payment and voluntary advance conditional payment accounts maintained in accordance with the Farm Credit Act of 1971, as amended, and 12 CFR 614.4175).

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions
Note:	Loan amounts held for future disbursement, such as amounts to be disbursed on construction loans, are not to be included in this line item. Funds Held means advance payments held for loans, leases, or other amounts due regardless of whether the assets are classified accrual or nonaccrual. Funds received that represent proceeds from insurance claims that are being held as an advance payment are to be reported in this item.
4(c)(ii)	**Amount in excess of loan balance.** Report the portion outstanding at the end of the period of funds held in the form of voluntary advance payment and voluntary advance conditional payment accounts maintained in accordance with the Farm Credit Act of 1971, as amended, and 12 CFR 614.4513(a) that are in excess of their respective outstanding loan balances (principal and interest) due from the borrower. Any undisbursed loan commitments are not to be included in the calculation of the "Loan Balance Outstanding due from the borrower."
4(d)	**Notes payable/direct loan to district bank (ACAs and FLCAs only).** Report the amount of the System association's note payable outstanding (principal and interest payable) at the end of the period in the form of a direct loan from its respective district bank.
4(e)	**Farm Credit System Insurance Corporation premium payable.** Report the amount of the payable outstanding at the end of the period to the Farm Credit System Insurance Corporation for premium assessments.
4(f)	**Aggregate amount of institution's 10 largest loan commitments** Report the total loan commitments, per 12 CFR 614.4350 and 4358, of the institution's 10 largest loan commitments. Per 12 CFR 614.4358(a)(3), loan commitments should include loans attributed to a borrower in accordance with 12 CFR 614.4359. The attributed loan commitments should then be used to identify the institution's 10 largest loan commitments, as follows:
	1) Generate a list of the institution's largest loan commitments by attributable borrower (including co-borrowers and guarantors, as applicable), sorted from largest to smallest (this list likely needs to cover more than the 10 largest accounts to facilitate steps 3 and 4 below).

Line-Item Instructions

Item No.	Caption and Instructions

	2) Determine if any loan is included in more than one attributed account on the list. If yes, then proceed to step 3; if not, then report the total of the 10 largest attributed loan commitments from the list.
	3) Calculate an adjusted commitment amount for the attributed accounts that have a loan in common by including the common loan(s) only once – include with the <u>largest</u> attributed account and subtract from the other(s). In cases where there are multiple common loans affecting different combinations of attributed accounts, institutions should apply judgment or a standardized process in determining the appropriate order for identifying the "largest" account and making the necessary adjustments so that loans are not double-counted.
	4) Sort the list based on these adjusted commitment amounts, which may cause accounts that were initially in the 10 largest to now be replaced by other accounts; report the total of the 10 largest attributed loan commitments based on the adjusted amounts.
	
	The following provides additional information and clarifications for reporting this line item:
	
	• 12 CFR 614.4358(b) identifies items that are to be netted out from the loan commitment amount, including the following more common items (if specifically identified criteria are met):
	  o Participations sold
	  o Government guaranteed loans (guaranteed portion)
	  o Federal Agricultural Mortgage Corporation (Farmer Mac) standby commitments
	• Future payment funds/advance payment accounts should <u>not</u> be netted out when identifying total loan commitment. While this may cause the total loan commitment to be overstated in some cases, it will simplify the calculation process.
	• Adjustments for miscellaneous items such as escrows, unapplied receipts, loan fees, etc. are <u>optional</u>. Each institution can decide, based on their accounting and reporting systems, whether to adjust the commitment amount for items such as these.
	• Direct loans to associations and OFIs are not included in this calculation.

Schedule RC.1
Memoranda

Line-Item Instructions

Item No.	Caption and Instructions
	Note: Institutions should be prepared to provide examiners with supporting documentation for the attribution process and all adjustments made under steps 1 through 4 above.
5	**Lending and Leasing Limit Base.** Report the institution's lending and leasing limit base at the quarter end computed in accordance with 12 CFR 614.4351. This regulation identifies certain adjustments that must be made to the institutions permanent capital in order to compute the lending and leasing limit base. The Call Report line item is asking for the lending and leasing limit base amount, and not the institution's lending and leasing limit (which for most institutions is 15 percent of the lending and leasing limit base).

The following is a summary of the adjustments that must be made to permanent capital to compute the lending and leasing limit base, as outlined in FCA Regulation 614.4351:

START WITH: Permanent capital amount (outstanding), Schedule RC-R.1, line item 6 (b), as defined by 615.5201 and adjusted per 615.5207.
ADD: Amount equal to investments held in other institutions connected to loan participations sold to those institutions.[1]
ADD: Excess third-party capital under 682.23 provided such preferred stock is otherwise includible in total regulatory capital.
SUBTRACT: Amount equal to investments from other institutions connected to loan participations purchased from those institutions.[1]
SUBTRACT: Any amounts of preferred stock not eligible to be included in total regulatory capital as defined in 628.2.
EQUALS the Lending and Leasing Limit Base amount to report on RC.1 Line 5.

[1] These two adjustments are needed to reverse the permanent capital treatment for this type of investment (accorded by 615.5207) for purposes of calculating the Lending and Leasing Limit Base per 614.4351(a)(1).

Schedule RC-B
Securities

Line-Item Instructions

Item No.	Caption and Instructions

This schedule covers your institution's reporting requirements for securities purchased and held pursuant to 12 CFR 615.5140, and 12 CFR 615.5174. You must report assets such as U.S. Government securities, State and local obligations, non-governmental securities, Federal funds, securities purchased under resale agreements, acceptances of other financial institutions, negotiable certificates of deposit, corporate debt, and asset- and mortgage-backed securities paper, in this schedule. The schedule excludes equity investments in, and any holdings of, direct investments (e.g., certificates of indebtedness, notes receivable) in other Farm Credit System institutions.

This schedule has four columns for information on securities: two columns for held-to-maturity securities and two columns for available-for-sale securities.[1] Report the amortized cost and fair value of held-to-maturity securities in columns A and B, respectively. Report the amortized cost and fair value of available-for-sale debt securities in columns C and D, respectively. Information on equity securities with readily determinable fair values is reported in the columns for available-for-sale securities only (columns C and D). For these equity securities, historical cost (not amortized cost) is reported in column C and fair value is reported in column D.

In general, amortized cost is the purchase price of a debt security adjusted for amortization of premium or accretion of discount if the debt security was purchased at other than par or face value. As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, *Fair Value Measurements*), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

Purchases and sales of securities should generally be reported as of the trade date. Trade date accounting is the preferred reporting under GAAP. However, the settlement date may be used if the results do not materially differ from the use of the trade date.

Under trade date accounting, the purchase and sale of a security must be recorded on the trade date. When transfer of ownership (settlement) for a purchased security occurs on the trade date, the purchased security is to be reported in the appropriate security item in this schedule based on the trade date. If the transfer of ownership for a purchased security occurs after the trade date (which routinely occurs on the settlement date), the security can be reported in Schedule RC, item 10, "Other Assets," until the transfer of ownership occurs. Conversely, when a security is sold and the transfer

[1] Available-for-sale securities are generally reported in Schedule RC-B, columns C and D. However, a bank may have certain assets that fall within the definition of "securities" in ASC Topic 320, Investments-Debt and Equity Securities (formerly FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*), (e.g., certain industrial development obligations) that the bank has designated as "available-for-sale" which are reported for purposes of the Report of Condition in a balance sheet category other than "Securities" (e.g., "Loans and lease financing receivables").

Item No.	Caption and Instructions

of ownership occurs after the trade date, the security can continue to be reported in Schedule RC until the transfer of ownership (settlement) has occurred. However, any gains and losses resulting from a sale must be recognized on the trade date. An institution's obligation for payment on a purchase or sale should be reported in Schedule RC, item 16, "Other liabilities." On the settlement date, disbursement of the payment or receipt of the proceeds will eliminate the respective entry to "Other Liabilities" or "Other Assets" resulting from either a purchase or sale transaction.

The line items in Schedule RC-B call for information to be reported by specific type of security. All System institutions are to report on items 1 through 13. Only banks, or other System institutions as specifically required by the FCA, are required to report on items 14 through 17. The information required on each type of security is specified by the four columns of the schedule. Information on this schedule should be reported in accordance with the following instructions.

Schedule RC-B
Securities (cont'd)

Column Instructions

Column	Caption and Instructions

A **Held-to-maturity—Amortized cost.**

In column A, report the amortized cost of securities classified as held-to-maturity. For securities purchased at other than par or face value, the amortized cost to be reported is the cost of the securities purchased, adjusted for amortization of premium over the par or face value, and for the accretion of discount from the par or face value. As a general rule, the premium (discount) on each security purchased should be amortized (accreted) over the life of the security; that is, from date of purchase to maturity of the security.

If the amount of the monthly amortization (accretion) for a given security is immaterial, the reporting institution may, at its option, omit the monthly calculation and booking of amortization (accretion). If the reporting institution chooses that option, then, for a security purchased at a premium, the reporting institution shall take the full amount of the amortization of the premium at the time of purchase (and the security will be reported in this schedule at par or face value for the period it remains on the books of the reporting institution); for a security purchased at a discount, the reporting institution shall take the full amount of the discount at the time of maturity or sale of the security (and the security will be reported in this schedule at cost for the period it remains on the books). Amortized cost of securities with derivative hedges should be reported at net.

B **Held-to-maturity—Fair value.**

Report in this column the fair value of holdings of securities classified as held-to-maturity, as authorized by regulation, as of the close of business on the report date. As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, *Fair Value Measurements*), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

The fair value of securities held-to-maturity should be determined, to the extent possible, by timely reference to the best available source of current market quotations or other data on relative current values. For example, securities traded on national, regional, or foreign exchanges or in organized over-the-counter markets should be valued at the most recently available quotation in the most active market. Holdings of securities held-to-maturity for which no organized market exists should be valued on the basis of a yield curve estimate. Quotations from brokers or others making markets in securities that are neither widely nor actively traded are not acceptable. The fair values of securities with derivative

Column Instructions

Column	Caption and Instructions
	hedges should be reported in accordance with ASC Topic 320, Investments-Debt and Equity Securities (formerly SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*), and with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).
C	**Available-for-sale—Amortized cost.** In column C, report the amortized cost of securities classified as available-for-sale. For securities purchased at other than par or face value, the amortized cost to be reported is the cost of the securities purchased, adjusted for amortization of premium over the par or face value, and for the accretion of discount from the par or face value. As a general rule, the premium (discount) on each security purchased should be amortized (accreted) over the life of the security; that is, from date of purchase to maturity of the security. If the amount of the monthly amortization (accretion) for a given security is immaterial, the reporting institution may, at its option, omit the monthly calculation and booking of amortization (accretion). If the reporting institution chooses that option, then, for a security purchased at a premium, the reporting institution shall take the full amount of the amortization of the premium at the time of purchase (and the security will be reported in this schedule at par or face value for the period it remains on the books of the reporting institution); for a security purchased at a discount, the reporting institution shall take the full amount of the discount at the time of maturity or sale of the security (and the security will be reported in this schedule at cost for the period it remains on the books). Amortized cost of securities with derivative hedges should be reported at net.
D	**Available-for-sale—Fair value.** Report in this column the fair value of holdings of securities classified as available-for-sale, as authorized by regulation, as of the close of business on the report date. As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, *Fair Value Measurements*), fair value is "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." The fair value of securities available-for-sale should be determined, to the extent possible, by timely reference to the best available source of current market quotations or

Column Instructions

Column	Caption and Instructions
	other data on relative current values. For example, securities traded on national, regional, or foreign exchanges or in organized over-the-counter markets should be valued at the most recently available quotation in the most active market. Holdings of securities available-for-sale for which no organized market exists should be valued on the basis of a yield curve estimate. Quotations from brokers or others making markets in securities that are neither widely nor actively traded are not acceptable. The fair values of securities with derivative hedges should be reported in accordance with ASC Topic 320, Investments-Debt and Equity Securities (formerly SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*), and with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).

Line-by-Line Instructions

1 U.S. Government and U.S. Government agency obligations (excluding mortgage-backed securities (MBS)).
All securities of the U.S Government or a U.S. Government agency as an instrumentality of the U.S. Government are fully guaranteed as to the timely payment of principal and interest by the by the full faith and credit of the U.S. Government in Schedule RC-B, items 1(a) through 1(c).

1(a) Treasury securities.
Report in the appropriate columns the amortized cost and fair value of all holdings of U.S. Government (Treasury) securities (but not the obligations of a U.S. Government agency, which are to be reported in Schedule RC-B, item 1(b) below). Include all Treasury bills, certificates of indebtedness, notes, and bonds, including those issued under the Separate Trading of Registered Interest and Principal of Securities (STRIPS) program.

However, exclude from this line all obligations of U.S. Government agencies, any detached Treasury security coupons and ex-coupon Treasury securities (other than those issued by the Treasury under the STRIPS program) resulting from stripping by anyone other than the Treasury and held as the result of either the reporting institution's having purchased them from others or having stripped them itself. Holdings of detached Treasury coupons and ex-coupon Treasury securities (other than STRIPS) are to be reported on Schedule RC-B, item 11(a), "Domestic debt securities."

1(b) Other fully insured or guaranteed obligations (i.e., 100% unconditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of all holdings of U.S. Government agency obligations that are fully insured guaranteed as to the timely payment of principal and interest by the by the full faith and credit of the U.S. Government. This also includes federally insured deposits, loans guaranteed by either the Export-Import Bank of the United States (EXIM) or the Overseas Private Investment Corporation (OPIC), and certain obligations of the Small Business Administration (SBA) or United States Department of Agriculture (USDA). Many lenders sell the 100% unconditionally guaranteed portions of USDA and SBA loans to agents who securitize the loans into 100% guaranteed securities for the secondary market. Examples of the underlying loan pool or loans packaged into these securities may include: SBA section 7(a) and 504 loans, USDA–Rural Development-Business and Industry (B&I) loans, and

Line-by-Line Instructions

USDA-Farm Service Agency (FSA)-farm ownership and operating loans. If an institution buys a securitized security or a pool of loans consisting of USDA and SBA unconditionally guaranteed (100 percent guaranteed) portion of loans, then the institution must include these assets in Schedule RC-B, item 1(b).

Note: If an institution buys a portion of an individual loan that is unconditionally guaranteed (100 percent guaranteed) by USDA or SBA, then the institution must include the loan portion balance in Schedule RC, item 4(a), 4(e) or 6 as appropriate.

1(c) Other partially insured or guaranteed obligations (i.e., conditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of all holdings of a U.S. Government agency whose obligations are **partially** insured or guaranteed (including conditionally guaranteed obligations) by the U.S. Government. This includes debt obligations of U.S. Government agencies and private obligations that are partially insured or guaranteed by a U.S. Government agency.

2 Government-sponsored enterprise (GSE) obligations (excluding MBS).
Report in the appropriate columns all securities (including the portion of securities that are partially insured or guaranteed) included in Schedule RC-B, items 2(a) and 2(b), that ***are not*** explicitly backed by the full faith and credit of the United States.

2(a) Fully insured or guaranteed obligations (i.e., 100% unconditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of obligations (including bonds, notes, and debentures) of Government-sponsored enterprises, such as the Federal National Mortgage Association (FNMA or Fannie Mae), the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), or the Federal Agricultural Mortgage Corporations (Farmer Mac) that are fully insured or guaranteed by the agency or corporation and are held by the reporting institution. Exclude from this line item obligations of agencies and corporations that represent MBS (report these items in Schedule RC-B, item 7 below).

2(b) Other partially insured or guaranteed obligations (including conditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of obligations (including bonds, notes, and debentures) of Government-sponsored enterprises, such as

Line-by-Line Instructions

the Fannie Mae, Freddie Mac, or Farmer Mac that are partially insured or guaranteed by the agency or corporation and are held by the reporting institution. Exclude from this item obligations of agencies and corporations that represent MBS (report these items in Schedule RC-B, item 7 below).

3 Municipal obligations.
Report in the appropriate columns any debt obligation issued by a State, the District of Columbia (DC), the Commonwealth of Puerto Rico, a territory or possession of the United States, or a political subdivision that possesses general powers of taxation, including property taxation. (Examples include: County, City, School districts, Hospital districts, Fire districts, and Water districts.)

3(a) General obligation bonds.
Report in the appropriate columns the amortized cost and fair value of all holdings of general obligations issued by States and political subdivisions in the United States as authorized in 12 CFR 615.5140(a)(2). General obligations of a State or political subdivision mean an obligation that is unconditionally guaranteed by an obligor possessing general powers of taxation, including property taxation.

3(b) Revenue bonds.
Report in the appropriate columns the amortized cost and fair value of all holdings of revenue bonds authorized under 12 CFR 615.5140(a)(2). Revenue bond means a municipal obligation (see 3 above) that finances a specific project or enterprise, but it is not a full faith and credit obligation. The obligor pays a portion of the revenue generated by the project or enterprise to the bondholders.

3(c) Industrial development revenue bonds.
Report in the appropriate columns the amortized cost and fair value of all holdings of Industrial development revenue bonds (IDRBs) authorized under 12 CFR 615.5140(a)(2). IDRBs include obligations issued under the auspices of states or political subdivisions for the benefit of a private party or enterprise where that party or enterprise, rather than the government entity, is obligated to pay the principal and interest on the obligation. IDRBs are not full faith and credit obligations, and the obligor is only obligated to pay a portion of the revenue generated by the project or enterprise to the bondholders.

Line-by-Line Instructions

3(d) Other.
Report in the appropriate columns the amortized cost and fair value of all holdings of Municipal obligations other than those described in Schedule RC-B, items 3(a) through 3(c), above.

4 International and multilateral development bank obligations.
Report in the appropriate columns the amortized cost and fair value of obligations of international and multilateral development banks, such as the International Bank for Reconstruction and Development (World Bank) and other supranationals, which operate outside or beyond the authority of one national government.

5 Money market instruments.

5(a) Federal funds sold.
Report in the appropriate columns the amortized cost and fair value of all unsecured lending of immediately available funds (Fed funds "sold") regardless of the nature of the transaction and the contract. Include both those that mature in one business day or that roll over under a continuing contract ("pure Fed funds") and those that mature in more than one business day ("term Fed funds") with a contract that is continuously callable up to 100 days. Immediately available funds are funds that the borrowing ("purchasing") bank can either use or dispose of on the same business day that the transaction, giving rise to the receipt or disposal of the funds, is executed. Exclude from this item any advances that are not immediately available to the reporting institution or any advances that are secured under resale agreements or any similar agreement. Such items are to be reported in Schedule RC-B, items 11(a) or 11(b), below, as applicable.

5(b) Negotiable certificates of deposit.
Report in the appropriate columns the amortized cost and fair value of all holdings of negotiable large-denomination time deposits with a specific maturity of 1 year or less, as evidenced by a certificate.

5(c) Banker's acceptances.
Report in the appropriate columns the amortized cost and fair value of the reporting institution's holdings of drafts accepted by another financial institution and discounted or otherwise purchased by the reporting institution. Include any participations in acceptances purchased by the reporting institution from other holders of the acceptances;

Line-by-Line Instructions

exclude any participations sold by the reporting institution in its holdings of acceptances of other financial institutions.

Exclude from this item any holdings by the reporting institution of its own acceptances; that is, of drafts that it has accepted. Such holdings of its own acceptances are to be reported in Schedule RC, item 4, "Loans, etc."

5(d) Commercial paper.
Report in the appropriate columns the amortized cost and fair value of all holdings of commercial paper as authorized by 12 CFR 615.5140(a)(4). Commercial paper means any secured or unsecured promissory note of a corporation with a fixed maturity of no more than 270 days.

5(e) Non-callable term Federal funds and Eurodollar time deposits.
Report in the appropriate columns the amortized cost and fair value of all holdings of term Federal funds that are not continuously callable and Eurodollar time deposits that mature within 100 days. A Eurodollar time deposit means a non-negotiable deposit denominated in United States dollars that is issued by an overseas branch of a United States bank or by a foreign bank outside the United States.

5(f) Master notes.
Report in the appropriate columns the amortized cost and fair value of the reporting institution's investment in Master Notes. Master Notes means interest-bearing unsecured promissory notes that are issued by an institution to investors under a master note agreement. The most common type of master note agreement is a variable-amount note which is a type of open-ended commercial paper that allows the investment and withdrawal of funds on a daily basis and pays a daily interest rate tied to the commercial paper rate.

5(g) Securities purchased under resale agreements.
Report in the appropriate columns the amortized cost and fair value of advances of funds in the form of purchases of securities under agreements to resell and similar transactions. Include both those that mature in 1 business day or are under a continuing contract and those that mature in more than 1 business day. Include all such transactions whether or not they are immediately available funds. Also include in this item purchases of participations in pools of securities.

Line-by-Line Instructions

Securities sold by the reporting institution under agreements to repurchase are not to be treated as sales in reporting holdings of securities. Securities so "sold" are to be included in the reporting of holdings of securities by the "seller." (Such transactions should be treated as a borrowing by the selling institution and should be reflected in the reporting of a liability in Schedule RC, item 16, "Other liabilities"). Sales of participations in pools of securities held by the reporting institution are to be treated in the same fashion—the securities in which participations have been sold are reported as remaining on the books of the seller and the transaction is reflected as an item in "Other liabilities."

Similarly, securities purchased by the reporting institution under agreements to resell (and purchases of participations in pools of securities) are **not** to be reported under holdings of securities, e.g., in items 1, 2, and 3 of Schedule RC-B, but are to be reported in Schedule RC-B, item 5(g).

A resale agreement (also known as a reverse repurchase agreement) is a transaction involving the purchase of assets by one party from another, subject to an agreement by the purchaser to resell the assets at a specified date or in specified circumstances. Such transactions are treated as lending operations and do not affect the reported amounts of the holdings of the securities purchased and resold. Purchases of participations in pools of securities are similarly treated; that is, they are to be reported in this item rather than in one of the other items in this schedule.

Report such lending as gross. Do not net against security repurchase agreement liabilities.

6 Diversified investment funds.
Report in the appropriate columns the amortized cost and fair value of all holdings in diversified investment funds (e.g., mutual funds, money market mutual funds, or bond funds). Include all shares of investment companies registered under section 8 of the Investment Company Act of 1940.

7 Residential Mortgage-backed securities (RMBS).
Residential MBS mean securities that are either:

(1) Pass-through securities or participation certificates that represent ownership of a fractional undivided interest in a specified pool of residential (excluding home equity loans), multifamily or commercial mortgages, or

Line-by-Line Instructions

(2) A multiclass security (including collateralized mortgage obligations and real estate mortgage investment conduits) that is backed by a pool or residential, multifamily or commercial real estate mortgages, pass-through mortgage securities, or other multiclass mortgage securities.

7(a) Fully insured or guaranteed by U.S. Government and U.S. Government agency issued or guaranteed (i.e., 100 percent unconditionally guaranteed obligations). Report in the appropriate columns the amortized cost and fair value of all holdings of mortgage securities backed by the full faith and credit of the United States, including securities issued by the Government National Mortgage Association or backed solely by mortgages that are fully guaranteed as to principal and interest by the full faith and credit of the United States (i.e., 100 percent unconditionally guaranteed obligations).

Mortgage securities issued by the SBA that are fully guaranteed as to principal and interest by the full faith and credit of the U.S. Government and U.S. Government agency should be reported on this item.

7**(b) Fully insured or guaranteed by a Government-sponsored enterprise (GSE) (i.e., 100 percent unconditionally guaranteed obligations).** Report in the appropriate columns the amortized cost and fair value of all holdings of mortgage securities issued and fully insured or guaranteed as to principal and interest by Fannie Mae, Freddie Mac or other GSE (i.e., 100 percent unconditionally guaranteed obligations). These securities ***are not*** backed by the full faith and credit of the United States.

7(c) Securities partially insured or guaranteed by a Government-sponsored enterprise (including conditionally guaranteed obligations). Report in the appropriate columns the amortized cost and fair value of all holdings of mortgage securities issued and partially insured or guaranteed as to principal and interest by Fannie Mae, Freddie Mac or other GSE (including conditionally guaranteed obligations).

7**(d) Non-agency securities.** Report in the appropriate columns the amortized cost and fair value of privately issued mortgage securities that are collateralized by qualifying residential mortgages meeting the collateral requirements of the Secondary Mortgage Market Enhancement Act of 1984 (SMMEA). SMMEA securities must generally be secured by a first lien on a single

Line-by-Line Instructions

parcel of real estate (residential or mixed residential commercial structure) and originated by a qualifying financial institution. Non-agency mortgage securities means securities that are offered and sold pursuant to section 4(5) of the Securities Act of 1933, 15 U.S.C. 77d(5) or are residential mortgage-related securities within the meaning of section 3(a)(41) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(41). Non-Agency mortgage securities do not include securities issued under a private-label that are backed by agency mortgage pass-through securities of participation certificates.

8 Commercial mortgage-backed securities (CMBS).
Report in the appropriate columns the amortized cost and fair value of commercial MBS authorized under 12 CFR 615.5140(a)(5). Commercial MBS means securities that are collateralized by mortgages on commercial properties, such as apartment buildings, shopping centers, office buildings, and hotels.

9 Agricultural MBS (AMBS) issued or guaranteed by Federal Agricultural Mortgage Corporation (Farmer Mac).
Report in the appropriate columns the amortized cost and fair value of all holdings of mortgage securities issued and guaranteed as to principal and interest by Farmer Mac defined in § 615.5174.

10 Asset-backed securities.
Report in the appropriate columns the amortized cost and fair value of all holdings of asset-backed securities (ABS). ABS are securities that provide for ownership of a fractional undivided interest or collateral interest in specific assets of a trust that are sold and traded in the capital markets. ABS exclude mortgage securities that are defined in 12 CFR 615.5131(i). Prior to March 2001 this amount also included corporate debt securities, which are now included in Schedule RC-B, item 11(a) or 11(b), below.

10(a) Credit card receivables.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by credit card receivables (i.e., extensions of credit arising from credit cards).

10(b) Home equity loans.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by home equity lines of credit (i.e., revolving, open-end lines of credit secured by 1-to-4 family residential properties).

Line-by-Line Instructions

10(c) Auto loans.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by automobile loans, including loans to finance automobile dealers or for the purpose of purchasing private passenger vehicles, including minivans, vans, sport-utility vehicles, pickup trucks, and similar light trucks.

10(d) Student loans.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by student loans.

10(e) Equipment loans.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by equipment.

10(f) Manufactured housing loans.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by manufactured housing.

10(g) Other structured securities.
Report in the appropriate columns the amortized cost and fair value of all ABS collateralized by non-mortgage loans other than those described in Schedule RC-B, items 10(a) through 10(f), above.

11 Other debt securities.
Report in the appropriate columns the amortized cost and fair value of all holdings of corporate debt authorized under 12 CFR 615.5140(a)(7). A debt security means a debt instrument setting forth the obligation of the issuer to satisfy the terms of the agreement. Other debt securities include bonds, which are generally classified by issuer type and include, public utilities, transportations, industrials, banks and finance companies and Yankee issues.

11(a) Domestic debt securities.
Report in the appropriate columns the amortized cost and fair value of all holdings of domestic debt other than that described in Schedule RC-B, items 1 through 10(g), above.

Line-by-Line Instructions

11(b) Foreign debt securities.
Report in the appropriate columns the amortized cost and fair value of all holdings of foreign debt other than that described in Schedule RC-B, items 1 through 10(g), above.

12 Other equity securities.
Report in the appropriate columns the amortized cost and fair value of all other equity investment holdings that are not covered by any other item in Schedule RC-B above. Prior to March 2005 this amount also included Farmer Mac securities authorized under § 615.5173, which are now included in Schedule RC-B, item 9, above.

13 Total.
For columns A, B, C and D, report the total of the items of Schedule RC-B. The sum of the amounts reported in columns A and D should agree with the amount reported in Schedule RC, item 2. In addition, the sum of the amounts reported in Schedule RC-B, items 15(a) through 15(d), below should agree with the amounts reported in the applicable columns of this item.

Memoranda:

14 Securities subject to the 35 percent regulatory limit (§615.5132).
Report in the appropriate columns the amortized cost and fair value of all securities included in this schedule that are subject to the 35 percent limit specified in 12 CFR 615.5132.

15 Investment purposes (banks only) or as otherwise required by the FCA).
Report in the appropriate rows the primary purpose of investments.

15(a) Pledged securities.
Report in the appropriate columns the amortized cost and fair value of all securities included in this schedule that are pledged to secure deposits, repurchase transactions, other borrowings (regardless of the balance of the deposits or other liabilities against which the securities are pledged), as performance bonds under futures or forward contracts, or for any other purpose. Do not, in this item, take into account the general collateralization against indebtedness (required by FCA regulation) in Schedule RC-J, Collateral Position. The pledging of securities owned by the reporting institution shall not affect the amount of securities held that is to be reported on the balance sheet and on this schedule

Line-by-Line Instructions

15(b) Securities included in the liquidity reserve and supplemental liquidity buffer.
Report in the appropriate columns the amortized cost and fair value of all securities that are included in the liquidity reserve and supplemental liquidity buffer.

15(c) Securities removed from the liquidity reserve and supplemental liquidity buffer due to noncompliance with §615.5134(e) or §615.5143.
Report in the appropriate columns the amortized cost and fair value of all securities that were initially purchased for the liquidity reserve or supplementary buffer, but were subsequently removed from liquidity because they were not eligible when purchased or were eligible when purchased, but no longer satisfy eligibility criteria see **§615.5134(e) or §615.5143.**

15(d) Securities held for other purposes.
Report in the appropriate columns the amortized cost and fair value of all securities that were purchased for purposes other than those defined in rows 15(a), 15(b), and 15(c).

15(e) Total.
Report in the appropriate columns the sum of rows 15(a), 15(b), 15(c), and 15(d). The totals must agree with the amounts reported in row 13.

16 Assets held in liquidity reserve or supplemental liquidity buffer (§615.5134) (banks only, or as otherwise required by the FCA).

16(a) Assets in liquidity reserve or supplemental liquidity buffer (fair value).
Report the dollar amount of cash, cash in process of collection and the fair value of securities in the liquidity reserve at quarter-end.

16(b) Assets in liquidity reserve or supplemental liquidity buffer, discounted in accordance with § 615.5134.
Report the dollar amount of cash, cash in process of collection and the fair value of securities in the liquidity reserve at quarter-end after discounting accordance with § 615.5134.

Line-by-Line Instructions

16(c) Principal portion of obligations maturing within 90 days (calculated in accordance with § 615.5134).
Report the principal portions of obligations and other borrowings of the bank that mature within 90-days. This must be calculated in accordance with § 615.5134(b).

17 Number days of liquidity (calculated in accordance with §615.5134) (banks only, or as otherwise required by the FCA).
Report in the appropriate rows the days liquidity provided by each Level of assets, as defined in § 615.5134(b). Individual securities must be reported in only one Level and not split among multiple Levels. When calculating days of liquidity for each Level, the Levels must be applied sequentially. Specifically, Level 1 assets must be applied to the first maturing obligations, Level 2 assets must be applied to the next maturing obligations, and Level 3 must be applied to the next maturing obligations.

17(a) Days of liquidity provided by Level 1 assets.
Report the total days liquidity provided by Level 1 assets, calculated in accordance with § 615.5134(b).

17(b) Days of liquidity provided by Level 2 assets.
Report the total days liquidity provided by Level 2 assets, calculated in accordance with § 615.5134(b).

17(c) Days of liquidity provided by Level 3 assets.
Report the total days liquidity provided by Level 3 assets, calculated in accordance with § 615.5134(b).

17(d) Days of liquidity provided by supplemental buffer assets.
Report the total days liquidity provided by Supplemental Buffer assets, calculated in accordance with § 615.5134(b).

17(e) Total Days of Liquidity.
Report the total number of days liquidity at quarter-end in accordance with § 615.5134(b). Totals should equal the sum of 17(a), 17(b), 17(c), and 17(d).

Schedule RC-B.1
Mission Related Investments (non-FOIA schedule)
General Instructions

This schedule is intended to serve as a memoranda of the Call Report to identify the amounts of mission related investments (MRI) for the purposes delineated in FCA Informational Memorandums dated June 25, 2004, and January 11, 2005, and authorized under §§ 615.5140(a) 615.5140(e), 615.5172, 615.5174 or FCA Book letters BL-052 and BL-061.

MRI securities (including bonds or similar instruments) prior approved, approved under pilot programs, or authorized under the reporting institution's current investment or incidental authorities that support the institution's MRI program. This includes not only pilot program mission-related investments, but all mission-related investments, including certain investments made under an institution's general investment authorities under §§ 615.5140 and 615.5142 (*see*, e.g., FCA's Informational Memorandum dated June 30, 2011).

In addition, MRI securities may include rural development projects identified by local, state, tribal, or federal governments or projects in rural areas declared natural disaster areas by the Federal government.

These amounts include securities or pools of loans backed by the guaranteed portion of United States Department of Agriculture (USDA) Business and Industry loan(s) and FSA loan(s). Amounts on items 1(a) through 1(k) below would not include those loans originated by the reporting institution and guaranteed by the USDA or SBA, only those securities purchased under the institution's investment authority. Further SBA securities purchased under an institution's investment authorities would not be reported, unless there is sufficient documentation to confirm compliance with the institution's MRI program and definition of a rural area.

Schedule RC-B.1
Mission Related Investments (non-FOIA schedule) (cont'd)

Line-by-Line Instructions

1 MRI reported as securities on Schedule RC, item 2.

1(a) U.S. Government and U.S. Government agency obligations (excluding MBS).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of U.S. Government and U.S. Government agency obligations. See Schedule RC-B, items 1(a) through 1(c), for additional description of securities included in this item.

1(b) Insured or guaranteed obligations.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of obligations (including bonds, notes, and debentures) of Government-sponsored enterprise (GSE). See Schedule RC-B, items 2(a) and 2(b), for additional description of securities included in this item.

1(c) Municipal obligations.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of general obligations issued or authorized by States and political subdivisions in the United States as authorized in 12 CFR 615.5140(a)(2). See Schedule RC-B, items 3(a) through 3(d), for additional description of securities included in this item.

1(d) Money market instruments.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of Fed funds sold, negotiable certificates of deposit, banker's acceptances, banker's acceptances, non-callable term federal funds and Eurodollar time deposits, master notes, securities purchased under resale agreements. See Schedule RC-B, items 5(a) through 5(g), above for additional description of securities included in this item.

1(e) Diversified investment funds.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of diversified investments. See Schedule RC-B, item 6, for additional description of securities included in this item.

1(f) Residential MBS.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of residential MBS. See Schedule RC-B, items 7(a) through 7(d), for additional description of securities included in this item.

Line-by-Line Instructions

1(g) Commercial MBS.
Report in the appropriate columns the amortized cost and fair value of commercial MBS authorized under 12 CFR 615.5140(a)(5). See Schedule RC-B, item 8, for additional description of securities included in this item.

1(h) Agricultural MBS issued or guaranteed by Federal Agricultural Mortgage Corporation (Farmer Mac).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of mortgage securities issued and guaranteed as to principal and interest by Farmer Mac. See Schedule RC-B, item 9, for additional description of securities included in this item.

1(i) Asset-backed securities.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of ABS. See Schedule RC-B, items 10(a) through 10(g), for additional description of securities included in this item.

1(j) Other debt securities.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of corporate debt authorized under 12 CFR 615.5140(a)(7). See Schedule RC-B, items 11(a) and 11(b), for additional description of securities included in this item.

1(k) Other equity securities.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of all other equity investment holdings that are not covered by any other item in Schedule RC-B. See Schedule RC-B, item 12, for additional description of securities included in this item.

2 Additional MRI Holdings.
Report in the appropriate columns the amortized cost and fair value of all additional MRI holdings that were not reported in line items 1(a) through 1(k) of this schedule.

2(a) MRI reported as loans
Report in the appropriate columns the amortized cost and fair value of all additional MRI holdings that were not reported in line items 1(a) through 1(k) of this schedule and in line item 2b. Report all MRI items carried on the balance sheet as "loans."

Line-by-Line Instructions

2(b) MRI reported as other assets.
Report in the appropriate columns the amortized cost and fair value of all additional MRI holdings that were not reported in line items 1(a) through 1(k) of this schedule and line 2a. Report all MRI items carried on the balance sheets as "other assets".

3 Total MRI (sum of items 1(a) through 1(k) & 2 above).
Report in the appropriate columns the amortized cost and fair value of all additional MRI holdings that were not reported in line items 1(a) through 1(k) and items 2(a) and 2(b). Report all MRI items carried on the balance sheet.

4(a) Agriculture and Agribusiness (AA).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of entities engaged in agriculture and agribusinesses, value-added food and fiber processors and marketers, including infrastructure for agricultural production, storage, shipping, and trade.

4(b) Renewable energy (RE).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of renewable energy projects and those projects that qualify under the Renewable Energy and Energy Efficiency Program of the 2002 Farm Bill section 9006 or similar type projects.

4(c) Rural businesses (RB).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of legal business entities that create or preserve jobs in rural areas.

4(d) Rural housing (RH).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of projects or investments that fund housing for low and moderate income individuals living in rural areas.

4(e) Rural lenders (RL).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of investments in obligations issued by agricultural and rural community lenders, which are generally secured by a pledge of the issuer's qualifying collateral or supplemental collateral (cash or highly marketable securities), that increase the flow of funds to rural America.

Line-by-Line Instructions

4(f) Essential rural community facilities & equipment (RF).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of projects supporting essential community facilities in rural areas including schools, libraries, childcare facilities, hospitals, medical and health facilities, assisted living, fire and rescue stations, police stations, community centers, and public buildings. Also may include equipment used to provide public services in rural areas.

4(g) Rural infrastructure & utilities (RU).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of projects that fund water, waste, utilities, and transportation infrastructures in rural areas.

4(h) Rural business investment funds (RI).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of investments in rural business investment companies (RBIC) or entities established to solely invest in RBICs as authorized by the Farm Security and Rural Investment Act. Additional information on RBICs is available in FCA's June 25, 2004, Informational Memorandum. Also report investments in other business investment funds or Regional Angel Investment Network Funds (RAIN).

4(i) Other (OT).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of other projects as authorized that do not meet the above criteria. Include a brief description in an addendum to the Call Report.

4(j) Total (items 4(a) thru 4(i) above).
For columns A, B, C and D, report the total of the items 4(a) through 4(i). The sum of the amounts reported in columns A, B, C and D should agree with the amounts reported in columns A, B, C and D of item 3 above.

5(a) Fully insured or guaranteed by U.S. Government, U.S. Government agency, or Government-sponsored enterprise (i.e., 100 percent unconditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of obligations ***fully*** insured or guaranteed by the U.S. Government and U.S. Government agencies, such as the FSA, USDA, the Tennessee Valley Authority and SBA. Also, include the total value of the portions of obligations fully insured or guaranteed by GSEs, such as Fannie Mae or Freddie Mac. MRI holdings in this item also include securities fully insured or guaranteed by Farmer Mac or any state or state entity.

Line-by-Line Instructions

5(b) Partially insured or guaranteed by U.S. Government, U.S. Government Agency or Government-sponsored enterprise (including conditionally guaranteed obligations).
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of obligations ***partially*** insured or guaranteed (including conditionally guaranteed obligations) by the U.S. Government and U.S. Government agencies, such as the FSA, USDA, the Tennessee Valley Authority and SBA. Also, include the total value of the portions of obligations partially insured or guaranteed (including conditionally guaranteed obligations) by GSEs, such as Fannie Mae or Freddie Mac. MRI holdings in this item also include securities partially insured or guaranteed (including conditionally guaranteed obligations) by Farmer Mac or any state or state entity.

5(c) Not guaranteed.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of obligations that ***are not*** insured or guaranteed by the U.S. Government and its agencies, GSAs, Farmer Mac or any state or state entity.

5(d) Total MRI (must equal item 3 above).
For columns A, B, C and D, report the total of the items 5(a) through 5(c). The sum of the amounts reported in columns A, B, C and D should agree with the amount reported in item 3 above.

6(a) MRI ownership position: Debt.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of the reporting institution's investment debt securities in institutions that meet the intent of MRI. Amounts reported include those specifically authorized through FCA's prior approval process as well as those qualifying investments made under the institution's general investment authorities under §§ 615.5140 and 615.5142.

6(b) MRI ownership position: Equity.
Report in the appropriate columns the amortized cost and fair value of all MRI holdings consisting of the reporting institution's equity investment in institutions that meet the intent of MRI. Amounts reported include those specifically authorized through FCA's prior approval process as well as those qualifying investments made under the institution's general investment authorities under §§ 615.5140 and 615.5142. Even though certain equity investments that qualify as MRI are generally not considered securities and are therefore not reported on Schedule RC-B Securities, these investments should be reported in Schedule RC-B.1, item 6(b). In addition, these investments typically do not qualify

Line-by-Line Instructions

for the purposes of complying with the liquidity reserve requirement, managing short-term funds, and managing interest rate risk. However, stock holdings in Farmer Mac are not considered a MRI.

6(c) Total MRI (must equal item 3 above).
For columns A, B, C and D, report the total of the items 6(a) and 6(b). The sum of the amounts reported in columns A, B, C and D should agree with the amount reported in item 3.

7 MRI total funded and unfunded commitments.
Report in the appropriate columns the amortized cost and fair value of the amount of MRI commitments not reported as part of the balance sheet and income statement. Include all funded MRI commitments included in item 6(c), above, plus any unfunded MRI commitments.

Schedule RC-B.2 Assets Held for Liquidity (non-FOIA schedule)
(Applicable to banks only)

General Instructions

This schedule covers the institution's reporting requirements for investments purchased and held for liquidity pursuant to 12 CFR 615.5134. The general purpose of this schedule is to report the amounts and days of liquidity provided by each type of investment. You must report investments held within each level of liquidity as defined by 12 CFR 615.5134. Individual securities must be reported in only one category and not split among multiple categories. Investments that are not held for liquidity, or no longer eligible to be held for liquidity, should not be reported on this schedule (consistent with FCA Regulation 12 CFR 615.5143). The amortized cost and fair value of these securities should be reported in columns A and B, respectively. The fair value of these securities, discounted in accordance with § 615.5134(b), should be reported in column C. Column D should report the days liquidity provided by each category of investments, as defined in § 615.5134(b).

Schedule RC-B.2 Assets Held for Liquidity (non-FOIA schedule)
(Applicable to banks only)

Column Instruction

Column	Caption and Instruction
A	**Amortized Cost.** In column A, report the amortized cost of assets held for liquidity. For securities purchased at other than par or face value, the amortized cost to be reported is the cost of the securities purchased, adjusted for amortization of premium over the par or face value, and for the accretion of discount from the par or face value. As a general rule, the premium (discount) on each security purchased should be amortized (accreted) over the life of the security; that is, from date of purchase to maturity of the security. If the amount of the monthly amortization (accretion) for a given security is immaterial, the reporting institution may, at its option, omit the monthly calculation and booking of amortization (accretion). If the reporting institution chooses that option, then, for a security purchased at a premium, the reporting institution shall take the full amount of the amortization of the premium at the time of purchase (and the security will be reported in this schedule at par or face value for the period it remains on the books of the reporting institution); for a security purchased at a discount, the reporting institution shall take the full amount of the discount at the time of maturity or sale of the security (and the security will be reported in this schedule at cost for the period it remains on the books). Amortized cost of securities with derivative hedges should be reported at net.
B	**Fair Value.** In column B, report the fair value of assets held for liquidity, as of the close of business on the report date. As defined in ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, Fair Value Measurements), fair value is “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” The fair values of securities with derivative hedges should be reported in accordance with ASC Topic 320, Investments-Debt and Equity Securities (formerly SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities), and with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended by SFAS No. 138).
C	**Discounted Fair Value.** In column C, report the fair value of assets held for liquidity, discounted in accordance with § 615.5134(b).

Schedule RC-B.2 Assets Held for Liquidity (non-FOIA schedule)
(Applicable to banks only)

Column Instruction

Column	Caption and Instruction
D	**Days of Liquidity for Category.** In column D, report the days liquidity provided by each category of assets, as defined in § 615.5134(b). Individual securities must be reported in only one category and not split among multiple categories. When calculating days of liquidity for each category, the categories must be applied sequentially. Specifically, cash must be applied to the first maturing obligations, overnight money market instruments must be applied to the next maturing obligations, and **so on**. Subtotals and totals in column D must agree with RC-B, line item 17(a) through 17(e).

Schedule RC-B.2 Assets Held for Liquidity (non-FOIA schedule)
(Applicable to banks only)

Line-by-Line Instructions

1 Level 1.
Report in the appropriate rows assets held in Level 1, as defined in § 615.5134(b).

1(a) Cash.
No definition required.

1(b) Overnight money market instruments.
No definition required.

1(c) U.S. Government obligations ≤ 3 year remaining maturity.
Reported amounts should include only debt securities issued and guaranteed by the U.S. Government or one of its agencies.

1(d) Government-sponsored enterprise senior debt ≤ 60 days remaining maturity.
Reported amounts should include only senior debt securities issued and guaranteed by a Government-sponsored entity (GSE). Exclude debt securities issued by the Farm Credit System.

1(e) Diversified investment funds comprised of Level 1 securities.

1(f) Subtotal.
Reported amounts should equal the sum of rows 1(a) through 1(e).

2 Level 2.
Report in the appropriate rows assets held in Level 2, as defined in § 615.5134(b). Do not include excess Level 1 assets.

2(a) U.S. Government obligations > 3 year remaining maturity.
Reported amounts should include only debt securities issued and guaranteed by the U.S. Government or one of its agencies.

2(b) MBS fully and explicitly guaranteed (both P&I) by U.S. Government.
Reported amounts should include only MBS in which both principal and interest is fully guaranteed by the U.S. Government.

2(c) Diversified investment funds comprised of Levels 1 and 2 securities.

Schedule RC-B.2 Assets Held for Liquidity (non-FOIA schedule)
(Applicable to banks only)

Line-by-Line Instructions

2(d) Subtotal.
Reported amounts should equal the sum of rows 2(a) through 2(c).

3 Level 3.
Report in the appropriate rows assets held in Level 3, as defined in § 615.5134(b). Do not include excess Level 1 or Level 2 assets.

3(a) Government-sponsored enterprise senior debt > 60 days remaining maturity.
Reported amounts should include only senior debt securities issued and guaranteed by a GSE. Exclude debt securities issued by the Farm Credit System.

3(b) MBS fully guaranteed (both P&I) by a Government-sponsored enterprise.
Reported amounts should include only MBS in which both principal and interest is fully guaranteed by a GSE.

3(c) Money market instruments ≤ 90 days remaining maturity.

3(d) Diversified investment funds comprised of Levels 1, 2 and 3 securities.

3(e) Subtotal.
Reported amounts should equal the sum of rows 3(a) through 3(d).

4 Supplemental liquidity buffer.
Report assets held in the supplemental liquidity buffer as defined in § 615.5134(b). Do not include excess Level 1, Level 2, or Level 3 assets.

5 Total.
Reported amounts for each column should equal the sum of rows 1(f), 2(d), 3(e), and 4.

Schedule RC-B.3 Demands on Liquidity (non-FOIA schedule)
(Applicable to banks only)

General Instructions

This schedule covers the institution's reporting requirements for maturing Systemwide debt and other borrowings, which is typically the greatest liquidity use and demand for liquidity and is a key factor in calculating days of liquidity. The amounts reported should be based on the principal portion of maturing obligations and other borrowings of the bank in accordance with FCA regulation 615.5134(b). The amounts reported in each row should be based on the remaining maturity date of the debt, or the call date if the debt security has a call option that has been executed.

Schedule RC-B.3 Demands on Liquidity (non-FOIA schedule)
(Applicable to banks only)

Column	Caption and Instructions
A	**Consolidated Systemwide Debt Obligations.** In column A, report the principal portion of the bank's Consolidated Systemwide debt obligations outstanding.
B	**Other Bank Borrowings.** In column B, report the principal portion of bank liabilities other than those defined in column A.
C	**Total.** Reported amounts should equal the sum of column A and B.

Line-by-Line Instructions

1 **Debt Maturities.**
Report in the appropriate rows debt outstanding based on its maturity date. If a debt security has a call option that has been executed, the maturity date should be based on the call date.

1(j) **Total.**
Reported amounts should equal the sum of rows 1(a) through 1(i).

Schedule RC-F
Performance of Loans, Notes, Sales Contracts, and Leases

In the schedule, total loans, (principal and accrued interest receivable) are to be reported in the following classifications:

Accruing
Formally restructured accruing
Nonaccrual:
Cash basis
Other

For each of these loan classifications, the schedule requires information to be reported on past due status as follows:

Not past due or past due less than 30 days
Past due 30 through 89 days
Past due 90 days or more

In classifying and reporting loans in any line item of this table, the amount of accrued interest receivable on any loan shall be reported along with the loan. For a nonaccrual loan, this would include the amount of interest accrued (and unpaid) up to the time the loan was shifted to a nonaccrual status, except where the accrual of interest in the calendar year of such a shift was reversed and backed out of net income rather than being carried as accrued interest in nonaccrual status.

Definitions

This section provides the definitions of the terms used above that are necessary for the proper classification and reporting of loans for this schedule. The definitions, for the most part, are taken from FCA Regulations (12 CFR Part 621).

Past due. For purposes of this schedule, a loan is past due when it is contractually past due. A loan is considered contractually past due, under regulation, when any principal repayment or interest payment required by the loan instrument is not received by the lender on or before the due date.

Loans payable in more than one payment, whether in regular installments or otherwise, are past due as of the first day a scheduled, required, or expected payment of principal, interest, or combination of the two due on that day was not received by the lender on or before that day. The entire outstanding principal (including accrued interest where appropriate), not just the amount of the delinquent payment, must be classified and reported as past due.

Demand loans and loans on which a call provision has been activated are past due as of the date that any portion, or all, of the outstanding principal and/or accrued interest has been demanded or otherwise called and payment has not been received by the lender.

A loan classified as past due shall remain so classified until it is formally restructured or until the entire amount delinquent (including principal amounts, accrued interest, and penalty interest incurred by virtue of past due status) is collected or otherwise discharged in full. Past due amounts should include loans in foreclosure and the number of days past due should be based on the time when the loan became delinquent (i.e., not when the loan went into foreclosure).

Nonaccrual loans. A loan shall be considered and reported as a nonaccrual loan if it meets any of the following conditions:

(1) Collection of any amount of outstanding principal and all past and future interest accruals, considered over the full term of the asset, is not expected; or

(2) Any portion of the loan has been charged off, except in cases where the prior chargeoff was taken as part of a formal restructuring of the loan; or

(3) The loan is 90 days past due and is not both adequately secured and in process of collection.

A loan is considered adequately secured if it is secured by real or personal property having a net realizable value sufficient to discharge the debt in full; or it is guaranteed by a financially responsible party in an amount sufficient to discharge the debt in full.

A loan is considered in process of collection only if collection efforts are proceeding in due course and, based on a probable and specific event, are expected to result in the prompt repayment of the debt for its restoration to current status. There must be documented evidence that collection in full of amounts due and unpaid is expected to occur within a reasonable time period, not to exceed 180 days from the date that payment was due. The commencement of collection efforts through legal action, including ongoing workouts and reamortizations, do not, in and of themselves, provide sufficient cause to keep a loan out of nonaccrual status. If full collection of the debt or its restoration to current status is dependent upon completion of any action by the borrower, the institution must obtain the borrower's written agreement to complete all such actions by the specific dates set forth in agreement.

Nonaccrual loans may, at times, be maintained on a cash basis. Generally, cash basis refers to the recognition of interest income from cash payments received on certain nonaccrual loans for which the collectability of the recorded investment in the loan is no longer in doubt.

Cash payments on nonaccrual loans may be recognized if all the following characteristics are met at the time the payments are received:

(i) The loan does not have a remaining unrecovered prior chargeoff associated with it, except in cases where a chargeoff was taken prior to a formal debt restructuring;

(ii) The payment received is from a source detailed in the plan of collection; and

(iii) The loan, after receipt of the payment, is not contractually past due 90 days and is not expected to again become 90 days past due, or a repayment pattern has been established that reasonably demonstrates future repayment capacity.

Formally restructured accruing loans. These are loans that are "troubled debt restructurings," as defined in ASC Subtopic 310-40, Troubled Debt Restructurings by Creditors, and ASC Subtopic 470-60, Troubled Debt Restructurings by Debtors (formerly SFAS No. 15, *Accounting by Debtors and Creditors for Troubled Debt Restructurings*).

After a loan is classified and reported as "formally restructured accruing," it shall continue to be reported as such in this schedule until it is fully paid off or otherwise discharged, or it once again becomes severely past due under its restructured terms as to be appropriately classified as "nonaccrual" or until such time as the terms are substantially equivalent to terms on which loans with comparable risks are being made. In the latter case, the loan is to be reported as "accruing."

In reporting a "formally restructured accruing loan," performance of the restructured loan should be measured since the time of restructuring and with respect to its restructured terms and conditions, not with reference to its performance prior to the restructuring. For example, a loan that was over 90 days past due prior to restructuring (and thus at that time to be reported in column C) would, after restructuring, be reported in column A as not past due as long as it performed in compliance with the restructured terms.

Accruing loans. All loans not properly identifiable as "nonaccrual" or "formally restructured accruing" as defined in these instructions are accruing loans.

Rule of aggregation. When one loan to a borrower is placed in nonaccrual, an institution must immediately evaluate whether its other loans to that borrower, or related borrowers, should also be placed in nonaccrual status. All loans on which a borrowing entity, or a component of a borrowing entity, is primarily obligated to the reporting institution shall be considered as one loan, unless a review of all pertinent facts supports a reasonable determination that a particular loan constitutes an independent credit risk and such determination is adequately documented in the loan file.

This means that, if the evaluation required above results in a determination that the borrower's other loans with the institution do not represent an independent credit risk, and full collection of such loans is not expected, then all of the loans must be aggregated and classified as nonaccrual.

Column/Line-Item Instructions

Report all of the reporting institution's loans, notes receivable, sales contracts, and lease receivables, including accrued interest receivable on these, in the appropriate line-items and columns of the schedule as determined by classification in accordance with the above definitions and instructions. Report in column D the sum of columns A, B, and C for each of the items 1 through 4. Report in item 4 the sum of items 1 through 3 for each of columns A through D. **The amount reported in item 4, for column D, must equal the sum of Schedule RC, items 4(a), 4(b), 4(c), 4(d), 4(e), 5(a), 5(b), 5(c), and 5(d).**

Memorandum:

5. Number of loans.
Report the total number of loans outstanding that corresponds to the amount shown in column D, item 4.

Schedule RC-F1
Performance of Loans, Notes, Sales Contracts, and Leases
Loan Performance By Loan Type

In this schedule, total loans (principal and accrued interest receivable) are to be reported by loan types (defined in RC.1) in the following classifications (defined in RC-F):

Accruing
Accruing—past due 90 days or more
Formally restructured accruing
Nonaccrual:
  Cash basis
  Other.

In classifying and reporting loans in any line item of this schedule, the amount of accrued interest receivable on any loan shall be reported along with the loan. For a nonaccrual loan, this would include the amount of interest accrued (and unpaid) up to the time the loan was shifted to a nonaccrual status, except where the accrual of interest in the calendar year of such a shift was reversed and backed out of net income rather than being carried as accrued interest in nonaccrual status.

Column/Line-Item Instructions

Report all the reporting institution's loans, notes receivable, and lease receivables, including accrued interest receivable on these, for each loan type, as defined in RC.1, in the appropriate columns of the schedule, in accordance with the definitions above. Report in Column F the sum of columns A thru E for each line item 1 thru 11. Report in item 12 the sum of items 1 thru 11 for each column A thru E. The amount reported for item 12 in column F must equal the sum of Schedule RC, items 4(a) thru 4(e) plus items 5(a) thru 5(d).

Schedule RC-F2
Performance of Loans, Notes, Sales Contracts, Leases and Classified Assets Classifications By Asset Type (non-FOIA schedule)

In this schedule, total loans (principal and accrued interest receivable) are to be reported by loan types (defined in RC.1) and by credit classification. Assets other than loans (as described below) that are classified should be reported on line item 11(b).

Credit classifications.
System institutions use asset quality classifications to identify and disclose the degree of risk in the loan portfolio and other assets. The classification system predominately used by System institutions is the Uniform Classification System (UCS). UCS credit classifications are assigned on the basis of certain risk factors and include the following five categories: Acceptable, Special Mention (also referred to as Other Assets Especially Mentioned or OAEM), Substandard, Doubtful, and Loss. Assets classified Substandard, Doubtful, and Loss are considered adversely classified assets; assets classified less than fully Acceptable are considered criticized assets. Assets may also be assigned more than one classification when portions of the asset clearly meet different classification standards. A detailed description and application of each classification category can be found in the *FCA Examination Manual*.

Each institution must report the following information with respect to credit quality of its loan portfolio and other classified assets. For purposes of this report, an institution should align its credit classification categories as is necessary to best fit within the framework of the UCS. For most System institutions, loans (principal and interest) are the only assets assigned credit classifications. However, some System institutions have other types of assets that are routinely assigned credit classifications. Assets not reported on Schedule RC items 4(a) thru 4(e) plus items 5(a) thru 5(d) that are classified should be reported in line 11(b).

Column Instructions

Column	Caption and Instructions
A	**Acceptable** Report the institution's total amount of loans classified as Acceptable at the report date for each loan type on lines 1 thru 11(a) using the definitions in RC.1. For reporting purposes, any loans not yet classified as of the report date should be included with those classified as Acceptable. All other acceptable assets, other than loans, should be reported on line 11(b).

B	**Special Mention** Report the institution's total amount of loans classified as Special Mention (also referred to as Other Assets Especially Mentioned or OAEM) at the report date for each loan type on lines 1 thru 11(a) using the definitions in RC.1. All other assets classified as Special Mention should be reported on line 11(b).
C	**Substandard** Report the institution's total amount of loans classified as Substandard at the report date for each loan type on lines 1 thru 11(a) using the definitions in RC.1. All other assets classified Substandard should be reported on line 11(b).
D	**Doubtful** Report the institution's total amount of loans classified as Doubtful at the report date for each loan type on lines 1 thru 11(a) using the definitions in RC.1. All other assets classified Doubtful should be reported on line 11(b).
E	**Loss** Report the institution's total amount of loans classified as Loss at the report date that have not been charged off for each loan type on lines 1 thru 11(a) using the definitions in RC.1. All other assets classified Loss should be reported on line 11(b).
F	**Total** Report in Column F the sum of columns A thru E for items 1 through 12. The aggregate of classified assets reported on this line item that represent loans (items 1 thru 11(a)) should generally agree with the sum of amounts reported in Schedule RC, items 4(a) through 4(e) plus 5(a) through 5(d). If the amount reported on this line item <u>does</u> <u>not agree</u> with the sum of amounts reported in Schedule RC, item 4(a) through 4(e) plus 5(a) through 5(d), the difference must be explained (through a reconcilement) in an addendum to the Call Report.

Schedule RC-F3
Risk Ratings for Retail Loans, Notes, Sales Contracts, and Leases (non-FOIA schedule)

Report the total volume of all applicable assets stratified on the assigned Probability of Default (PD) risk rating (rows) and Loss Given Default (LGD) risk rating (columns) as of the reporting date. Additional instructions:

- Refer to the Farm Credit System's Combined System Risk Rating Guidance for definitions of the 14-point PD risk rating scale and the six-tier LGD risk rating scale. (In general, the PD rating reflects a borrower's probability of default and the LGD rating reflects the anticipated loss exposure on a specific obligation assuming a default occurs.)

- For FCS banks, the amounts reported in this schedule should exclude "direct loans" extended to FCS associations, which are instead reported in Schedule RC-F4. The amounts reported in this schedule should also exclude "OFI loans" extended to other financial institutions, which are instead reported in Schedule RC-F5.

- The reported amounts should include the book value of outstanding principal and accrued interest receivable. The amount reported in item 15G must match the sum of amounts reported in Schedule RC, items 4(a) through 4(e) plus 5(a) through 5(d) less Schedule RC-F2 item 9F and item 10F. If these amounts do not agree, the difference must be explained (through a reconcilement) in an addendum to the Call Report.

Schedule RC-F4
Risk Ratings for Direct Loans from FCS Banks to FCS Associations (non-FOIA schedule)

This schedule is only applicable to FCS banks.

Report the total volume of “direct loans” extended to FCS associations by the assigned Probability of Default (PD) risk rating as of the reporting date. Additional instructions:

- Refer to the Farm Credit System’s Combined System Risk Rating Guidance for definitions of the 14-point PD risk rating scale. (In general, the PD rating reflects a borrower’s probability of default.)

- The reported amounts should include the book value of outstanding principal and accrued interest receivable.

- The amount reported in item 15 must match the amount reported in Schedule RC-F2 item 9F (direct loans extended to FCS associations).

Schedule RC-F5
Risk Ratings for discounted loans to OFIs (non-FOIA schedule)

This schedule is only applicable to FCS Banks.

Report the total volume of "discounted loans to OFIs" extended by FCS banks by the assigned Probability of Default (PD) risk rating as of the reporting date. Additional instructions:

- Refer to the Farm Credit System's Combined System Risk Rating Guidance for definitions of the 14-point PD risk rating scale. (In general, the PD rating reflects a borrower's probability of default.)

- The reported amounts should include the book value of outstanding principal and accrued interest receivable.

- The amount reported in item 15 must match the amount reported in Schedule RC-F2 item 10F (Discounted loans to OFIs).

Schedule RC-G
Average Daily Amounts for the Quarter

Item No.	**Caption and Instructions**

General Instructions

This schedule requires the reporting of daily averages over the reporting quarter period for selected groupings and detail of assets, liabilities, and net worth.

For items on the schedule, report the averages of the balances called for as of the close of business for each business day for the calendar quarter. Include nonbusiness days (e.g., weekends or holidays) in the computation of the average daily balance. Accordingly, the computation will be computed based on the actual days in each quarter (e.g., the sum of the asset item's ending day balance for each actual day in the quarter divided by the actual number of days will equal the average daily balance for the asset item).

In general, the main focus of the schedule is on interest-earning assets and interest-bearing liabilities. However, item 6, "Nonaccrual loans," is noninterest earning; item 9, "Total assets," and item 14, "Total liabilities," include both noninterest-earning and noninterest-bearing components; and item 15, "Total net worth," is noninterest bearing.

Line-Item Instructions

For each of the items described below, report the appropriate average balance.

Item No.	**Caption and Instructions**

Assets

1 **Securities.**
This average item corresponds to Schedule RC, item 2. The item excludes accrued interest receivable.

2 **Accrual loans, sales contracts, notes, and leases.**
This average item corresponds to the definition for Schedule RC, items 4(a), 4(b), 4(c), and 4(d). The item excludes accrued interest receivable, nonaccrual loans, and the deduction for allowance for loan losses.

3 **Loans and leases held for sale.**
This average item corresponds to the definition for Schedule RC, item 6.

Item No.	Caption and Instructions
4	**Other interest-earning assets.** Report in this item the average daily balances for the quarter of any interest-earning assets of the reporting institution that are not reported in the above line items.
5	**Total interest-earning assets.** Report in this item the sum of the amounts reported in items 1, 2, 3, and 4 above.
6	**Nonaccrual loans.** The total of average items 6(a) and 6(b) correspond to Schedule RC, item 4(e), and to Schedule RC-F, column D, items 3(a) and 3(b).
6(a)	**Cash basis.** Report in this item the average daily balance for the quarter of the amounts of nonaccrual loans that the reporting institution maintains on a cash basis. Generally, cash basis refers to the recognition of interest income from payments received on certain nonaccrual loans for which the collectability of the loan's principal is not in doubt.
6(b)	**Other.** Report in this item the average daily balance for the quarter of the amounts of all other nonaccrual loans not included in 6(a) above.
7	**Accrued interest receivable (loans).** This average item corresponds to Schedule RC, item 5, but excludes accrued interest receivable on securities, which is reported in Schedule RC, item 5(e).
8	**Other property owned.** This average item corresponds to Schedule RC, item 8.
9	**Total assets.** This average item corresponds to Schedule RC, item 11.
10	**System-wide notes and bonds.** This average item corresponds to Schedule RC, item 12(a). Report in this item the average daily balance for the quarter of System-wide bonds, medium-term notes,

Item No.	Caption and Instructions
	and System-wide notes, including the amount of any unamortized discount or premium and unamortized debt issuance costs related to the institution's participation in System-wide bonds, medium-term notes, and System-wide notes.
11	**Notes payable to other Farm Credit System institutions.** This average item corresponds to Schedule RC, item 12(b). Report in this item the average daily balance for the quarter of notes payable to other Farm Credit System institutions including the amount of any unamortized discount or premium and unamortized debt issuance costs related to these notes.
12	**Other interest-bearing liabilities.** Report in this item the average daily balances for the quarter of any interest-bearing liabilities of the reporting institution that are not reported in item 10 or 11 above including bonds and notes payable to others including the amount of any unamortized discount or premium and unamortized debt issuance costs related to these bonds and notes. Include in this item Farm Credit investment bonds.
13	**Total interest-bearing liabilities.** Report in this item the sum of the amounts reported by the reporting institution in items 10, 11, and 12 above.
14	**Total liabilities.** This average item corresponds to Schedule RC, item 24.
15	**Total net worth.** This average item corresponds to Schedule RC, item 21.

Schedule RC-H
Accumulated Other Comprehensive Income

General Instructions

This schedule covers the detailed reporting of the net worth section of the institution's balance sheet. The schedule is divided into **four** parts consisting of a section on capital stock, a section on earned surplus, a section on accumulated other comprehensive income, **and a section with memoranda items**. The capital stock section requires all institutions to report the par amount of capital stock, participation certificates, preferred stock, the book amount of paid-in capital, and total net capital stock.

The earned surplus section requires all institutions to report the book amount of allocated surplus, undistributed earnings (unallocated surplus), and total earned surplus. The accumulated other comprehensive income section requires all institutions to report the book amount of accumulated other comprehensive income and total net worth. **The memoranda section requires all institutions to report allocated equities of a bank allotted to others and allocated equities included in core surplus and unqualified written notice of allocation included in unallocated surplus.**

Each reporting institution should review its current bylaws that pertain to the institution's net worth. Even though each reporting institution's bylaws will vary regarding the composition of its net worth, every effort has been made to provide a uniform reporting format that can accommodate different types of net worth structures. In the event a reporting institution does not believe the structure of its net worth, or a specific category, conforms to the structure provided by these instructions, the institution is required to immediately contact the Compliance Officer, Office of Information Technology, for further interpretive instructions and/or clarification. Each institution is required to complete this Schedule RC-H, Reconcilement of Net Worth.

Each reporting institution should also review section 4.9A, "Protection of Borrower Stock," of the Act before beginning to complete this schedule. As referenced above, the amounts reported on this schedule require the institution to differentiate between capital stock, participation certificates, and allocated surplus that is protected under section 4.9A and those amounts that are not protected under this section of the Act.

At the end of the fiscal year, many institutions distribute earnings to their stockholders in the form of patronage. These distributions of patronage are routinely made through allocations of capital stock, and allocated equities and payments in cash. As in all areas of the Call Report, accrual accounting should be followed. Therefore, if it is the institution's intention (or where it is imposed by bylaws) to distribute earnings (i.e., patronage, dividends) at the end of the fiscal year, accruals for such distributions must be made in interim reports when they are considered material.

Line-Item Instructions

Item No.	Caption and Instructions

Accumulated Other Comprehensive Income

1	**Components of accumulated other comprehensive income** Report in the appropriate sub-item the amount of accumulated other comprehensive income, net of adjustments and tax that represent transactions accounted for in accordance with ASC Topic 220, Comprehensive Income (formerly SFAS No. 130, Reporting Comprehensive Income).
1(a)	Net unrealized losses (or gains) on securities available-for-sale that are not other-than-temporarily impaired.
1(b)	Other-than-temporarily impaired available-for-sale securities.
1(c)	Minimum pension liability adjustments.
1(d)	Cash flow hedge adjustments.
1(e)	Other comprehensive income adjustments.
1(f)	**Total accumulated other comprehensive income** Report the total of items 1(a) through 1(e). The amount must equal Schedule RC, item 23.

Schedule RC-I
Commitments, Contingencies, and Other Items

General Instructions

Report the following selected commitments, contingencies, and other items that are not reported as part of the balance sheet and income statement.

Items 3(e)(i), 5(a), 6(b) are to be reported only by banks. All other items must be reported by the reporting institutions, as applicable.

Line-Item Instructions

Item No.	Caption and Instructions

1 **Standby letters of credit.**

Report, in sub-item (a) or (b), as appropriate, the amount outstanding and unused as of the report date of all standby letters of credit (and all legally binding commitments to issue standby letters of credit) issued by the reporting institution.

A standby letter of credit is a letter of credit that:

(a) Represents an obligation on the part of the issuing institution to a designated third party (the beneficiary) contingent upon the failure of the issuing institution's customer (the account party) to perform under the terms of the underlying contract with the beneficiary; or

(b) Obligates the issuing institution to guarantee or stand as surety for the benefit of a third party to the extent permitted by law or regulation.

The underlying contract may entail either financial or nonfinancial undertakings of the account party with the beneficiary. The underlying contract may involve such things as the customer's payment of commercial credit, completion of a construction contract, or repayment of the account party's obligation to the beneficiary.

Under the terms of a standby letter, as a general rule, the beneficiary is authorized to draw drafts on the issuing institution (up to a stipulated amount and with specified terms and conditions) only when the underlying event fails to occur as intended.

The reporting institution must report in item 1 the full amount outstanding and unused of the standby letters of credit issued where the reporting issuing institution is obligated to pay the full amount of any draft drawn, even if it has conveyed participations to others. The gross amount must be reported even though under the terms of the standby letter the participating institutions have an obligation to partially or wholly reimburse the issuing institution either directly in cash or through a participation in a loan to the account party.

The reporting institution must also report in item 1 the full amount of its commitment under any participations (such as those described in the previous paragraph) conveyed to it in standby letters without deducting any amounts that it may have re-participated to others.

For syndicated standby letters of credit in which each institution has a direct obligation to the beneficiary, each institution must report only its share in the syndication. Similarly, if several institutions participate in the issuance of a standby letter of credit under a bona fide binding agreement that provides that each participant, regardless of any event, shall be liable only up to a certain percentage or to a certain amount and the beneficiary has been so advised and has agreed, then each participating institution shall report only its proportional share of the total standby letter of credit.

1(a) U.S. addressees.
Report in this sub-item the amount of standby letters of credit (as defined in item 1) issued for account parties with U.S. addresses (i.e., domiciled in the United States). Note that the distinction between U.S. and non-U.S. addressees is determined by the domicile of the account party (the institution's customer) not the domicile of the beneficiary.

1(b) Non-U.S. addressees.
Report in this sub-item the amount of standby letters of credit (as defined in item 1) issued for account parties with non-U.S. addresses (i.e., domiciled outside the United States).

2 Commercial and other letters of credit.
Report in this item the amount outstanding and unused as of the report date of commercial and other letters of credit issued or confirmed by the reporting institution.

A commercial letter of credit is a document specifically related to trade or commerce issued by a financial institution on behalf of its customer (the account party) authorizing a third party (the beneficiary) to draw drafts on the issuing institution up to a stipulated amount and with specified terms and conditions upon consummation of the transaction underlying the letter. The letter of credit is a conditional commitment on the part of the issuing institution to provide payments on such drafts drawn in accordance with the terms of the document.

3 Gross amounts (notional) of derivatives.

Report in the appropriate sub-item the gross par value (for futures, forwards, and option contracts) or notional amount (for forward rate agreements and swaps), as appropriate, of all derivatives.

The notional amount or par value to be reported for derivative or synthetic contract with a multiplier component is the contract's effective notional amount or par value. For example, a swap contract with a stated notional amount of $1,000,000 whose terms call for quarterly settlement of the difference between 5 percent and LIBOR multiplied by 10 has an effective notional amount of $10,000,000.

Derivative products used in the System are typically characterized as "Interest Rate Contracts" related to an interest-bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury bill). These contracts are generally used to adjust an institution's interest rate risk exposure. Interest rate contracts include interest rate futures, single currency interest rate swaps, basis swaps, forward rate agreements, and interest rate options, including caps, floors, collars, and corridors.

In addition to "Interest Rate Contracts" as defined above, derivative contracts can include foreign exchange contracts, commodity contracts, or equity contracts. If such contracts are included, institutions must attach an addendum explaining such usage.

No netting of contracts is permitted. Do not net: (1) obligations of the reporting entity to purchase from third parties against the bank's obligation to sell to third parties; (2) written options against purchased options; or (3) contracts subject to bilateral netting agreements.

Do not report transactions involving (1) "regular way" settlements, that is, cash market transactions that are settled in one business day for U.S. Government (Treasury) and Government agency and corporation securities (other than Government-guaranteed mortgage pass-through certificates); (2) 5 business days for municipal and corporate securities; and (3) up to 60 days for mortgage-backed securities. Cash market transactions with settlement periods that exceed regular way settlement time limits must be reported as forward contracts in Schedule RC-I, item 3(b).

Associations must explain any derivative entries in an addendum. The addendum must describe each type of derivative reported by the counterparty. For each item listed in the addendum, the association should also report the term, market value, duration, and purpose of the derivative.

3(a) Futures contracts.

Futures contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument at a specified price or yield. Futures contracts are standardized and are traded on organized exchanges that act as the counterparty to each contract. Report the aggregate par value of futures contracts that have been entered into by the reporting institution and are outstanding (i.e., open contracts) as of the report date.

Contracts are outstanding (i.e., open) until they have been canceled by acquisition or delivery of the underlying financial instrument or by offset. Offset is the liquidating of a purchase of futures through the sale of an equal number of contracts of the same delivery month on the same underlying instrument, or the covering of a short sale of futures through the purchase of an equal number of contracts of the same delivery month on the same underlying instrument.

Some of the more common interest rate futures contracts include futures on 90-day U.S. Treasury bills; 12-year GNMA pass-through securities; and 2-, 4-, and 10-year U.S. Treasury notes.

Note: Foreign exchange, commodity, and other futures, other than for interest rate risk, should also be included in this sub-item. If such contracts are included, institutions must attach an addendum explaining such usage.

3(b) Forward contracts.

Forward contracts represent agreements for delayed delivery of financial instruments or commodities in which the buyer agrees to purchase and the seller agrees to deliver, at a specified future date, a specified instrument or commodity at a specified price or yield. In contrast to futures contracts, forward contracts are not traded on organized exchanges and their contractual terms are not standardized. Report the aggregate par value of forward contracts that have been entered into by the reporting institution and are outstanding (i.e., open contracts) as of the report date.

Forward contracts are outstanding (i.e., open) until they have been canceled by acquisition or delivery of the underlying financial instruments or settled in cash. Such contracts can only be terminated, other than by receipt of the underlying asset, by agreement of both buyer and seller.

It is anticipated that the risk characteristic of forward contracts used by System institutions is interest rate risk wherein the institution is committing to purchase or sell financial instruments. If forward contracts reported in this sub-item have other risk characteristics (e.g., foreign exchange risks, commodity risks, and other risks), institutions must report such usage in an addendum.

3(c) Exchange traded option contracts.

Options contracts convey either the right or the obligation, depending upon whether the reporting institution is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Some options are traded on organized exchanges.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

It is anticipated that the risk characteristic of exchange-traded options used by System institutions is interest rate risk wherein the institution is committing to purchase or sell financial instruments. If options reported in this sub-item have other risk characteristics (e.g., foreign exchange risks, commodity risks, and other risks), institutions must describe such usage in an addendum.

3(c)(i) Written options. (banks only)

Report in this sub-item the aggregate par value of the financial instruments or commodities that the reporting institution has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date. For exchange-traded option contracts obligating the reporting institution to either purchase or sell an interest rate futures contract, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Note: Attach an addendum describing any options that involve foreign exchange, commodity, or risk characteristics other than interest rate risk.

3(c)(ii) Purchased options.

Report in this sub-item the aggregate par value of the financial instruments or commodities that the reporting institution has, for a fee or premium, purchased the right to either purchase or sell under exchange-traded option contracts that are outstanding as of the report date. For exchange-traded option contracts giving the reporting institution the right to either purchase or sell an interest rate futures contract, report the par value of the financial instrument underlying the futures contract. An example of such a contract is a Chicago Board Options Exchange option on the 13-week Treasury bill rate.

Note: Attach an addendum describing any options that involve foreign exchange, commodity, or risk characteristics other than interest rate risk.

3(d) Over the counter option contracts.

Options contracts convey either the right or the obligation, depending upon whether the reporting institution is the purchaser or the writer, respectively, to buy or sell a financial instrument or commodity at a specified price by a specified future date. Options can be written to meet the specialized needs of the counterparties to the transactions. These customized option contracts are known as over-the-counter (OTC) options. Thus, OTC option contracts include all option contracts not traded on an organized exchange.

The buyer of an option contract has, for compensation (such as a fee or premium), acquired the right (or option) to sell to, or purchase from, another party some financial instrument or commodity at a stated price on a specified future date. The seller of the contract has, for such compensation, become obligated to purchase or sell the financial instrument or commodity at the option of the buyer of the contract. A put option contract obligates the seller of the contract to purchase some financial instrument or commodity at the option of the buyer of the contract. A call option contract obligates the seller of the contract to sell some financial instrument or commodity at the option of the buyer of the contract.

In addition, "swaptions" (i.e., options to enter into a swap contract) and contracts known as caps, floors, collars, and corridors should be reported as options. Options, such as a call feature, that are embedded in loans, securities, and other on-balance sheet assets and liabilities are not to be reported in Schedule RC-I. Commitments to lend are not considered options for purposes of Schedule RC-I, item 3, but should be reported in Schedule RC-I, item 6.

It is anticipated that the risk characteristic of OTC options used by System institutions is interest rate risk wherein the institution is committing to purchase or sell financial instruments. If options reported in this sub-item have other risk characteristics (e.g., foreign exchange risks, commodity risks, and other risks), institutions should describe such usage in an addendum.

3(d)(i) Written options.

Report in this sub-item the aggregate par value of the financial instruments or commodities that the reporting institution has, for compensation (such as a fee or premium), obligated itself to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also include the aggregate notional amount for written caps, floors, and swaptions and for the written portion of collars and corridors. Do not include embedded options that are not considered a derivative under GAAP.

Include in this item the notional principal amount for interest rate caps and floors that the reporting bank sells. For collars and corridors, report a notional amount for the written portion of the contract in Schedule RC-I, item 3(d)(i) and for the purchased portion of the contract in Schedule RC-I, item 3(d)(ii). An interest rate collar, therefore, should be reported as the sale of a floor and the purchase of a cap.

Caps and floors are often referred to as a series of options. However, the notional amounts reported should not be "grossed up." The notional amount reported for caps and floors is the principal amount upon which payments would be based as of the reporting date if rates had risen above or fallen below the strike price.

Note: Attach an addendum describing any options that involve foreign exchange, commodity, or risk characteristics other than interest rate risk.

3(d)(ii) Purchased options.

Report in this sub-item the aggregate par value of the financial instruments or commodities that the reporting institution has, for compensation (such as a fee or premium), purchased the right to either purchase or sell under OTC option contracts that are outstanding as of the report date. Also include the aggregate notional amount for purchased caps, floors, and swaptions and for the purchased portion of collars and corridors.

Include in this item the notional principal amount for interest rate caps and floors that the reporting bank purchases. For collars and corridors, report a notional amount for the written portion of the contract in Schedule RC-I, item 3(d)(i) and for the purchased portion of the contract in Schedule RC-I, item 3(d)(ii). An interest rate collar, therefore, should be reported as the sale of a floor and the purchase of a cap.

Caps and floors are often referred to as a series of options. However, the notional amounts reported should not be "grossed up." The notional amount reported for a cap and floor is the principal amount upon which payments would be based as of the reporting date if rates had risen above or fallen below the strike price.

Note: Attach an addendum describing any options that involve foreign exchange, commodity, or risk characteristics other than interest rate risk.

3(e) Swaps.
Swaps are transactions in which two parties agree to exchange payment streams based on a specified notional amount for a specified period. Forward starting swap contracts should be reported as swaps. The notional amount of a swap is the underlying principal amount upon which the exchange of interest, foreign exchange, or other income or expense is based. The notional amount to be reported for a swap contract with a multiplier component is the contract's effective notional amount.

3(e)(i) Cross-currency swaps (banks only).
Report the notational amount of all cross-currency swaps executed in response to the issuance of foreign currency denominated debt as part of the System's Global Debt Program. This line item is applicable only to System banks (ACBs and FCBs).

3(e)(ii) Interest rate swaps.
Report the notional amount of interest rate swaps executed by the reporting institution.

3(e)(iii) Other swaps.
Report the notional amount of all other swaps not included in sub-items i or ii.

3(f) Total notional amount of derivative contracts.
Report the total of items 3a through 3e.

3(g) Collateralized derivative and other synthetic contracts.
Report the total amount from item 3(f) that is subject to collateral agreements, whether or not collateral is currently posted by either party.

4 Gross fair values of derivative and other synthetic contracts.
Report in the appropriate sub-item below the fair (market) value of all derivative and other synthetic contracts reported on Schedule RC-I, item 3(f). Report the gross positive and gross negative fair values separately. Other than netting the pay and receive side of individual swap contracts with bilateral netting agreements, no other netting is permitted. Therefore, do not net (1) obligations of the reporting institution to buy against the institution's obligations to sell; (2) written options against purchased options; or (3) positive fair values against negative fair values.

Report as fair value the amount at which a contract could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. If a quoted market price is available for a contract, the fair value to be reported for that contract is the product of the number of trading units of the contract multiplied by that market price. If a quoted market price is not available, report the bank's best estimate of fair value based on the quoted market price of a similar contract or on valuation techniques such as discounted cash flows.

For purposes of item 4, institutions should determine the fair value of its derivative and synthetic contracts in the same manner that it determines fair value of these contracts for other financial reporting purposes. For example, for interest rate swaps, fair value may include accrued net settlement amounts which have not been paid or received. Otherwise, do not combine, aggregate, or net the reported fair value with the fair or book value of any other derivative asset or liability.

4(a) Gross positive fair values.
Report the total of the gross positive fair value of contracts included in RC-I, item 3f.

4(b) Gross negative fair values.
Report the total of the gross negative fair values of contracts included in RC-I, item 3f.

5(a) Unrecorded liability for obligations of the Farm Credit System Financial Assistance Corporation—section 6.9(e)(3)(D) of the Act (banks only).
Section 6.9(e)(3)(D) of the Act states that "Until each obligation issued in accordance with this subsection reaches maturity, for financial reporting purposes, such obligation shall be considered to be the sole obligation of the FAC and shall not be considered a liability of any System bank."

Report in this item the unrecorded liability the institution would have recorded if not for this provision in the Act. This line item is applicable only to System banks (ACBs and FCBs).

5(b) Unrecorded liability for obligations for other post-retirement benefits.
Report in this item the amount of any remaining unrecognized transition obligations determined as a result of applying the provisions of ASC Topic 715, Compensation —Retirement Benefits (formerly SFAS No. 106, *Employers' Accounting for Post-Retirement Benefits Other Than Pensions*).

6 Unused commitments to extend credit or to participate in arrangements to extend credit.
Report in subitems 6(a) through 6(c), as appropriate, the unused portions of commitments that, as of the close of business on the report date, obligate the reporting institution to extend credit in the form of loans, notes, sales contracts, and lease receivables or in the form of participations in such extensions of credit.

Commitment means a legally binding obligation to extend credit, enter into lease financing, purchase or participate in loans or leases, or pay the obligation of another, which becomes effective at the time such commitment is made, as set forth in 12 CFR 614.4350(b).

In the case of commitments for syndicated loans or participated loans, report only the reporting institution's proportional share of the commitment.

Include loan proceeds that the reporting institution is obligated to advance, such as loan draws, construction progress payments, seasonal or living advances to farmers under prearranged lines of credit, rotating or revolving credit arrangements, etc.

6(a) Unused commitments on existing retail loans.
Unused commitments on existing retail loans are the unused portions of commitments to extend credit to borrowers other than associations. Report in subitems 6(a)(i) through 6(a)(iii) the reporting institution's unused portion of commitments, as defined below, to extend further credit on retail loans already in existence as of the report date.

6(a)(i) Unconditionally cancellable.
Unconditionally cancellable commitments are unused commitments that the reporting institution may, at any time, without cause, refuse to extend credit under the commitment. Report in this subitem unconditionally cancellable commitments to extend further credit on retail loans already in existence as of the report date.

6(a)(ii) 14 months or less.
Report in this subitem the reporting institution's unused commitments that are not unconditionally cancelable with original maturities of 14 months or less to extend further credit on retail loans already in existence as of the report date.

6(a)(iii) Greater than 14 months.
Report in this subitem the reporting institution's unused commitments that are not unconditionally cancelable with original maturities of greater than 14 months to extend further credit on retail loans already in existence as of the report date.

6(b) Unused commitments on existing direct loans (banks only).
An unused commitment on an existing direct loan is the total commitment, as defined by the direct note, less the outstanding amount of the direct loan. Report in this subitem the reporting institution's unused portion of the direct note to extend further credit on direct loans to associations already in existence as of the report date. This line item is applicable only to System banks (ACBs and FCBs).

6(c) Commitments on loans not yet booked.
Report in this sub-item the reporting institution's commitments, as defined above, to extend credit in the form of loans not yet booked as of the report date.

7 Volume of asset exposures serviced for other entities.
Report in sub-items 7(a) and 7(b) the "outstanding principal balance" and "total commitment," respectively, for the volume of assets serviced (but not owned) by the reporting entity for other entities. Common servicing activities include: customer billing; collecting payments, escrow responsibilities, distributing loan payments to others, customer contact, customer monitoring, etc. For the purpose of these reporting items, serviced assets include:

- Assets or portions of assets sold by the reporting entity to any other entities for which the reporting entity retained the primary credit administration responsibilities associated with servicing the asset.
- Any other assets or portions of assets for which the reporting entity paid to complete commonly-recognized servicing responsibilities (e.g., the reporting entity purchased or otherwise obtained material servicing responsibilities).
- The following asset types: loans, notes, sales contracts, leases, and mission-related investments. Includes participation and syndication transactions.

Note: Include in sub-items 7(a) and 7(b) only the amounts of "outstanding principal balance" and "total commitment," respectively, representing the volume of assets or portions of assets serviced (by the reporting entity) for other entities. Do **not** include in these items any amounts of outstanding principal balance or related commitment that represent the reporting entity's portion of these credit obligations.

7(a) Outstanding Principal Balance.
Report in this sub-item the amount of outstanding principal balance of serviced assets, as defined above, that the reporting entity services for other entities. Do **not** include in this item any amount of outstanding principal balance that represents the reporting entity's portion of the outstanding principal balance of these assets.

7(b) Total Commitment.
Report in this sub-item the amount of total commitment (outstanding principal balance plus undisbursed commitment) of serviced assets, as defined above, that the reporting entity services for other entities. Do **not** include in this item any amounts of outstanding principal balance or undisbursed commitment that represent the reporting entity's portion of these credit obligations.

---

8 **Other material commitments and contingencies.**
Report in sub-items 8(a) and 8(b) other commitments and contingencies of the reporting institution only if the aggregate amounts so reported exceed the greater of $10 million or 10 percent of total net worth as reported in Schedule RC, item 21.

8(a) **Lawsuits/litigation.**
Report in this item an estimate of any material contingent liabilities that are likely to arise out of existing lawsuits and litigation or out of such suits and litigation that will probably arise in the near future.

8(b) **Other.**
Report in this sub-item an estimate of any other material commitments and contingencies.

Schedule RC-J
Collateral Position (non-FOIA schedule)

General Instructions

Schedule RC-J is applicable to banks only. The schedule includes the following sections:

> **Available Collateral** - contains the various components of available collateral as defined by 12 CFR 615.5050;
>
> **Indebtedness Requiring Collateralization** - contains the components of indebtedness requiring collateralization by 12 CFR 615.5050;
>
> **Collateral Positions** - contains the amount of excess collateral (as defined by 12 CFR 615.5050).

Several of the individual line items on Schedule RC-J must equal line items or combinations of line items on Schedule RC. Therefore, reporting institutions should complete Schedule RC prior to completing Schedule RC-J.

The Farm Credit Act of 1971, as amended, and 12 CFR 615.5050, 5060, and 5090 require each bank to maintain sufficient collateral (available collateral as reported in item 11 of this schedule) for all of its secured debt obligations (items requiring collateralization as reported in line 19 of this schedule).

Under the requirements of 12 CFR 615.5050(a) each bank shall have on hand at the time of issuance of any notes, bonds, debentures, or other similar obligations, and at all times thereafter maintain, free from any lien or other pledge, assets consisting of notes and other obligations representing loans made under the authority of the Act, real or personal property acquired in connection with loans made under the Act, obligations of the United States or any agency thereof direct or fully guaranteed, other bank assets (including securities) approved by the Farm Credit Administration, cash, or cash equivalents approved by the Farm Credit Administration, in an aggregate value equal to the total amount of notes, bonds, debentures, or other similar obligations outstanding for which the bank is primarily liable. The regulations also establish:

- The collateral value of eligible investments (as defined in 12 CFR 615.5140) as the lower of cost or market value.

- The collateral value of notes and other obligations representing loans made under the authority of any Farm Credit Act shall be the unpaid balance of such loans adjusted for any allowance for loan losses (except as provided for in 12 CFR 615.5090).
- The collateral value of loans in process of liquidation or foreclosure, judgments, and sales contracts shall be the unpaid balance of such loans, judgments, and contracts adjusted for any allowance for losses.
- The collateral value of loans which have been restructured by any action, such as an extension, deferment, or partial release, shall be the new unpaid balance of the loans adjusted for any allowance for losses.
- The collateral value of property acquired in the liquidation of loans shall be the book value of such property.
- Collateral shall not include the amount of any loan that exceeds the maximum amount authorized under the Act or part 614 of the regulations.
- Collateral may include the collateral value of secured interbank loans, computed as provided in 12 CFR 615.5050(c)(1), if the assets securing the loan could serve as collateral supporting the issuance of obligations under 12 CFR 615.5050(a). In computing its eligible collateral, the borrowing bank shall not count the assets securing such loan.
- Each bank shall have procedures which will ensure that the bank complies with the statutory requirements for maintenance of collateral.

Amounts representing secured borrowings under repurchase agreements are to be reported as obligations requiring collateralization. Similarly, amounts that represent collateral used to secure borrowings under such agreements are to be reported as available collateral to the extent that the amount being reported for each individual transaction does not exceed the amount of the obligation that it secures.

Line-Item Instructions

Item No.	Caption and Instructions

Available Collateral

1 **Gross loan items.**
Report the net amount of loans available for collateral. This amount must equal the sum of the amounts from Schedule RC, items 4(a) through 4(e) plus items 5(a) through 5(d). Accordingly, this total equals all principal and accrued interest receivable on loans, notes, sales contracts, nonaccrual loans, and other assets appropriately classified as loans and eligible for collateral.

2 **Less: Excess loans.**
Report the amount of excess loans. For collateral reporting purposes, loans must be valued under the requirements of 12 CFR 615.5050(c)(5). This provision states that collateral shall not include the amount of any loan that exceeds the maximum amount authorized under the Act or part 614 of the Regulations (i.e., lending limit violations per 12 CFR 614.4352 and loan to value requirements per 12 CFR 614.4200(b)).

To properly compute excess loan amounts, any excess amount should be reduced to the extent that a specific (GAAP) allowance has been established on this same loan. For example, assume that a bank has a re-amortized loan with a new outstanding principal balance of $100,000. The primary security backing the loan has a current market value of $80,000. The bank has established a $20,000 specific (GAAP) allowance on this loan for financial reporting purposes. Because the loan has undergone a servicing action, for collateral reporting purposes, the loan must be valued under the provisions of 12 CFR 615.5050(c)(5).

Accordingly, the value of this loan that may be reported as collateral is 85 percent of the $80,000 appraised value of the primary security, or $68,000 ($80,000 x 0.85). The $32,000 difference ($100,000 new loan balance minus $68,000) between the unpaid principal balance of the loan and the new carrying value would normally be reported as a reduction to collateral in the form of an excess loan.

However, because this loan has a $20,000 specific allowance, the $20,000 specific allowance should be used to offset the excess loan amount such that only $12,000 ($32,000 minus $20,000) of the excess should be reflected as a reduction to collateral in the form of an excess loan. The purpose of this adjustment is to minimize the effects of "double counting" resulting from regulatory requirements.

Item No.	Caption and Instructions
3	**Less: Loans not secured by a first lien within 1 year.** Report the amount of loans that, after 1 year from the date of closing, must be withdrawn from collateral because proper documentation has not been obtained evidencing that the loan is secured by a first lien on real estate or its equivalent in accordance with 12 CFR 615.5060.
4	**Less: Nonconforming loans.** Report the amount of any loans that did not conform, at the time of loan closing, with the requirements of the law or regulations. Pursuant to 12 CFR 615.5090, such loan must be withdrawn from a bank's available collateral.
5	**Less: Unsecured notes receivable.** Report the amount of unpaid principal and/or the accrued interest receivable portion of any notes receivable from Farm Credit banks and others that by the terms of the note agreement is unsecured under 12 CFR 615.5050(c)(6).
6	**Less: Allowance for losses.** Report the amount of the allowance for losses on mortgage loans, purchase money mortgages, real estate sales contracts, notes receivable, nonaccrual loans, and other loan-related assets. This amount must be equal to Schedule RC, item 4(f).
7	**Other property owned.** Report the amount of real and personal property acquired by foreclosure or otherwise in liquidation of loans, accounts and notes receivable, sales contracts, etc. This amount must be equal to Schedule RC, item 8.
8	**Cash.** Report the total holdings of cash and balances due from depository institutions. These include: (a) cash items in process of collection, currency, and coin; (b) holdings of interest-bearing and noninterest-bearing balances due from depository institutions in the United States and banks in foreign countries, whether in the form of demand, savings, or time balances; and (c) balances of all types, and for all purposes, due from Federal Reserve banks. This amount must equal the amount reported in Schedule RC, item 1.

Item No.	Caption and Instructions
9	**Eligible investments (lower of cost or market).** Report the amount of securities, including accrued interest receivable, that the bank holds to maintain a liquidity reserve, manage short-term surplus funds, and manage interest rate risk (see 12 CFR 615.5140). Securities that are not eligible under 12 CFR 615.5140 should not be reported in this line item. For collateral purposes, securities must be valued at the lower of cost or fair market value, determined on an individual investment basis. That is, each individual security's amortized cost value must be compared to its market value at the report date, the lower value being reported in the aggregate amount.
10	**Other adjustments (explain in an addendum).** Report the amount of any other adjustments to available collateral. All amounts reported in this line must be fully explained in an addendum.
11	**Total available collateral (per FCA Regulation 615.5050).** Report the sum of items 1 through 10 above.

Item No.	Caption and Instructions

Indebtedness Requiring Collateralization

12 **Farm Credit bonds and notes, notes payable to other Farm Credit System banks, and other interest bearing debt.**
Report the amount of System-wide bonds and medium-term notes, System-wide notes, Farm Credit investment bonds, and notes payable to Farm Credit banks and others. This amount will equal the total of the amounts shown on Schedule RC, items 12(a) through 12(e).

13 **Accrued interest payable.**
Report the amount of accrued interest payable on System-wide bonds and medium-term notes, Farm Credit investment bonds, and notes payable to Farm Credit banks and others. This amount will equal the total amount of accrued interest payable shown on Schedule RC, line 13(g).

14 **Less: Uncollateralized portion of notes payable.**
Report the amount of the unpaid portion of any notes payable (including any applicable accrued interest payable) to Farm Credit banks and others that do not require collateralization.

15 **Other adjustments (explain in an addendum).**
Report the amount of any other adjustments to items requiring collateralization.

16 **Total obligations requiring collateralization.**
Report in this item all secured debt obligations of the reporting bank that require collateralization. (sum of 12 + 13 – 14 +15)

Collateral Positions

17 **Excess collateral position.**
Report the difference between available collateral. (item 11minus 16)

Schedule RC-K
Accrual Loan Activity Reconcilement for Loans, Leases, Notes Receivable (excluding Intra-System Loan), and Sales Contracts

Item No.	Caption and Instructions

General Instructions

This schedule covers the detailed reporting of the institution's loan activity for the current period. The schedule is designed to show the reconcilement of the increases and decreases to loans, etc., outstanding from the end of the prior period to the end of the current period.

Information should be reported by the institution that books the loan. Accrued interest receivable and all intra-System notes should be excluded from this schedule. The activity for all other loans, leases, notes receivable, and sales contracts should be reported.

Items 1-16 and 18 are applicable only to direct lender institutions. Items 17(a) and 17(b) must be reported by all reporting institutions.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Accrual loans—beginning balance.** Report the amount of accrual loans, etc., outstanding at the beginning of the period. **This amount must equal the amount reported on Schedule RC-K, item 16, of the reporting institution's prior quarter report.**
2	**Direct new money.** Report the amount of advances representing the extension of credit resulting from direct negotiations between the reporting institution and borrowing entities. Include advances on loans, etc., to new borrowers as well as those parts of loans to existing borrowers that are not used to retire previously outstanding principal or interest receivable already carried on the books of the reporting institution. Include advances used to retire indebtedness to any lender other than the reporting institution and advances on loans originated by the reporting institution even though all or part of the loans are subsequently sold as participations.
3	**Purchases of loans and participations.** Report the amount of advances representing the purchase of loans or parts of loans resulting from direct negotiations between a borrower and a lender other than the reporting institution.

Item No.	Caption and Instructions

4 **Conversions of accrued interest.**
Report the amount of accrued interest receivable that is already carried on the books of the reporting institution which has been converted to principal (rolled over to principal).

5 **Refinancing of principal.**
Report the amount refinanced of previously outstanding principal carried on the books of the reporting institution and otherwise reported on this schedule whether at or prior to maturity, wholly or partially.

6 **Reinstatements from nonaccrual status.**
Report the amount of principal reinstated from nonaccrual status during the period.

7 **Recoveries/reinstatements of charge-offs.**
Report the gross amount of recoveries on loans previously charged off.

8 **Other debits.**
Report the amount of other debit transactions affecting the balance of accrual loans, etc., outstanding during the period which cannot adequately be explained in items 1 through 7 because they are unusual and/or non-routine in nature.

9 **Repayments.**
Report the amount representing the receipt of funds during the period from borrowers for direct application against principal balances carried on the books of the reporting institution. Include amounts deposited with or otherwise available to the reporting institution for application against principal balances, such as advance and future payments, trust funds, stock, and participation certificate balances. Also include funds received from lenders responsible for supervising the loans in which the reporting institution has purchased participations.

10 **Sales of loans and participations.**
Report the amount resulting from the sale of loans or participations in loans to lenders other than the reporting institution itself during the period.

Schedule RC-K (cont'd)
Accrual Loan Activity Reconcilement for Loans, Leases, Notes Receivable (excluding Intra-System Loan), and Sales Contracts

Item No.	Caption and Instructions
11	**Refinancing of principal.** Report the amount of refinancings of previously outstanding principal carried on the books of the reporting institution and otherwise reported on this schedule, whether matured or unmatured, wholly or partially.
12	**Transfers to nonaccrual status.** Report the amount of loans, etc., which have been transferred to nonaccrual status during the period.
13	**Transfers to other property owned.** Report the amount of accrual loans for which other property owned has been received by the reporting institution through foreclosure proceedings in lieu of repayment of the loan. The amount transferred out should equal the fair market value of the other property owned received. Any amounts of the loan left on the books that are above the fair market value of the asset received should be charged off and recorded in item 14.
14	**Charge-offs.** Report the gross amount of accrual loans, etc., determined to be uncollectible and charged off during the period.
15	**Other credits.** Report the amount of other credit transactions affecting the balance of accrual loans, etc., outstanding during the period that cannot adequately be explained in items 9 through 14 because they are unusual and/or non-routine in nature.
16	**Accrual loans—ending balance.** Report the amount of accrual loans, etc., outstanding at the end of the period. This amount is the sum of items 1 through 8 less items 9 through 15. **The amount reported must equal the sum of the amounts reported on Schedule RC, items 4(a), 4(c), and 4(d).**

Schedule RC-K (cont'd)
Accrual Loan Activity Reconcilement for Loans, Leases, Notes Receivable (excluding Intra-System Loan), and Sales Contracts

Item No.	Caption and Instructions

Memoranda:

17	**Number of members (or others) that are holders of the stock or participation certificates issued and outstanding by the reporting institution.**
17(a)	**Voting stockholders.** Report the number of members (or others) that are holders of the stock or participation certificates issued and outstanding by the reporting institution. Members should be reported in only one category. If a member holds both voting and non-voting stock, the member should be reported only in the "Voting Stockholders" category.
17(b)	**Nonvoting stockholders.** Report the number of members (or others) that hold nonvoting stock or participation certificates. Although, if a member holds both voting and nonvoting stock, the member should be reported only in the "Voting Stockholders" category.
18	**Secondary market loans sold during period.** Report the amount of loans that were **sold** for the purpose of pooling and securitizing such loans into the secondary market during the period. The amount should include loans that are intended to be securitized into the secondary market by Farmer Mac as well as entities other than Farmer Mac.

Schedule RC-L
Nonaccrual Loan Activity Reconcilement

General Instructions

This schedule covers the detailed reporting of the institution's nonaccrual loan activity for the current period. The schedule is designed to show the reconcilement of the increases and decreases to nonaccrual loans outstanding from the end of the prior period to the end of the current period.

For detailed information regarding composition of nonaccrual loan balances, see instructions for Schedule RC, item 4(e).

Line-Item Instructions

Item No.	Caption and Instructions
1	**Nonaccrual loans—beginning balance.** Report the amount of nonaccrual loans outstanding at the beginning of the period. **This amount must equal Schedule RC-L, item 9 on the reporting institution's prior quarter report.**
2	**Gross amounts transferred into nonaccrual status.** Report the amount of loan principal and accrued interest and other amounts that have been transferred or changed to the institution's nonaccrual loan balances.
3	**Charge-offs.** Report the gross nonaccrual loan amounts that have been determined to be uncollectible and were charged off during the period.
4	**Transfers to other property owned.** Report the amount of nonaccrual loans for which other property owned has been received by the reporting institution through foreclosure proceedings in lieu of repayment of the loan. The amount transferred out should equal the fair market value of the other property owned received, and any amounts of the loan left on the books which are above the fair market value of the asset received should be charged off and recorded in item 3.
5	**Reinstatement to accrual status.** Report the amount of nonaccrual loans that were transferred to accrual status.

Item No.	Caption and Instructions
6	**Recoveries.** Report the gross amount of recoveries during the period on nonaccrual loans previously charged off. Recoveries represent amounts received or recognized that were previously believed uncollectible and therefore charged off.
7	**Repayments.** Report the amount representing the receipt of funds during the period from borrowers for direct application against nonaccrual loan balances carried on the books of the reporting institution. Include amounts deposited with or otherwise available to the reporting institution for application against nonaccrual balances, such as advances and future payments, trust funds, stock, and participation certificate balances. Also include funds received from lenders responsible for supervising the loans in which the reporting institution has purchased participations.
8	**Other (net).** Report the amount of any other debit and credit transactions affecting the balance of nonaccrual loans outstanding during the period which cannot be included in the above items because they are unusual and/or non-routine in nature.
9	**Nonaccrual loans—ending balance.** Report the amount of nonaccrual loans outstanding at the end of the period. This amount is the sum of items 1 + 2 – 3 – 4 – 5 + 6 – 7 + 8. **This amount must equal Schedule RC, item 4(e), for the current quarter.**

Schedule RC-M
Other-Property-Owned (Net of Depreciation) Activity Reconcilement

General Instructions

This schedule covers the detailed reporting of the institution's other property owned activity for the current period. The schedule is designed to show the reconcilement of the increases and decreases to other property owned from the end of the prior period to the end of the current period. The property to be reported in this schedule is property which has been acquired outright by foreclosure. For additional information, see instructions for Schedule RC, item 8.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Other property owned—beginning balance.** Report the amount of other property owned at the beginning of the period. **This amount must equal Schedule RC-M, item 7, on the reporting institution's report for the prior period.**
2	**Gross amounts transferred in.** Report the fair value of other property owned which has been obtained through foreclosure proceedings or other loan liquidation processes.
3	**Amounts depreciated.** Report the amount of depreciation on other property owned for the period.
4	**Properties disposed of.** Report the gross amount of other property owned which was sold or otherwise disposed of during the period. Amounts reported must be based on the lower of the property's market value or book value at time of sale or disposition.
5	**Net charge-offs/write-ups.** Report the amount of other property owned charged off or written up during the period as well as any additional losses incurred resulting from disposition.
6	**Other.** Report the amount of other transactions affecting the balance of other property owned during the period that cannot be included in the preceding lines because they are unusual and/or non-routine in nature.

7 **Other property owned—ending balance.** Report the amount of other property owned as of the end of the period. This amount is the sum of items 1 + 2 – 3 – 4 – 5 + 6. **The amount reported must equal the amount reported on Schedule RC, item 8.**

Schedule RC-N.1
Repricing Opportunities and Relationships (non-FOIA schedule)

General Instructions

Schedule RC-N.1 must be reported by all banks and specific associations as determined by FCS examination teams.

This schedule requires the reporting of the distribution of the reporting institution's total interest-earning assets and total interest-bearing liabilities (in asset and liability categories specified by the line-item captions of the schedule), by the length of time from the report date to the date of the next re-pricing of the instrument, or from the report date to maturity if the instrument does not re-price.

The schedule has three parts. Part I covers all interest-earning assets of the reporting institution as of the report date; part II covers all interest-bearing liabilities of the reporting institution as of the report date; and part III covers the off-balance sheet items which create synthetic assets or liabilities.

In each part, the line-item captions designate types of assets, liabilities, or synthetic/derivatives and the kind of information required about them; and column captions designate the breakdown of time periods for the length of time from the report date to the first re-pricing opportunity for floating-rate instruments or to maturity date for fixed-rate instruments.

Institutions should report assets, liabilities, and synthetics in the re-pricing interval that is consistent with the institutions' own assumptions as reported to their ALCO or board**. Rather than basing the entries to the schedule solely on the contractual terms and conditions applicable to the items covered, the institutions should incorporate their current prepayment assumptions into this schedule**. FCA expects institutions to use reasonable assumptions that are consistent with those reported to ALCOs, senior management, and board members for other risk-measurement purposes.

Synthetic transactions involve derivative instruments that effectively change the maturity/re-pricing or interest rate structure of a reporting institution's assets or liabilities. **Derivative instruments that do not change the maturity/re-pricing structure of the reporting institution's assets or liabilities or do not have an effect on the weighted average interest rate of assets or liabilities on the report date are not pertinent to this schedule and should not be reported under synthetic transactions.**

Derivative (synthetic) transactions that are directly tied to assets or liabilities can be netted into the asset or liability sections. For example, if an institution issues 2-year debt and swaps the debt payments into a floating rate payment stream (3-month LIBOR, for example), the institution may report the transactions in part II of the schedule under the "over 1 month through 6 months" column. The impact of the synthetic transaction on the effective interest rate of the asset or liability must be reflected in column G (Weighted Average Rate).

Weighted average interest rate refers to the average annual effective interest rate at which interest accrues as of the report date on the assets or liabilities whose rates are being averaged, where the individual rates are weighted by the dollar amounts of the instruments to which they apply. The weighted average rate for any group of assets or liabilities may be calculated by multiplying the appropriate dollar value of each instrument in the group by the annual effective rate at which interest is accruing on the report date on that instrument; summing the dollar estimates calculated for all instruments in the group; and then dividing that sum by the aggregate dollar value of all the instruments included in the group. For purposes of this schedule, the calculation of average interest rates is to be carried to four decimal places and so reported; for example, 8-2/3 percent would be reported as "00.0867."

Column Instructions

The captions of columns A through E (for parts I, II, and III) provide the time-period specifications for reporting assets and liabilities in terms of the time from report date to maturity or to the next re-pricing opportunity. Distribute the book value of the interest-earning assets (part I), interest-bearing liabilities (part II), and derivative and other synthetic items (part III) specified in the line captions in accordance with the definitions and instructions above and the column instructions below.

Column	Caption and Instructions
A	**Immediate adjustable interest rate or original maturity through 1 month.** Report in this column those assets, liabilities, or synthetic transactions with immediately adjustable rates or with an original maturity or assumed re-pricing or prepayment of up to and including 1 month from the reporting date.
B	**Over 1 month and through 6 months.** Report in this column those assets, liabilities, or synthetic transactions with an original maturity or assumed re-pricing or prepayment of over 1 month and through 6 months from the reporting date.

Item No.	Caption and Instructions
C	**Over 6 months and through 1 year.** Report in this column those assets, liabilities, or synthetic transactions with an original maturity or assumed re-pricing or prepayment of over 6 months and through 1 year from the reporting date.
D	**Over 1 year and through 5 years.** Report in this column those assets, liabilities, or synthetic transactions with an original maturity or assumed re-pricing or prepayment of over 1 year and through 5 years from the reporting date.
E	**Over 5 years.** Report in this column those assets, liabilities, or synthetic transactions with an original maturity or assumed re-pricing or prepayment of over 5 years from the reporting date.
F	**Total.** For each line of the schedule that calls for the reporting of amounts outstanding of assets or liabilities, report in column F the total of the amounts reported in columns A through E.
G	**Weighted average rate.** For each type of asset, liability, and synthetic transaction, report the weighted average interest rate as of the reporting data. Amounts reported are to be carried out to four decimal places (i.e., 12-2/3 percent weighted average rate is to be reported as "00.1267").

Item No.	Caption and Instructions

Line-Item Instructions

The lines of the schedule specify the types of interest-earning assets, interest-bearing liabilities, and synthetic transactions on which information must be reported in the schedule and the types of information that must be reported. The types of assets, liabilities, and derivative and other synthetic items to be reported are described below connected with each line. The information reported is the same for each type of asset, liability, and derivative and other synthetic transaction. For each type of asset and liability specified, report in each column that part of the total book value of the asset (or liability, or derivative and other synthetic items) that corresponds with the time (from report date to maturity or first re-pricing opportunity as defined above) specified by the column heading given above.

Part I **Assets**

1 **Loans.**
Report in the appropriate column the amount of accrual loans and lease receivables re-pricing or maturing in the appropriate time period.

2 **Securities.**
Report in the appropriate column the amount of securities re-pricing or maturing in the appropriate time period.

3 **Other interest-earning assets.**
Report under this asset category the specified information on any other assets that are interest earning as of the report date that are not properly reportable under the two asset categories above.

4 **Total interest-earning assets.**
Report the sum of items 1 through 3.

Part II **Liabilities**

5 **System-wide bonds and notes. (not applicable to associations)**
Report under this liability category the amount of System-wide bonds and notes outstanding in the appropriate time interval consistent with the methodology of reporting used in Schedule RC, item 12(a). Synthetic transactions that modify the re-pricing intervals of these debt instruments can also be reflected by adjusting the amounts in each time interval. If synthetic transactions are included in columns A through E, the impact on the weighted average rate must be reflected in column G.

Item No.	Caption and Instructions

6 **Intra-system notes payable**.
Report under this liability category the amount of notes payable to other System entities in the appropriate time interval.

7 **Other interest-bearing liabilities.**
Report under this liability category the specified information on any other liabilities that are interest bearing as of the report date that are not properly reportable under the two liability categories above.

8 **Total interest-bearing liabilities.**
Report the sum of items 5 through 7.

Part III Derivative and other synthetic items

Report on the appropriate line the impact of the specified synthetic transactions. Synthetic transactions have the impact of increasing the amount of assets (receive side of a swap) or the amount of a liability (pay side of a swap). Do not net synthetic transactions that have both pay and receive cash flows on the same line. The weighted average interest rate reported in column G must apply to the total synthetic assets or liabilities reported in column F. Do not include synthetic assets and liabilities that have already been netted against assets or liabilities.

9 **Synthetic assets.**
Report the notional amount of synthetic assets under the appropriate time interval column.

10 **Synthetic liabilities.**
Report the notional amount of synthetic liabilities under the appropriate time interval column.

11 **GAP.**
This amount is the sum of items 4 - 8 + 9 - 10.

12 **Cumulative GAP.**
This amount is calculated from item 11.

Schedule RC-N.2
Interest Rate Risk Measurements (non-FOIA schedule)

General Instructions

Schedule RC-N.2 must be reported by all banks and specific associations as determined by FCA examination teams.

This schedule requires the reporting of the results of the institution's internal interest rate risk model for measuring interest rate risk. It also contains the institution's projected final net income for the next 12 months and current calendar year. Interest rate risk measurements are reported for the institution's most recent financial projection and for the impact of 200 and 400 basis point instantaneous and sustained shocks in interest rates to a "base case" scenario.

The schedule contains two parts. Part I includes the measurements for individual banks and selected associations; part II is completed only by banks and includes the measurements for district-wide (combined bank and association) data.

This schedule contains two financial scenarios: (1) column A contains the results of the "most likely" or most current financial projection; and (2) column D contains the results of a "base case" scenario that is based on the current balance sheet configuration and current interest rates. The other columns (B, C, E, and F) contain 200 and 400 basis point instantaneous and sustained shocks to the base case (column D) scenario.

FCA recognizes that the risk-measurement systems of the different institutions may have internal differences and limitations in calculating the market value of assets, liabilities, synthetics, and equity. The interest rate risk measurements reported on this schedule, although not necessarily the same, should be fairly compatible and consistent with the risk measurements reported to an institution's ALCO, senior management, and board of directors.

Market value simulation is the process of generating multiple forecasts for future interest rate scenarios and then discounting the estimated cash flows under those rate scenarios to arrive at the current market value of the various assets, liabilities, derivative and other synthetic items, and the market value of equity. This schedule gathers the results of the institution's market value analysis under six interest rate scenarios, as indicated by the six columns. The interest rate scenarios are: (1) the institution's current forecast for market rates; (2) an instantaneous and sustained 400 basis point decrease in "base case" rates; (3) an instantaneous and sustained 200 basis point decrease in "base case" rates; (4) "base case" interest rates as defined below; (5) an instantaneous and sustained 200 basis point increase in "base case" rates; and (6) an instantaneous and sustained 400 basis point increase in "base case" rates.

The market value (net present value) of assets, liabilities, and equity reported in column D of the schedule are calculated from the current (static) balance sheet as of reporting date and a flat (or **liabilities or equity (reported in column D) are materially changed by the projected balance sheet values, the institution must include an explanation of the differences in an addendum.**

FCA recognizes that market value simulation depends heavily on the assumptions used in the model. For example, market value simulations can incorporate assumptions for fast prepayments (larger early cash flows) from mortgage loans and securities in low-rate scenarios and slow prepayments (smaller early cash flows) from mortgage loans and securities in a high-rate scenario. However, FCA expects the assumptions to be reasonable and supported by some type of study or analysis. FCA would expect, that institutions would change prepayment speeds under the different interest rate scenarios. FCA would also expect the institution's re-pricing of administered rate loans to be reasonable and supported by analysis and/or studies.

Column Instructions

Each column represents a separate scenario under which the risk measurements are reported. With the exception of assumed interest rates, FCA requires that the assumptions used in each scenario be consistent with the institution's most recently updated financial business plan. Some assumptions (such as prepayment speeds) however, would be expected to change based upon the interest rate scenario.

The interest rate assumptions for each of the columns are as follows:

Column	Caption and Instructions
A	**The institution's most recent financial projection**. Interest rates, projected balance sheet configuration, prepayment speeds, etc., should all be based on the institution's most recent financial projection.
B-F	**Plus and minus 200 and 400 basis point shocks to "base case" interest rates.** Projected interest rates for column D ("base case") should be based on current interest rates. The current yield curve as of the reporting date is held constant for the reporting period. Projected interest rates for columns B, C, E, and F should be calculated by shocking the rates used in column D (base case) up or down 200 and 400 basis points. **Note:** when the current 3-month Treasury bill interest rate at quarter-end is less than 4 percent, both the minus 200 and minus 400 basis point shocks should be replaced with a downward shock equal to one-half of the 3-month Treasury bill rate.

Line -Item Instructions

The lines of the schedule require reporting of: (1) the market value of assets, liabilities, and equity; (2) the duration of assets, liabilities and equity; (3) net interest income; and (4) final net income. Not all items are required for each column. Part I of the schedule requires reporting based on institution only data whereas part II requires reporting of combined district data. Specific line item descriptions are provided below for each of the line items.

Item No.	Caption and Instructions
Part I	**Institution Data (reported by all banks and select associations)**
1	**Market value of assets.** Report the market value of assets as calculated from the discounted cash flows for each interest rate scenario. The market value of assets should include the value of any applicable synthetic/derivative transactions.
2	**Market value of liabilities.** Report the market value of liabilities as calculated from the discounted cash flows for each interest rate scenario. The market value of liabilities should include the value of any applicable synthetic/derivative transactions.
3	**Market value of equity.** Report the total of the market value of assets minus the market value of liabilities net of any synthetic/derivative transactions.
4	**Net interest income (12 months).** Report the net interest income projected for the next 12 months under the bank's most recent financial projection (column A) and for each other interest rate scenario (columns B through F).
5	**Final net income (12 months).** Report the institution's projected final net income for the next 12 months under the most recent financial projection (column A).
6	**Final net income (balance of current year).** Report the institution's projected final net income for the **balance** of the current calendar year (column A only). **Note:** for December's quarter end, report the projected final net income for the next calendar year (For December, lines 5 and 6 should be identical.)

Note: Items 7, 8, and 9 are reported only under column D (base case). If available, the institution should report "modified" duration. If "modified" duration is not available, Macaulay duration should be reported. If any changes were made to the "Modified" or "Macaulay" duration subsequent to the first reporting period (March 31, 1996), attach an addendum explaining the changes in the duration measurement.

7 **Duration of assets.**
Report the duration (in years) of assets as calculated by the institution's internal risk-measurement system.

8 **Duration of liabilities.**
Report the duration (in years) of liabilities as calculated by the institution's internal risk-measurement system.

9 **Duration of equity.**
Report the duration (in years) of equity as of the report date as calculated by the institution's internal risk-measurement system.

Part II - Combined District (reported by banks only)

NOTE: Items 1 through 4 in part II are reported in columns C, D, and E only.

1 **Market value of assets.**
Report the market value of assets as calculated from the discounted cash flows for the combined district's current financial projection. The market value of assets should include the value of any applicable synthetic/derivative transactions.

2 **Market value of liabilities.**
Report the market value of liabilities as calculated from the discounted cash flows for the combined district under each of the three interest rate scenarios. The market value should include the value of any applicable synthetic/derivative transactions.

3 **Market value of equity.**
Report the market value of equity as calculated from the discounted cash flows for the combined district under each of the three interest rate scenarios. The market value should include the value of any applicable synthetic/derivative transactions.

4 **Net interest income (12 months).**
Report the projected net interest income for the next 12 month period of the combined district under each of the three interest rate scenarios.

5 **Final net income (12 months).**
Report the consolidated district's projected final net income for the next 12 months under the most recent financial projection (column A).

6 **Final net income (balance of current year).**
Report the consolidated district's projected final net income for the **balance** of the current calendar year (column A only). **Note:** for December's quarter-end, report the projected final net income for the next calendar year. (For December, lines 5 and 6 should be identical.)

Schedule RC-O
Asset Purchases and Sales

General Instructions

This schedule requires institutions to report the amount outstanding (principal only), as of the quarter end reporting date, of certain transactions with other Farm Credit and non-Farm Credit institutions involving the purchase and sale of loans, leases and other similar lending and leasing assets that remain outstanding as of the last day of the quarter. Amounts to be reported include transactions that were entered into pursuant to an institution's:

- Lending and participations authorities;
- Similar authorities;
- "Other interest in loans" authorities;
- Leasing authorities; and
- Other lending and leasing authorities of the Act.

Amounts reported in this schedule should not include the purchase and sale of assets reported in Schedule RC, Balance Sheet, as cash, accounts receivable, securities, notes receivable from other Farm Credit institutions, equity investments in other Farm Credit institutions, premises and other fixed assets, or other property owned. However, purchase and sale of participations in notes receivable from System associations (direct loans) should be included in line item 5. Amounts reported in Schedule RC, Balance Sheet, as "other assets" should not routinely be included in this schedule unless the transaction was pursuant to the institution's authorities described above. Note: Exclusions covered in this paragraph may not apply to amounts reported in Memoranda line items 6.a. or 6.b (refer to line item 6 instructions for details).

Do not report in this schedule amounts involving transactions pursuant to the institution's authority to have an investment in farmer notes program or loan transactions with eligible borrowers where the institution has a direct contractual relationship with a non-similar entity borrower via direct involvement in a loan syndication transaction. (See Schedule RC.1, Memoranda, for reporting transactions involving farmer notes programs and non-similar entity loan syndications.)

The schedule distinguishes between transactions with other Farm Credit institutions and those with non-Farm Credit institutions. In addition, the schedule distinguishes transactions completed pursuant to the reporting institution's specific authorities under the Act.

On page the last page of these instructions is a flowchart that provides guidance on how to report a particular loan/lease asset. While the flowchart provides guidance, it may not apply in every situation. Call us for assistance if you need additional guidance or if you have questions on the flowchart.

Link to the similar-entity FAQs on FCA's website:

www.fca.gov/Download/FAQsSimilarEntityReporting.pdf

Schedule RC-O
Asset Purchases and Sales (cont'd)

Column Instructions

Column	Caption and Instructions
A	**Transactions with other Farm Credit Institution.** Report in this column only those amounts that involve the transactions with other Farm Credit institutions, including an ACB, FCB, ACA, PCA, FLCA, or FCS service institution. Amounts involving transactions with Farmer Mac are to be reported as transactions with non-Farm Credit institutions under column B. Exclude transaction amounts that represent Farm Credit bank discounts of eligible loans and direct funding with Farm Credit associations.
B	**Transactions with non-Farm Credit Institution.** Report in this column those amounts that involve the purchase and sale of asset transactions with non-Farm Credit institutions. Amounts involving transactions with Farmer Mac are to be reported under this column. Exclude transaction amounts that represent discounts and funding of eligible loans with OFIs.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Loan Participations – transactions made under "loan participations" authorities in Part 614, Subpart A for retail loans (excludes similar-entity transactions and lease transactions).** Report, in these sub-items, the amount outstanding of loan participation transactions purchased and sold that were entered into pursuant to an institution's "loan participations" authorities in Part 614, Subpart A of the FCA regulations. Exclude, from these sub-items, amounts involving transactions pursuant to the institution's similar entity, lease, and other interests in loans authorities and direct loan participations. (See items 2, 3, 4, and 5).
1(a)	**Purchased.** Report, in this sub-item, the amount outstanding of loan participation transactions purchased from other Farm Credit and non-Farm Credit institutions as of the quarter-end reporting date.

Item No.	Caption and Instructions
1(b)	**Sold.** Report, in this sub-item, the amount outstanding of loan participation transactions sold to other Farm Credit and non-Farm Credit institutions as of the quarter-end reporting date that involved assets resulting from an institution's loan-making or "loan participations" authorities.
2	**Similar-entity Transactions – transactions made under similar-entity authorities in § 613.3300 (includes loans and leases).** Report, in these sub-items, the amount outstanding of loan and lease transactions with both Farm Credit and non-Farm Credit institutions that are acquired or sold pursuant to the institution's similar-entity authorities in § 613.3300 of the FCA regulations. This includes all similar-entity loan and lease transactions that are purchased or acquired by one Farm Credit institution from another Farm Credit institution pursuant to its similar-entity authorities. It does not include the purchase or acquisition of such loans that are directly eligible transactions from the perspective of the purchasing or acquiring institution, which should be reported on line 1(a) if obtained via a participation agreement arrangement. Determination of applicable statutory authority must be documented in the transaction file. Include, in these sub-items, transactions involving both loans and leases.
2(a)	**Acquired or Interest Held.** Report, in this sub-item, the amount outstanding of transactions with other Farm Credit and non-Farm Credit institutions that were acquired pursuant to the institution's similar entity authorities as of the quarter end. Similar-entity transactions include syndications, assignments, loan participations, sub-participations, other forms of the purchase, and transfer of interests in loans or other extensions of credit. Include transactions where the institution serves as the principal agent in the transaction or otherwise has direct exposure not acquired from another institution.
2(b)	**Sold.** Report, in this sub-item, the amount outstanding of similar entity transactions sold. Similar entity transactions include syndications, assignments, loan participations, sub-participations, other forms of the sale or transfer of interests in loans, or other extensions of credit.
3	**Lease purchased and sold.** Report, in these sub-items, the amount outstanding of lease transactions with other Farm Credit and non-Farm Credit institutions that represent purchases and sales

Item No.	Caption and Instructions
	(including lease participations) pursuant to the institution's lease authorities in the Act or § 616.6100 of the FCA regulations. Amounts reported in this sub-item are to exclude lease transactions pursuant to the institutions similar entity authorities (See item 2).
3(a)	**Purchased.** Report, in this sub-item, the amount outstanding of purchased transactions with other Farm Credit and non-Farm Credit institutions as of the quarter end.
3(b)	**Sold.** Report, in this sub-item, the amount outstanding of sold lease transactions with other Farm Credit and non-Farm Credit institutions as of the quarter end.
4	**Other Asset Purchase and Sales.** Report, in these sub-items the amount outstanding of loan transactions that are purchased or sold with both Farm Credit and non-Farm Credit institutions pursuant to the institution's: • "'Other interests in loans" authorities in Part 614, Subpart A, of the FCA regulations subject to the requirements of Part 614, Subpart H; or • Other purchases and sales of loans not reported elsewhere on this schedule. Section 614.4325 defines "interests in loans" to mean ownership interests in the principal amount, interest payments, or any aspect of a loan transaction and transactions involving a pool of loans, including servicing rights. **Since loan participation is a type of "interests in loans", the "other interests in loans" would be everything other than loan participation.** Under the "other interests in loans" authorities, Farm Credit institutions are able to purchase and sell loans for the purpose of pooling and securitizing such loans under title VIII of the Act. (See § 614.4325 and Part 614, Subpart A, of the FCA regulations for additional information on an institution's authorities to purchase and sell "other interest in loans.") Do not include purchase and sale of notes receivable from System associations in these sub-items as they are reported in item 5.

Line-Item Instructions

Item No.	Caption and Instructions
	Also report, in these sub-items, loan syndication transactions (other than those entered into under an institution's similar-entity authorities) that represent an assignment in the transaction that the institution obtained after the original contracts were finalized. (See instruction for Schedule RC.1, Memoranda, item 1(c)).
	Amounts reported in these sub-items that involve transactions pursuant to any other loan authorities of the institution in the Act or FCA regulations must be fully explained in an addendum. Amounts reported in these sub-items are to exclude loan participation transactions reported in item 1, similar-entity loan or lease transactions reported in item 2, and lease transactions reported in item 3.
4(a)	**Purchased.** Report, in this sub-item, the amount outstanding of purchased transactions with other Farm Credit and non-Farm Credit institutions as of quarter end that were entered into pursuant to the institution's "other interest in loans" authorities and other purchases not reported elsewhere.
4(b)	**Sold.** Report, in this sub-item, the amount outstanding of sold transactions with other Farm Credit and non-Farm Credit institutions as of quarter end that were entered into pursuant to the institution's "other interest in loans" authorities and other sales not reported elsewhere.
5	**Participations in Notes Receivables (Direct Loans) from System Associations.**
	Report in these sub-items the amount outstanding of loan participations in notes receivable (Direct Loans) from System associations purchased and sold that were entered into pursuant to an institution's "loan participations" authorities in Part 614, Subpart A of the FCA regulations. Exclude from these sub-items amounts involving transactions pursuant to the institution's similar entity, lease, and other interests in loans authorities. (See items 2, 3, and 4).
5(a)	**Purchased.** Report in this sub-item the amount outstanding of loan participations in notes receivable (Direct Loans) from System associations purchased as of the quarter end reporting date.
5(b)	**Sold.** Report in this sub-item the amount outstanding of loan participations in notes receivable (Direct Loans) from System associations sold as of the quarter end reporting

Line-Item Instructions

Item No.	Caption and Instructions

date that involved assets resulting from an institution's loan-making or "loan participations" authorities.

Memoranda

6 **Asset Purchases and Sales – Certain Pool Programs.**
Report in these memoranda sub-items the amount outstanding of certain asset pools sold between Farm Credit System institutions (typically sold by an association to a funding bank). Only include assets that are 1) maintained in separate pools and 2) the net earnings of these separate pools are anticipated to be substantially returned to the respective selling institution via patronage or other means. (These programs may be used for capital management reasons and are typically designed to be substantially income neutral for the selling institution.) Do not include individual loan participations (or other asset purchases or sales activity) that do not reflect the above-described characteristics. Do not include in these sub-items asset purchases or sales activity related to AgDirect, LLP.

Note: This memoranda section provides supplemental reporting of asset purchases and sales activity meeting the above-described characteristics**, and may include amounts that were not included in lines 1 through 5 above.**

6(a) **Purchased.**
Report in this sub-item the amount outstanding (principal only) as of quarter end of asset pools purchased from other Farm Credit System institutions that meet the above-described characteristics.

6(b) **Sold.**
Report in this sub-item the amount outstanding (principal only) as of quarter end of asset pools sold to other Farm Credit System institutions that meet the above-described characteristics.

Schedule RI
Income and Comprehensive Income Statement

The amounts to be reported in this schedule are revenues, expenses, gains, and losses that under GAAP are to be included in net income and comprehensive income by the reporting institution over the calendar quarter ending with the close of business on the report date. All revenues, expenses, gains, and loss items are to be reported on an accrual accounting basis. For instance, revenue is reported when earned, not when received, and expenses are recorded when incurred, not when paid.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Interest income.**

Report in the appropriate sub-items interest and fee income earned on assets held by the reporting institution.

For all the sub-items, as appropriate, include the proportionate share of interest earned on loans and other assets purchased by the reporting institution from others, both outright and in the form of participations. Exclude interest earned on loans sold to others, either outright or in the form of participations.

For all the sub-items, as appropriate, include any gains or losses from ineffective or discontinued hedges related to interest bearing assets in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).

For all the sub-items, as appropriate, include the current quarter's accretion of discount on discounted loans and other assets purchased at a discount from par; and deduct the amortization of premium on assets purchased at a premium above par. Also include the amortization of points charged on loans. The reporting of such accretion and amortization shall be in accordance with GAAP and FCA regulations, standards, and guidelines.

For all sub-items, as appropriate, include the current quarter's amortization of loan and other fees as appropriate in accordance with ASC Subtopic 310-20, Nonrefundable Fees and Other Costs (formerly SFAS No. 91, *Accounting for Nonrefundable Fees, and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases*).

For all sub-items, as appropriate, deduct interest rebated to customers on loans paid before maturity from interest earned on loans; do not report such rebates as an expense.

Item No.	Caption and Instructions
	Do not deduct for any of the sub-items any interest expenses. All interest expenses are to be reported gross in the appropriate sub-items of item 2 of this schedule.
1(a)	**Interest on loans and leases.** Report in this item interest earned for the quarter on the reporting institution's holdings of loans and leases (as these are defined for Schedule RC, item 4(a)) in accordance with the instructions for item 1 above. Income earned on lease financing arrangements should be reported in accordance with GAAP and as specified in ASC Topic 840, Leases (formerly SFAS No. 13, *Accounting for Leases*). Include in this item the accretion of discount on the reporting institution's own holdings of its own acceptances. Exclude from this item the accretion of discount on holdings of acceptances of other institutions; this is to be reported in item 1(e). Include penalty interest on loans and interest on extensions of matured loans.
1(b)	**Interest on notes receivable from other Farm Credit System institutions.** Report in this item interest earned for the quarter on the reporting institution's holdings of notes receivable (as these are defined for Schedule RC, item 4(b)) in accordance with the instructions for item 1 above.
1(c)	**Interest on notes receivable from others.** Report in this item interest earned for the quarter on the reporting institutions holdings of notes receivable (as these are defined for Schedule RC, item 4(c)) in accordance with the instructions for item 1 above.
1(d)	**Interest on sales contracts.** Report in this item interest earned for the quarter on the reporting institution's holdings of sales contracts (as these are defined for Schedule RC, item 4(d)) in accordance with the instructions for item 1 above.
1(e)	**Interest and other income on securities.** Report in this item interest earned for the current quarter on the reporting institution's holdings of securities (as these are defined for Schedule RC, item 2) in accordance with the instructions for item 1 above.

Item No.	Caption and Instructions

Exclude from this item amounts received for dividend and patronage distributions from other Farm Credit institutions. These are to be reported in item 5(a) below.

1(f) **Other interest income.**
Report in this item any interest earned that is not properly reportable under items 1(a) through 1(e). This includes penalty interest and fees received from loan prepayments.

1(g) **Total interest income.**
Report in this item the sum of the amounts reported in items 1(a) through 1(f) above.

2 **Interest expense.**
Report in the appropriate sub-items interest expenses on liabilities owed by the reporting institution.

For all the sub-items, as appropriate, include any gains or losses from ineffective or discontinued hedges related to interest bearing debt in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138).

Include in each sub-item, as appropriate, the current quarter's accretion of discount on bonds, notes, and other liabilities issued by the reporting institution at a discount from par; and deduct the amortization of premium and/or concession on bonds, notes, and other liabilities issued at a premium above par or charged a concession upon issuance of the debt. The reporting of such accretion and amortization shall be in accordance with GAAP and FCA regulations, standards, and guidelines.

2(a) **System-wide notes and bonds.**
Report in this item the reporting institution's interest expenses for the current quarter on its liabilities in the form of System-wide bonds and medium-term notes and consolidated System-wide notes (as these are defined in Schedule RC, item 12(a)) in accordance with the instructions for item 2 above.

Include in this item the Federal Farm Credit Banks Funding Corporation's (FFCBFC's) assessment to the reporting institution representing expenses directly incident to the sale, redemption, and servicing of Farm Credit securities by the FFCBFC and expenses for the operation of the FFCBFC's office.

Item No.	Caption and Instructions
2(b)	**Notes payable to other Farm Credit System institutions.** Report in this item the reporting institution's interest expenses for the current quarter on its liabilities in the form of notes payable to Farm Credit institutions (as defined for Schedule RC, item 12(b).)
2(c)	**Other interest-bearing debt.** Report in this item all interest expenses of the reporting institution for the current quarter that are not properly reportable in items 2(a) or 2(b) above. Include in this item accrued interest costs for the current quarter payable by the reporting institution in connection with such liabilities as Farm Credit investment bonds, trust accounts, other bonds, escrow accounts, future payment funds, and the like. Include in this item commitment fees paid by the reporting institution for maintaining lines of credit with commercial banks. Include in this item fees or commissions charged to the reporting institution by brokers for initiating and maintaining futures transactions.
2(d)	**Total interest expense.** Report in this item the sum of the amounts reported by the reporting institution in items 2(a) through 2(c) above.
3	**Net interest income.** Report in this item the amount reported in item 1(g) less the amount reported in item 2(d).
4	**Provisions for losses.**
4(a)	**On loans, sales contracts, notes, and leases.** The reporting institution must report in this item a provision for losses on these loan assets for the current quarter that will maintain the reporting institution's allowance for losses in accordance with GAAP and with FCA regulations, established procedures, and guidelines. **If the amount reported is a reversal of the provision, report it with a preceding minus sign. The amount reported must equal the amount reported on Schedule RI-E, item 2.**

Item No.	**Caption and Instructions**

4(b) **Provision for/(Release of) credit losses on off-balance sheet exposures.**
For the current quarter, report in this line item the provision for (or release of) the reserve for credit losses on off-balance sheet exposures, including unfunded commitments. **If the amount reported is a release of the reserve, report it with a preceding minus sign.**

If an unfunded commitment or other off-balance sheet exposure that has a reserve for credit losses is funded, the related reserve should be (released) through line 4(b). If an allowance is simultaneously established on the now funded exposure, a provision to fund this allowance must be reflected in line 4(a) in accordance with GAAP.

4(c) **Other.**
This item represents provision for losses for other loss contingencies with any amounts reported explained fully in an addendum. Given changes to accounting guidelines, nothing should be reported here. This Call Report item is maintained for historical reporting purposes.

5 **Noninterest income.**

5(a) **Patronage, dividends, etc., from other Farm Credit institutions.**
Report in this item the total amount receivable in the current quarter by the reporting institution from other Farm Credit institutions of patronage refunds in the form of stock, participation certificates or cash, dividends (cash or stock), or other equity allocations of earned surplus.

5(b) **Operating income.**
Report in this item the amount reported by the reporting institution in Schedule RI-A, item 8.

5(c) **Other noninterest income.**
Report in this item any noninterest income of the reporting institution that is not properly reportable in Schedule RI-A or Schedule RI-B.

5(d) **Total noninterest income.**
Report in this item the sum of the amounts reported in items 5(a), 5(b), and 5(c).

6 **Net gains or losses.**
Report in this item the amount reported by the reporting institution in Schedule RI-B, item 7. **If that amount is a net loss, report it with a preceding minus sign.**

Item No.	Caption and Instructions
7	**Total noninterest expense.** Report in this item the amount of operating expenses reported by the reporting institution in Schedule RI-C, item 9, and the amount of other noninterest expense reported by the reporting institution in Schedule RI-C.1, item 5.
8	**Income or loss before income taxes and extraordinary items and other adjustments.** Report in this item the net sum of items 3 – 4(a) – 4(b) – 4(c) + 5 (d) + 6 – 7. **If a net loss is calculated, report it with a preceding minus sign.**
9	**Less: Applicable income taxes.** Report in this item, as appropriate, the reporting institution's estimate of its liability for Federal, State, and local income taxes that would be applicable to income as reported in item 8. Include both the current and deferred portions of such estimated applicable income taxes. Amounts reported in this line item are to be accounted for in accordance with ASC Topic 740, Income Taxes (formerly SFAS No. 109, *Accounting for Income Taxes*), and other applicable guidance. If the amount to be reported is an estimated tax benefit rather than a tax expense, report the amount with a preceding minus sign. Exclude from this item estimated income tax liability applicable to items required to be reported in item 11, "Extraordinary items and other adjustments." Also exclude the amount of any material adjustments or settlements reached with a taxing authority relating to disputed income taxes of prior years; these are to be reported in other noninterest expense or other noninterest income as appropriate.
10	**Income or loss before extraordinary items and other adjustments.** Report in this item the amount reported in item 8 less the amount reported in item 9. **If this calculation results in a net loss, report the amount with a preceding minus sign.**
11	**Extraordinary items and other adjustments, net of applicable income taxes.** Report in this item, as appropriate, the amounts for such transactions as the following:

Item No.	**Caption and Instructions**

(a) The material effects of any extraordinary items. Extraordinary items are material events and transactions that are both unusual and infrequent. To be unusual, an event or transaction must be highly abnormal or clearly unrelated to the ordinary and typical activities of the reporting institution. To be infrequent, an event or transaction should not be reasonably expected to recur in the foreseeable future. Only a limited number of events or transactions would qualify for treatment as extraordinary items. For further discussion, see ASC Subtopic 225-20, Extraordinary and Unusual Items (formerly APB Opinion No. 30, *Reporting the Results of Operations*).

(b) The cumulative effect of all changes in accounting principles except those that are required to be reported in Schedule RI-D, item 4.

(c) Material aggregate gains and losses from disposals of segments of the reporting institution's business, as determined in accordance with the provisions of APB Opinion No. 30.

(d) Material net gains and losses from disposals of significant assets within 2 years after a pooling-of-interests business combination.

Each of the components of item 11 is to be reported net of the reporting institution's estimate of its liability for Federal, State, and local income taxes applicable to the items reported in item 11 for the current reporting period.

Some of the components of item 11 may be net gains and others may be net losses. In item 11, report a single figure for the net amount of the various gain and loss amounts added together. **If the resulting net amount to be reported is a loss, report it with a preceding minus sign. Amounts reported in this item must be fully explained in an addendum.**

.

12 **Net income or loss.**
Report in this item the sum of the amounts reported in items 10 and 11, taking due regard for any loss amounts reported for these two items. **If the resulting sum is a loss, report it with a preceding minus sign.**

Item No.	**Caption and Instructions**

Other Comprehensive Income (net of tax and reclassification adjustments)

13 **Securities**

13(a) **Unrealized holding gains (or losses on securities).**
Report in this item the amount of unrealized holding gains or losses on securities, net of tax and reclassification adjustment, resulting from the changes in the fair value of securities classified as "available for sale" in accordance with ASC Topic 320, Investments-Debt and Equity Securities (formerly SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*). If the amount represents a reduction to other comprehensive income, report the amount with a preceding minus sign.

13(b) **Other-than-temporary impairments.**
Report in this line item the dollar amount of the non-credit loss component of an other-than-temporary impairment loss on a debt security determined in accordance with **ASC Subtopic 320-10-35 (formerly** pre-codification standard FSP FAS 115-2).

14 **Minimum pension liability adjustments.**
Report in this item the amount of minimum pension liability adjustments, net of tax and reclassification adjustments, resulting from the recognition of an unfunded accumulated benefit obligations in accordance with ASC Topic 715, Compensation-Retirement Benefits (Formerly SFAS No. 87, Employers' Accounting for Pensions). If the amount represents a reduction to other comprehensive income, report the amount with a preceding minus sign.

15 **Cash flow hedge adjustments.**
Report in this item the amount of cash flow hedge adjustments in accordance with ASC Topic 815, Derivatives and Hedging (formerly SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138). If the amount represents a reduction to other comprehensive income, report the amount with a preceding minus sign.

16 **Other comprehensive income adjustments.**
Report in this item the amount of other revenue, expense, gain, and loss items, net of tax and reclassification adjustments, appropriately reported in other comprehensive income in accordance with ASC Topic 220, Comprehensive Income (formerly SFAS No. 130, *Reporting Comprehensive Income*). If the amount represents a reduction to other comprehensive income, report the amount with a preceding minus sign.

Item No.	Caption and Instructions
17	**Net other comprehensive income or loss.** Report in this item the sum of the amounts reported in items 13(a), 13(b), and 14 through 16, taking into regard any items that are expense or loss amounts. If the resulting sum is a loss, report it with a preceding minus sign.
18	**Comprehensive income or loss.** Report in this item the net sum of items 12 and 17. If a net loss is the resulting sum, report it with a preceding minus sign.

Memoranda:

19(a)	**Interest income on direct loans to associations (FCBs and ACBs only).** Report the amount of interest income earned on the district bank's direct loan to its related associations. This item corresponds to item 1(a) of Schedule RC.1.
19(b)	**Interest income on nonaccrual loans (including cash-basis and other nonaccrual loans).** Report the amount of interest income recognized on a cash-basis from cash-basis nonaccrual loans as well as any interest income recognized at the time that a nonaccrual loan is reinstated to an accrual status.
20	**Interest expense on notes payable/direct loans to district bank (ACAs, PCAs, and FLCAs only).** Report the amount of the association's interest expense on its notes payable/direct loan from the district bank. This item corresponds to item 3(e) of Schedule RC.1.
21	**Patronage on Asset Purchases and Sales – Certain Pool Programs:** Report in these sub-items the amount of patronage income declared or receivable on certain loan pools sold between Farm Credit System institutions (typically sold by an association to a funding bank). Include patronage activity on only those assets that are 1) maintained in separate pools and 2) the net earnings of these separate pools are anticipated to be substantially returned to the respective selling institution via patronage or other means. (These programs may be used for capital management reasons and are typically designed to be substantially income neutral for the selling institution.) Do <u>not</u> include any patronage activity on individual loan participations (or other asset

Item No.	**Caption and Instructions**

purchases or sales activity) that do not reflect the above-described characteristics. Do not include in these sub-items patronage activity related to Ag-Direct, LLP.

21(a) **Declared.**
Report in this sub-item the total amount of patronage declared in the current quarter by the reporting institution related to asset pools purchased from other Farm Credit System institutions that meet the above-described characteristics. Note that this amount should be a subset of the amount reported in Schedule RI-D line 8.

21(b) **Receivable.**
Report in this sub-item the total amount of patronage receivable in the current quarter by the reporting institution related to asset pools sold to Farm Credit System institutions that meet the above-described characteristics. Note that this amount should be a subset of the amount reported in Schedule RI line 5a.

General Instructions

This schedule covers the reporting institution's noninterest income that is attributed to the institution's primary loan operations and other operations the institution is authorized to perform. Income amounts should be accounted for in accordance with applicable regulations, FCA guidelines, policies, and GAAP.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Financially related services.** Report the amount of consideration received by the reporting institution in connection with financially-related services, including commissions, dividends, fees, etc., from credit life, credit disability, Agrifax, crop, hail insurance, and other similar programs.
2	**Compensation income.** Report the amount of consideration received by the reporting institution as compensation for performing servicing actions on loans that are on the books of other institutions. This would include compensation from participations sold.
3	**Fee income.** Report the amount of consideration received by the reporting institution for services provided to borrowers in connection with loans, including fees charged for partial releases, loan transfers, loan origination, etc.
4	**Mineral income.** Report the amount of consideration received by the reporting institution from the leasing of mineral rights owned. These amounts should include rental and royalty payments.
5	**Financial assistance received.** Report the amount of payments received or accrued by the reporting institution that represents consideration under a financial assistance program.
6	**Income from other property owned.** Report the amount of consideration received or accrued by the reporting institution in connection with other property owned operations in accordance with ASC Subtopic 360-10, Property, Plant, and Equipment, and other applicable accounting guidance. Exclude from this amount any non-

Item No.	Caption and Instructions
	income expense amounts (see Schedule RI-C.1, item 3) and gains/losses from disposition (see Schedule RI-B, item 2).
7	**Other.** Report the amount of all other noninterest income amounts received or recognized in connection with the reporting institution's operations. **If the amount reported in this item is material or represents a significant change from that reported in the prior quarter, the amount must be fully explained in an addendum.**
8	**Total operating income.** Report the sum of items 1 through 7 above. **This same amount must be reported on Schedule RI, item 5(b).**

Schedule RI-B
Net Gains or Losses

General Instructions

This schedule covers the reporting institution's net gains and losses on asset sales and other transactions during the reporting period. It provides supporting detail for item 6, "Net gains or losses," of Schedule RI.

For asset sales covered in the schedule, the gains and losses to be reported are the excesses or deficiencies of sale proceeds over carrying values, at the time of sale, of those assets sold during the current reporting period.

For each type of asset sale and other transaction, the schedule requires the reporting of **net** gains or losses as well as gains and losses identified separately.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Net gains or losses on sales of securities.** Report in this item gains and losses on sales of types of assets the holdings of which are reported by the reporting institution in Schedule RC, item 2, "Securities."
2	**Net gains or losses on other property owned.** Report in this item gains and losses on holdings of other property owned which are reported by the reporting institution in Schedule RC, item 8.
3	**Net gains or losses on sales of other assets.** Report in this item gains and losses on sales of types of assets that are not properly reportable in items 1 and 2 above. This would include the gains and losses from the sale of such assets as fixed assets, buildings, land, premises, etc., held by the reporting institution for its own use or for investment.
4	**Net gains (losses) on sales of loans and leases and on loans and leases held for sale.** Report the amount of net gains (losses) on sales and other disposals of loans and leases, and net gains (losses) on loans and leases held for sale.
5	**Net gains or losses on other transactions.** Report in this item gains or losses on other transactions, such as **extinguishments or debt or realized** tax benefits of operating loss carry forwards, but exclude such items more appropriately reported under Schedule RI, item 11, or any other Schedule RI items.

---

6 **Net other-than-temporary impairment losses included in earnings.**
Report in this line item the dollar amount of the investment losses recognized in earnings.

7 **Total net gains or losses.**
Report the sum of items 1 through 6 above. **This total amount must be reported on Schedule RI, item 6.**

General Instructions

This schedule covers the detailed reporting of expenses incurred by an institution from operations. The amounts reported on this schedule are not to include any interest expenses associated with debt issued by the institution or other expenses incurred that are not appropriately classified as operating expenses.

The schedule requires the reporting of various categories or kinds of operating expenses as specified by each item number. The institution shall follow acceptable accounting practices in reporting amounts as classified in this schedule.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Salaries and employee benefits.** Report the amount of compensation that represents salaries and employee benefits paid by the reporting institution to all employees. Include gross salaries and overtime wages for regular and part-time employees (amounts paid to individuals working under contract are often more appropriately classified as "Purchased Services.")
2	**Directors' compensation.** Report the amount of compensation or fees paid by the reporting institution to its directors in the performance of their responsibilities. This shall include amounts paid as compensation for attendance at regular and special board meetings and meetings in connection with the performance of assignments, the reimbursement of a director's travel and subsistence expenses incurred while serving in the capacity of a director of the institution, or any other compensation.
3	**Occupancy and equipment expenses.** Report the amounts expensed by the institution attributed to the occupation and maintenance of office space. Expenses associated with office equipment are to be included with the amounts reported. Depreciation expense on office facilities and equipment should also be reported with these amounts. Depreciation on computer equipment and vehicles should not be reported with these amounts.
4	**Purchased services.** Report the amounts expensed by the reporting institution for services performed by outside contractors, consultants, etc.

Item No.	Caption and Instructions
5	**Data processing.** Report the amounts expensed by the reporting institution for data processing equipment or related software associated with internal computer/EDP facilities and/or expenses paid for data processing by an outside service vendor.
6	**Compensation.** Report the amount of compensation paid by the reporting institution to another party for performing servicing actions on loans that are on the books of the reporting institution. This would include compensation paid for servicing actions performed by others on loan participations purchased.
7	**Farm Credit System Insurance Corporation premium expense.** Report the amount of premiums paid to the Farm Credit Insurance Corporation as required by 12 CFR part 1410.
8	**Other.** Report the amount of all other noninterest expenses paid or incurred in direct connection with the reporting institution's operations. **If the amount reported in this item is material or represents a significant change from that reported in the prior quarter, the amount must be fully explained in an addendum.**
9	**Total operating expenses.** Report the sum of items 1 through 8 above. **This total amount must be included in the amount reported on Schedule RI, item 7.**

Schedule RI-C.1
Other Noninterest Expenses

General Instructions

This schedule covers the reporting institution's other noninterest expenses (those not directly associated with the ongoing operating expenses of the institution). The amounts reported in this schedule are not to include any interest expenses associated with debt issued by the reporting institution or other expenses incurred that are more appropriately classified as operating expenses on Schedule RI-C. The institution shall follow acceptable accounting practices in reporting amounts in this schedule.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Financial assistance provided.** Report the amount of payments made or accrued by the reporting institution that represents an expense under a financial assistance program.
2	**Financial Assistance Corporation (FAC) debt expense.** Report the amount of payments made or accrued expenses related to the payment of FAC debt.
3	**Other property owned expense.** Report the amount of expenses paid or accrued by the reporting institution in connection with other-property-owned operations in accordance with ASC Subtopic 360-10, Property, Plant and Equipment, and other applicable accounting guidance. Exclude from this item any income received or accrued (see Schedule RI-A, item 6) and gains/losses from disposition (see Schedule RI-B, item 2).
4	**Miscellaneous—other.** Report in this item any miscellaneous other noninterest expenses that are not appropriate to report in any other items on this schedule. **If the amount reported in this item is material or represents a significant change from that reported in the prior quarter, the amount must be fully explained in an addendum.**
5	**Total other noninterest expense.** Report in this item the sum of items 1 through 4 above. **This total amount must be included in the amount reported on Schedule RI, item 7.**

Schedule RI-D
Changes in Net Worth

General Instructions

This schedule covers the detailed reporting for the institution's changes in capital. The schedule, which must add across and down, is designed to provide a complete reconciliation of all increases and decreases (and reasons therefore) of the institution's individual net worth accounts from the end of the prior period to the end of the current period.

Columns A through I of the schedule call for information to be reported by specific net worth categories. The category for each column equates with those items set forth in Schedule RC, "Balance Sheet." **Each of the categories for this schedule, however, is net of any impairments**. The categories equate to Schedule RC items as follows:

Category	**RI-D**	
Capital Stock and Participation Certificates	Column A, item 12	Items 1 through 5
Paid-in Capital	Column B, item 12	Item 6
Qualified Allocated Surplus	Column C, item 12	Item 9
Nonqualified Allocated Surplus	Column D, item 12	Item 10
Surplus Reserve	Column E, item 12	Item 13
Earned Surplus Unallocated	Column F, item 12	Item 11
Total Net Worth	Column G, item 12	Item 14

Column K, the Total Net Worth category, must report the sum of amounts in columns A through J plus any amounts appropriately categorized as "Accumulated Other Comprehensive Income" in accordance with ASC Topic 220, Comprehensive Income (formerly SFAS No. 130, *Reporting Comprehensive Income*).

As mentioned, all beginning, amended, and ending balances are to be reported net of any impairment, if applicable. The information required pertaining to activity during the quarter for each net worth category is specified in items 1 through 11 of this schedule.

Regarding the application of earnings and losses, if it is clearly the institution's intention to allocate earnings to its stockholders at the end of the year (or where it is imposed by bylaws), accruals for such allocations must be made in quarterly Call Reports when considered material. Likewise, operating losses must be allocated to the proper net worth and capital accounts as required by the Act, FCA regulations, and institution bylaws.

On each line, amounts representing an addition to any column category must be reported as a positive amount (i.e., $5 million in stock issued must be reported as 5000). **Amounts representing reductions to any column category must be reported as a negative amount (i.e., $5 million in stock retirement must be reported as –5000).**

Column Instructions

The columnar headings are based on the net worth accounts listed in Schedule RC, "Balance Sheet," and are broken down as follows:

Column	Caption and Instructions
A	**Capital stock purchased.** Report in this column the beginning amount, ending amount, and the causes of changes in purchased capital stock and participation certificates issued by the institution. Report both protected and unprotected stock under section 4.9A, "Protection of Borrower's Stock," of the Act. The sum of rows 1 through 11 must equal the ending balance in row 12.
B	**Capital Stock Allocated.** Report in this column the beginning amount, ending amount, and the causes of changes in allocated capital stock issued by the institution. The sum of rows 1 through 11 must equal the ending balance in row 12.
C	**Noncumulative Perpetual Preferred Stock.** Report in this column the beginning amount, ending amount, and the causes of changes in noncumulative perpetual preferred stock that qualifies as Additional Tier 1 capital. The sum the rows 1 through 11 must equal the ending balance in row 12.
D	**Other Types of Perpetual Preferred Stock.** Report in this column the beginning amount, ending amount, and the causes of changes in other types of preferred stock. Examples of items reported in this column include cumulative perpetual term stock, and "continuously redeemable" preferred stock such as Harvest stock (H-stock). "Continuously redeemable" preferred stock is perpetual because the stock has no stated maturity. The sum rows 1 through 11 must equal the ending balance in row 12.

Schedule RI-D
Changes in Net Worth (cont'd)

Column	Caption and Instructions

E **Paid-in Capital.**
Report in this column the beginning amount, ending amount, and the causes of changes in paid-in capital. This column includes additional-paid-in-capital related to the merger of two institutions and the amount paid above par for when issuing and repurchasing preferred stock. The sum of rows 1 through 11 must equal the ending balance in row 12.

F **Qualified Allocated Surplus.**
Report in this column the beginning amount, ending amount, and the causes of changes in "qualified allocated surplus". This item represents the accumulation of patronage and dividends distributed as qualified allocated surplus in which a written notice of allocation was provided to member-borrowers as prescribed in Subchapter T of the Internal Revenue Code. Normally, the written notice of allocation will state the board, at its discretion, may redeem the equity for cash at some future date. The sum of rows 1 through 11 must equal the ending balance in row 12. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")

G **Nonqualified Allocated Surplus Subject to Retirement.**
Report in this column the beginning amount, ending amount, and the causes of changes in "nonqualified allocated surplus subject to redemption or revolvement". This item represents the accumulation of patronage and dividends distributed as nonqualified allocated surplus in which a written notice of allocation was provided to member-borrowers as prescribed in Subchapter T of the Internal Revenue Code. Normally the written notice of allocation will state the board, at its discretion, may redeem the equity for cash at some future date. The sum of rows 1 through 11 must equal the ending balance in row 12. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")

H **Nonqualified Allocated Surplus Not Subject to Retirement.**
Report in this column the beginning amount, ending amount, and the causes of changes in "nonqualified allocated surplus not subject to revolvement". This item represents "Unallocated retained earnings equivalents" as prescribed in FCA Regulation § 628.2. Specifically, this item represents the accumulation of patronage and dividends distributed as nonqualified allocated surplus in which a written notice of allocation was provided to member-borrowers as prescribed in Subchapter T of the Internal Revenue Code. Normally, the written notice of allocation will state that the board does not intend to redeem or revolve this equity in the future except on dissolution or liquidation of the institution. The sum of rows 1 through

Column	Caption and Instructions
	11 must equal the ending balance in row 12. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")
I	**Unallocated Retained Earnings.** Report in this column the beginning amount, ending amount, and the causes of changes in unallocated retained earnings. The institution has unrestricted use of these retained earnings since they are not allocated to member-borrowers. Amounts include attributed or allocated surplus in which the institution did not provide a written notice of allocation as prescribed in Subchapter T of the Internal Revenue Code. Amounts reported here should NOT include allocated equities that meet the criteria of columns B, F, G, or H (such equities should be reported in column B, F, G, or H). The sum of rows 1 through 11 must equal the ending balance in row 12.
J	**Accumulated Other Comprehensive Income (AOCI).** Report in this column the beginning amount, ending amount, and the causes of changes in accumulated other comprehensive income (AOCI). The sum of rows 1 through 11 must equal the ending balance in row 12.
K	**Total Net Worth.** Report in this column the beginning amount, ending amount, and the causes of changes in total net worth. The total for this column represents the net other comprehensive income (loss) for the quarter. The sum of rows 1 through 11 must equal the ending balance in row 12.

Line-Item Instructions

1 **Beginning balance.**
Report the beginning balance of each net worth category. Amounts reported on this row should equal the ending balance of each respective category on Schedule RI-D from the prior period. The total reported in column K must equal the sum of prior columns and represents the total amount of net worth at the beginning of the reporting period.

2 **Prior Period & Accounting Adjustments.**
Report any prior period and accounting adjustments, including: adjustments made in the prior quarter to reflect corrections made between the time the prior period report was submitted to FCA and the submission of the current period report; and

Column	Caption and Instructions
	the cumulative effect of a change in accounting principle. For additional information on this issue, the institution should consult Accounting Standards Codification 250: "Accounting Changes and Error Corrections." The sum of columns A through J must equal the total in column K.
3	**Net Income.** Report net income (loss) for the quarter. The amount reported in column I must equal the net income (loss) for the current quarter and must equal the amount reported on Schedule RI, line 12. The sum of columns A through J must equal the total in column K; this sum represents total net income during the quarter.
4	**Other Comprehensive Income.** Report other comprehensive income (loss) for the quarter. The amount reported in column J must equal the **net** other comprehensive income (loss) for the quarter and must equal the amount reported on Schedule RI, line **17**. The sum of columns A through J must equal the total in column K; this sum represents **net** other comprehensive income **(loss)** during the quarter.
5	**Patronage Distributions.** Report patronage refund distributions during the quarter in the form of: • Allocated capital stock in column B. • Noncumulative perpetual preferred stock in column C. • Other types of preferred stock in row column D. • "Qualified allocated surplus" in column F. • "Nonqualified allocated surplus subject to revolvement" in column G. • "Nonqualified allocated surplus not subject to revolvement" in column H. • Cash in column K. Report total patronage distributions regardless of form as a decrease to column I. The sum of columns A through J must equal the total in column K; this sum represents patronage distributions paid in cash during the quarter. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")
6	**Dividends.** Report dividends paid during the quarter in the form of: • Allocated capital stock in column B. • Noncumulative perpetual preferred stock in column C. • Other types of preferred stock in row column D. • "Qualified allocated surplus" in column F.

Column	Caption and Instructions

- "Nonqualified allocated surplus subject to revolvement" in column G.
- "Nonqualified allocated surplus not subject to revolvement" in column H.
- Cash in column K.

Report total dividends regardless of form as a decrease to column I. The sum of columns A through J must equal the total in column K; this sum represents dividends paid in cash during the quarter. Since this row generally represents cash dividends paid on preferred stock issuances, any entries in columns B through H are rare and must be explained in an addendum to the schedule. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")

7 **Stock Issued.**

Report stock issued during the quarter. Specifically:

- Issuance of capital stock and participation certificates is reported in column A.
- Issuance of Noncumulative perpetual preferred stock that is included in Additional Tier 1 capital is reported in column C.
- Issuance of other types of preferred stock is reported in column D.
  Report total stock issued regardless of form in column K. The sum of columns A through J must equal the total in column K; this sum represents the total amount of stock issued during the quarter. This row should not include allocated stock issued during the quarter (report such allocated stock issuances in Row 5 - "Patronage Distributions").

8 **Stock Retired.**

Report stock retired during the quarter. Specifically:

- Retirement of capital stock and participation certificates is reported in column A.
- Retirement of noncumulative perpetual preferred stock that is included in Additional Tier 1 capital is reported in column C.
- Retirement of other types of preferred stock is reported in column D.
  Report total stock retired regardless of form in column K. The sum of columns A through J must equal the total in column K; this sum represents the total amount of stock retired during the quarter. This row should NOT include allocated stock retired during the quarter (report such allocated stock retirements in Row 10 - "Allocated Equity Retired").

Column	Caption and Instructions

9 **Paid-in Capital Adjustments.**

- Report the adjustments (net increase/ decrease) to paid-in capital during the quarter in column E and column K.

10 **Allocated Equity Retired.**

Report allocated equity retired during the quarter in the form of:

- Allocated capital stock and participation certificates in column B;
- "Qualified allocated surplus" retired in column F;
- "Nonqualified allocated surplus subject to retirement" in column G; and.
- "Nonqualified allocated surplus not subject to retirement" in column H (any amounts reported in column H must be explained in an addendum to the schedule).

Sum columns A through J and report the total in column K, this sum represents the total amount of allocated equities retired during the quarter. This row should not include purchased stock retired during the quarter. (Some institutions may refer to "allocated surplus" as "allocated retained earnings.")

11 **Other**.

Report other transfers among capital accounts during the quarter. The sum of columns A through J must equal the total in column K; this sum will generally equal 0 as additions to one column are offset by deductions to other columns. Any entries in this row should be rare and must be fully explained in an addendum to the schedule.

12 **Ending Balance**.

Report the ending balance of each net worth category for the quarter. All amounts reported on this row reflect column sums. The sum of rows 1 through 11 must equal the totals in row 12. In addition, the sum of columns A through J must equal the total in column K; this sum represents the total amount of net worth at quarter-end. The entries in this row must reconcile to the net worth categories reported on Schedule RC for the current period as follows:

- The sum of columns A and B (Capital Stock) must equal Schedule RC, line item 18.
- The sum of columns C and D (Perpetual Preferred Stock) must equal Schedule RC, line item 19.
- Column E (Paid-in-Capital) must equal Schedule RC, line item 20.
- The sum of columns F, G, and H (Allocated Surplus) must equal Schedule RC, line item 21.

Schedule RI-D
Changes in Net Worth (cont'd)

Column	Caption and Instructions
	• Column I (Unallocated Retained Earnings) must equal Schedule RC, line item 22. • Column J (AOCI) must equal Schedule RC, line item 23. • Column K (Total Net Worth) must equal Schedule RC, line item 24.

Schedule RI-E
Analysis of Allowance for Losses—Loans, Notes, Sales Contracts, and Leases

General Instructions

This schedule covers the detailed reporting of the institution's analysis of the allowance for losses on loans, notes, sales contracts, and leases. The schedule is designed to provide a complete reconciliation of all increases and decreases to the allowance account from the end of the prior period to the end of the current period.

Under GAAP, banks and associations are required to maintain a reasonable allowance for estimated losses inherent in the loan portfolio through a periodic charge to earnings. The allowance should be adequate to cover estimated losses determined on a loan-by-loan basis and also losses that are probable, although not specifically identifiable, in pools of loans. ASC Subtopic 450-20, Loss Contingencies, and ASC Subtopic 310-10-35, Loan Impairment are the primary GAAP provisions that address the proper accounting for the allowance for loan losses. ASC 450-20 requires that an estimated loss from a loss contingency should be accrued by a charge to income when it is *probable* that an asset has been impaired and the amount of the loss can be *reasonably estimated*. ASC 310-10-35 provides guidance on establishing and maintaining an allowance for loan losses on specifically identified impaired loans. ASC 310-10-35 requires that such an impaired loan be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or, as a practical expedient, at the loan's observable market price or the fair value of the collateral if the loan is collateral dependent. However, when the creditor determines that foreclosure is probable, measurement shall be based on the fair value of the collateral.

Losses on loans are to be charged off to the allowance when **known** and under no circumstances shall charge-offs be deferred or amortized over a number of accounting periods. Reductions in the amounts of allowance maintained should be carefully evaluated. If a reduction is determined by the institution to be appropriate, such a reduction should be accounted for as a reduction to the institution's provision for losses.

Line-Item Instructions

Item No.	Caption and Instructions
1	**Allowance for losses on loans, etc., beginning of period.** Report the amount of the allowance for losses on loans at the beginning of the period. **This amount must equal Schedule RC, item 4(f), of the prior period**.

Line-Item Instructions

Item No.	Caption and Instructions
2	**Net increase or decrease (–) resulting from provision for loan loss.** Report the amount representing the adjustment in earnings necessary to maintain the allowance for losses in accordance with generally accepted accounting principles (GAAP). **This amount must equal the amount shown on Schedule RI, item 4(a), in the current period.**
3	**Loans, etc., charged off.** All institutions are required to follow Agency-issued regulations and guidelines on charge-offs. Charge-offs should be recorded on a timely basis and only to the extent that a loan balance after the charge-off represents the loan's collateral value.
3a(i)	**Real estate mortgage** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on real estate mortgage loans, as defined in the instructions for RC.1, item 1(a)(i)(A).
3a(ii)	**Production and intermediate term.** Report the amount of loans, notes receivables, sales contracts, and leases determined to be uncollectible and charged off during the period on production and intermediate term loans, as defined in the instructions for RC.1, item 1(a)(i)(B).
3(b)	**Agribusiness.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all loans to cooperatives, processing and marketing loans, and farm related business loans, as defined in the instructions for RC.1, item 1(a)(ii)(A), 1(a)(ii)(B) and 1(a)(ii)(C).
3(c)	**Communication.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all communication loans, as defined in the instructions for RC.1, item 1(a)(iii).
3(d)	**Energy.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all energy loans, as defined in the instructions for RC.1, item 1(a)(iv).

Line-Item Instructions

Item No.	Caption and Instructions
3(e)	**Water/waste disposal.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all water/waste disposal loans, as defined in the instructions for RC.1, item 1(a)(v).
3(f)	**Rural residential real estate.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all rural residential real estate loans, as defined in the instructions for RC.1 item 1(a)(vi).
3(g)	**International.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all international loans, as defined in the instructions for RC.1 item 1(a)(vii).
3(h)	**Lease receivables.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all lease receivables, as defined in the instructions for RC.1, item 1(a)(viii).
3(i)	**Other loans, etc. charged off.** Report the amount of loans, notes receivable, sales contracts, and leases determined to be uncollectible and charged off during the period on all other loans, as defined in the instructions for RC.1, item 1(a)(xi).
3(j)	**Total loans charged off.** Report the sum of items 3(a) thru 3(i).
4	**Recoveries.** As with charge-offs, all institutions are required to follow Agency regulations and guidelines on recoveries. An institution should be careful not to recognize recoveries prematurely. Amounts received by an institution that would materially reduce a loan balance below its net realizable value should give due consideration to recording a recovery.
4(a)(i)	**Real estate mortgage.** Report the amount of recoveries in reinstatements on all real estate mortgage loans, as defined in the instructions for RC.1 item 1(a)(i)(A), previously charged off.

Line-Item Instructions

Item No.	Caption and Instructions
4(a)(ii)	**Production and intermediate term.** Report the amount of recoveries and reinstatements on all production and intermediated term loans, as defined in the instructions for RC.1, item 1(a)(i)(B), previously charged off.
4(b)	**Agribusiness.** Report the amount of recoveries and reinstatements on all loans to cooperatives, processing and marketing loans, and farm related business loans, as defined in the instructions for RC.1, items 1(a)(ii)(A), 1(a)(ii)(B) and 1(a)(ii)(C), previously charged off.
4(c)	**Communication.** Report the amount of recoveries and reinstatements on all communication loans, as defined in the instructions for RC.1, item 1(a)(iii), previously charged off.
4(d)	**Energy.** Report the amount of recoveries and reinstatements on all energy loans, as defined in the instructions for RC.1, item 1(a)(iv), previously charged off.
4(e)	**Water/waste disposal.** Report the amount of recoveries and reinstatements on all water/waste disposal loans, as defined in the instructions for RC.1, item 1(a)(v), previously charged off.
4(f)	**Rural residential real estate.** Report the amount of recoveries and reinstatements on all rural residential real estate loans, as defined in the instructions for RC.1, item 1(a)(vi), previously charged off.
4(g)	**International.** Report the amount of recoveries and reinstatements on all international loans, as defined in the instructions for RC.1, item 1(a)(vii), previously charged off.
4(h)	**Lease receivables.** Report the amount of recoveries and reinstatements on all lease receivables as defined in the instructions for RC.1, item 1(a)(viii), previously charged.

Line-Item Instructions

Item No.	Caption and Instructions

4(i) **Other recoveries.**
Report amount of recoveries and reinstatements on other loans, as defined in the instructions for RC.1, item 1(a)(xi).

4(j) **Total recoveries.**
Report the sum of items 4(a) thru 4(i).

5 **Charge-offs net of recoveries on direct loans to associations.**
Report the amount of direct loans to associations determined to be uncollectible and charged off during the period net of recoveries and reinstatements.

6 **Charge-offs net of recoveries on discounted loans to OFIs.**
Report the amount of loans to OFIs determined to be uncollectible and charged off during the period net of recoveries and reinstatements.

7 **Other.**
Report the amount of other transactions affecting the allowance for losses during the period that cannot be included in the preceding lines because they are unusual and/or non-routine in nature.

8 **Allowance for losses on loans, etc., end of period.**
Report the amount of the allowance for losses maintained in accordance with GAAP at the end of the period. This amount will equal items 1 + 2 – 3(i) + 4(i)- 5 – 6 + 7. **This amount must also equal the amount shown on Schedule RC, item 4(f), in the current period**.

ALLOWANCE FOR LOSSES BY LOAN TYPE

1 **Production agriculture**

1(a) **Real estate mortgage.**
Report the amount for the allowance for losses on loans at the end of the period for real estate mortgage loans, as defined in the instructions for RC.1, item 1(a)(i)(A).

1(b) **Production and intermediate term.**
Report the amount for the allowance for losses on loans at the end of the period for production and intermediate term loans, as defined in the instructions for RC.1, item 1(a)(i)(B).

Line-Item Instructions

Item No.	Caption and Instructions
2	**Agribusiness.** Report the amount for the allowance for losses on loans at the end of the period for all loans to cooperatives, processing and marketing loans, and farm related business loans, as defined in the instructions for RC.l, items 1(a)(ii)(A), 1(a)(ii)(B) and 1(a)(ii)(C).
3	**Communication.** Report the amount for the allowance for losses on loans at the end of the period for communication loans, as defined in the instructions for RC.1, item 1(a)(iii).
4	**Energy.** Report the amount for the allowance for losses on loans at the end of the period for energy loans, as defined in the instructions for RC.1, item 1(a)(iv).
5	**Water/waste disposal.** Report the amount for the allowance for losses on loans at the end of the period of water/waste disposal loans, as defined in the instructions for RC.1, item 1(a)(v).
6	**Rural residential real estate.** Report the amount for the allowance for losses on loans at the end of the period for rural residential real estate loans, as defined in the instructions for RC.1, item 1(a)(vi).
7	**International.** Report the amount for the allowance for losses on loans at the end of the period for international loans, as defined in the instructions for RC.1, item 1(a)(vii).
8	**Lease receivables.** Report the amount for the allowance for losses on loans at the end of the period for lease receivable, as defined in the instructions for RC.1, item 1(a)(viii).
9	**Direct loans to associations. (FCBs and ACBs only)** Report the amount for the allowance for losses on loans at the end of the period for any direct loans to associations.

Item No.	Caption and Instructions
10	**Discounted loans to OFIs. (FCBs and ACBs only)** Report the amount for the allowance for losses on loans at the end of the period for any discounted loans to OFIs.
11	**Other allowance.** Report amount of allowance for losses on loans at the end of the period for any other loans, as defined in the instructions for RC.1, item 1(a)(xi).
12	**Allowance for losses on loans, etc., end of period.** Report the amount of the allowance for losses maintained in accordance with GAAP at the end of the period. This amount will equal the sum of items 1 thru 10. **This amount must also equal the amount shown on Schedule RC, item 4(f), in the current period.**

Schedule RC-R.1
Summary Regulatory Capital

Line-Item Instructions

Item No.	**Caption and Instructions**

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

1 Common Equity Tier 1 Capital (CET1)

1(a) **Average daily amount for the quarter.**
Report in this item the average daily amount for the quarter of Common Equity Tier 1 (CET1) capital (See § 628.20(b)). This item represents the highest quality of capital in the Tier 1/Tier 2 Capital Framework and is the numerator in the risk-based CET1 capital ratio. This is the same amount reported on Schedule RC-R.4, line item 7.

1(b) **Quarter-end amount.**
Report in this item the quarter-end amount of Common Equity Tier 1 (CET1) capital (See § 628.20(b)). This item represents the highest quality of capital in the Tier 1/Tier 2 Capital Framework and is the numerator in the risk-based CET1 capital ratio.

2 **Additional Tier 1 Capital (AT1)**

2(a) **Average daily amount for the quarter**.
Report in this item the average daily amount for the quarter of Additional Tier 1 (AT1) capital (See § 628.20(c)). AT1 capital represents the second highest quality of capital in the Tier 1/Tier 2 Capital Framework. This is the same amount reported in Schedule RC-R.4, item 10.

Most often this item will represent the average daily amount for the quarter of noncumulative perpetual preferred stock held by the institution.

2(b) **Quarter-end amount**.
Report in this item the quarter-end amount of Additional Tier 1 (AT1) capital (See § 628.20(c)). AT1 capital plus Common Equity Tier 1 capital equal Tier 1 capital.

Most often, this item will represent the quarter-end amount of noncumulative perpetual preferred stock held by the institution.

Schedule RC-R.1
Summary Regulatory Capital

Line-Item Instructions

Item No.	Caption and Instructions

3 **Tier 1 Capital**

3(a) **Average daily amount for the quarter.**
Report in this item the average daily amount for the quarter of Tier 1 capital (See § 628.2 definitions). This is the same amount reported on Schedule RC-R.4, item 11. Tier 1 capital is the numerator of the Tier 1 capital ratio and Tier 1 leverage ratio.

3(b) **Quarter-end amount.**
Report in this item the quarter-end amount of Tier 1 capital (See § 628.2 Definitions). This item is a sum of Schedule RC-R.1, items 1(b) and 2(b).

4 **Tier 2 Capital**

4(a) **Average daily amount for the quarter.**
Report in this item the average daily amount for the quarter of Tier 2 capital (See § 628.20(d)). This capital represents the lowest quality capital in the Tier 1/Tier 2 Capital Framework. This is the same amount reported in Schedule RC-R.4, item 19.

4(b) **Quarter-end amount.**
Report in this item the quarter end amount of Tier 2 capital (See § 628.20(d)). This capital represents the lowest quality capital in the Tier 1/Tier 2 Capital Framework.

5 **Total Regulatory Capital**

5(a) **Average daily amount for the quarter.**
Report in this item the average daily amount for the quarter of Total Regulatory Capital. (In the FCA Regulation § 628.2 Definitions the term used for this item is *Total Capital*, for call report purposes FCA will use *Total Regulatory Capital* instead). This item is same amount reported on Schedule RC-R.4, item 20.

5(b) **Quarter-end amount.**
Report in this item the quarter-end amount of Total Regulatory Capital. (In the § 628.2 Definitions the term used for this item is *Total Capital*, for call report purposes we are using *Total Regulatory Capital* instead). This item is the sum of amounts reported on Schedule RC-R.1, items 3(b) and 4(b).

Item No.	Caption and Instructions
6	**Permanent Capital**
6(a)	**Average daily amount for the quarter.** Report in this item the average daily amount for the quarter of the institution's permanent capital determined under FCA Regulations § 615.5201, and adjusted as prescribed FCA Regulations §§ 615.5207 through 615.5208. This is the same amount as reported on Schedule RC-R.6, item 5.
6(b)	**Quarter-end amount.** Report in this item the quarter-end amount of permanent capital determined under FCA Regulations § 615.5201, and adjusted under §§ 615.5207 through 615.5208.
7	**Risk-weighted assets (RWAs) used for Tier 1/Tier 2 capital ratios.**
7(a)	**Average daily amount for the quarter.** Report in this item the average daily amount for the quarter of risk-weighted assets for CET1, Tier 1 and Total Regulatory Capital adjusted for deductions under FCA Regulation §§ 628.22(g) and 628.23(c). Use these risk-weighted assets to calculate the institution's CET1, Tier 1 and Total Regulatory Capital ratios. This item is the same amount reported on Schedule RC-R.7, item 27.
7(b)	**Quarter-end amount.** Report in this item the quarter-end amount of the risk weighted assets for CET1, Tier 1 and Total Regulatory Capital adjusted for deductions under FCA Regulation §§ 628.22(g) and 628.23(c).
8	**Risk-weighted assets (RWAs) used for permanent capital.**
8(a)	**Average daily amount for the quarter.** Report in this item the average daily amount for the quarter of risk-weighted assets for Permanent Capital adjusted for deductions under FCA Regulation § 615.5207 and the allotment of allocated investments as described under § 615.5208. Use these risk-weighted assets to calculate the institution's permanent capital ratio. This item is the same amount reported on Schedule RC-R.7, item 28.

Line-Item Instructions

Item No.	Caption and Instructions
8(b)	**Quarter-end amount.** Report in this item the quarter-end amount of risk-weighted assets for Permanent Capital adjusted for deductions under FCA Regulation §§ 615.5207 and 5208 and the risk-weighted assets in part 615.
9	**Unallocated retained earnings (URE) and URE equivalents.**
9(a)	**Average daily amount for the quarter.** Report in this item the average daily amount for the quarter of URE and URE equivalents (See FCA Regulation § 628.2 Definitions). See the calculation and the same amount reported on Schedule RC-R.5, item 2f.
9(b)	**Quarter-end amount.** Report in this item the quarter-end amount of URE and URE equivalents (See § 628.2 Definitions). This calculation is like the calculation shown in Schedule RC-R.5, item 2(f), except for quarter-end numbers.
10	**Total Adjusted Assets for the Leverage Ratio**
10(a)	**Average daily amount for the quarter.** Report in this item the average daily amount for the quarter of adjusted total assets for the Tier 1 leverage ratio. This is the same amount reported on Schedule RC-R.5, item 1(d).
10(b)	**Quarter-end amount.** Report in this item the quarter-end amount for the adjusted total assets for the Tier 1 leverage ratio as defined in § 628.10(c)(4). This amount is calculated similarly to item 1(d) of Schedule RC-5.
11	**Amount of Allowance and Reserve Not Included in Tier 2 Capital**
11(a)	**Average daily amount for the quarter.** Report in this item the quarterly average amount of the allowance for losses and credit reserve not in included in Tier 2 capital. Amount equals RC-R.4 item 14(c) minus 14(e).

Line-Item Instructions

Item No.	Caption and Instructions

11(b) **Quarter-end amount.**
Report in this line item the quarter-end amount of the allowance and reserve credit loss not included in Tier 2 capital. See § 628.20(d)(3) for the allowance amount included in Tier 2 capital.

Line item is calculated as follows:

- (Σ allowance for loan losses + credit loss reserve)
  – min [(Σ allowance for loan losses + the credit loss reserve), (risk weighted assets X 0.0125)].

Schedule RC-R.2
Summary – Regulatory Capital Ratios

Line-Item Instructions

Item No.	Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

1 **Common Equity Tier 1 capital ratio.**
Report in this item the institution’s Common Equity Tier 1 Ratio as described in § 628.10(c)(1) of this rule. Amount equals schedule RC-R.1, item 1(a) divided by item 7(a).

2 **Tier 1 capital ratio.**
Report in this item the institution’s Tier 1 capital ratio as described in § 628.10(c)(2) of this rule. Amount equals schedule RC-R.1, item 3a, divided by item 7(a).

3 **Total regulatory capital ratio.**
Report in this item the institution’s Total Regulatory Capital ratio. For call report purposes, this ratio is the same as the total capital ratio as described in § 628.10(c)(3) of this rule. Amount equals schedule RC-R.1, item 5(a) divided by item 7(a).

4 **Tier 1 leverage ratio.**
Report in this item the institution’s Tier 1 leverage ratio as described in § 628.10(c)(4) of this rule. Amount equals schedule RC-R.1, item 3(a) divided by item 10(a).

5 **URE and URE equivalents leverage ratio.**
Report in this item the institution’s URE and URE equivalent leverage ratio. The denominator for this ratio is the same as the Tier 1 leverage ratio as described in § 628.10(c)(4) of this rule. Amount equals schedule RC-R.1, item 9(a) divided by item 10(a).

6 **Permanent capital ratio.**
Report in this item the institution's permanent capital ratio determined in FCA Regulations § 615.5201 and adjusted under FCA Regulations § 615.5207 and § 615.5208. Amount equals schedule RC-R.1, item 6(a) divided by item 8(a).

Schedule RC-R.3
Common Cooperative Equities

Line-Item Instructions

Item No.	Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

Schedule RC-R.3-Common cooperative equities (CCEs)

This schedule contains only those qualifying borrower purchased stock (including participation certificates) and allocated equities (stock and surplus) included in total capital and permanent capital. The columns of this schedule include CET1 capital, Tier 2 capital, Total regulatory capital, and Permanent capital.

Schedule RC-R.3 does not include:

- Preferred stock sold to an institution's borrowers; and,
- Preferred stock or subordinated debt sold to third-party investors.

Line Items
For call report purposes, FCA considers any assignment of capital without a written notice of allocation to be a memo accounting exercise and nothing more.

Additionally, institutions shall disclose "nonqualified allocated equities (stock or surplus) not subject to retirement" separately and not consolidated with the item "unallocated retained earnings".

Beginning January 1, 2017, institutions must disclose their board approved redemption, retirement, and revolvement practices for purchased stock and allocated equities. This disclosure comes from the bylaws or annual board resolution affirming previous redemption, retirement, or revolvement practices. All member-borrower purchased stock which is the lessor of $1,000 or 2 percent of loan balance will count as CET1 capital. On January 1, 2017, all other purchased stock and allocated equities outstanding equal to or greater than 7 years counts as CET1 capital and those equities that a board has no intent to retire until they have been outstanding equal to or greater than 7 are counted as CET1 capital. The same would apply if you replace equal or greater than 7 years with less than 7 years and greater than or equal to 5 years for Tier 2 capital. In addition, if on January 1, 2017, the board does not intend to redeem or retire purchased stock or allocated equities that meet the minimum hold periods (7 years for CET1 capital or less than 7 but greater than 5 years for Tier 2 capital) then institutions may count their purchased stock or allocated equities respectively. If an institution cannot identify or track the date of purchased stock or allocated equities, it may request temporary approval to include part or all such capital in CET1 or Tier 2 capital in a workable plan.

A **Amount included in CET1.**
Report in this column the applicable average daily amount for the quarter for common cooperative equities (all at-risk purchased stock, allocated stock, and allocated surplus) included in CET1 capital. One of the major criteria for CET1 capital in § 628.20(b)(1)(xiv)(A) is equities must be outstanding for at least seven years from issuance, unless approved by FCA. Only the following line items may contain amounts reported: 1, 2(c), 3(c), 4(c), 5(c), 5(d), and 6. The other lines items will never contain an amount.

B **Amount included in Tier 2.**
Report in this column the applicable average daily amount for the quarter for the common cooperative equities (all purchased stock, allocated stock, and allocated surplus at-risk) included in Tier 2 Capital. One of the major criteria in Tier 2 capital under § 628.20(d)(1)(xi)(A) is purchased stock and allocated equities must be outstanding greater than 5 years from issuance, unless approved by FCA. Only the following line items will contain amounts: 2(b), 3(b), 4(b), 5(b), and 6. The other lines items will never contain an amount.

C **Amount included in Total Regulatory Capital.**
Report in this column the applicable average daily amount for the quarter of common cooperative equities (all purchased stock, allocated stock, and allocated surplus at-risk) included in Total Regulatory Capital. Column C is a sum of Column A and B for any given line item on this schedule. Only the following line items will contain amounts: 1, 2(b), 2(c), 3(b), 3(c), 4(b), 4(c), 5(b), 5(c), 5(d) and 6. The other lines items will never contain an amount.

D **Amount included Permanent Capital.**
Report in this column the applicable average daily amount for the quarter of common cooperative equities (all purchased stock, allocated stock, and allocated surplus at-risk) included in permanent capital. All stock and surplus issued to member-borrowers since October 6, 1988 is at-risk and retireable only at board discretion.

Line-Item Instructions

Item No.	Caption and Instructions

Line-Item Instructions

1 **Purchased Statutory Minimum Required Stock.**
Report in each column the applicable average daily amount for the quarter of member-borrower purchased stock that is equal to the statutory minimum required in section 4.3A of the Farm Credit Act. For call report purposes "stock" means both capital stock and participation certificates. Section 4.3A of the Farm Credit Act requires a member-borrower to purchase stock equal to the lessor of $1,000 or 2 percent of the of the loan(s) as a condition of obtaining a loan. Always count this form of capital as CET1 capital as defined in part 628. Most associations have lowered their minimum stock requirements to the minimum statutory required stock in Sec 4.3A in the Farm Credit Act. However, most banks and a few associations have a stock requirement for their member-borrowers in excess of the statutory minimum required stock. Those institutions should only report statutory minimum required stock in this line item.

2 Purchased Other Required Stock.

Planned redemption cycles:

2(a) **< 5 years.**
Report in each column the applicable average daily amount for the quarter of member-borrower purchased stock that is in excess to the statutory minimum requirement in section 4.3A of the Farm Credit Act. For call report purposes, "stock" means both capital stock and participation certificates. This excess stock purchase is also a condition of obtaining a loan(s). At issuance, the institution's board must assign a planned redemption period for this purchased stock as less than five years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods. All the banks and a few associations still have a stock requirement for their members in excess of the statutory minimum required stock. This item captures only the stock amount that members (associations or borrowers) purchase that is in excess of the lessor of $1,000 or 2 percent of the loan(s) for each member. Some System institutions make no distinctions between purchased and allocated stock, so those institutions would report appropriately in Schedule RC-R.3, line items 2(a), 2(b) or 2(c).

Item No.	Caption and Instructions

2(b) **≥ 5 years but < 7 years.**

Report in each column the applicable average daily amount for the quarter of member-borrower purchased stock that is more than the statutory minimum requirement in section 4.3A of the Farm Credit Act. For call report purposes, stock means both capital stock and participation certificates. This excess stock purchase is also a condition of obtaining a loan(s). At issuance, the institution's board must assign a planned redemption period for this purchased stock as greater than or equal to 5 years, but less than 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods. All the banks and a few associations still have a stock requirement for their institutions in excess of the statutory minimum required stock. This item is meant to capture only the amount of member-borrower or member-association stock purchased that is in excess of the lessor of $1,000 or 2 percent of the loan(s) for each member. Some System institutions make no distinctions between purchased and allocated stock, so those institutions would report appropriately in Schedule RC-R.3, line items 2(a), 2(b) or 2(c).

2(c) **≥ 7 years.**

Report in each column, the applicable average daily amount for the quarter of member-borrower purchased stock that is more than the statutory minimum requirement in section 4.3A of the Farm Credit Act. For call report purposes, stock means both capital stock and participation certificates. This excess stock purchase is also a condition of obtaining a loan(s). At issuance, the institution's board must assign a planned equity redemption period for this purchased stock as greater than or equal to 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods. All the banks and a few associations have a stock requirement that exceeds the statutory minimum required stock. This item captures only the member-borrowers or member-associations stock purchase that exceeds the lessor of $1,000 or 2 percent of the loan(s). Some System institutions make no distinctions between purchased and allocated stock, so those institutions would report appropriately in Schedule RC-R.3, line items 2(a), 2(b) or 2(c).

Schedule RC-R.3
Common Cooperative Equities

Line-Item Instructions

Item No.	Caption and Instructions
3	**Allocated Stock**
	Planned redemption cycles:
3(a)	**< 5 years.** Report in each column, the applicable average daily amount for the quarter of allocated stock that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated stock as less than 5 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.
3(b)	**≥ 5 years but < 7 years.** Report in each column, the applicable average daily amount for the quarter of allocated stock that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated stock as greater than or equal to 5 years, but less than 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.
3(c)	**≥ 7 years.** Report in each column, the applicable average daily amount for the quarter of allocated stock that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated stock as greater than or equal to 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

Schedule RC-R.3
Common Cooperative Equities

Line-Item Instructions

Item No.	Caption and Instructions

4 Qualified Allocated Surplus

Planned revolvement cycles:

4(a) **< 5 years.**
Report in each column, the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board planned equity revolvement period for this allocated surplus is less than 5 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

4(b) **≥ 5 years but < 7 years.**
Report in each column, the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated surplus as greater than or equal to 5 years, but less than 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

4(c) **≥ 7 years.**
Report in each column, the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated surplus as greater than or equal to 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

Line-Item Instructions

Item No.	Caption and Instructions

5 Nonqualified Allocated Surplus

Planned revolvement cycles

5(a) **< 5 years.**
Report in each column the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated surplus as less than 5 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

5(b) **≥ 5 years but < 7 years.**
Report in each column the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned equity revolvement period for this allocated surplus as greater than 5 years but less than 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

5(c) **≥ 7 years.**
Report in each column, the applicable average daily amount for the quarter of allocated surplus that an institution previously distributed under a written notice of allocation to its member-borrowers. At issuance, the institution's board must assign a planned revolvement period for this allocated surplus that is greater than or equal to 7 years. FCA will base the redemption period on existing bylaws or on an annual board resolution reaffirming prior redemption or revolvement periods.

Line-Item Instructions

Item No.	Caption and Instructions
5(d)	**Not subject to redemption or revolvement.** Report in each column, the applicable average daily amount for the quarter of allocated surplus that an institution distributed under a written notice of allocation to its member-borrowers. At distribution, the written notice of allocation provided the member-borrower must state the institution's board has no plan to retire this allocated surplus, except on a dissolution or liquidation of the institution. Additionally, the institution may not offset this amount of equity against any loan balance. For call reporting purposes, never combine this item with unallocated retained earnings. For this type of equity to count as a URE equivalent in Schedule RC-5, line item 2(c), an institution must designate this equity as an URE equivalent on the day of allocation (or on or before March 31, 2017).
6	**Total Common Cooperative Equities.** Report in each column the average daily amount representing totals of the column. This line item equals the sum of line items in each column. The amounts in Schedule RC-R.3, line 6 for: • Column A is the same amount reported in Schedule RC-R.4, item 1, • Column B is the same amount reported in Schedule RC-R.4, item 12, and • Column D is the same amount reported in Schedule RC-R.6, item 1.

Line-Item Instructions

Item No.	Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

This schedule calculates the average daily amount for the quarter for Common Equity Tier 1, Additional Tier 1, Tier 1, Tier 2, and Total Regulatory Capital used in the numerator of the risk-based capital ratios.

1 **Qualifying common cooperative equity (CCE) included in CET1.**
Report in this item the average daily amount for the quarter of common cooperative equity included in CET1 capital. This is the same amount on Schedule RC-R.3, line 6, Column A. Schedule RC.R.3 reports separately all the qualifying components (purchased stock, allocated stock, or allocated surplus) included in CET1 capital.

2 **Paid-in capital (includes additional paid-in-capital APIC).**
Report the average daily amount for the quarter representing excess amount paid above par for any capital instrument except those equities purchased as condition of receiving a loan. For example, paid in capital commonly refers to the excess amount above par received from the sale of third-party capital. In mergers, the term "additional paid in capital" also refers to the excess amount an acquirer pays above the book value for the acquiree' s institution. Report on this line amounts representing financial assistance from other Farm Credit institutions in this form of paid-in surplus.

3 **Unallocated retained earnings (URE).**
Report in this item the average daily amount for the quarter of URE (including undistributed earnings or losses) as defined in § 628.2 of this rule. Another common name for this item is average unallocated surplus. The amount reported in this item is net of surplus or stock allocations and cash distributions of dividends and patronage. Record equity allocations as a transfer to another net worth category (see Schedule RI-D Statement of Capital Changes) and record cash distributions until paid as a payable (See Schedule RC Balance Sheet). If it is clearly the institution's plans to allocate equity at year-end or to make other cash distributions (dividends or

Line-Item Instructions

Item No.	Caption and Instructions

patronage), report the accruals or distributions in the quarterly Call Reports. Make quarterly accruals for patronage as prescribed in the ASC Subtopic 905-310-25. Institutions shall recognize patronage payments on either of the following occasions:

A) When the related patronage payments occur if all the following are probable:
   1) A patronage payment applicable to the period will be declared,
   2) One or more future events confirming the receipt of a patronage payment are expected to occur,
   3) The patronage payment can be reasonably estimated, and
   4) The accrual can be consistently made from year to year, or

B) On notification by the distributing agricultural cooperative.
   This is the same amount reported on RC-R.5 item 2(b).

For regulatory capital purposes, any accruals of dividend or patronage (payables or receivables) that occur before the board declaration must be deducted from regulatory capital. Specifically, this accrual must be reversed from or to URE before it is reported in this item. This adjustment should then carry through to URE reported on RC-R.5 item 2(b) and to RC-R.6 item 2(b). For example:

- If an institution accrues a <u>patronage receivable</u> from another institution prior to board declaration date, then it must subtract this accrual from its URE.
- If an institution accrues a <u>patronage payable</u> to either another institution or a retail customer prior to the board declaration date, then it must add back this accrual to its URE.

4 **Other CET1 capital items approved by FCA.**
Report in this item the average daily amount for the quarter of other capital items approved by FCA for inclusion in CET1 Capital. FCA will periodically publish a list of approved "other CET1 items."

5 **Total CET1 before deductions.**
Report in this item the average daily amount for the quarter for total CET1 capital before required deductions. This item represents the sum of Schedule RC-R.4 items 1 through 4.

Item No.	Caption and Instructions
6	**CET1 deductions.**
6(a)	**Less: Goodwill net of associated deferred tax liabilities (DTLs).** Report in this item the average daily amount for the quarter of goodwill, net of associated deferred tax liabilities (DTLs) on an institution's balance sheet. Goodwill is an intangible asset which represents excess paid above par for an entity. Because FCA approves all institution mergers, goodwill will rarely appear on a balance sheet. (See FCA Regulation § 628.22(a)(1).)
6(b)	**Less: Intangible assets other than mortgage servicing assets, net of associated DTLs.** Report in this item the average daily amount of intangible assets, net of associated DTLs other than goodwill and mortgage servicing assets. Thus, report the non-mortgage servicing assets related to asset securitizations that do not include mortgage assets. See FCA Regulation § 628.22(a)(2). Presently, System institutions cannot securitize assets themselves; they must use a third-party (i.e. Farmer Mac or another entity), especially for the creation of the trust or special purpose vehicle. However, System institutions may purchase a mortgage or non-mortgage servicing asset from the sponsor, owner, or creator of a special purpose vehicle or trust. One example of a non-mortgage servicing asset is an equipment loan (lease) servicing asset.
6(c)	**Less. Deferred tax assets (DTAs) that arise from net operating losses and tax credit carryforward, net of any related valuation allowances and net of DTLs.** Report in this item the average daily amount for the quarter of deferred tax assets (DTAs) that arise from net operating losses and tax credit carryforwards that are net of any related valuation allowances and net of deferred tax liabilities. See FCA Regulation § 628.22(a). Be aware the capital rule does not treat all deferred tax assets similarly: • An institution must generate future earnings to apply a DTA and reduce future taxes, and not before. Thus, the rule deducts DTAs arising from net operating losses and tax credit carryforwards.

Line-Item Instructions

Item No.	Caption and Instructions
	• DTAs arising from temporary differences in loss carrybacks are risk-weighted at 100 percent. See FCA Regulation § 628.32(l)(3).
6(d)	**Less: After-tax-gain-on-sale in connection with securitization exposure.** Report in this item the average daily amount for the quarter of after-tax gain-on-sale arising from a securitization exposure, net of associated DTLs. Unless a sale occurs, the "gain on sale" represents an increase in the equity capital of an institution resulting from a securitization (other than an increase in equity capital resulting from the institution's receipt of cash in connection with the securitization or reporting of a mortgage servicing asset on Schedule RC). This can be subjective and assumption driven because it tries to project future cash flows that eventually become net income or may be URE. See FCA Regulation § 628.22(a)(4).
6(e)	**Less: Defined benefit pension fund assets, net of associated DTLs. (Unless FCA has given permission to risk weight).** Report in this item the average daily amount of defined benefit pension fund assets, net of associated DTLs; unless FCA has given permission to the institution to risk weight the asset. A defined benefit pension fund (DBPF) may be an asset if the pension fund is overfunded or a liability if the pension fund is underfunded. System institutions do not universally disclose or report their DBPF similarly from district to district. See FCA Regulation § 628.22(a)(5). Some institutions apply pension accounting to their individual financial statements while others apply pension accounting only to the district-wide annual report.

Line-Item Instructions

Item No.	Caption and Instructions

6(f) **Less: Amount of allocated investments in other System institutions. Only the institution who allocated the equities may include those equities in its CET1.**

Report in this item the average daily amount for the quarter of allocated equity investment in another System institution. Only the institution who allocated (issued) the equities may include those equities in its CET1 capital. The institution who received the allocated equity investment must deduct the equity investment from its CET1 capital. When institution A (a bank) pays a patronage refund in equity to institution B (an association) two things occur. First, institution A (the bank) transfers the equity from URE to allocated equity (stock or surplus), and then grants institution B (an association) an ownership right to that newly allocated equity investment. However, institution A (the bank) retains control of the allocated equity until it redeems the equity. Second, when institution B (the association) receives the patronage refund it will see an increase in its allocated equity investment in the bank and an increase in its net income or URE. See FCA Regulation § 628.22(a)(6).

If an institution can attribute a DTL to an allocated investment, then net the DTL against that allocated investment.

For call report purposes, FCA has decided to treat allocated investments in another System institution, service corporation and the Funding corporation similarly. If a service corporation or the Funding Corporation has issued allocated equities (stock or surplus) to a System institution that institution should deduct that investment as they would an equity investment in another System institution. For the most part, service corporations and the Funding Corporation pay only a cash patronage refund to their members, but some have bylaws which allow them to allocate equities. For the definition of the types of institutions, see FCA regulations §§ 628.2, 611.1135, and 619.9185. All these entities are System institutions:

- System institutions include: ACBs, FCBs, FLCAs, ACAs, and the Farm Credit Leasing Services Corporation (FCL).
- System service corporations include: FCS Building Association, Farm Credit Financial Partners, Inc. (FPI), AgVantis, Inc., Farm Credit Foundations, or any institution FCA approves under Sec. 4.25 of the Farm Credit Act of 1971, as amended (Act) FCL, while included with direct lenders, is a service corporation wholly owned by CoBank.
- Funding Corporation.

Item No.	**Caption and Instructions**
	Note: Risk weight equity investments in unincorporated business entities (UBE), and the Farm Credit System Association Insurance Captive Company, as nonsignificant investments prescribed in FCA Regulation § 628.53. Thus, risk weight these equity investments at 100 percent as required in Schedule RC-R.7, line 7. AgDirect, LLC is considered a UBE.
6(g)	**Less: Amount of purchased investments in other System institutions using the corresponding deduction approach (CDA).**

Report in this item the average daily amount for the quarter of purchased equity investments in another System institution, service corporation, and the Funding Corporation using the corresponding deduction approach (CDA). When an institution purchases an equity investment in another System institution, there is a capital transfer from the purchaser to issuer. For example, the CDA works in the following way: If the issuing institution (a bank) holds the equity investment and treats the capital item as tier 2 capital, then the investing institution (the association) must deduct the equity investment from its tier 2 capital. If the bank treats the purchased equity investment as CET1 capital, then the association must deduct the purchased equity investment from its CET1 capital. (See FCA Regulation § 628.22(c)(2) and (5).)

For regulatory capital call report purposes, FCA has decided to treat all System purchased equity investments in another System institution, service corporations and the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) similarly. See FCA regulations §§ 628.2, 611.1135, and 619.8185. All these institutions are System institutions:

- System institutions include: ACBs, FCBs, FLCAs, ACAs, and the Farm Credit Leasing Corporation (FCL).
- System service corporations include: FCS Building Association, Farm Credit Financial Partners, Inc. (FPI), AgVantis, Inc., Farm Credit Foundations, or any institution FCA approves under Sec. 4.25 of the Act. FCL, while included with direct lenders, is a service corporation wholly owned by CoBank, ACB.
- Funding Corporation.

Item No.	**Caption and Instructions**

For call report purposes, institutions that hold equity investments in UBEs and the Farm Credit System Association Insurance Captive Company, must risk weight these investments as prescribed in FCA Regulation § 628.53. Therefore, risk weight these equity investments at 100 percent as required in RC-R.7, line 7. AgDirect, LLC is a UBE.

6(h) **Less: CDA deductions applied to CET1 capital due to insufficient amounts of AT1 and Tier 2 capital to cover AT1 and Tier 2 deductions.** Report in this item the average daily amount for the quarter of deductions related to the corresponding deductions approach (CDA) applied to its level CET1 capital. Under the CDA if there is an insufficient amount of Tier 2 capital to handle the CDA deductions, then the institution must apply the remaining unused CDA deduction to AT1 capital. If there is an insufficient amount of capital after having applied the unused CDA deduction to Tier 2 capital and AT1 capital, then the institution must finally apply the unused deduction to CET1 capital. (See FCA Regulations §§ 628.22(c)(2) and (5) and 628.22(f).)

For regulatory capital and call report purposes, FCA has decided to treat all System equity investments in another System institution, service corporations and the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) similarly. See FCA regulations §§ 628.2, 611.1135, and 619,8185. All these entities are System institutions:

- System institutions include: ACBs, FCBs, FLCAs, ACAs, and the Farm Credit Leasing Services Corporation (FCL).
- System service corporations include: FCS Building Association, Farm Credit Financial Partners, Inc. (FPI), AgVantis, Inc., Farm Credit Foundations, or any institution approved by FCA under Sec. 4.25 of the Act. FCL, while included with direct lenders, is a service corporation wholly owned by CoBank, ACB.

Line-Item Instructions

Item No.	Caption and Instructions
	• Funding Corporation. For call report purposes, institutions that hold equity investments in UBEs and the Farm Credit System Association Insurance Captive Company must risk weight these investments as prescribed in FCA Regulation § 628.53. Therefore, risk weight these equity investments at 100 percent as required in RC-R.7, line 7. AgDirect, LLC is a UBE.
6(i)	**Less: Other deductions required by FCA (net of associated DTLs).** Report in this item the average daily amount for the quarter of supervisor assessed deductions related to an institutions retirement of common cooperative equities without FCA prior approval or outside the safe harbor provisions in the capital regulations. (See FCA Regulation § 628.23(g).)
6(j)	**Total deductions for CET1 capital.** Report in this item the average daily amount of the total of deductions to CET1 capital, which is the sum of lines 6(a) through 6(i).
7	**Common Equity Tier 1 Capital.** Report in this item the average daily amount for the quarter of CET1 capital (See § 628.20 (b)). This form of capital represents the highest form of regulatory capital. CET1 capital is one of two components of Tier 1 capital. This item is a sum of Schedule RC-R.4, item 5 minus item 6(j).
8	**Additional Tier 1 Capital (AT1)**
8(a)	**Noncumulative perpetual preferred stock.** Report in this item the average daily amount for the quarter of all qualifying additional tier1 (AT1) capital instruments and related surplus. FCA is not aware of any capital instrument besides noncumulative perpetual preferred stock to report in this item.
8(b)	**Other AT1 capital items and related surplus approved by FCA.** Report in this item the average daily amount for the quarter of all other AT1 capital items and related surplus approved by FCA.
8(c)	**AT1 capital before deductions.** Report in this item the average daily amount for the quarter of AT1 capital. Amount is the sum of Schedule RC-R.4, items 8a and 8b.

Line-Item Instructions

Item No.	Caption and Instructions
9	**AT1 deductions**
9(a)	**Less: CDA deductions applied to AT1 capital due to insufficient amounts of Tier 2 capital to cover Tier 2 deductions.** Report in this item the average daily amount for the quarter of CDA deductions applied to AT1 capital due to an insufficient amount of Tier 2 capital to cover Tier 2 deductions.
9(b)	**Less: Excess above third party capital limits.** Report in this the average daily amount for the quarter excess above the third-party capital limits as described in § 628.23 of this rule. When applying this deduction first deduct the excess against Tier 2 capital, then if there is any remaining excess deduct it against AT1 capital, then apply any remaining excess deduction to CET1 capital.
9(c)	**Less: Other deductions required by FCA.** Report in this item the average daily amount for the quarter of other AT1 deductions that are required by FCA.
9(d)	**Total deductions for AT1 Capital.** Report in this item the average daily amount for the quarter of total deductions to AT1 capital which is the sum of line 9(a) through 9(c) on Schedule RC-R.4.
10	**Total AT1 Capital.** Report in this item the average daily amount for the quarter of AT1 capital (See § 628.20(c)). This form of capital is the second highest form of capital. ATI is one of two components of Tier 1 capital. AT1 capital is the total of Schedule RC-R.4, items 8(c) minus 9(d).
11	**Total Tier 1 Capital.** Report in this item the average daily amount for the quarter of Tier 1 capital. This form of capital is one of two components of Total Regulatory Capital. Tier 1 capital is the sum of Schedule RC-R.4, items 7 and 10.
12	**CCEs included in Tier 2 Capital.** Report in this item average daily amount for the quarter of common cooperative equity included in Tier 2 capital. This is the same amount reported on Schedule RC-R.3, line 6, column B.

Line-Item Instructions

Item No.	Caption and Instructions
13	**Other preferred stock and subordinated debt**
13(a)	**Cumulative perpetual preferred stock.** Report in this item the average daily amount for the quarter for cumulative perpetual preferred stock. Report any excess amount paid above par at issuance in paid-in capital.
13(b)	**Limited-life preferred stock ≥ 5 years at issuance.** Report in this item the average daily amount for the quarter for both limited-life (term) preferred stock and their related surplus. The items reported must have had a maturity equal to or greater than 5 years when issued.
13(c)	**Subordinated debt ≥ 5 years at issuance.** Report in this item the average daily amount for the quarter for subordinated debt and related surplus that had an original life equal to or greater than 5 years at their issuance.
13(d)	**Total other preferred stock and subordinated debt.** Report in this item the average daily amount for the quarter for other preferred stock and subordinated debt and their related surplus. This item represents a sum of Schedule RC-R.4, items 13(a) through item 13(c).
14	**Amount of allowance and reserve included in Tier 2 capital**
14(a)	**Allowance for loan losses (ALL).** Include in this item the average daily amount for the quarter for the allowance for loan losses.
14(b)	**Reserve for credit losses on off-balance sheet credit exposures.** Report in this item the average daily amount for the quarter of the reserve for credit losses on off-balance sheet exposures. This item is like the item reported on Schedule RC, item 15, except this reported item is an average daily amount for the quarter.
14(c)	**Total allowance and reserve.** This item is a sum of items in 14(a) and 14(b).
14(d)	**Risk-weighted assets.** Report in this item the maximum amount of the average risk adjusted assets to be used in the calculation of the ALL and credit loss reserve included in Tier 2 capital. This item is the total of RC-R.4, line 14(d) multiplied by 0.0125. See FCA regulation § 628.20(d)(3).

Line-Item Instructions

Item No.	Caption and Instructions

14(e) **Amount included in Tier 2 capital.**
Report in this item the lesser of the average total of the allowance and reserve for credit losses on off-balance sheet exposure, and the maximum amount of the allowance and credit reserve that can be included in Tier 2 capital.

15 **Other Tier 2 capital items approved by FCA.**
Report in this item the average daily amount of the quarter for any other items that FCA has approved for inclusion in Tier 2 capital.

16 **Tier 2 capital before deductions.**
Report in this item the average daily amount for the quarter of Tier 2 capital before applying deductions. This is a sum of RC-R.4, lines 12, 13(d), 14(e) and 15.

17 **Tier 2 deductions:**

17(a) **Less: Amount of purchased investments in other System institutions using the CDA**
Report in this item the average daily amount for the quarter of <u>purchased investments</u> in another System institutions using the corresponding deduction approach (CDA). When an institution purchases an equity investment in another System institution, there is a transfer of capital from the purchaser to the issuer. For example, the CDA works in the following way: If the issuing institution (a bank) that holds the investment treats the capital item as tier 2 capital, then the investing institution (the association) must deduct the investment from its Tier 2 capital. If the bank treats the purchased equity investment as CET1 capital, then the association must deduct the purchased equity investment from its CET1 capital.

For regulatory capital and call report purposes, FCA has decided to treat equity investments in System institutions, service corporations and the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) similarly. See FCA regulations §§ 628.2, 611.1135, and 619.8185. All these entities are System institutions:

- System institutions include: ACBs, FCBs, FLCAs, ACAs, and the Farm Credit Leasing Services Corporation (FCL).

Item No.	Caption and Instructions

- System service corporations include: FCS Building Association, Farm Credit Financial Partners, Inc. (FPI); AgVantis, Inc.; and Farm Credit Foundations. FCL is a service corporation.
- Funding Corporation.

For call report purposes, institutions that hold equity investments in UBEs and the Farm Credit System Association Insurance Captive Company must risk weight these investments as prescribed in FCA Regulation § 628.53. Therefore, risk weight these equity investments at 100 percent as required in RC-R.7, line 7. AgDirect, LLC is a UBE.

17(b) **Less: Excess above third party capital limits.**
Report in this item the average daily excess amount above the third-party capital limit. Third-party capital limits are described in § 628.23 of this rule. First apply the amount against Tier 2 capital but if any remaining amount apply to AT1 capital.

17(c) **Less: Other deductions required by FCA.**
Report in this item the average daily amount of other deductions to tier 2 that are required by FCA. First apply the amount against Tier 2 capital but if any remaining amount apply to AT1 capital.

17(d) **Total deductions for Tier 2 capital.**
Report in this item the average of the sum of Schedule RC-R.4, items 17(a) through 17(c).

18 **Less: Phased-out amount of limited life preferred stock and subordinated debt.**
Report in this item the average aggregate phased-out amount that is deducted from the notional balance for all issues of limited-life (term) preferred stock and subordinated debt (notional amount). The limited-life stock or subordinated debt included in this item must have a minimum maturity of 5 years at issuance. The phase-out amount consists of multiplying the notional amount of the issue by 20 percent for each of the 5 years remaining life of the issue. See the Definitions in FCA Regulation § 615.5201.

Ex. Limited-life preferred stock initial amount issued was $7,000 for 5 years

Current Year	*Years Remaining*	*Factor Used Times 20%/Year*	*Amount Deducted*
Y_1	5 years	1 X 20% = 20%	$1,400
Y_2	4 years	2 X 20% = 40%	$2,800
Y_3	3 years	3 X 20% = 60%	$4,200

Line-Item Instructions

Item No.	Caption and Instructions

Y_4	2 years	4 X 20% = 80%	$5,600
Y_5	1 year	5 X 20% = 100%	$7,000

19 **Total Tier 2 capital.**
Report in this item the average daily amount for the quarter of Tier 2 capital (See § 628.20 (d)). This is the lowest quality capital in the Tier 1/Tier 2 Capital Framework. Tier 2 capital is one of two components of Total Regulatory Capital. This item is the total of Schedule RC-R.4, item 16 minus items 17(c) and 18.

20 **Total Regulatory Capital.**
Report in this item the average daily amount for the quarter of total regulatory capital. FCA Regulations § 628.2 Definitions use the term *Total Capital*; however, for call reporting purposes, FCA will use the term *Total Regulatory Capital*. This item is a sum of Schedule RC-R.4, items 11 and 19.

21 **Total deductions from regulatory capital.**
Report in this item the average daily amount for the quarter of deductions made from CET1 capital, AT1 Capital, and Tier 2 capital. See Call Report Schedules RC-R.4, items 6(j), 9(d), and 17(d).

Item No.	Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

This schedule includes calculations for adjustment to total assets for leverage ratio and the calculations of the unallocated retained equities (URE) and URE equivalents.

1 **Total average assets for the leverage ratio**

1(a) **Average total assets.**
Report in this item the average daily amount for the quarter for total assets. This item amount should be the same as Schedule RC-G, item 9.

1(b) **Less: Deductions for CET1 and AT1 capital.**
Report in this item the average daily amount for the quarter of deductions made to CET1 capital and AT1 capital. See Call Report Schedule RC-R.4, items 6(j) and 9(d).

1(c) **Less: Other adjustments required by FCA.**
Report in this item the average daily amount for the quarter of other deductions approved by FCA for the Tier 1 leverage ratio

1(d) **Total average assets for Leverage ratio.**
Report in this item the quarterly amount of the adjusted assets used for the Tier 1 leverage ratio. The adjustments to total assets are the same aggregate adjustments made to CET1, Tier 1 capital and Total Regulatory Capital, which include deductions to the asset base. This item is a calculation of Schedule RC-R.5, item 1(a) less items 1(b) and 1(c).

2 **URE and URE equivalents**

2(a) **Paid-in-capital.**
Report the excess amount paid above par for any capital instrument except those equities purchased as condition of receiving a loan. For example, this would refer to the excess amount above par received from the sale of third-party capital. In mergers, this term also refers to the excess amount an acquirer pays above the book value for the acquiree's institution. Report the amounts representing financial assistance from other Farm Credit institutions

Item No.	**Caption and Instructions**
	in the form of paid-in surplus on this line. **This is the same amount reported on Schedule RC-R.4, item 2.**

2(b) **Unallocated Retained Earnings.**
Report in this item the average daily amount for the quarter of URE (including undistributed earnings or losses) as defined in FCA Regulation § 628.2. This item is also known as average unallocated surplus. The amount reported in this item is net of surplus and stock allocations and cash distributions of dividends and patronage. Record equity allocations as a transfer to another net worth category (see Schedule RI-D in Net Worth) and record cash distributions until paid as a payable (See Schedule RC Balance Sheet). If it is clearly the institution's plans to allocate equity at yearend or to make other cash distributions (dividends or patronage), report the accruals or distributions in the quarterly Call Reports. Make quarterly accruals for patronage as prescribed in the ASC Subtopic 905-310-25. Institutions must recognize patronage when EITHER:

A) The related patronage occurs if all of the following are probable:
   1) A patronage refund applicable to the period will be declared,
   2) One or more future events confirming the receipt of a patronage refund are expected to occur,
   3) The amount of the refund can be reasonably estimated, and
   4) The accrual can be consistently made from one year to the next, or
B) On notification by the distributing agricultural cooperative.

This is the same amount reported on RC-R.4 item 3.

For regulatory capital purposes, any accruals of dividends or patronage (payables or receivables) that occur before the board declaration date must be deducted from regulatory capital. Specifically, this accrual must be reversed from or to URE before it is reported in this item. This adjustment should then carry through to reported on RC-R.5, item 2(b) and to RC-R.6, item 2(b). For example:

- If an institution accrues a <u>patronage receivable</u> from another institution prior to board declaration date, then it must subtract this accrual from its URE.
- If an institution accrues a <u>patronage payable</u> to either another institution or a retail customer prior to the board declaration date, then it must add back this accrual to its URE.

Item No.	Caption and Instructions
2(c)	**Nonqualified allocates surplus not subject to retirement.** Report in this item the average daily amount for the quarter of nonqualified allocated surplus not subject to retirement included in CET1 capital. **This is the same amount reported on Schedule RC-R.3, line 5(d), column A.** For this form of allocated equities to count as URE equivalents, an institution must designate them as URE equivalents at the time of allocation (or on or before March 31, 2017).
2(d)	**Less: Amount of equities that are allocated to other System institutions.** Report in this item the average daily amount for the quarter of allocated equity investment in another System institution. This deduction is applied from the perspective of the institution issuing the equities. For instance, Institution A (a bank) under part 628 will count allocated equity investments belonging to Institution B (an association) in its (institution's A) CET1 or Tier 2 capital. When calculating URE and their equivalents (URE Equivalents), the same System Institution A (most cases a bank) must now deduct institutions B's allocated equity investment from its (institution A's) URE. No deduction for Tier 2 is necessary since URE is always part of CET1 capital.
2(e)	**Less: Certain deductions from CET1 capital.** Report in this item the total average daily amount of deductions for Tier 1 capital (CET1 and AT1 capital). This item is a sum of deductions on Schedule RC-R.4, items 6(j) (minus 6(g) and 6(h)) and 9(d).
2(f)	**Total URE and URE equivalents.** Report in this item the total average daily amount for the quarter of unallocated retained earnings (URE) and URE equivalents. Report in this item the sum of Schedule RC-R.5 items 2(a), 2(b), and 2(c) minus lines 2(d) and 2(e). This item represents the average daily amount for the quarter of unallocated retained earnings and equivalents, which is the numerator for the calculation of unallocated retained earnings and equivalents divided by total assets (the UREE/leverage ratio).

Schedule RC-R.6
Permanent Capital Numerator

Item No.	Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

Schedule RC-R.6 calculates the numerator for permanent capital.

1 **CCEs included in Permanent Capital.**
Report in this item the average daily amount for the quarter of common co-operative equities included in permanent capital. **This item is the same amount reported on Schedule RC-R.3, line 6, column D.**

2 **Additions to permanent capital**

2(a) **Paid-in capital.**
Report the excess amount paid above par for any capital instrument except those equities purchased as a condition of receiving a loan. For example, this would refer to the excess amount above par received from the sale of third-party capital. In mergers, this term also refers to the excess amount an acquirer pays above the book value of the acquiree' s institution. Report on this line any financial assistance from other Farm Credit institutions in the form of paid-in surplus. This specific item is like items reported on Schedule RC, item 20, except this item is a daily average amount for the quarter. **This item is the same amount reported on Schedule RC-R.4, item 2 and RC-R.5 item 2(a)**.

2(b) **Unallocated Retained Earnings.**
Report in this item the quarterly average amount of URE (including undistributed earnings or losses) as defined in § 628.2 of this rule. Another name for this item is average unallocated surplus. The amount reported in this item is net of equity allocations and cash distributions of dividends and patronage. Equity allocations recorded as transfers to other net worth categories (see schedule RI-D Changes in Net Worth) and record cash distributions declared but unpaid as payables (See Schedule RC Balance Sheet). If it is clearly the reporting institution's plan to allocate equity at yearend and make cash distributions (dividends or patronage), report accruals for such allocations or distributions in the quarterly Call Reports. Make quarterly accruals for patronage refunds as prescribed in the ASC Subtopic 905-310-25. Institutions must recognize patronage when EITHER:

Item No.	Caption and Instructions

a) The related patronage occurs if all of the following are probable:
   1) A patronage refund applicable to the period will be declared,
   2) One or more future events confirming the receipt of a patronage refund are expected to occur,
   3) The amount of the refund can be reasonably estimated, and
   4) The accrual can be consistently made from one year to the next, or

b) On notification by the distributing agricultural cooperative.

This is the same amount reported on Schedule RC-R.5, item 2(b) and RC-R.4 item 3.

For regulatory capital purposes, any accruals of dividends or patronage (payables or receivables) that occur before the board declaration date must be deducted from regulatory capital. Specifically, this accrual must be reversed from or to URE before it is reported in this item. This adjustment should then carry through to reported on RC-R.5, item 2(b) and to RC-R.6, item 2(b). For example:

- If an institution accrues a patronage receivable from another institution prior to the board declaration date, then it must subtract this accrual from its URE.
- If an institution accrues a patronage payable to either another institution or a retail customer prior to the board declaration date, then it must add back this accrual to its URE.

2(c) Capital items previously approved by FCA

2(c)(i) Noncumulative perpetual preferred stock.
Report in this item the average daily amount for the quarter of qualifying AT1 instruments and its related surplus (noncumulative perpetual preferred stock). This item is the same amount reported on Schedule RC-R.4, Line 8(a).

2(c)(ii) Other preferred stock and subordinated debt.
Report in this item the average daily amount for the quarter of other preferred stock and subordinated debt approved by FCA for inclusion in Total Regulatory Capital and permanent capital. This item includes:

a. Cumulative perpetual preferred stock as described in Schedule RC-R.4, item 13(a),
b. Limited-life (term) preferred stock described in Schedule RC-R.4 item 13(b), and
c. Subordinated debt as described in Schedule RC-R.4, item 13(c).

This is the same amount reported in Schedule RC-R.4, item 13(d).

Item No.	Caption and Instructions
2(c)(iii)	**Other perpetual preferred stock.** Report in this item the average daily amount for the quarter for "continuously redeemable" perpetual preferred stock. FCA has approved several associations holding this type of stock for inclusion in permanent capital provided proper disclosures are made to the member-borrower. This stock is redeemable only at board discretion and cannot be redeemed unless the institution meets certain permanent capital standards. This form of capital does not count in any form in Total Regulatory Capital.
2(c)(iv)	**Total capital items previously approved by FCA.** Report in this item average daily amounts of the quarter the sum of other capital items previously approved by FCA.
2(d)	**Additional items including allotment agreements.** Report in this item average daily amounts of the quarter the sum of other capital items approved by FCA by or after January 1, 2017, for inclusion in permanent capital.
2(e)	**Total Additions to Permanent Capital.** Report in this item the average additions to permanent capital. The item is a sum of Schedule RC-R.6 items 2(a) through 2(d).
3	**Permanent Capital before deductions.** Report in this item the average daily amount of permanent capital before deductions.
4	**Deductions to Permanent Capital**
4(a)	**Less: Goodwill – net of associated deferred tax liabilities.** Report in this item the average daily amount for the quarter of goodwill, net of associated deferred tax liabilities (DTLs) on an institution's balance sheet. Goodwill is an intangible asset which represents excess paid above par for an entity. Because FCA approves all institution mergers, goodwill will rarely appear on a balance sheet. (See FCA Regulation § 628.22(a)(1).) This item is the same amount reported on Schedule RC-R.4, item 6(a).
4(b)	**Less: Deferred tax assets.** Report in this item the average daily amount for the quarter of deferred tax assets (DTAs) that arise from net operating losses and tax credit carryforwards that are net of any related valuation allowances and net of deferred tax liabilities. See FCA Regulation § 628.22(a).

Item No.	Caption and Instructions

Be aware the capital rule does not treat all DTAs similarly:

- An institution must generate future earnings to apply a DTA and reduce future taxes, and not before. Thus, the rule deducts DTAs arising from net operating losses and tax credit carryforwards.
- DTAs arising from temporary differences in loss carrybacks are risk-weighted at 100 percent. See FCA Regulation § 628.32(l)(3). This item is the same amount reported on Schedule RC-R,4 item 6(c).

4(c) Less: Amount of <u>allocated investments</u> allotted to other System institutions per §§ 615.5207 and 615.5208.

Deduct the items listed below:

<u>#1. Deductions related to allocated investment in other System institutions (other funding banks, non-affiliated associations, service corporations, and the funding corporation) (excluding allotment agreement deductions).</u>

Except for adjustments provided for in allotment agreements (described below), report in this item the average daily amount for the quarter of allocated equity investments in other System institutions. Only the institution who allocated (issued) the equities may include those equities in its permanent capital. The institution who received the allocated equity investment must deduct the equity investment from its permanent capital.

For call report purposes, FCA has decided to treat allocated investments in other System institutions, service corporations, and the Funding Corporation similarly. If a service corporation or the Funding Corporation has issued allocated equities (stock or surplus) to a System institution that institution should deduct that investment as they would any equity investment in another System institution. For the most part, service corporations and the Funding Corporation pay only a cash patronage refund to their members, but some have bylaws which allow them to allocate equities. For the definition of the types of institutions, see FCA regulations §§ 628.2, 611.1135, and 619.9185. All these entities are System institutions:

- System institutions include: ACBs, FCBs, FLCAs, ACAs, and the Farm Credit Leasing Services Corporation (FCL).
- System service corporations include: FCS Building Association, Farm Credit Financial Partners, Inc. (FPI); AgVantis, Inc.; and Farm Credit Foundations. Although FCL is included with direct lenders, it is actually a service corporation wholly owned by CoBank.
- Funding Corporation.

Item No.	Caption and Instructions

#2. Deductions related to allotment agreements between banks and their affiliated associations.

The deductions described in #1 above must be adjusted in accordance with allotment agreements between the bank and each association.

Allotment agreements govern how much of an association's allocated equity investment in the bank is included in each institution's respective permanent capital calculation. See FCA regulation § 615.5208(a) for the requirements of allotment agreements between banks and associations and regulation § 615.5208(b) for the formula to be applied if an agreement between the association and its affiliated bank does not exist.

4(d) **Less: Amount of purchased investments in other System institutions.** Report in this item the average daily amount for the quarter of purchased equity investments in other System institutions (banks, associations, service corporations and the Funding Corporation).

Service corporations include:

- The FCS Building Association,
- Farm Credit Leasing Services Corporation (FCL),
- Farm Credit Financial Partners Inc., (FPI),
- AgVantis, Inc.,
- Farm Credit Foundations, and
- Any institution FCA approves under Sec. 4.25 of the Act.

Note: System institutions must risk weight equity investments in UBEs and the Farm Credit System Association Captive Insurance Company at 100 percent. AgDirect, LLC is considered a UBE

4(e) **Less: Phased-out amount of limited life preferred stock and subordinated debt.**
Report in this item the average aggregate phased-out amount that is deducted from the notional balance for all issues of limited-life (term) preferred stock and subordinated debt (notional amount). The limited-life stock or subordinated debt included in this item must have a minimum maturity of 5 years at issuance. The phase-out amount consists of multiplying the notional amount of the issue by 20 percent for each of the 5 years remaining life of the issue. See the Definitions in FCA Regulation § 615.5201.

Item No.	**Caption and Instructions**

Ex. Limited-life preferred stock initial amount issued was $7,000 for 5 years

Current Year	Years Remaining	FactorUsed Times 20%/Year	Amount Deducted
Y1	5 years	1 X 20% = 20%	$1,400
Y2	4 years	2 X 20% = 40%	$2,800
Y3	3 years	3 X 20% = 60%	$4,200
Y4	2 years	4 X 20% = 80%	$5,600
Y5	1 year	5 X 20% = 100%	$7,000

This item is the same amount reported on Schedule RC-R.4, line 18.

4(f) **Less: Excess above third–party capital limits.**
Report in this item the average daily amount for the quarter of excess capital above the third-party capital limits not included in permanent capital. This amount should be the sum of Schedule RC-R.4, items 9(b) and 17(b).

4(g) **Less: Other deductions required by FCA.**
Report in this item the average daily amount for the quarter of other deductions required by FCA.

4(h) **Total Deductions.**
Report in this item the average daily amount for the quarter of deductions to permanent capital. This item is a sum of Schedule RC-R.6, items 4(a) through 4(g).

5 **Total Permanent Capital.**
Report in this item the average daily amount for the quarter of permanent capital. This item is RC-R.6 item 3 minus RC-R.6, item 4(h).

Item No. Caption and Instructions

THE FOLLOWING SCHEDULES: RC-R.1, RC-R.2, RC-R.3, RC-R.4, RC-R.5, RC-R.6 AND RC-R.7 USE AVERAGE DAILY AMOUNTS FOR THE QUARTER OR 90-DAY AVERAGE DAILY BALANCES. THESE SCHEDULES MAY CONTAIN REFERENCES TO OTHER SCHEDULES; HOWEVER, BE AWARE THAT THOSE REFERENCED SCHEDULES MAY USE QUARTER-END BALANCES AND, THEREFORE, MAY NOT PRECISELY RECONCILE BACK TO THESE RC-R SCHEDULES.

The instructions for Schedule RC-R.7 account for the denominator of the Tier 1/Tier 2 capital rule – explaining how to properly risk weight and report on- and off-balance sheet items in the rule for call reporting purposes. The instructions are divided into two main sections: 1) On-balance sheet exposures (lines 1 to 8); and, 2) Off-balance sheet exposures (lines 9 to 17). More specifically, the instructions for lines 1 through 17 provide general direction for the allocation of System institution balance sheet assets, credit equivalent amounts of derivatives and off-balance sheet items, and unsettled transactions to the risk weight categories in columns C through Q, and to the total exposure or "notional" amounts in column A. Lines 18 and 19 reflect totals of the RWAs for the on- and off-balance sheet items, and lines 22 through 28 are all single column lines that reflect actual amounts – not exposure or credit equivalents – that are pulled or combined from other line items in the various RC-R schedules.

Bear in mind, however, that these instructions do not address every type of exposure, and System institutions should review the regulatory capital rule for the complete description of capital requirements.

Accumulated Other Comprehensive Income (AOCI)

Note: In the regulatory final capital rule (81 FR 49720), all System institutions have been exempted (opted out) from any impacts of AOCI on both regulatory and permanent capital. This total AOCI exemption also includes defined benefit pension fund assets, net of associated deferred tax liabilities (DTLs).

Treatment of Collateral and Guarantees

The rules for recognition of collateral are in § 628.37 and pertinent definitions are in § 628.2 of the capital rule. The rule defines qualifying financial collateral as cash on deposit at a depository institution or Federal Reserve bank, gold bullion, investment grade long- and short term debt exposures (that are not resecuritization exposures), publicly traded equity securities, publicly traded convertible bonds, and money market fund or other mutual fund shares with prices that are publicly quoted daily.

System institutions may apply one of two approaches (as reflected in § 628.37) to recognize the risk-mitigating effects of qualifying financial collateral:

1. Simple Approach – this can be used for any type of exposure. Under this approach, banks may apply a risk weight to the portion of an exposure that is secured by the fair value of the financial collateral based on the risk weight assigned to the collateral under § 628.32.

2. Collateral Haircut Approach – this can be used only for repo-style transactions, eligible margin loans, collateralized derivative transactions, and single-product netting sets of such transactions. Under this approach, banks would apply either standard supervisory haircuts or internal estimates for haircuts to the value of the collateral.

Long term standby purchase commitments (LTSPC) agreements offered by Farmer Mac and Fannie Mae meet the definition of eligible guarantees and eligible guarantors under § 628.2. Generally, the loan exposures with a Fannie Mae or a Farmer Mac LTSPC receive a risk weighting pursuant to §§ 628.36(a) and (c), and § 628.32 (20 percent). However, Farmer Mac has offered LTSPCs with a "first loss" exposure, which under § 628.36(a)(3) would be treated as a tranching of credit risk (reflecting at least two different levels of seniority) and, therefore, considered as securitization exposures under §§ 628.41 through 628.45. If the institution cannot assign a risk weight under the Simplified Supervisory Formula Approach (SSFA) (§ 628.42) or the Gross-up approach (§ 628.43), then it must assign a 1,250 percent risk weight under § 628.44.

Treatment of Equity Exposures

The treatment of equity exposures is outlined in § 628.51 through § 628.53 of this rule. System institutions must use different methodologies to determine risk-weighted assets for their equity exposures.

- The Simple Risk Weight Approach (SWRA) – which must be used for all types of equity exposures that are not equity exposures to a mutual fund or other investment fund, and;

- The full look-through, simple modified look-through, and alternative modified look-through approaches for equity exposures to mutual funds and other investment funds.

Under the SWRA, System institutions must determine the risk weighted assets amount of an individual equity exposure by multiplying 1) the adjusted carrying value of the exposure or 2) the effective portion and ineffective portion of a hedge pair by the lowest possible risk weight ranging from 0 percent to 600 percent depending on the specific type of exposure involved.

Under the full look-through approach, System institutions calculate the aggregate RWA amounts of the carrying value of the exposures held by the fund as if they were held directly by the institution multiplied by the institution's proportional share of the fund.

Under the simple modified look through approach, RWAs for an equity exposure is equal to the exposure's adjusted carrying value multiplied by the highest risk weight that applies to any exposure the fund is permitted to hold under the prospectus, partnership agreement, or similar agreement that defines the fund's permissible investments.

Under the alternative modified look-through approach, System institutions may assign the adjusted carrying value on a pro rata basis to different risk-weight categories based on the limits in the fund's prospectus, partnership agreement, or similar contract that defines the fund's permissible investments.

Treatment of Exposures to Sovereign Entities and Foreign Banks

The call report instructions to Schedule RC-R.7 contain multiple references to Country Risk Classifications (CRC) used by the Organization for Economic Cooperation and Development (OECD). The CRC methodology classifies countries into one of eight risk categories (0-7), with countries given the zero category for having the lowest possible risk assessment and countries given the 7 category for having the highest possible risk assessment. The OECD regularly updates CRCs for more than 150 countries and makes the assessments publicly available on its website (http://www.oecd.org/trade/xcred/crc.htm). The OECD does not assign a CRC to every country; for example, it does not assign a CRC to many major economies nor does it assign a CRC to many smaller countries. In addition, there is a higher risk weight of 150 percent for any country that has defaulted on its sovereign debt within the past 5 years, regardless of the CRC rating.

Allowance for Loan Losses (ALL)

Under this final capital rule, the allowance for loan losses (ALL) is includible in Tier 2 capital up to an amount of 1.25 percent of total RWA. In Schedule RC-R.7, no portion of the ALL is excluded in line items 1 through 21 (which delineate the specific risk-weights of various asset categories). Furthermore, it should not be implied or otherwise construed that any references from this or any other call report schedule that refers to these line items that any portion of the ALL is excluded from lines 1 through 21. The ALL is only specifically addressed and excluded in the line items below 21 in Schedule RC-R.7.

The Call Report instructions to Schedule RC-R.7 contain multiple references to Country Risk Classifications (CRC) used by the Organization for Economic Cooperation and Development (OECD). The CRC methodology classifies countries into one of eight risk categories (0-7), with countries given the zero category for having the lowest possible risk assessment and countries given the 7 category for having the highest possible risk assessment. The OECD regularly updates CRCs for more than 150 countries and makes the assessments publicly available on its website (http://www.oecd.org/trade/xcred/crc.htm). The OECD does not assign a CRC to every country; for example, it does not assign a CRC to many of the major economies nor does it assign a CRC to many smaller countries. In addition, there is a higher risk weight of 150 percent for any country that has defaulted on its sovereign debt within the past 5 years, regardless of the CRC rating.

Note: See Tables 1 through 4 in § 628.32 for the various CRC risk weightings for exposures to foreign central governments (including foreign central banks), exposures to foreign banks, general obligation exposures to foreign public sector entities, and revenue obligation exposures to foreign public sector entities, respectively.

A **This column is the average total credit exposure amount of risk-weighted assets in the denominator.**
The total exposure amount is the actual credit exposure that is to be risk weighted before applying any credit conversion factors. In most cases, this quarterly average exposure amount will be the same as notional amount. For on-balance sheet items, the total exposure amount should be the sum of the individual risk weights for each line category. For off-balance sheet items (such as derivatives), the exposure amount is comprised of two components: 1) the current credit exposure (CCE); and 2) the potential future credit exposure (PFE).

The CCE is the greater of zero or the mark-to-value of the derivative contract. The PFE is generally the notional amount of the derivative contract multiplied by a credit conversion factor for the type of derivative. Credit conversion factors for derivative contracts are listed in Table 1 of § 628.34 of the regulatory capital rule.

B **This column lists the credit conversion factors. Certain OBS exposures are multiplied by these credit conversion factors to obtain the credit equivalent amounts.**
The credit conversion factors (CCFs) are applied to certain off-balance sheet exposures (OBS). CCFs are one of the criteria in determining the credit equivalent amount for OBS exposures, and are found under § 628.33(b) of the regulatory capital rule.

C **This column reflects the credit equivalent amount of an OBS exposure.**
The credit equivalent is the calculated or adjusted amount of exposure after factoring in the CCF. The credit equivalent amount is the actual exposure or 'notional' amount multiplied by the CCF.

D **This column is for the 0 percent risk weight.**
The zero percent risk weight generally applies to and/or includes exposures to the U.S. Government, its central bank or its agencies that are directly and

Item No.	Caption and Instructions

unconditionally guaranteed, exposures to certain supranational entities and multilateral development banks (MDBs), exposures to sovereigns that are members of the Organization for Economic Cooperation and Development (OECD) that have a Country Risk Classification (CRC) of 0 or 1 or an OECD member with no CRC, and certain other assets that are specified in § 628.32(l) of the regulatory capital rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

E **This column is for the 2 percent risk weight.**
The 2 percent risk weight generally applies to exposures to cleared transactions with a qualifying central counterparty (QCCP) or clearing member if the collateral posted by a System institution is basically bankruptcy remote and the clearing member client System institution has conducted sufficient legal review and concludes with a well-founded legal basis that in the event of a legal challenge, the relevant court and administrative authorities would find the arrangements to be legal, valid, binding and enforceable under the laws of the relevant jurisdictions.

Under the regulatory capital rule, we define "cleared transactions" as an exposure with an outstanding derivative contract or repo-style transaction that a System institution or clearing member has entered into with a central counterparty (CCP). Cleared transactions include the following: 1) a transaction between a clearing member client System institution and a clearing member where the clearing member acts as a financial intermediary on behalf of the client and enters into and offsetting transaction with a CCP; and 2) a transaction between a clearing member client System institution and a CCP with a clearing member client guarantees the performance of the client to the CCP.

Note: The System has historically been a derivative end-user. They have indicated that they plan to remain a clearing member client and, therefore, must use a clearing member to clear trades with a CCP.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

F **This column is for the 4 percent risk weight.**
The 4 percent risk weight generally applies to exposures to cleared transactions with a QCCP or clearing member if the criteria stipulated in § 628.35(b)(3(i)(A) of this regulatory capital rule are not met.

Item No.	**Caption and Instructions**

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

G **This column is for the 10 percent risk weight.**
The 10 percent risk weight generally applies as an exception to the 20 percent minimum risk-weight floor in § 628.37(b)(2)(i) of this regulatory capital rule. A System institution may assign a 10 percent risk-weight to an exposure to an OTC derivative contract that is marked-to-fair value daily and subject to a daily margin maintenance requirement, to the extent that the contract is collateralized by an exposure to a sovereign that qualifies for a zero percent risk weight under § 628.32 of this regulatory capital rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

H **This column is for the 20 percent risk weight.**
The 20 percent risk weight generally applies to and/or includes exposures that are conditionally guaranteed by the U.S. Government, its central bank, or its agencies (including the portion of an exposure that is conditionally guaranteed by the FDIC or the NCUA. This risk weight also includes sovereign exposures to OECD members with a CRC of 2, exposures to Government-sponsored enterprises, exposures to U.S. depository institutions and credit unions, and System bank exposures to OFIs that meet the criteria of § 628.32(d)(1) of the regulatory capital rule.

Also included in the 20 percent risk weight are exposures to foreign banks that have a CRC of 0 or 1 or a foreign bank whose home country is an OECD member but does not have a CRC. Exposures to public sector entities (PSEs) organized under U.S. laws or any state or political subdivision of the U.S., and general obligations for non-U.S. based PSEs are further included in this risk weight.. Also included in the 20 percent risk weight are cash items in the process of collection. Note: There is also a 20 percent minimum risk weight floor to the collateralized portion of an exposure as described under § 628.37(b)(2)(i) of the rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight..

I **This column is for the 50 percent risk weight.**
The 50 percent risk weight generally applies to and/or includes sovereign exposures to OECD members with a CRC of 3, exposures to foreign banks that

Item No.	**Caption and Instructions**

have a CRC of 2, U.S. based PSEs with revenue obligation exposures from OECD members with a CRC of 0 or 1 or and OECD member with no CRC, and general obligation exposures from OECD members with a CRC of 2.

Also included in this risk weight are OFIs that do not meet the criteria for the 20 percent risk weight, but that satisfy the requirements under § 628.32(f)(2) of this regulatory capital rule. Furthermore, residential mortgage exposures that meet all of the criteria specified under § 628.32(g)(1) of the rule are also risk-weighted at 50 percent.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight category.

J **This column is for the 100 percent risk weight.**
The 100 percent risk weight generally applies to and/or includes sovereign exposures to OECD members with a CRC of 4 through 6, or non-OECD members with no CRC, exposures to foreign banks with a CRC of 3 and whose home countries have OECD membership status or are non-OECD members with no CRC.

Also included in the 100 percent risk weight are general obligation exposures for non-U.S. PSEs with a CRC of 3 whose home countries are OECD members or non-OECD members with no CRC, and revenue obligation exposures for non-U.S. PSEs with a CRC of 2 or 3 whose home countries are OECD members or non-OECD members with no CRC. Further included in this risk weight are all corporate exposures as described in § 628.32(f) and any exposure not specifically given or designated a risk weight in columns D through I and K, and are also not deducted from tier 1 or tier 2 capital as stipulated in § 628.22 of the rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight category.

K **This column is for the 150 percent risk weight.**
The 150 percent risk weight generally applies to past due and nonaccrual exposures as described under § 628.32(k) of the regulatory capital rule. Sovereign exposures which have defaulted within the past 5 years or exposures to a foreign bank in which the bank's home country has defaulted within the past 5 years are also risk weighted at 150 percent.

Item No.	Caption and Instructions

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

L **This column is for the 600 percent risk weight.**
The 600 percent risk weight generally applies to equity exposures to an investment firm, provided that the investment firm would meet the requirements stipulated in § 628.52(b)(7) of the regulatory capital rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

M **This column is for the 625 percent risk weight.**
The 625 percent risk weight generally applies to unsettled transaction exposures for any delivery-vs-payment (DvP) or payment-vs-payment (PvP) transactions with a normal settlement period of 5 business days if the System institution's counterparty makes payment within 16 to 30 business days after the contractual settlement date as reflected in Table 1 of § 628.38.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

N **This column is for the 937.5 percent risk weight.**
The 937.5 percent risk weight generally applies to unsettled transaction exposures for any delivery-vs-payment (DvP) or payment-vs-payment (PvP) transactions with a normal settlement period of 5 business days if the System institution's counterparty makes payment within 31 to 45 business days after the contractual settlement date as reflected in Table 1 of § 628.38.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

O **This column is for the 1,250 percent risk weight.**
The 1,250 percent risk weight (also referred to as "dollar-for-dollar") generally applies to securitization exposures under § 628.44 of the regulatory capital rule if a System institution does not have the appropriate data to assign parameters described in paragraph (b) of that section.

Also included in this risk weight are all securitization exposures to which the SSFA and the Gross-Up approach do not apply under § 628.44. The 1,250

Item No.	Caption and Instructions

percent risk weight further applies to the portion of a credit-enhancing interest-only strip (CEIO) that does not constitute an after-tax gain-on-sale as provided in § 628.22 of the rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

P **This column reflects the Simplified Supervisory Formula Approach.**
The SSFA is an alternative type of risk weight methodology that allows System institutions to risk weight certain securitization exposures if they have the appropriate data to assign accurate parameters as described in § 628.43(b) of the regulatory capital rule.

The SSFA is a formulaic-based risk weighting methodology that has five inputs for the calculations as follows: 1) K_G, which is the weighted-average total capital requirement of the underlying exposures calculated using § 628.43(b); 2) *Parameter W*, which is the ratio of the sum of the dollar amounts of any underlying exposures that meet any of the criteria as set forth in paragraphs (b)(2)(i) through (vi) of § 628.43 to the balance of the underlying exposures; 3) *Parameter A*, which is the attachment point for the exposure and represents the threshold at which credit losses will first be allocated to the exposure; 4) Parameter D, which is the detachment point for the exposure and represents the threshold at which credit losses of principal allocated to the exposure would result in a total loss of principal; and, 5) A supervisory calibration parameter, *p,* equal to 0.5 for securitization exposures that are not resecuritization exposures and equal 1.5 for resecuritization exposures.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

Q **This column reflects the Gross-Up Approach.**
The Gross-Up approach is an alternative risk weight methodology that permits a System institution to risk weight certain securitization exposures as described in § 628.43(e) in the regulatory capital rule.

The Gross-Up is a formulaic-based risk weighting methodology that has four inputs for the calculations as follows: (i) Pro rata share ***A***, which is the par value of the System institution's securitization exposure ***X*** as a percent of the par value of the tranche in which the securitization exposure resides ***Y***; (ii) Enhanced amount ***B***, which is the value of tranches that are more senior to the tranche in which the System institution's securitization resides; (iii) The

Item No.	**Caption and Instructions**

exposure amount of the System institution's securitization exposure calculated under § 628.42(c) <u>*C = carrying value of the exposure*</u>; and (iv) Risk weight (RW), which is the weighted-average risk weight of underlying exposures in the securitization pool as calculated in § 628.43(e) of the rule.

Please refer to the individual cell references (in the RC-R.7 schedule matrix) for more detailed instructions of the specific types of assets that are included in each line for this risk weight.

Line-Item Instructions

1 **Cash and balances due from depository institutions or Federal Reserve.** Report in column A, the quarterly average amount of cash and balances due from depository institutions, Federal Reserve Banks and System banks as reported in Schedule RC – Balance Sheet, item 1, excluding those balances due from depository institutions that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. Those balances due from depository institutions reported in Schedule RC – Balance Sheet, item 1 that qualify as securitization exposures must also be reported in Schedule RC-R.7, line 4(c), column A.

<u>Column A</u>: Report the average daily exposure amount for the quarter of cash and due balances from a depository institution, Federal Reserve Bank, or System bank like the items reported on Schedule RC, item 1, excluding those balances that qualify as a securitization exposure as defined in § 628.2 of the regulatory capital rule.

<u>Column D</u>: Includes any balances due from depository institutions, credit unions or Federal Reserve Bank, System banks, and the insured portions of deposits in a depository institution or a credit union. Include cash in transit. Also include any balances due from foreign central banks with a CRC of 0 or 1 or which is an OECD Member with no CRC.

<u>Column H</u>: Includes any balances due from depository institutions and credit unions in excess of any applicable deposit insurance limits for deposit exposures or where the FDIC and NCUA do not insure the deposit exposure; and, cash items in the process of collection. Also include any balances due from a foreign bank with a Country Risk Classification (CRC) of 0 or 1 or which is an OECD Member with no CRC, and balances due from a foreign central bank with a CRC of 2 or which is an OECD Member with no CRC.

<u>Column I</u>: Includes any balances due from a foreign bank with a CRC of 2, and balances due from a foreign central bank (sovereign exposure) with a CRC of 3.

Column J: Includes all other amounts that are not reported in columns D through I and K. It also includes balances due from a foreign bank that is a non-OECD member with no CRC, a foreign bank with a CRC of 3, and a foreign central bank (sovereign exposure) with a CRC of 4 through 6.

Column K: Includes any balances due from a country that has defaulted on its sovereign debt within the past five years regardless of its CRC rating or OECD affiliation.

2 Federal funds sold and securities purchased under agreements to resell

2(a) Federal funds sold (in domestic offices).
Report in column A, the quarterly average amount of federal funds sold reported in Schedule RC-B Securities, item 5(a), excluding those federal funds that qualify as securitization exposures as defined in § 628.2 of the regulatory capital rule. The amount of those federal funds sold reported in Schedule RC-B Securities, item 5(a) that qualify as securitization exposures are to be reported in Schedule RC-R.7, line 4(c), column A. Risk weight federal funds sold according to the Country Risk Classification (CRC) methodology as follows: In column D--0% risk weight; column H--20% risk weight; column I--50% risk weight; column J--100% risk weight; column K--150% risk weight. Assign these exposures to risk-weight categories based on the CRC methodology described above in the General Instruction for RC-R.7. Include the portion of Schedule RC-B Securities, item 5(a) that is directly and unconditionally guaranteed by foreign central governments and exposures to foreign banks. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average amount of federal funds sold reported in Schedule RC-B Securities, item 5(a), excluding those federal funds that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule.

Column D: Include the portion of Schedule RC-B Securities, item 5(a), that is directly and unconditionally guaranteed by the U.S. Government and U.S. Government agencies. Also, include the portion of any exposure reported in Schedule RC-B Securities, item 5(a), that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: Include exposures to U.S. depository institution counterparties. Also, include the portion of any exposure reported in Schedule RC-B Securities, item 5(a), that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight.

Item No.	Caption and Instructions

Column I: include any exposure reported in Schedule RC-B Securities, item 5(a), that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: include exposures to non-depository institution counterparties that lack qualifying collateral (refer to this regulatory capital rule for specific criteria). Also, include the amount of federal funds sold reported in Schedule RC-B Securities, item 5(a), that are not included in columns D through I and K. Also include the portion of any exposure reported in Schedule RC-B Securities, item 5(a), that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: include any exposure from a country that has defaulted on its sovereign debt within the past five years regardless of its CRC rating or OECD affiliation.

2(b) Securities purchased under agreements to resell (otherwise known as agreements to resell or "reverse repos").

Report in columns A and C the quarterly average amount of securities purchased under agreements to resell (securities resale agreements, i.e., reverse repos) reported in Schedule RC-B Securities, item 5(g), excluding those securities resale agreements that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. The amount of those securities resale agreements reported in Schedule RC-B, item 5(g) that qualify as securitization exposures are to be reported in Schedule RC-R.7, line 4.c, column A. (Note: For purposes of risk weighting, distribute on-balance sheet securities purchased under agreements to resell reported in Schedule RC-B Securities, item, 5(g) within the risk-weight categories in Schedule RC-R.7, line 12, "Repo-styled transactions.") System institutions should report their securities purchased under agreements to resell in line 12 for them to calculate their exposure, and thus risk-weighted assets, based on master netting set agreements covering repo-style transactions. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in columns A, the quarterly average amount of securities purchased under agreements to resell (securities resale agreements, i.e., reverse repos) reported in Schedule RC-B Securities, item 5(g), excluding those securities resale agreements that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rules.

Column D: Note: For securities reported under RC-B Securities, item 5(g), refer to Schedule RC-R.7, line 4.c, column A for securities resale agreements

Item No.	**Caption and Instructions**

that qualify as securitization exposures. Also, for the zero percent risk weighting category, refer to Schedule RC-R.7, line 2, column D for on balance sheet securities resale agreements.

Column H: Note: For securities reported under RC-B Securities, item 5(g), refer to Schedule RC-R.7, line 4(c), column A for securities resale agreements that qualify as securitization exposures. Also, for the 20 percent risk weighting category, refer to Schedule RC-R.7, line 2, column H for on balance sheet securities resale agreements.

Column J: Note: For securities reported under RC-B Securities, item 5(g), refer to Schedule RC-R.7, line 4(c), column A for securities resale agreements that qualify as securitization exposures. Also, for the 100 percent risk weighting category, refer to Schedule RC-R.7, line 2, column J for on balance sheet securities resale agreements.

3 Securities (excluding securitization exposures)

3(a) **Securities (excluding securitization exposures) held-to-maturity (HTM).** Report in column A, the quarterly average amount of HTM securities reported in Schedule RC-B Securities, column A, excluding those HTM securities that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. The amount of those HTM securities reported in Schedule RC-B Securities, item 3.a, that qualify as securitization exposures are to be reported in Schedule RC-R.7, line 4.a, column A. The sum of Schedule RC-R.7, lines 3.a and 4.a, column A plus items 3.b and 4.b, column A, plus item 4.c, column A must equal Schedule RC – Balance Sheet, item 2. For a security classified as HTM, the exposure amount to be risk weighted by the System institution is the carrying value net of unearned income of the security reported: (1) on the balance sheet of the institution; and (2) in Schedule RC-R.7, line 3.a. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average amount of HTM securities reported in Schedule RC-B Securities, column A, excluding those HTM securities that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule.

Column D: The zero percent risk weight applies to exposures to the U.S. Government, a U.S. Government agency, a Federal Reserve bank, and those exposures otherwise unconditionally guaranteed by the U.S. Government. Include exposures to or unconditionally guaranteed by the FDIC or the NCUA. Also, certain foreign government exposures and certain entities listed in § 628.32 of this rule may also qualify for the zero percent risk weight.

Item No.	Caption and Instructions

Include the exposure amount of securities reported in Schedule RC-B Securities, column A, that do not qualify as securitization exposures that qualify for the zero percent risk weight. In column D, such securities may include portions of, but not limited to: 1) U.S. Treasury securities; 2) Securities Issued by U.S. Government agencies; 3) Residential mortgage pass-through securities guaranteed by GNMA; 4) Other RMBS issues or guaranteed by U.S. Government agencies, such as GNMA exposures; 5) CMBS issued or guaranteed by FNMA, FHLMC, or GNMA that represent GNMA securities; 6) CMBS issued or guaranteed by U.S. Government agencies that represent GNMA securities; and, 7) The portion of any exposure reported in Schedule RC-B Securities, column A, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: The 20 percent risk weight applies to general obligations of U.S. states, municipalities and U.S. public sector entities. It also applies to exposures to U.S. depository institutions and credit unions, exposures conditionally guaranteed by a U.S. Government agency, as well as exposures to Government-sponsored enterprises. Certain foreign government and foreign bank exposures may qualify as indicated in § 628.32 of this rule.

Also, include the exposure amounts of securities reported in Schedule RC-B Securities, column A, that do not qualify as securitization exposure that qualify for the 20 percent risk weight. In column H, such securities may include portions of, but not limited to: 1) Securities issued by U.S. Government agencies or Government-sponsored enterprises; 2) Securities issued by states and political subdivisions in the U.S. and it territories that represent general obligation securities; 3) Residential mortgage pass-through securities issued by FNMA and FHLMC; 4) Other RMBS issued or guaranteed by U.S. Government agencies or Government-sponsored enterprises (i.e., Farmer Mac); 5) CMBS issued or guaranteed by FNMA, FHLMC, or GNMA that represent FHLMC and FNMA securities; 6) CMBS issued or guaranteed by U.S. Government agencies or Government--sponsored enterprises (GSEs) that represent FHLMC or FNMA securities; 7) AMBS collateralized by agricultural mortgage loans issued by Farmer Mac.; 8) Any securities categorized as 'structured financial products' on Schedule RC-B Securities that are not securitization exposures and qualify for the 20 percent risk weight; and, 9) The portion of any exposure reported in Schedule RC-B Securities that is secured by or has a guarantee that qualifies for the 20 percent risk weight.

Column I: The 50 percent risk weight includes the exposure amounts of securities reported in Schedule RC-B Securities, column A that do not qualify as securitization exposures that qualify for the 50 percent risk weight. In column I, such securities may include portions of but not limited to: 1) Securities issues by states and political subdivisions in the U.S. that represent revenue

Item No.	Caption and Instructions

obligation securities; 2) Other residential mortgage pass-through securities that represent residential mortgage exposures that qualify for the 50 percent risk weight (pass-through securities that do not qualify for the 50 percent risk weight should be assigned to the 100 percent risk weight category); 3) Other RMBS collateralized by MBS issued or guaranteed by U.S. government agencies or GSEs (i.e., Farmer Mac - excluding portions subject to an FDIC loss-sharing agreement and interest-only securities) that represent residential mortgage exposures that qualify for 50 percent risk weight; 4) All other RMBS. Include only those MBSs that qualify for the 50 percent risk weight. Refer to § 628.32(g) of this rule. 5) The portion of any exposure reported in Schedule RC-B Securities that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Note: Do not include MBS portions that are tranched for credit risk purposes because those must be reported as securitization exposures in Schedule RC-R.7, item 4.a. Exclude interest only securities.

Column J: The 100 percent risk weight includes the exposure amounts of securities reported in Schedule RC-B Securities, column A that do not qualify as securitization exposures that qualify for the 100 percent risk weight. In column J, such securities may include but are not limited to: 1) Other residential mortgage pass-through securities that represent residential mortgage exposures that qualify for the 100 percent risk weight; 2) Other RMBS collateralized by MBS issued or guaranteed by U.S. government agencies or GSEs (i.e., Farmer Mac - excluding portions subject to an FDIC loss-sharing agreement and interest-only securities) that represent residential mortgage exposures that qualify for 100 percent risk weight; 3) All other RMBS. Include only those MBSs that qualify for the 100 percent risk weight. Refer to § 628.32(g) of this rule. Note: Do not include MBS portions that are tranched for credit risk...those must be reported as securitization exposures in Schedule RC-R.7, item 4.a.; 4) Other commercial mortgage pass-through securities; 5) All other CMBS; 6) ABS; 7) Any securities categorized as 'structured financial products' on Schedule RC-B Securities that are not securitization exposures and qualify for the 100 percent risk weight; 8) The portion of any exposure reported in Schedule RC-B Securities that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight; and, 9) All other HTM securities that do not qualify as securitization exposures reported in Schedule RC-B Securities that are not included in columns D through I and K.

Also include in the 100 percent risk weight exposures such as equity investments in non-System institutions that are characterized as non-significant investments, Rural Business Investment Companies (RBICs) authorized and approved under 7 U.S.C. 2009 cc et seq., SEC. 384J, unincorporated business

Item No.	Caption and Instructions

entities (UBEs) approved under § 611.1155 preferred stock, and other equity investments FCA approves under § 615.5140(e).

Column K: The 150 percent risk weight includes the exposure amounts of securities reported in Schedule RC-B Securities that are past due 90 days or more or in nonaccrual status (except sovereign exposures), excluding those portions that are covered by qualifying financial collateral or eligible guarantees as described in § 628.37 and § 628.36.

In column K, also include the exposure amounts of those securities reported in Schedule RC-B Securities that are directly and unconditionally guaranteed by foreign central governments or are exposures to foreign banks that do not qualify as securitization exposures. Such securities may include, but are not limited to: 1) Other residential mortgage pass-through securities; 2) All other RMBS; 3) Other commercial mortgage pass-through securities; 4) All other MBS; 5) ABS; 6) Any securities categorized as 'structured financial products' on Schedule RC-B Securities that are not securitization exposures and do not qualify for the 20, 50 or 100 percent risk weights; and, 6) Other foreign debt securities.

Column L: The 600 percent risk weight includes equity exposures in an investment firm that would meet the definition of a traditional securitization in § 628.2 were it not for the application of paragraph (8) of that definition, and has greater than immaterial leverage.

3(b) **Securities (excluding securitization exposures): available-for-sale (AFS).** Report in column A, the quarterly average carrying value of AFS securities reported in Schedule RC – Balance Sheet, item 2, excluding those AFS securities that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. The carrying value of those AFS securities reported in Schedule RC-R.7, line 3.b, that qualify as securitization exposures must be reported in Schedule RC-R.7, line 4.b, column A. The sum of Schedule RC-R.7, lines 3.b and 4.b, column A, plus items 3.a and 4.a, column A, plus item 4.c, column A must equal Schedule RC – Balance Sheet, item 2. For a security classified as AFS, the exposure amount to be risk weighted by the institution is: 1) For a debt security - the carrying value; and 2) For equities and preferred stock classified as an equity under GAAP - the carrying value less any net realized gains that are reflected in such carry value but are excluded from the bank's regulatory capital components. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average carrying value of AFS securities reported in Schedule RC – Balance Sheet, item 2, excluding those

Item No.	Caption and Instructions
	AFS securities that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule.

Column D: The zero percent risk weight applies to exposures to the U.S. Government, a U.S. Government agency, or a Federal Reserve Bank, and those exposures otherwise unconditionally guaranteed by the U.S. Government. Include exposures to or unconditionally guaranteed by the FDIC or the NCUA. Certain foreign government exposures and certain entities listed in § 628.32 of the regulatory capital rules may also qualify for the zero percent risk weight.

Include the exposure amount of securities reported in Schedule RC-B Securities, that do not qualify as securitization exposures that qualify for the zero percent risk weight. Such securities may include portions of, but may not be limited to: 1) U.S. Treasury securities; 2) Securities issued by U.S. Government Agencies; 3) Certain supranational entities and multilateral development banks such as the Bank for International Settlements (BIS), the European Central Bank, the European Commission, or the International Monetary Fund; 4) Residential mortgage pass-through securities guaranteed by GNMA; 5) Portions of other RMBS issued or guaranteed by U.S. Government agencies, such as GNMA exposures; 5) Certain portions of CMBS issued or guaranteed by FNMA, FHLMC, or GNMA that represent GNMA securities; and 6) Certain portions of CMBS issued or guaranteed by U.S. Government agencies. Also, the portion of any exposure reported in Schedule RC – Balance Sheet, item 2, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: The 20 percent risk weight applies to general obligations of U.S. states, municipalities, and U.S. public sector entities. It also applies to U.S. depository institutions and credit unions, exposures conditionally guaranteed by the U.S. Government and U.S. Government agencies, as well as exposures to GSEs. Certain foreign government and foreign bank exposures may qualify for the 20 percent risk weight as indicated in § 628.32 of this rule.

Include the exposure amounts of those securities reported in Schedule RC - Balance Sheet, item 2, that do not qualify as securitization exposures that qualify for the 20 percent risk weight. Any such exposures must exclude interest-only securities; however, these exposures may include portions of, but may not be limited to: 1) The portion of a security exposure that is conditionally guaranteed by the U.S. Government, the Federal Reserve, or a U.S. Government agency; 2) General obligation exposures issued by states and political subdivisions organized under the laws of the U.S. or any state or political subdivision thereof; 3) Residential mortgage pass-through securities issued by FNMA and FHLMC; 4) Other RMBS issued or guaranteed by U.S.

Item No.	Caption and Instructions

Government agencies; 5) Those CMBS issued or guaranteed by U.S. Government agencies or GSEs that represent FNMA and FHLMC; 6) Other RMBS collateralized by MBS issued or guaranteed by U.S. Government agencies or GSEs; and 7) Any securities categorized as structured financial products on Schedule RC – Balance Sheet that are not securitization exposures and qualify for the 20 percent risk weight. Note: Many of the structured financial products would be considered securitization exposures and must be reported in line 4.b of this schedule, for purposes of calculating risk-weighted assets.

Column I: The 50 percent risk weight includes the exposure amounts of those securities reported in Schedule RC-B Securities that do not qualify as securitization exposures that qualify for the 50 percent risk weight. Such securities may include portions of, but may not be limited to: 1) Security exposures issued by states and political subdivisions in the U.S. that represent revenue obligation securities; 2) Other residential mortgage pass-through securities that represent residential mortgage exposures that qualify for the 50 percent risk weight; 3) Other RMBS collateralized by MBS issued or guaranteed by U.S. Government agencies or GSEs (excluding portions subject to an FDIC loss-sharing agreement and interest-only securities) that represent residual mortgage exposures that qualify for the 50 percent risk weight; and 4) All other RMBS.

Include only those MBS that qualify for the 50 percent risk weight. Refer to § 628.32(g) of this rule. Note: Do not include MBS that are tranched for credit risk; such exposures should be reported as securitization exposures in line 4.b of this schedule. Do not include interest-only securities. Also include the portion of any exposure reported in Schedule RC – Balance Sheet, item 2, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: The 100 percent risk weight includes the exposure amounts of securities reported in Schedule RC-B Securities, that do not qualify as securitization exposures that qualify for the 100 percent risk weight. Such exposures may include portions of, but may not be limited to: 1) Other residential mortgage pass-through securities that represent residential mortgage exposures that qualify for the 100 percent risk weight; 2) Other RMBS collateralized by MBS issued or guaranteed by U.S. Government agencies or GSEs (excluding portions subject to an FDIC loss-sharing agreement) that represent residential mortgage exposures that qualify for the 100 percent risk weight; 3) All other RMBS. Include only MBS that qualify for the 100 percent risk weight. Also, include first-lien residential mortgage exposures that do not meet the criteria in paragraph (g)(1) of § 628.32. Refer to § 628.32(g) of this rule. Note: Do not include MBS portions that are tranched for credit risk; those should be reported as securitization exposures in line 4.b of this schedule; 3) Other commercial pass-through securities; 4) All other CMBS; 5) ABS; 6) Any securities reported as structured financial products in Schedule RC-B Securities that are not securitization exposures and qualify for the 100 percent risk weight. Note: Many of the structured financial structured products would be considered securitization exposures and must be reported in line 4.b of this schedule for purposes of calculating risk-weighted assets; 7) The portion of any exposure reported in Schedule RC – Balance Sheet, item 2, that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight; 8) Publicly traded AFS equity exposures and AFS equity exposures to investment funds (including mutual funds), to the extent that the aggregate carrying value of the bank's equity exposures does not exceed 10 percent of total capital (viewed as "non-significance"). Also include all other AFS securities that do not qualify as securitization exposures reported in Schedule RC – Balance Sheet, item 2, that are not included in columns D through I, K, or L.

Column K: The 150 percent risk weight includes the exposure amounts of securities reported in Schedule RC-B Securities, that are 90 days or more past due or in nonaccrual status (except sovereign exposures), excluding those portions that are covered by qualifying collateral or eligible guarantees as described in § 628.37 and § 628.36, respectively, of this rule.

Column L: The 600 percent risk weight applies to AFS equity exposures to investment firms with readily determinable fair values reported in Schedule RC-B Securities, Item 12. Include the fair value of these equity securities (as reported in RC-B Securities, Line 12) if they have a net unrealized loss. If these securities have a net unrealized gain, include their adjusted carrying value plus the portion of the unrealized gain (up to 45 percent) included in tier 2 capital.

4 On-balance sheet securitization exposures

4(a) On balance sheet securitizations: HTM securities.

Report in column A, the quarterly average amount of HTM securities reported in Schedule RC – Balance Sheet, item 2, that qualify as securitization exposures (including synthetic securitizations) as defined in § 628.2 of this regulatory capital rule. Refer to the instructions for Schedule RC-R.7, line 3.a for a summary of the reporting locations of HTM securities that are non-securitization exposures. For a security classified as HTM, the exposure amount to be risk-weighted by the bank is the carrying value of the security reported on the balance sheet of the System institution and in column A. If an HTM securitization exposure will be risk weighted using either the SSFA or the Gross-Up Approach, include as part of the exposure amount to be risk-

Item No.	**Caption and Instructions**

weighted in this item any accrued interest receivable on the HTM security that is reported in Schedule RC – Balance Sheet, item 10, "Other assets," and included in Schedule RC-R.7, line 4.c, columns A and B. Do not report this accrued interest receivable in column A or B of this item. (Note: Any accrued interest receivable for these securities should be tied to and reported with the underlying balance sheet asset that it is associated with).

Also, note that this category of securitization exposures does not include collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs) or any stripped mortgage-backed securities (such as IOs, POs and similar instruments) that are issued or guaranteed by U.S. Government agencies or GSEs. These assets should all be reported on Schedule RC-R.7, line 3,a under the appropriate risk weight categories. However, these on-balance-sheet securitizations could potentially include private label CMOs or stripped MBSs that are not issued or guaranteed by U.S. Government agencies or GSEs.

Column A: Report in column A, the quarterly average amount of HTM securities reported in Schedule RC – Balance Sheet, item 2, that qualify as securitization exposures (including synthetic securitizations) as defined in § 628.2 of this regulatory capital rule.

Column H: This is the minimum risk weight that a System institution can ever assign to a securitization exposure as described in the limitation in § 628.43(f) of this rule - regardless of whether it is applying the SSFA or Gross-Up approach in calculating the risk weight.

Column O: In column O, report the exposure amount of those HTM securitization exposures that are assigned a 1,250 percent risk weight (i.e., those HTM securitization exposures for which the risk-weighted asset amount is not calculated using the SSFA or the Gross-Up Approach). The 1,250 percent risk weight is the default risk weight for on balance sheet securitization exposures (including synthetic securitizations) if the SSFA or the Gross-Up approach is not utilized.

Column P: In column P, report the risk-weighted asset amount (not the exposure amount) of those HTM securitization exposures for which the risk-weighted asset amount is calculated using the SSFA, as described in the General Instructions for Schedule RC-R.7, and in § 628.41 to § 628.45 of this rule.

Column Q: In column Q, report the risk-weighted asset amount (not the exposure amount) of HTM securitization exposures for which the risk-weighted asset amount is calculated using the Gross-Up Approach, as described in the

Item No.	Caption and Instructions

General Instructions for Schedule RC-R.7, and in § 628.41 to § 628.45 of this rule.

Once an approach (SSFA or Gross-Up) is adopted or utilized, it must be consistently applied from one period to the next. System institutions cannot randomly or arbitrarily change an approach once adopted.

4(b) On-balance sheet securitizations: AFS securities.
Report in column A, the quarterly average amount of AFS securities reported in Schedule RC – Balance Sheet, item 2, that qualify as securitization exposures (including synthetic securitizations) as defined in § 628.2 of this regulatory capital rule. Refer to the instructions for Schedule RC-R.7, line 3.b for a summary of the reporting locations of AFS securities that are non-securitization exposures. For a security classified as AFS the exposure amount of the AFS securitization exposure to be risk-weighted by the bank is the carrying value of the debt security reported on the balance sheet of the System institution and in column A. If an AFS securitization exposure will be risk weighted using either the SSFA or the Gross-Up Approach, include as part of the exposure amount to be risk-weighted in this item any accrued interest receivable on the AFS debt security that is reported in Schedule RC - Balance Sheet, item 10, "Other assets," and included in Schedule RC-R.7, line 4.c, columns A and B. Do not report this accrued interest receivable in column A or B of this item. (Note: Any accrued interest receivable for these securities should be tied to and reported with the underlying balance sheet asset that it is associated with).

Also, note that this category of securitization exposures does not include collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs) or any stripped mortgage-backed securities (such as IOs, POs and similar instruments) that are issued or guaranteed by U.S. Government agencies or GSEs. These assets should all be reported on Schedule RC-R.7, line 3.b, under the appropriate risk weight categories. However, these on-balance-sheet securitizations could potentially include private label CMOs or stripped MBSs that are not issued or guaranteed by U.S. Government agencies or GSEs.

Column A: Report in column A, the quarterly average amount of AFS securities reported in Schedule RC – Balance Sheet, item 2, that qualify as securitization exposures (including synthetic securitizations) as defined in § 628.2 of this regulatory capital rule.

Item No.	**Caption and Instructions**

Column H: This is the minimum risk weight that a System institution can ever assign to a securitization exposure as described in the limitation in § 628.43(f) of this rule - regardless of whether it is applying the SSFA or Gross-Up approach in calculating the risk weight.

Column O: In column O, report the exposure amount of those AFS securitization exposures (including synthetic securitizations) that are assigned a 1,250 percent risk weight (i.e., those AFS securitization exposures for which the risk-weighted asset amount is not calculated using the SSFA or the Gross-Up Approach). .

Column P: In column P, report the risk-weighted asset amount (not the exposure amount) of those AFS securitization exposures for which the risk-weighted asset amount is calculated using the SSFA, as described in the General Instructions for Schedule RC-R.7, and in §§ 628.41 to 628.45 of this rule.

Column Q: In column Q, report the risk-weighted asset amount (not the exposure amount) of AFS/HTM securitization exposures for which the risk-weighted asset amount is calculated using the Gross-Up Approach, as described in the General Instructions for Schedule RC-R.7, and in §§ 628.41 to 628.45 of this rule.

4(c) On-balance sheet securitizations: All other on-balance sheet securitizations.

Report in column A, the quarterly average amount of all on-balance sheet assets included in Schedule RC – Balance Sheet that qualify as securitizations exposures (including synthetic securitizations) as defined in § 628.2 of this regulatory capital rule and are not reported in Schedule RC-R.7, lines 4.a or 4.b. Include in column A the amounted reported in Schedule RC – Balance Sheet, item 10, "Other assets," for accrued interest receivable on on-balance sheet securitization exposures, regardless of where the securitization exposures are reported on the balance sheet in Schedule RC. Refer to the instructions for Schedule RC-R.7, lines 1, 2, 5, 6 and 7 for a summary of the reporting locations of other on-balance sheet securitization exposures. For other on-balance sheet securitization exposures, the exposure amount to be risk weighted by the bank is the exposure's carrying value. (Note: Any accrued interest receivable for these securities should be tied to and reported with the underlying balance sheet asset that it is associated with).

Column A: Report in column A, the quarterly average amount of all on-balance sheet assets included in Schedule RC – Balance Sheet that qualify as securitizations exposures (including synthetic securitizations) as defined in

§ 628.2 of this regulatory capital rule and are not reported in Schedule RC-R.7, lines 4.a or 4.b.

Column H: This is the minimum risk weight that a System institution can ever assign to a securitization exposure as described in the limitation in § 628.43(f) of this rule - regardless of whether it is applying the SSFA or Gross-Up approach in calculating the risk weight.

Column O: In column O, report the exposure amount of those other on-balance sheet securitization exposures that are assigned a 1,250 percent risk weight (i.e., those other on-balance-sheet securitization exposures for which the risk-weighted asset amount is not calculated using the SSFA or Gross-Up Approach), including any interest receivable reported in column A that has been accrued on these other on-balance sheet securitization exposures. Also include in column O any accrued interest receivable reported in column A that has been accrued on securitization exposures reported as HTM or AFS securities in Schedule RC-R.7, lines 4.a and 4.b, respectively, that are assigned a 1,250 percent risk weight.

Column P: In column P, report the risk-weighted asset amount (not the exposure amount) of those other securitization exposures for which the risk-weighted asset amount is calculated using the SSFA, as described in the General Instructions for Schedule RC-R.7, and in §§ 628.41 to 628.45 of this rule.

Column Q: In column Q, report the risk-weighted asset amount (not the exposure amount) of other securitization exposures for which the risk-weighted asset amount is calculated using the Gross-Up Approach, as described in the General Instructions for Schedule RC-R.7, and in §§ 628.41 to 628.45 of this rule.

5 Loans and leases, net of unearned income

5(a) Loans and leases, net of unearned income: Retail exposures.
Report in column A, the quarterly average carrying value of all retail loans and lease exposures, net of unearned income, reported in Schedule RC.1 Memoranda, item 1(a)(xii), that are not reported in Schedule RC-R.7, line 5(b). Exclude those loans and leases, net of unearned income that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. The carrying value of those loans and leases, net of unearned income, that qualify as securitization exposures must be reported in line 4(c) of this schedule. Also exclude all loans and leases to Other Financing Institutions (OFIs) from this category. Such loans and leases should be reported under "Wholesale exposures" category in line 5(b) of this schedule.

Item No.	Caption and Instructions

Include in this line category all residential mortgage exposures, HVCRE exposures (if applicable) and all production agricultural exposures. Note: This line category includes loans with guarantees (such as those with U.S. Government agencies or GSEs), that may serve as credit risk mitigants, but does not include loans with any credit derivatives or credit default swaps. For example, these loan exposures would not include assets such as Long term standby purchase commitments (LTSPC) with Farmer Mac)). Such exposures should be reported in the on-balance sheet securitization category of this schedule (line items 4(a) through 4(c) above). **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average carrying value of all retail loans and lease exposures, net of unearned income, reported in Schedule RC.1 Memoranda, item 1(a)(xii), that are not reported in Schedule RC-R.7, line 5(b).

Column D: In column D, include the portion of any exposure, net of unearned income, that meets the definition of residential mortgage exposure reported in Schedule RC.1, Memoranda, item 1(a)(vi), that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. Also include the portion of loans and leases, net of unearned income, not reported in Schedule RC-R.7, line 5(b) below, that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: In column H, include the carrying value of the guaranteed portion of Farm Service Agency mortgage loans, net of unearned income, included in Schedule RC.1(a)(vi). Include the portion of any exposure, net of unearned income, that meets the definition of residential mortgage exposure or reported in Schedule RC.1(a)(vi), that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. Also, include the portion of any loans and leases, net of unearned income, that is not included in Schedule RC-R.7, line 5(b) below, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight (i.e., loans or portions of loans that are guaranteed by the SBA or USDA which qualify for the 20 percent risk weight).

LTSPC agreements offered by Farmer Mac and Fannie Mae meet the definition of eligible guarantees and eligible guarantors under § 628.2. Generally, the loan exposures with a Fannie Mae or a Farmer Mac LTSPC receive a risk weight pursuant to §§ 628.36(a) and (c), and § 628.32 (20 percent). Also, include in column H any accrued interest receivable reported in column A for that portion of loans attributed to the guaranteed exposure reported as loans

Item No.	**Caption and Instructions**

and leases, net of unearned income in Schedule RC-R.7, lines 5a and 6, respectively, that are assigned a 20 percent risk weight. However, this does not hold true where Famer Mac offers a LTSPC where the institution assumes a "first loss" exposure piece. (See Column O).

Column I: In column I, include the carrying value of loans and leases, net of unearned income, secured by 1-4 family residential included in Schedule RC.1, item 1(a)(i)(A) or 1(a)(vi) (only include qualifying first mortgage loans) and qualifying loans in Schedule RC.1, item 1(a) that meet the definition of a residential mortgage exposure and qualify for 50 percent risk weight under § 628.32(g) of this rule. Loans modified or restructured solely pursuant to the U.S. Treasury's Home Affordable Mortgage Program fall within the 50 percent risk weight. For 1-4 family residential mortgages, the loans must be prudently underwritten, be fully secured by first liens on 1-4 family residential properties, not 90 days or more past due or in nonaccrual status, and have not been modified or restructured. Such loans must be secured by property that is either owner-occupied or rented. Also include the portion of any loans or leases, net of unearned income, that are not reported in Schedule RC-R.7, line 5(b) below, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the carrying value of loans and leases, net of unearned income, that are residential mortgage exposures reported in Schedule RC.1, item 1(a)(vi), that are not included in the 0 percent, 20 percent, 50 percent (and excluding loans that are assigned a risk weight higher than 100 percent, such as HVCRE or nonaccrual loans). The 100 percent risk weight includes first-lien mortgage exposures that do not meet the criteria in § 628.32(g)(1) of this rule, and to junior-lien residential mortgage exposures. Also include the portion of any loans or leases, net of unearned income, identified as corporate exposures that are not reported in Schedule RC-R.7, line 5(b) below, that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight. Such corporate exposure loans and leases include borrower loans such as agricultural loans and consumer loans, net of unearned income, irrespective of the corporate form of the borrower.

Column K: In column K, except for sovereign exposures or residential mortgage exposures, include in the 150 percent risk weight, loan and lease exposures, net of unearned income, that are 90 days or more past due or in nonaccrual status. System institutions must assign a 150 percent risk weight to the portion of the exposure that is not guaranteed or that is not secured by financial collateral. Refer to § 628.32(k) for other provisions regarding exposures that are 90 days or more past due or in nonaccrual status.

Item No.	**Caption and Instructions**

Column O: In column O, report those Famer Mac LTSPCs with a "first loss" exposure, which under § 628.36(a)(3) would be treated as a tranching of credit risk (reflecting at least two different levels of seniority) and, therefore, considered as securitization exposures in §§ 628.41 through 628.45. If the institution cannot assign a risk weight under the SSFA (§ 628.42) or the Gross-up approach (§ 628.43), then it must assign a 1,250 percent risk weight under § 628.44. Also, include in column O any accrued interest receivable reported in column A for that portion of loans attributed to the "first loss" exposure reported as loans and leases, net of unearned income in Schedule RC-R.7, lines 5a and 6, respectively, that are assigned a 1,250 percent risk weight.

5(b) **Loans and leases, net of unearned income: Wholesale exposures (bank only).**

Report in column A the quarterly average carrying value of a System institution's exposure from a direct loan, net of unearned income, that is similar to the quarter-end balance reported in Schedule RC.1 Memoranda, item 1(a)(ix) to an association. Also report in column A, the quarterly average carrying value of a System's exposure from a loan, net of unearned income to an OFI (with which the bank has a lending relationship) or a service corporation (as established in Section 4.25 of the Farm Credit Act of 1971, as amended) as reported in Schedule RC.1 Memoranda, items 1(a)(x), and 1(a)(xi), respectively. *Exclude* those loans and leases that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. Also, exclude a System bank's equity investment in an association which would be deducted from regulatory capital using the corresponding deduction approach (CDA) under § 628.22(c)(2) of this regulatory capital rule. *Include* direct loan exposures that are 90 days or more past due or in a nonaccrual status. Also, *include* service corporation and OFI exposures that are 90 days or more past due or in nonaccrual status. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average carrying value of a System institution's exposure from a direct loan, net of unearned income, that is similar to the quarter end balance reported in Schedule RC.1 Memoranda, items 1(a)(ix) and 1(a)(x), respectively, to an association or an OFI.

Column D: In column D, include the portion of wholesale or direct loans and leases, net of unearned income, not reported in Schedule RC-R.7, line 5(a) above, to System associations, service corporations, or OFIs that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Item No.	Caption and Instructions
	Column H: In column H, include the portion of any wholesale or direct loans and lease exposures, net of unearned income, to System associations, service corporations and OFIs that is not included in Schedule RC-R.7, line 5(a) above, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. For example, this column would include loans to OFIs that satisfy the requirements for a 20 percent risk weight pursuant to § 628.32(d)(1) of this rule.
	Column I: In column I, include the portion of any wholesale or direct loans or lease exposures, net of unearned income, to System associations, service corporation or OFIs that is not reported in Schedule RC-R.7, line 5(a) above, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight. For example, this would include loans to OFIs that satisfy the requirements for a 50 percent risk weight pursuant to § 628.32(f)(2) of this rule.
	Column J: In column J, include the carrying value of wholesale or direct loans and lease exposures, net of unearned income, to System associations, service corporations and OFIs that are not included in the 0 percent, 20 percent, 50 percent (and excluding loans that are assigned a risk weight higher than 100 percent). For example, this would include loan to OFIs that do not satisfy the requirements for a 20 percent risk weight pursuant to § 628.32(d)(1), or a 50 percent risk weight pursuant to § 628.32(f)(2) of this rule.
	Column K: In column K, include the carrying value of wholesale or direct loans and lease exposures, net of unearned income, to System associations, service corporations and OFIs, that are 90 days or more past due or in nonaccrual status, excluding those portions that are covered by qualifying collateral or eligible guarantees as described in § 628.37 and § 628.36, respectively, of this rule. Refer to § 628.32(k) for other provisions regarding exposures that are 90 days or more past due or in nonaccrual status.
6	**Loans and leases, held-for-sale (HFS).** Report in column A, the quarterly average carrying value of loans and leases held for sale (HFS) reported in Schedule RC – Balance Sheet, item 6, excluding those HFS loans and leases that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. This category includes mortgage exposures as well as all other retail and wholesale exposures (if any). The carrying value of those HFS loans and leases reported in Schedule RC – Balance Sheet, item 6, that qualify as securitization exposures must be reported in Schedule RC-R.7, line 4(c), column A. The sum of the amounts reported in column A for items 6(a) and 6(b) of Schedule RC-R.7, plus the

Item No.	**Caption and Instructions**

carrying value of HFS loans and leases that qualify as securitization exposures and are reported in Schedule RC-R.7, line 4(c), column A, must equal Schedule RC – Balance Sheet, item 6.

Note: This line category includes loans with guarantees (such as those with U.S. Government agencies or GSEs), that may serve as credit risk mitigants, but does not include loans with any credit derivatives or credit default swaps. **Note:** For these exposures, the total exposure amount should include any accrued interest that is related to or associated with the asset.

Column A: Report in column A, the quarterly average carrying value of loans and leases held for sale (HFS) reported in Schedule RC – Balance Sheet, item 6, excluding those HFS loans and leases that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule.

Column D: In column D, include the portion of any exposure that meets the definition of residential mortgage exposure or reported in Schedule RC.1 Memoranda, item 1.a.vi., that is secured by collateral or has a guarantee that qualifies for the zero percent risk weight. Also include the portion of any loans and leases HFS that is secured by collateral or has a guaranteed that qualifies for the zero percent risk weight.

Column H: In column H, include the carrying value of the guaranteed portion of FSA, the Federal Housing Administration and the Veterans Affairs mortgage loans that are HFS which are included in Schedule RC.1 Memoranda, item 1(a)(vi). Include the portion of any exposure that meets the definition of residential mortgage exposure or reported in Schedule RC.1 Memoranda, item 1.a.vi, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight. Also, include the portion of any loans and leases HFS that are not reported in Schedule RC-R.7, line 4(b) below, that is secured by collateral or has a guarantee that qualifies for the 20 percent risk weight (i.e., loans or portions of loans that are guaranteed by the SBA or USDA which qualify for the 20 percent risk weight).

LTSPC agreements offered by Farmer Mac and Fannie Mae meet the definition of eligible guarantees and eligible guarantors under § 628.2. Generally, the loan exposures with a Fannie Mae or a Farmer Mac LTSPC receive a risk weight pursuant to §§ 628.36(a) and (c), and 628.32 (20 percent). Also, include in column H any accrued interest receivable reported in column A for that portion of loans attributed to the guaranteed exposure reported as loans and leases, net of unearned income in Schedule RC-R.7, lines 5a and 6, respectively, that are assigned a 20 percent risk weight. However, this does not hold true where Famer Mac offers a LTSPC where the institution assumes the "first loss" exposure piece. (See Column O).

Item No.	**Caption and Instructions**

Column I: In column I, include the carrying value of HFS loans secured by 1-4 family residential included in Schedule RC.1, item 1(a)(i)(A) or 1(a)(vi) (only include qualifying first mortgage loans) and qualifying loans in Schedule RC.1, item 1(a) that meet the definition of a residential mortgage exposure and qualify for 50 percent risk weight under § 628.32(g) of this rule. Loans modified or restructured solely pursuant to the U.S. Treasury's Home Affordable Mortgage Program fall within the 50 percent risk weight. For 1-4 family residential mortgages, the loans must be prudently underwritten, be fully secured by first liens on 1-4 family residential properties, not 90 days or more past due or in nonaccrual status, and have not been modified or restructured. Such loans must be secured by property that is either owner-occupied or rented. Also include loans that meet the definition of statutory multifamily mortgage in § 628.2 of this rule. Also include the portion of any loans or leases that are not reported in Schedule RC-R.7, line 4(b) below, that is secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the carrying value of HFS loans that are residential mortgage exposures reported in Schedule RC – Balance Sheet, item 6, that are not included in columns D through I or K. Also include the portion of any exposure that meets the definition of residential mortgage exposure reported in Schedule RC – Balance Sheet, item 6, that is secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: In column K, include the carrying value of HFS loans secured by residential mortgage, reported in Schedule RC – Balance Sheet, item 6, that are 90 days or more past due or in nonaccrual status, or have been otherwise modified or restructured. Also include the portion of any exposure that meets the definition of residential mortgage exposure reported in Schedule RC – Balance Sheet, item 6, that is 90 days or more past due or in nonaccrual status.

Column O: In column O, report those Famer Mac LTSPCs with a "first loss" exposure, which under § 628.36(a)(3) would be treated as a tranching of credit risk (reflecting at least two different levels of seniority) and, therefore, considered as securitization exposures according to §§ 628.41 through 628.45. If the institution cannot assign a risk weight under the SSFA (§ 628.42) or the Gross-up approach (§ 628.43), then it must assign a 1,250 percent risk weight under § 628.44. Also, include in column O any accrued interest receivable reported in column A that has been accrued on securitization exposures reported as loans and leases, net of unearned income in Schedule RC-R.7, lines 5(a) and 6, respectively, that are assigned a 1,250 percent risk weight.

Item No.	**Caption and Instructions**
7	**All other assets (includes premises, fixed assets, OPO, and other assets).**

Report in column A, the sum of the quarterly average amounts reported in Schedule RC – Balance Sheet, item 8, "Other property owned"; item 9, "Premises and other fixed assets net of depreciation"; and item 10, "Other assets," excluding those assets reported in Schedule RC – Balance Sheet, items 8 through 10 that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule. The amount of those assets reported in Schedule RC – Balance Sheet, items 8 through 10 that qualify as securitization exposures (as well as the amount reported in Schedule RC – Balance Sheet, item 5.g, for accrued interest receivable on on-balance sheet securitization exposures, regardless of where the securitization exposures are reported on the balance sheet in Schedule RC - Balance Sheet) must be reported in Schedule RC-R.7, line 4.c, column A. The sum of line 7, columns B through Q, must equal line 7, column A.

Note: Schedule RC, item 10 - "Other assets" - also includes exposures such as equity investments which have no determinable fair value; thus they are valued using either the equity or cost method. For regulatory capital purposes, these equity investments are characterized as non-significant investments in non-System institutions. Also, these equity exposures include: RBICs, UBEs (including AgDirect, LLC) that are not fully consolidated on an institution's balance sheet, and the Farm Credit System Association Captive Insurance Company (Insurance Captive).

Column A: Report in column A, the sum of the quarterly average amounts reported in Schedule RC – Balance Sheet, item 8, "Other property owned"; item 9, "Premises and other fixed assets net of depreciation"; and item 10, "Other assets," excluding those assets reported in Schedule RC – Balance Sheet, items 8 through 10 that qualify as securitization exposures as defined in § 628.2 of this regulatory capital rule.

Column D: In column D, include: Accrued interest receivable on assets included in the zero percent risk weight category; assets such as gold bullion held in a depository institution's vault on an allocated basis (to the extent the gold bullion assets are offset by gold bullion liabilities); exposures that arise from the settlement of cash transactions (such as equities, fixed income, spot foreign exchange, etc.) with a central counterparty where there is no assumption of ongoing central counterparty credit risk after trade settlement. Refer to § 628.32(l) of this rule for further information on assets in this risk weight category.

Item No.	**Caption and Instructions**

Column J: In this 100 percent risk weight (column J), include: Deferred tax assets (DTAs); mortgage servicing assets (MSAs); all assets (including intangible assets) that are not specifically assigned a different risk weight under § 628.32, and that are not deducted from tier 1 or tier 2 capital under § 628.22 of this rule. For example, items such as fixed assets, premises, and other property owned, certain non-significant equity investments in non-System institutions, etc., would fall within this risk weight category. Exclude those assets reported in Schedule RC – Balance Sheet, items 7 through 10, that qualify as securitization exposures as defined in § 628.2 of this rule.

Note: For now, since column H of this line is currently blocked out, to properly report accounts receivable from other System institutions, multiply the total amount of accounts receivable by 20 percent and then add that total to this column (column J). A future call report modification to the template is planned.

8 **Total On-Balance Sheet Exposures.**
For columns A through O, report the sum of items 1 through 7. The sum of columns B through O must equal column A. Schedule RC-R.7, line 8, column A should equal Schedule RC - Balance Sheet, item 11, "Total assets."

9 **Off-balance sheet (OBS) exposures (including securitizations): Financial standby letters of credit.**
In this regulatory capital rule, financial standby letters of credit are subjected to a 100 percent credit conversion factor (CCF). For financial standby letters of credit, including those that meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule and are credit enhancements for assets, report in column A the quarterly averages for: 1) The amount of outstanding and unused of those letters of credit for which this amount is less than the effective risk-based capital requirement for the assets that are credit-enhanced by the letter of credit multiplied by 12.5; and, 2) The full amount of the assets that are credit-enhanced by those letters of credit that are not multiplied by 12.5. A financial standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (the account party) fails to repay an outstanding loan or debt instrument.

Note: For financial standby letters of credit exposures that must be risk weighted according to the CRC methodology, refer to Table 1 under § 628.32(a) of this rule. For financial standby letters of credit exposures to foreign banks, refer to Table 2 under § 628.32(d) of this rule.

Column A: In column A, report in column A, the quarterly averages for: 1) The amount of outstanding and unused of those letters of credit for which this

Item No.	**Caption and Instructions**

amount is less than the effective risk-based capital requirement for the assets that are credit-enhanced by the letter of credit multiplied by 12.5; and, 2) The full amount of the assets that are credit-enhanced by those letters of credit that are not multiplied by 12.5.

Column D: In column D, include the credit equivalent amount of the portion of financial standby letters of credit as described in the instructions for line 9 of Schedule RC-R.7, that are secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: In column H, include the credit equivalent amount of the portion of financial standby letters of credit, as described in the instructions for line 9 of Schedule RC-R.7, that has been conveyed to U.S. depository institutions. Also include the credit equivalent amount of the portion of financial standby letters of credit that are secured by collateral or has a guarantee that qualifies for the 20 percent risk weight.

Column I: In column I, include the credit equivalent amount of the portion of financial standby letters of credit, as described in the instructions for line 9 of Schedule RC-R.7, that are secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also include the credit equivalent amount of the portion of financial standby letters of credit, as described in the instructions for line 9 of Schedule RC-R.7, that are secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: In column K, refer to the CRC methodology in Table 1 under § 628.32(a) of this rule.

10 **OBS exposures (including securitizations): Performance standby letters of credit and transaction-related contingent items.**

In this regulatory capital rule, performance standby letters of credit are subjected to a 50 percent CCF. Report in column A, the quarterly average of transaction-related contingent items, which includes the face amount of performance standby letters of credit and any other transaction-related contingent items that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule. A performance standby letter of credit irrevocably obligates the bank to pay a third-party beneficiary when a customer (the account party) fails to perform some contractual nonfinancial obligation.

Item No.	Caption and Instructions

Column A: Report in column A, the quarterly average of transaction-related contingent items, which includes the face amount of performance standby letters of credit and any other transaction-related contingent items that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule.

Column D: In column D, include the credit equivalent amount of the portion of performance standby letters of credit and transaction-related contingent items (as described in line 10 of this schedule) that are secured by collateral or has a guarantee that qualifies for the zero percent risk weight.

Column H: In column H, include the credit equivalent amount of the portion of performance standby letters of credit (as described in the instructions for line 10 of this schedule), performance bids, bid bonds, and warranties that have been conveyed to U.S. depository institutions. Also include the credit equivalent amount of the portion of performance standby letters of credit and transaction-related contingent items (as described in line 10 of this schedule) that are secured by collateral or has a guarantee that qualifies for the 20 percent risk weight.

Column I: In column I, include the credit equivalent amount of the portion of performance standby letters of credit and transaction-related contingent items (as described in the instructions for line 10 of this schedule) that are secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the portion of the credit-equivalent amount reported in column C that is not included in columns D through I and K. Also include the credit equivalent amount of the portion of performance standby letters of credit and transaction-related contingent items (as described in the instructions for line 10 of this schedule) that are secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: In column K, refer to the CRC methodology in Table 1 under § 628.32(a) of this rule.

11 Commercial and similar letters of credit

11(a) OBS exposures (including securitizations): Commercial and similar letters of credit with an original maturity of 14 months or less.

In this regulatory capital rule, commercial and similar letters of credit with an original maturity of 14 months or less are subjected to a CCF of 20 percent. Report in column A, the quarterly average face amount of those commercial and similar letters of credit, including self-liquidating trade-related contingent items that arise from the movement of goods with an original maturity of 14 months less that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule. Report those commercial letters of credit with an original maturity exceeding 14 months that do not meet the definition of a securitization exposure in item 13(b) of this schedule.

The two main types of letters of credit that fall within this category are: 1) commercial letters of credit; and 2) letters of credit sold for cash. A commercial letter of credit is issued specifically to facilitate trade or commerce. Under the terms of a commercial letter of credit, as a general rule, drafts will be drawn when the underlying transaction is consummated as intended. A letter of credit for cash is a letter of credit for which the bank has received funds from the account party at the time of issuance. This type of letter of credit is not to be reported as an outstanding letter of credit but as a demand deposit. Note: For commercial and similar letters of credit with a maturity greater than 14 months, report these items in the appropriate risk-weighting categories of line 11(b) on this schedule.

Column A: Report in column A, the quarterly average face amount of those commercial and similar letters of credit, including self-liquidating trade-related contingent items that arise from the movement of goods with an original maturity of 14 months less that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule.

Column D: In column D, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity of 14 months or less (as described in the instructions for line 11(a) of this schedule) that are secured by collateral or has a guarantee for the zero percent risk weight.

Column H: In column H, include the credit equivalent amount of the portion of commercial and similar letters of credit, including self-liquidating, trade-contingent items that arise from the movement of goods, with an original maturity of 14 months or less (as described in the instructions for line 11(a) of this schedule), that have been conveyed to U.S. depository institutions. Also include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity of 14 months or less that are secured by collateral or has a guarantee that qualifies for the 20 percent risk weight.

Column I: In column I, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity of 14 months or less (as described in the instructions for line 11 of this schedule)

Item No.	**Caption and Instructions**

that are secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity of 14 months or less (as described in the instructions for line 11 of this schedule) that are secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: In column K, refer to the CRC methodology in Table 1 under § 628.32(a) of this rule.

11(b) OBS exposures (including securitizations): Commercial and similar letters of credit with an original maturity exceeding 14 months.
In this regulatory capital rule, commercial and similar letters of credit with an original maturity exceeding 14 months are subjected to a CCF of 50 percent. Report in column A, the quarterly average face amount of those commercial and similar letters of credit, including self-liquidating trade-related contingent items that arise from the movement of goods with an original maturity exceeding 14 months that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule. The two main types of letters of credit that fall within this category are: 1) commercial letters of credit; and 2) letters of credit sold for cash. A commercial letter of credit is issued specifically to facilitate trade or commerce. Under the terms of a commercial letter of credit, as a general rule, drafts will be drawn when the underlying transaction is consummated as intended. A letter of credit for cash is a letter of credit for which the bank has received funds from the account party at the time of issuance. This type of letter of credit is not to be reported as an outstanding letter of credit but as a demand deposit. Note: For commercial and similar letters of credit with a maturity of 14 months or less, report these items in the appropriate risk-weighting categories of line 11((a) on this schedule.

Column A: Report in column A, the quarterly average face amount of those commercial and similar letters of credit, including self-liquidating trade-related contingent items that arise from the movement of goods with an original maturity exceeding 14 months that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule.

Item No.	**Caption and Instructions**

Column D: In column D, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity exceeding 14 months that are secured by collateral or has a guarantee for the zero percent risk weight (as described in the instructions for line 11.b of this schedule).

Column H: In column H, include the credit equivalent amount of the portion of commercial and similar letters of credit, including self-liquidating, trade-contingent items that arise from the movement of goods, with an original maturity exceeding 14 months (as described in the instructions for line 11.b of this schedule), that have been conveyed to U.S. depository institutions. Also include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity exceeding 14 months that are secured by collateral or has a guarantee that qualifies for the 20 percent risk weight.

Column I: In column, I, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity exceeding 14 months (as described in the instructions for line 11.b of this schedule) that are secured by collateral or has a guarantee that qualifies for the 50 percent risk weight.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also, include the credit equivalent amount of the portion of commercial or similar letters of credit with an original maturity of 14 months or less (as described in the instructions for line 11.b of this schedule) that are secured by collateral or has a guarantee that qualifies for the 100 percent risk weight.

Column K: In column K, refer to the CRC methodology in Table 1 under § 628.32(a) of this rule.

12 **OBS exposures (including securitizations): Repo-styled transactions (includes securities borrowed, securities lent, reverse repos and repos).**
Repo-style transactions include: 1) Securities lending transactions, including transactions in which the System institution acts as an agent for a customer and indemnifies the customer against loss; 2) Securities borrowing transactions; 3) Securities purchased under agreements to resell (i.e., "reverse repos"); and 4) Securities sold under agreements to repurchase (i.e., "repos"). Report in column A, the exposure amount of repo-style transactions that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule.

Item No.	**Caption and Instructions**

For repo-style transactions to which the bank applies the Simple Approach to recognize the risk-mitigating effects of qualifying financial collateral, as outlined in § 628.37 of this rule, the exposure amount to be reported in column A is the sum of the fair value as of the report date of securities the bank has lent, the amount of cash or the fair value as of the report date of other collateral the System institution has posted for securities borrowed, the amount of cash provided to the counterparty for securities purchased under agreements to resell (as reported in Schedule RC-B Securities, item 5(g), and the fair value as of the report date of securities sold under agreements to repurchase.

For repo-style transactions to which the bank applies the Collateral Haircut Approach to recognize the risk-mitigating effects of qualifying financial collateral, as outlined in § 628.37 of this rule, the exposure amount to be reported in column A for a repo-style transaction or a single-product netting set of such transactions is determined by using the exposure amount equation in § 628.37(c) of this rule. Note: Although securities purchased under agreements to resell (reverse repos) and securities sold under agreements to repurchase (repos) are reported on the balance sheet (Schedule RC-B Securities), they are included in this schedule (RC-R.7) as securities lent and securities borrowed and designated as repo-style transactions that are treated collectively as OBS items under this regulatory capital rule.

<u>**Column A:**</u> Report in column A, the exposure amount of repo-style transactions that do not meet the definition of a securitization exposure as described in § 628.2 of this rule.

<u>**Column C:**</u> In column C, report 100 percent of the exposure amount reported in column A.

<u>**Column D:**</u> In column D, include the credit equivalent amount of repo-style transactions that are supported by the appropriate amount of collateral that qualifies for the zero percent risk weight under this rule. Refer to § 628.37 in the rule.

<u>**Column E:**</u> In column E, include the credit equivalent amount of centrally cleared repo-style transactions with Qualified Central Counterparties (QCCPs), as defined in § 628.2 and described in § 628.35 of this rule.

<u>**Column F:**</u> In column F, include the credit equivalent amount of centrally cleared repo-style transactions with QCCPs in all other cases that do not meet the criteria of qualification for a 2 percent risk weight, as described in § 628.35 of this rule.

Item No.	Caption and Instructions

Column H: In column H, include the credit equivalent amount of repo-style transactions that are supported by the appropriate amount of collateral that qualifies for the 20 percent risk weight under this rule. Also include the credit equivalent amount of repo-style transactions that represents exposures to U.S. depository institutions.

Column I: In column I, include the credit equivalent amount of repo-style transactions that are supported by the appropriate amount of collateral that qualifies for the 50 percent risk weight under this rule.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also include the credit equivalent amount of repo-style transactions that are supported by the appropriate amount of collateral that qualifies for the 100 percent risk weight under this rule.

Column K: In column K, include the credit equivalent amount of repo-style transactions that are supported by the appropriate amount of collateral that qualifies for the 150 percent risk weight under this rule.

13 **Unused commitments (OBS exposures).**

Report in items 13.a through 13.c the quarterly average amounts of unused commitments, including those that are unconditionally cancelable. Where an institution provides, a commitment structured as a syndication or participation, the institution is only required to calculate the exposure amount for its pro rata share of the commitment.

13(a) **Unused Commitments: Original maturity of 14 months of less.**

Report in column A, the quarterly average amounts of the unused portion of those commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions that have an original maturity of 14 months or less and are subject to this regulatory capital rule.

Under this rule, the unused portion of commitment (facilities) that are unconditionally cancelable at any time by the institution have a zero percent credit conversion factor (CCF). As such, the unused portion of such unconditionally cancelable commitments should be excluded from this line category. "Original maturity" is defined as the length of time between the date a commitment is issued and the date of maturity, or the earliest date on which the bank (1) is scheduled to (and as a normal practice actually does) review the facility to determine if it should be extended; and, (2) can unconditionally cancel the commitment.

Item No.	Caption and Instructions

Column A: Report in column A, the quarterly average amounts of the unused portion of commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions that have an original maturity of 14 months or less.

Column D: In column D, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the zero percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column H: In column H, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 20 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column I: In column, I, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 50 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 100 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column K: In column K, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 150 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

13(b) Unused Commitments: Original maturity exceeding 14 months.
Report in column A, the quarterly average amounts of the unused portion of those commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions that have an original maturity exceeding 14 months and are subject to the regulatory capital rules.

Item No.	**Caption and Instructions**

Commercial and similar letters of credit exceeding 14 months are *not* included in this line category, but instead must be risk weighted in line 11.b of this schedule. Also include in column A, the unused portion of all revolving underwriting facilities regardless of maturity. In the case of consumer home equity or mortgage lines of credit secured by liens on credit secured by liens on single family rural home, or other revolving underwriting facilities, an institution is deemed able to unconditionally cancel the commitment if, at its option, it can prohibit additional extensions of credit, reduce the credit line, and terminate the commitment to the full extent permitted by relevant federal law.

Column A: Report in column A, the quarterly average amounts of the unused portion of those commitments to make or purchase extensions of credit in the form of loans or participations in loans, lease financing receivables, or similar transactions that have an original maturity exceeding 14 months and are subject to the regulatory capital rules.

Column D: In column D, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the zero percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column H: In column H, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 20 percent risk weight category as described in the instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above. Include the credit equivalent amount of commitments that have been conveyed to U.S. depository institutions.

Column I: In column I, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 50 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Item No.	**Caption and Instructions**

Column I: In column I, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 50 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K. Also, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 100 percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

Column K: In column K, include the credit equivalent amount of unused commitments to counterparties who meet, or that have guarantees or collateral that meets, the criteria for the zero percent risk weight category as described in the general instructions for Risk-Weighted Assets and for Schedule RC-R.7, lines 1 through 3 and 5 through 7, above.

13(c) **Unused Commitments: Unused commitment on direct loans (wholesale exposure only).**

Report in column A, the quarterly average amounts of the unused portion of commitments on wholesale direct loans made to associations and on wholesale loans made to OFIs that are not unconditionally cancelable as reported in Schedule RC.1 Memoranda, items 1(a)(ix), and 1(a)(x), respectively. Under this regulatory capital rule, the unused portion of commitments to fund direct loans to associations and OFIs have a 20 percent CCF, irrespective of the maturity of such commitments. **Note:** Under this rule, a System bank must set a specific dollar amount as the maximum credit limit for the General Financing Agreement (GFA) or promissory note to satisfy the requirements of FCA regulation § 614.4125(d).

Column A: Report in column A, the quarterly average amounts of the unused portion of commitments on wholesale direct loans made to associations and on wholesale loans made to OFIs that are not unconditionally cancelable as reported in Schedule RC.1 Memoranda, items 1(a)(ix), and 1(a)(x), respectively.

Column H: In column H, include all unused commitments to fund the direct loan (wholesale) exposure of a bank to its affiliated System associations, irrespective of the term length of the commitment, as long as an association is (substantially) meeting the terms of its GFA covenants and is not in default.

Item No.	**Caption and Instructions**

For a direct loan that is in default the FCA would, most likely, use its reservation of authority to risk weight such a loan if it became necessary. Also, due to statutory historical parity in the treatment of associations and OFIs, and the requirement of equitable treatment of OFIs and associations under FCA rule § 614.4590, the unused commitments of direct loan exposures to OFIs will be risk weighted at 20 percent as long as the OFI is a depository institution or credit union organized under the laws of the U.S. or any state of the U.S., or is owned or controlled by such an entity that guarantees the exposure. If the OFI exposure does not satisfy these requirements, it will be assigned a higher risk weight based on its circumstance or specific criteria.

Column I: In column I, include all unused commitments to fund the direct loan (wholesale) exposures of OFIs that don't satisfy the criteria for a 20 percent risk weight, and are not corporate exposures but that meet at least one of the following criteria: (i) the OFI is investment grade or is owned or controlled by an investment grade entity that guarantees the exposure; or, (ii) the OFI meets capital, risk identification and control, and operational standards similar to OFIs identified in § 628.32(d)(1) of this rule.

Column J: In column J, include all unused commitments to fund direct loan (wholesale) exposures of OFIs that don't satisfy the requirements for the 20 percent or 50 percent risk weightings.

14 OBS: Over-the-counter (OTC) derivatives.

Report in column C, the quarterly average credit equivalent amount of OTC derivative contracts covered by this regulatory capital rule. As defined in § 628.2 of this rule, a derivative contract is a financial contract whose value is derived from the values of one or more underlying assets, reference rates, or indices of asset values or reference rates. Do not include centrally cleared derivative contracts. *Include* OTC derivative contracts that meet the definition of a *securitization exposure* as described in § 628.2 of this rule.

The credit equivalent amount of an OTC derivative contract to be reported in column C is the sum of its current credit exposure ("CCE") plus the potential future credit exposure (PFE) over the remaining life of the derivative contract - regardless of its CCE, if any - as described in § 628.34.

The CCE of a derivative contract is the greater of the mark-to-fair value of the derivative contract or zero. The PFE of a OTC derivative contract, which is based on the type of contract and the contract's remaining maturity, is determined by multiplying the notional principal amount of the contract by the appropriate CCF as reflected in Table 1 to § 628.34 of this regulatory capital rule.

Item No.	**Caption and Instructions**

Under FCA's regulatory capital rule and for purposes of Schedule RC-R.7, the existence of a legally enforceable bilateral netting agreement between the reporting bank and a counterparty may be taken into consideration when determining both the CCE and the PFE of derivative contracts. When assigning to OTC derivative exposures to risk-weight categories, institutions can recognize the risk-mitigating effects of financial collateral by using either the Simple Approach or the Collateral Haircut Approach, as described in § 628.37(b) and § 628.37(c), respectively, of this rule.

Note: Certain unsettled Delivery-versus-payment (DvP) and Payment-versus-payment (PvP) transactions with a delayed settlement are reported in this line item. These transactions refer to securities associated with the phrase "when issued" (WI) or "To be announced" (TBA). Treasury securities, new stock issues and bonds are traded on a when-issued basis when they have been announced but not yet issued. Pass-through securities issued by Freddie Mac, Fannie Mae, and Ginnie Mae trade in the TBA market. The term TBA means the obligor will deliver the actual MBS to fulfill a TBA trade that is not designated at the time the trade is made. These transactions are treated as derivative contracts under § 628.34.

Column C: Report in column C, the quarterly average credit equivalent amount of OTC derivative contracts covered by this regulatory capital rule. Do not include centrally cleared derivative contracts. *Include* OTC derivative contracts that meet the definition of a *securitization exposure* as described in § 628.2 of this rule.

Column D: In column D, include the credit equivalent amount of OTC derivative contracts with counterparties who meet, or that have guarantees or collateral that meets, the criteria for the zero percent risk weight category as described in the instructions for RWAs and for items 1 through 3, and 5 through 7 of this schedule, above. This includes OTC derivatives contracts that are marked-to-market daily and subject to a daily margin maintenance requirement, to the extent the contracts are collateralized by cash on deposit at the reporting institution.

Column G: In column G, include the credit equivalent amount of OTC derivative contracts that are marked-to-market daily and subject to a daily margin maintenance requirement, to the extent the contracts are collateralized by a sovereign exposure that qualifies for a zero percent risk weight under § 628.31 of this rule.

Column H: In column H, include the credit equivalent amount of OTC derivative contracts with counterparties who meet, or that have guarantees or collateral that meets, the criteria for the 20 percent risk weight category as

Item No.	Caption and Instructions

described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

<u>Column I</u>: In column I, include the credit equivalent amount of OTC derivative contracts with counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 50 percent risk weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

<u>Column J</u>: In column J, include the credit equivalent amount of OTC derivative contracts with counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 100 percent risk weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above. Also include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K.

<u>Column K</u>: In column K, include the credit equivalent amount of OTC derivative contracts with counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 150 percent risk weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

<u>Column P</u>: In column P, include the portion of OTC derivative contracts secured by the fair value or adjusted fair value of securitization exposure or mutual fund collateral as determined under the Simple Approach or the Collateral Haircut Approach, respectively; however, the System institution must apply the same approach for all OTC derivative contracts. In addition, if the institution applies the Simple Approach, it must apply the same approach - either the SSAF or Gross-Up Approach - that it applies to determine the RWA amounts of its on- and OBS securitization exposures that are reported in lines 4(a) through (c) and lines 9 through 17 of this schedule.

<u>Column Q</u>: Report in column Q the RWA amount of the securitization exposure or mutual fund collateral that collateralizes the portion of OTC derivative contracts secured by such collateral. Any remaining portion of the OTC derivative exposure that is uncollateralized or collateralized by other qualifying collateral would be reported in columns D through K, as appropriate.

15 **OBS: Centrally cleared derivatives.**
Report in column C, the quarterly average credit equivalent amount of centrally cleared derivative contracts covered by this regulatory capital rule. *<u>Include</u>* centrally cleared derivative contracts that meet the definition of a securitization exposure as described in § 628.2 of this rule.

The credit equivalent amount of a centrally cleared derivative contract is the sum of its CCE, plus the PFE over the remaining life of the derivative contract, plus the fair value of collateral posted by the clearing member client bank and held by the central counterparty or a clearing member in a manner that is not bankruptcy remote.

Section 628.35 of this rule covers how to risk weight centrally cleared derivative contracts. There are generally two types of methodologies calculating exposure amounts for cleared derivative contracts: 1) the current exposure method (CEM); and, 2) the collateral haircut method (CHM). For a cleared transaction with a trade exposure amount calculated using the CEM, see § 628.35(b)(2)(i). For a cleared transaction that is a repo-style transaction calculated using the CHM, see § 628.35(b)(2)(ii).

Column C: Report in column C the quarterly average credit equivalent amount of centrally cleared derivative contracts covered by this regulatory capital rule. Include centrally cleared derivative contracts that meet the definition of a securitization exposure as described in § 628.2 of this rule.

Column D: In column D, include the credit equivalent amount of centrally cleared derivative contracts with central counterparties (CCPs) and other counterparties who meet, or that have guarantees or collateral that meet, the criteria for the zero percent risk-weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

Column E: In column E, include the credit equivalent amount of centrally cleared derivative contracts the Qualified Central Counterparties (QCCPs) where the collateral posted by the bank to the QCCP or clearing-member is subject to an arrangement that prevents any losses to the clearing-member client due to the joint default or a concurrent insolvency, liquidation, or receivership proceeding of the clearing member and any other clearing member clients of the clearing member; and the clearing member client bank has conducted sufficient legal review to conclude with a well-founded basis (and maintains sufficient written documentation of that legal review) that in the event of a legal challenge (including one resulting from default, or from liquidation, insolvency, or receivership proceeding) the relevant court and administrative authorities would find the arrangements to be legal, valid, binding, and enforceable under the law of the relevant jurisdictions. The definition for QCCP is in § 628.2 of this rule.

Column F: In column F, included the credit equivalent amount of centrally cleared derivative contracts with QCCPS in all other cases that do not meet

Item No.	Caption and Instructions
	the qualification criteria for a 4 percent risk weight, as described in § 628.2 of this rule.

<u>Column H</u>: In column H, include the credit equivalent amount of centrally cleared derivative contracts with CCPs and other counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 20 percent risk-weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

<u>Column I</u>: In column I, include the credit equivalent amount of centrally cleared derivative contracts with CCPs and other counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 50 percent risk-weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above.

<u>Column J</u>: In column J, include the credit equivalent amount of centrally cleared derivative contracts with CCPs and other counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 100 percent risk-weight category as described in the instructions for RWAs and for line items 1 through 3, and 5 through 7 of this schedule, above. Also include the portion of the credit equivalent amount reported in column C that is not included in columns D through I and K.

<u>Column K</u>: In column K, include the credit equivalent amount of centrally cleared derivative contracts with CCPs and other counterparties who meet, or that have guarantees that meet, the criteria for the 150 percent risk-weight category as described in the instructions for RWAs and for lines 1 through 3, and 5 through 7 of this schedule, above.

16 OBS: Unsettled transactions.

Report as unsettled transactions the quarterly average amount of all on- and off-balance sheet transactions involving securities, foreign exchange instruments, and commodities that have a risk of delayed settlement or delivery, or are already delayed, and against which the reporting institution must hold risk-based capital as described in § 628.38 of this regulatory capital rule.

For delivery-versus-payment (DvP) transactions and payment-versus-payment (PvP) transactions, report in column A, the positive current exposure of those unsettled transactions with a normal settlement period in which the reporting bank's counterparty has not made delivery or payment within five business days after the settlement date, which are the DvP and PvP transactions subject to risk weighting under § 628.38 of this rule.

Item No.	**Caption and Instructions**

Note: As defined under § 628.38 of this rule, 1) a DvP transaction means a securities or commodities transaction in which the buyer is obligated to make payment only if the seller has made delivery of the securities or commodities and the seller is obligated to deliver the securities or commodities only if the buyer has made payment; 2) a PvP transaction means a foreign exchange transaction in which each counterparty is obligated to make a final transfer of one or more currencies only if the other counterparty has made a final transfer of one or more currencies; and 3) the positive current exposure of a System institution for a transaction is the difference between the transaction value at the agreed settlement price and the current fair value price of the transaction, if the difference results in a credit exposure of the System institution to the counterparty.

For delayed non-DvP/non-PvP transactions, also include in column A, the current fair value of the deliverables owed to the bank by the counterparty in those transactions with a normal settlement period in which the reporting bank has delivered cash, securities, commodities or currencies to its counterparty, but has not received its corresponding deliverables, which are the non-DvP/non-PvP transactions subject to the risk-weighting under § 628.38 of this rule. Do not include in this item: 1) cleared transactions that are marked-to-market daily and subject to daily receipt and payment of variation margin; 2) repo-style transactions, including unsettled repo-style transactions; 3) one-way cash payments on OTC derivatives; and 4) transactions with a contractual settlement period that is longer than the normal settlement period (generally greater than five business days. (Note: A non-DvP/non-PvP transaction means any other delayed or unsettled transaction that does not meet the definition of a DvP or a PvP transaction).

Certain delayed settlement non-DvP/non-PvP transactions refer to securities associated with the phrase "when issued" (WI) or "To be announced"(TBA). Treasury securities, new issues of stocks, and bonds trade on a when-issued basis meaning the obligors has authorized the securities but they are not yet issued. Pass-through securities issued by Freddie Mac, Fannie Mae, and Ginnie Mae trade in the TBA market, and the term TBA means the obligor will deliver an actual mortgage backed security to fulfill a TBA trade that is not designated, at the time the trade is made. These TBA transactions are treated as derivative contracts under § 628.34 and reported in Schedule RC-R.7, item 14.

Column D: In column D, include the fair value of deliverables owed to the System institution by a counterparty that qualifies for a zero percent risk weight under § 628.32 of this rule that have been delayed one to four business days for non-DvP/non-PvP transactions.

Item No.	**Caption and Instructions**

Column H: In column H, include the fair value of deliverables owed to the System institution by a counterparty that qualifies for a 20 percent risk weight under § 628.32 of this rule that have been delayed one to four business for non-DvP/non-PvP transactions.

Column I: In column I, include the fair value of deliverables owed to the System institution by a counterparty that qualifies for a 50 percent risk weight under § 628.32 of this rule that have been delayed one to four business for non-DvP/non-PvP transactions.

Column J: In column J, include: 1) The fair value of deliverables owed to the System institution by a counterparty that qualifies for a 100 percent risk weight under § 628.32 of this rule that have been delayed one to four business days for non-DvP/non-PvP transactions; and 2) The positive current exposure of DvP and PvP transactions in which the counterparty has not made delivery or payment within 5 to 15 business days after the contractual settlement date.

Column K: In column K, include the fair value of deliverables owed to the System institution by a counterparty that qualifies for a 150 percent risk weight under § 628.32 of this rule that have been delayed one to four business for non-DvP/non-PvP transactions.

Column M: In column M, use the 625 percent risk weight for the positive current exposure of DvP and PvP transactions in which the counterparty has not made delivery or payment within 16 to 30 business days after the contractual settlement date.

Column N: In column N, use the 937.5 percent risk weight for the positive current exposure of DvP and PvP transactions in which the counterparty has not made delivery or payment within 31 to 45 business days after the contractual settlement date.

Column O: In column O, include: The positive current exposure of DvP and PvP transactions in which the counterparty has not made delivery or payment within 46 or more business days after the contractual settlement date; and 2) The fair value of the deliverables in non-DvP/non-PvP transactions in which the bank has not received deliverables from the counterparty five or more business days after which the delivery was due.

17 **Off-balance sheet (OBS) exposures (including securitizations): All other OBS liabilities.**

Report in column A the quarterly average of: 1) the notional amount of all other OBS liabilities that are covered by this regulatory capital rule; 2) the

Item No.	Caption and Instructions

face amount of risk participations in bankers acceptances that have been acquired by the reporting institution and are outstanding; 3) the maximum contractual amount of an institution's exposure from assets sold with credit-enhancing representations and warranties that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule; 4) the notional amount of written option contracts that act as financial guarantees that do not meet the definition of a securitization exposure as described in § 628.2 of this regulatory capital rule; and, 5) the notional amount of all forward agreements, which are defined as legally binding contractual obligations to purchase assets with certain drawdowns at a specified future date, not including commitments to make residential mortgage loans or forward foreign exchange contracts.

However, exclude from column credit derivatives purchased by the bank that are recognized as guarantees of an asset or off-balance sheet exposure under this regulatory capital rule - i.e., credit derivatives on which the bank is the beneficiary (report the guaranteed asset or exposure in Schedule RC-R.7, in the appropriate balance sheet or OBS category and in the risk weight category applicable to the derivative counterparty rather than the risk-weight category applicable to the obligor of the guaranteed asset).

Note: All other OBS liabilities that are not listed here or assigned specific risk weighting categories must be risk weighted based on the CRC methodology.

Column D: In column D, include the credit equivalent amount of liabilities to counterparties who meet, or that have guarantees or collateral that meet, the criteria for the zero percent risk weight category as described in the instructions for RWAs and for Schedule RC-R.7, lines 1 through 3, and 5 through 7 above.

Column H: In column H, include the credit equivalent amount of liabilities to counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 20 percent risk weight category as described in the instructions for RWAs, and for Schedule RC-R.7, lines 1 through 3, and 5 through 7, above.

Column I: In column I, include the credit equivalent amount of liabilities to counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 50 percent risk weight category as described in the instructions for RWAs, and for Schedule RC-R.7, lines 1 through 3, and 5 through 7, above.

Item No.	Caption and Instructions

Column J: In column J, include the portion of the credit equivalent amount reported in column C that is not included in columns D through K. Include the credit equivalent amount of liabilities to counterparties who meet, or that have guarantees or collateral that meet the criteria for the 100 percent risk weight category as described in the instructions for RWAs and for Schedule RC-R.7, lines 1 through 3, and 5 through 7, above.

Column K: In column K, include the credit equivalent amount of liabilities to counterparties who meet, or that have guarantees or collateral that meet, the criteria for the 150 percent risk weight category as described in the instructions for RWAs, and for Schedule RC-R.7, lines 1 through 3, and 5 through 7, above.

18 **Total Off-balance sheet exposures.**
For each of the columns D through O, report the sum of items 9 through 17.

19 **Total on-and off-balance sheet exposures.**
For each of the columns D through O, report of sum of lines 8 and 18.

20 **Risk weight factor.**
This line reports the corresponding risk weight factors for each of the columns D through Q (as applicable).

21 **Risk weighted assets (RWA) before asset deductions (line 19 multiplied by line 20).**
For each of the columns D through Q on this line, multiply the amounts in columns D through Q on line 19 by the corresponding risk weight factors in columns D through Q on line 20.

22 **Total RWA before deductions (sum of row 21, columns D through Q).**
Report in this line the total quarterly average amount of RWAs before any deductions from regulatory capital have been subtracted.

23 **Total intra-system equity investments.**
Report in this line the quarterly average amount of an institution's equity investments (allocated and purchased) in other System institutions. For Call Report purposes, FCA has decided to treat equity investments in System institutions, service corporations and the Federal Farm Credit Banks Funding Corporation (the Funding Corporation) similarly. All of the allocated investments should be reported net of DTLs, as appropriate and as discussed in Schedule RC-R.4, item 6(f). See FCA regulations § 628.2, 611.1135, and 619.8185. All these entities are System institutions:

Item No.	**Caption and Instructions**

- System institutions include: banks, associations, Farm Credit Leasing Service Corporations (FCL), and the Funding Corporation.
- Service corporations include: Farm Credit Building Association, Farm Credit Leasing Service Corporation (FCL), Farm Credit Financial Partners, Inc., AgVantis, Inc., and Farm Credit Foundations. CoBank wholly owns FCL.

24 **Total deductions from regulatory capital (Sch. RC-R.4, line 21).**
Report the quarterly average amount of total deductions from regulatory capital as reported in Schedule RC-R.4, line 21. The total amount of deductions that are subtracted from the numerator in Schedule RC-R.4, line 21, must also be subtracted from the denominator, and this amount reflects all of those total deductions.

25 **Total RWAs before ALL deductions (sum of lines 22 and 23, minus line 24).**
Report the total quarterly average amount of RWAs before the excess allowance and reserve that are not included in Tier 2 capital are subtracted from RWAs. This RWA figure includes all deductions that are subtracted from regulatory capital - including intra-System equity investments.

26 **Less: Amount of ALL and reserve not included in tier 2 capital (Sch. RC-R.1, item 11a).**
Report the quarterly average amount of the excess allowance and reserve that are *not* included in Tier 2 capital. This amount should be equal to the amount in Schedule RC-R.1, item 11(a).

27 **Total RWAs used for Tier 1/Tier 2 capital ratios (line 25 minus line 26).**
Report the quarterly average amount of total RWAs that are used for the Tier 1/Tier 2 capital ratios after all deductions to regulatory capital (including intra System equity investments) and the excess allowance and reserve have been subtracted.

28 **Total RWAs use for the permanent capital ratio ("PCR" – sum of items 22 and 23, minus Sch. RC-R.6, item 4h, minus Sch. RC-R.4, item 14a).**
Report the quarterly average amount of total RWAs that are used for the PCR after all deductions to regulatory capital (including intra System equity investments) have been subtracted.