



governmentattic.org

"Rummaging in the government's attic"

Description of document: **Additional Emails from the Federal Reserve Board concerning the processing of FOIA requests from Bloomberg News, mostly seeking missing documentation concerning the financial bailout, 1998 - 2008**

Requested date: 18-November-2008

Released date: 26-February-2009

Posted date: 28-April-3009

Date/date range of document: July 1998 – November 2008

Source of document: Freedom of Information Office
Board of Governors of the Federal Reserve System
20th & Constitution Avenue NW
Washington, DC 20551

Note: The material in this file is additional to the material in: [FedReserve BloombergFOIA 2007-2008U.pdf](#)

The governmentattic.org web site ("the site") is noncommercial and free to the public. The site and materials made available on the site, such as this file, are for reference only. The governmentattic.org web site and its principals have made every effort to make this information as complete and as accurate as possible, however, there may be mistakes and omissions, both typographical and in content. The governmentattic.org web site and its principals shall have neither liability nor responsibility to any person or entity with respect to any loss or damage caused, or alleged to have been caused, directly or indirectly, by the information provided on the governmentattic.org web site or in this file. The public records published on the site were obtained from government agencies using proper legal channels. Each document is identified as to the source. Any concerns about the contents of the site should be directed to the agency originating the document in question. GovernmentAttic.org is not responsible for the contents of documents published on the website.



FOI.Requests@federalreserve.gov on 10/13/2006 10:03:34 AM

2007-25^①

W. Behrman
10/13/06

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Oct 13, 2006

Name: Craig Torres
Affiliation:
Category of
Affiliation: News Media
Address1: 1399 New York Ave
Address2:
City, State: Washington, DC
Zip: 20005-4711
E-Mail:
Country: UNITED STATES
Country Code: 840
PostalCode: n/a
Telephone: 202-654-1220 (work/home not specified)
Fax:

Max. Fee: \$1.00
Fee Waiver:

Delivery: Please mail to above address

Request: I rescind the Freedom of Information Act request I submitted Oct. 12 regarding more detailed information on the Fed's Sept. 20 minutes. Kind regards, Craig Torres.

RECEIVED
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT
2006 OCT 13 AM 11:12
FEDERAL RESERVE SYSTEM

FOR FILES
DENISE HARRIS

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No: 2007100025 **Request Type:** Formal **Request Category:** News Media **Requester:** Craig Torres **Received Date:** 10/12/2006

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/22/2006.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/22/2006.

The Law Requires the Board to Respond to This Request by: 11/09/2006

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division **Person Assigned**

BDM	Skidmore/FYI
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the factors that caused the Federal Reserve staff to lower its estimate for potential gross domestic product and the actual estimate for potential gross domestic product

NOTES

RECOMMENDED DISPOSITION

____ NO responsive records
____ Records not reasonably identified
____ Grant request in full

____ Confirmed w/FR Bank (see Note:)
____ Deny in full
____ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

FR 1415

2007-25



ctorres3@bloomberg.net on 10/12/2006 03:34:35 PM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

RECEIVED
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION OFC
2006 OCT 12 PM 5:13
FEDERAL RESERVE SYSTEM
BOARD OF GOVERNORS

Date: Oct 12, 2006

Name: Craig Torres
Affiliation: Bloomberg News
Category of Affiliation: News Media
Address1: 1399 New York Ave
Address2:
City, State: Washington, DC
Zip: 22101
E-Mail: ctorres3@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: n/a
Telephone: 202-365-2997 (work/home not specified)
Fax:

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please call for pick up

Request: The Federal Reserve staff lowered its forecast for potential gross domestic product, according to the minutes of the Sept. 20 Fed meeting. Few data are more important than the Federal Reserve's estimate of how fast the economy can grow. If the Fed misses on that calculation, it could cost the U.S. economy trillions of dollars in squandered output. Under the Freedom of Information Act, Bloomberg News requests the following: The factors that caused the Fed staff to lower its estimate for potential gross domestic product. The actual estimate for potential gross domestic product.

2007-192



avekshin@bloomberg.net on 03/08/2007 05:12:06 PM

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Mar 08, 2007

Name: Alison Vekshin
Affiliation: Bloomberg News
Category of Affiliation: News Media
Address1: 1399 New York Ave., NW, 11th FL
Address2:
City, State: washington, DC
Zip: 20005
E-Mail: avekshin@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-654-4307 (work/home not specified)
Fax: 202-624-1347

Max. Fee: \$0.00
Fee Waiver: I'm requesting a media exemption.

Delivery: Please fax to above number

Request: I would like to request a copy of correspondence from the European Union sent this week outlining recommendations for implementing the Basel II banking accord.

2007 MAR -9 AM 11:41
RECEIVED
FEDERAL RESERVE SYSTEM
OFFICE OF THE SECRETARY
WASHINGTON, DC 20540

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100192	Formal	News Media	Alison Vekshin	03/09/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 03/19/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 03/19/2007.

The Law Requires the Board to Respond to This Request by: 04/06/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

a copy of all correspondence from the European Union that outlines recommendations for implementing the Basel II banking accord

NOTES

RECOMMENDED DISPOSITION

_____ NO responsive records

_____ Records not reasonably identified

_____ Grant request in full

_____ Confirmed w/FR Bank (see Note:)

_____ Deny in full

_____ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

Board of Governors
of the
Federal Reserve System
Freedom of Information Office

No LTR
2007-192

Ms. Alison Vekshin
Bloomberg News
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

March 09, 2007

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62211	Formal	Initial	News Media	03/08/2007

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	10	0.10	1.00
Total Amount:				\$1.00
Fee Waived Amount:				\$1.00
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2007100192
Invoice No: 62211
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

FOR FILES
M. CONNOR

05.03.2007 D/000513

Ms Jennifer J. Johnson
Secretary
Board of Governors, Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
USA

Subject: Comment on Risk-Based Capital Standards: Advanced Capital Adequacy Framework and Market Risk; Proposed Rules and Notices. Board Docket No. R-1261 and R-1266, OCC Docket No. 06-09 and No. 06-10, FDIC RIN 3064-AC736 and RIN 3064-AD10, OTS No. 2006-33 and No. 2006-04.

Dear Ms. Johnson,

This letter constitutes the response of the European Commission to the call for comments made by the four agencies ("the Agencies") in relation to the proposed rules on risk-based capital standards, advanced capital adequacy framework and market risk.

The European Commission welcomes the opportunity to comment on the Notices of Proposed Rulemaking ("the NPRs") on risk based capital standards to implement the Basel Revised Capital Framework ("the Revised Framework")¹ for banks in the United States. The European Commission is commenting on the NPRs since the differences between the proposed rules and the Revised Framework may lead to additional, and unnecessary, regulatory burden for EU banks that are active in the US and US firms that are active in the EU.

This letter has been seen by/commented on by the Finance Ministries of the 27 Member States of the European Union, associations representing European banks, and individual companies. These comments are supported by the European Banking Committee, representing the Finance Ministries of all 27 Member States of the European Union.

We would be happy to discuss these and other issues that the US Agencies deem relevant in terms of implementing a true global capital standard.

¹ Basel Committee on Banking Supervision- International Convergence of Capital Measurements and Capital Standards: A Revised Framework Comprehensive Version (June 2006)

1. General comments

(a) Consistency with the Revised Framework

We would like to emphasise that in all areas it is important for the Agencies to ensure that the US rules are as consistent as possible with the Revised Framework, so that regulatory burdens are minimised both for EU firms operating in the US and US firms that are active in the EU. In response to the questions in the NPR where you seek comment on which approaches to take, we would encourage you to ensure that the approach is consistent with the Revised Framework including provisions on market risk.²

In addition, we suggest that the Agencies make the full range of approaches for operational risk and for credit risk, as set out in the Revised Framework, available to ensure that banks use a more risk-sensitive approach than the existing rules, without creating competitive distortions or undue regulatory burdens. Furthermore, for many foreign banking groups, it may not be practicable for various reasons to implement the IRB approach across all asset classes and business units. For example, we would like confirmation that exposures in non-significant business units as well as asset classes within a particular business unit that are immaterial in terms of size and perceived risk profile are exempted from the IRB framework³. In these cases the Revised Framework's standardised approach should be applied⁴.

This letter outlines key areas⁵ (see section 2 below) where differences between the NPR and the Revised Framework text may lead to additional costs to EU firms from an operational standpoint. In particular, we comment on those proposed rules that may have negative effects for EU firms in terms of dual systems and duplication of costs. We also believe that these differences are unlikely to provide any extra benefit in terms of enhanced risk management, or the level or allocation of risk-based capital, and may prevent firms from operating a coherent group wide risk management and capital framework.

(b) Timing

We recognise the progress that has been made with implementing the Revised Framework for internationally active banks in the US. We respect the need for the agencies to implement the Revised Framework through your domestic process.

However, we believe it is now important that the Agencies follow as closely as possible the proposed timetable for implementation of the Revised Framework. Further delays in implementation will result in further burden for EU banks applying the most advanced approaches at a consolidated level. In supporting the option to use the Standardised approaches (see above and also our comment letter on Basel "IA"), the European Commission

² For example as regards the NPR on Market Risk:

- Question 5 – Agencies should ensure that the exclusion of residual securitisation positions and the market maker exemption and the conditions to use that exemption are consistent with the Revised Framework §712 (ii) and 718 (xcv).
- Questions 9 and 13: To ensure an international level playing field, the agencies should confine the grandfathering of the partial specific framework until 2010 consistent with the Revised Framework: Footnote 113 and paragraph 718 (xcii) clarify that the available fallback method proposed for banks unable to develop an internal model to capture incremental default risk by 1 January 2010 is sufficient.

³ BCBS: A Revised Framework, Comprehensive version, June 2006 §259.

⁴ As suggested in the United States Government Accountability Office Report to Congressional Committees (GAO-07- 253) on Risk-Based Capital (February 2007).

⁵ Definitions of default, risk parameters and securitisation; the scope of application for Bank Holding Companies; and the use of AMA modelling at sub-group or subsidiary level.

acknowledges the challenge that this may pose in terms of allowing the Agencies to meet the timetable for implementing the Revised Framework. However, we strongly encourage the Agencies to maintain the existing timetable for the advanced approaches in any case, even if this means that the Standardised approaches become available later than the advanced approaches.

If the Agencies consider the introduction of the Standardised approaches to be appropriate, then we would encourage a pragmatic and practical approach to transitional arrangements to facilitate such changes. Allowing banks that may seek to use the Standardised approaches to remain on either Basel I or Basel IA during a transitional period would allow for a seamless introduction of the Standardised approaches, whilst ensuring that the implementation of the advanced approaches under the Revised Framework are not subject to further delay.

2. Technical Comments

We believe the key areas of divergence between the NPRs and the Revised Framework relate to definitions of default, risk parameters and securitisation; the scope of application for Bank Holding Companies; and the use of AMA modelling at sub-group or subsidiary level. These divergences may lead to substantial additional, and unnecessary, regulatory burden and costs for EU banks that are active in the US and for US firms that are active in the EU.

(a) Definition of Default

The definition of default in the NPR for corporate exposures differs from that in the Revised Framework in the following ways:

The proposed rules define default for wholesale exposures as "any wholesale exposure that incurred a credit-related loss of 5 percent or more of the exposure's initial carrying value in connection with the sale of the exposure or the transfer of the exposure to held-for-sale, available for sale, trading account or other reporting category"⁶. The Revised Framework takes a more flexible approach to what constitutes a material credit loss for the purposes of defining default.

This divergence in the definition impacts on the assumptions behind the calculation of PD, LGD and EAD and - since the two definitions will need to be used within one bank - there will be a double implementation and validation effort by an EU institution that has a subsidiary in the US and by a US institution that has a subsidiary in the EU. The cost in terms of new systems for the calibration when using a second definition of default would be very high for firms, with no significant extra benefit for internal risk management.

Moreover, divergences in the definition of default will lead to problems in complying with the use test requirement that parameters used for regulatory purposes are also used for internal purposes. Since only one definition of default will be used centrally, banks will, therefore, be unable to comply with the use test in the EU and US simultaneously.

The divergences in the definition of default may also have a negative impact on risk management and corporate governance. Internationally active banks typically gather data from their subsidiaries along global business lines, rather than by country or entity because this is how risk is managed on a daily basis. The divergence in definitions of default will make this harder to do, thus inhibiting effective risk management, which is what the Revised Framework intends to promote. Many internationally active firms run their businesses based

⁶ 71 Fed. Reg. 55846

on these metrics. If they are required to use different metrics in different jurisdictions, then consistent management and governance across the group becomes a more difficult challenge. Furthermore, the divergence in definitions will mean that firms may not be able to comply with the requirement to adopt one single rating per counterparty on a bank wide basis and the one obligor rule.

Recommendations:

- We suggest that the Agencies adopt a definition of default consistent with the definition in the Revised Framework.

(b) Exposure at Default ("EAD")

The NPR defines a bank's EAD as "the bank's carrying value for the exposure (including net accrued but unpaid interest and fees) less any allocated transfer risk reserve for the exposure."⁷ This is not aligned to the Revised Framework which states that in the case of EAD "all exposures are measured gross of specific provisions or partial write-offs"⁸.

Although there is some correction provided for in the Expected Loss (EL) calculation, the effects of using the two differing approaches are not fully neutralised. More importantly, the divergent approach proposed in the NPR will have significant systems implications for banks, as they will be obliged to use and calculate different data fields for compliance with both the proposed US rules and other regulations in those jurisdictions which are aligned to the Revised Framework.

Recommendations:

We recommend that the definition of EAD, and the consequent EL calculation, be aligned to the Revised Framework.

(c) Definition of Asset Securitisation

According to the proposed rules on traditional securitisation, one of the criteria for excluding securitised exposures from risk weighted assets is if "the transfer is a sale under the US General Accepted Accounting Principles ("US GAAP")"⁹. The use of US GAAP accounting principle may create a structural difference in the market and materially impact the location of transactions (both for originators and investors). This is significant because internationally active banks may need to reconcile transactions located in different jurisdictions, based on different definitions, when they produce consolidated data. The same principle holds true for synthetic securitisation, since the NPR refers only to the criterion of credit risk transfer without any recognition given to the concept of significance.

Recommendation:

- Align as much as possible with the operational requirements set out in the Revised Framework for both traditional and synthetic securitisations (i.e., by including the concept of significant risk transfer).

⁷ 71 Fed. Reg 55849

⁸ BCBS: A Revised Framework, Comprehensive version, June 2006 §308

⁹ 71 Fed. Reg 55883

(d) Scope of application for Bank Holding Companies

Possible exemptions

The NPR states that a Bank Holding Company ("BHC") (including a BHC that is owned by a foreign banking organisation) "that meets the conditions in Federal Reserve SR letter 01-0122 and is a core bank would not be required to meet the minimum capital ratios in the Board's capital adequacy guidelines, although it would be required to adopt the advanced approaches, compute and report its capital ratios in accordance with the advanced approaches, and make the required public and regulatory disclosures"¹⁰.

In our view, it would be extremely costly for foreign owned BHCs to adopt this rule, which will oblige the adoption of the advanced approaches not for capital calculations, but simply for the purposes of meeting this rule. In particular, we consider that the requirement that these BHCs also make Pillar 3 disclosures at the BHC level to be unduly burdensome. We consider that in many cases such Pillar 3 disclosures may lead to market confusion rather than market discipline, as many transactions at the BHC level are undertaken for intra-company organisational reasons.

Suitability for all structures

The NPR states that the depository institution (DI) subsidiary of a BHC, as defined above, would also "be a core bank and would be required to adopt the advanced approaches (unless specifically exempted from the advanced approaches by its primary Federal supervisor) and meet the minimum capital ratio requirements"¹¹. In many cases, it is our understanding that the majority of the consolidated assets of such BHCs may be attributable to securities firms and not directly to the DIs. Whilst we acknowledge that this proposed rule seeks to minimise the incentives to structure BHC assets in a way that minimises capital requirements, in many cases the decision to allocate assets in DI or non-DI subsidiaries is made to meet business objectives, rather than to achieve capital arbitrage.

Clarification of scope

The NPR states that a "top-tier U.S. BHC, and its subsidiary DIs, that is owned by a foreign banking organization also would be subject to the same threshold levels for core bank determination as would a top-tier BHC that is not owned by a foreign banking organization"¹². It is our understanding that this would mean that intermediate level foreign banking organisation ("FBO")-controlled BHCs would not be subject to the same threshold levels for core bank determination. If our interpretation is incorrect, then we consider that imposing the core bank criteria to intermediate level BHCs would be unduly burdensome.

Recommendations:

- We would encourage the Agencies to ensure that BHCs (including a BHC that is owned by a foreign banking organisation) that meet the conditions in Federal Reserve SR letter 01-0122 and are core banks, be exempt from the requirement to compute and report their capital ratios in accordance with the advanced approaches, and to make the associated Pillar 3 disclosures.

¹⁰ 71 Fed. Reg 55841

¹¹ 71 Fed. Reg 55841

¹² 71 Fed. Reg 55841

- To prevent undue burden on US subsidiaries of EU banks, we would suggest that BHCs and DI subsidiaries should only be classified as core banks if the majority of the BHC's consolidated assets are attributable to DIs or the DI subsidiaries meet the thresholds for a core bank on a consolidated basis.
- We encourage the Agencies to clarify that the threshold levels for core bank determination apply to top-tier BHCs only.

(e) Operational Risk

The proposed rules on operational risk¹³ include a number of departures from the Revised Framework that will impose important cost on internationally active banks. This is due mainly to the following:

- internationally active banks that do not use an AMA at group level would be forced to implement one for their US operations in order to be able to "opt in"; and
- internationally active banks that use an AMA at group level may not be able to make use of their data and systems and would be forced to develop costly US-specific solutions.

For medium sized and smaller subsidiaries of foreign banks in the US, these costs are likely to prove prohibitive. They may then be unable to "opt in" to the advanced approaches although they would be capable of using IRB for credit risk. This runs counter to the Revised Framework's objective to enable banks to adopt the more advanced approaches where possible, in line with banks' abilities.

For the larger subsidiaries of foreign banks in the US that represent "core" applicants, the additional costs will effectively run counter to the Revised Framework's objective of aligning supervisory requirements to internal risk management. These banks would build US level AMAs that they do not use for their internal risk management and, as required by their consolidating supervisors, will use the group level AMA for consolidated purposes. The "use test" requirement that parameters used for regulatory purposes are also used for internal purposes will then be impossible to comply with. In this last sense the provisions on use of AMA and IRB in the NPRs raise the same problem for banks.

Recommendations:

- To ensure that banks can utilise and share consistent internal and external loss data and scenario analyses across jurisdictions; the separate definition of "operational loss" should be removed and "operational risk exposure" should be defined as the 99th percentile of the distribution of operational risk over a one-year horizon. This simplification would at the same time achieve that operational risk is not required to be measured as the risk of accounting losses but that banks could use concepts of loss along with their internal practices.
- In line with the continuum of operational risk measurement approaches in the Revised Framework that banks are free to choose from, all banks, including BHCs, should be able to adopt an "alternative operational risk quantification system", such as the Revised Framework's Standardised approach or an allocation approach, the latter subject to the terms and conditions of the Revised Framework itself. The fact that an entity constitutes a

¹³ 71 Fed. Reg 55899 - 55901

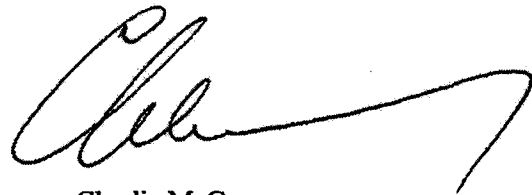
BHC does not necessarily imply that it has sufficient loss data to run an AMA for all business lines and loss event types, in particular if its business activities are focussed on few business lines and/or if it is not possible for it to utilize (world-wide) group-level resources.

- The use of allocation mechanisms should not be subject to more stringent conditions than those set out in the Revised Framework. In particular, operational risk capital allocation should not be excluded if the group includes (foreign) investment firms.

We hope that the comments that we have put forward will be of assistance to the Agencies in the further work on the development and finalisation of the implementation of the Revised Framework. As indicated earlier, the European Commission stands ready to discuss, or further explain, the comments set out in this letter, and to work with the Agencies in a co-operative manner to facilitate the timely, consistent application of the Revised Framework internationally.

Please note that we have sent the same response to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Charlie McCreevy', with a long, sweeping horizontal stroke extending to the right.

Charlie McCreevy

05.03.2007 D/000514

Ms Jennifer J. Johnson
Secretary
Board of Governors, Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
USA

Subject: Joint notice of proposed rulemaking to revise existing risk-based capital framework for banks that do not use Basel II (Basel IA) Board Docket No. R-1238, OCC Docket No. 06-15, FDIC FIL-111-2006, OTS No. 2006-49.

Dear Ms. Johnson,

This letter constitutes the response of the European Commission to the call for comments made by the Office of the Comptroller of the Currency, Treasury; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; and Office of Thrift Supervision, Treasury (hereinafter, the Agencies) in relation to the notice of proposed rulemaking (hereinafter NPR or Basel IA) issued December 26, 2006.

The European Commission welcomes the opportunity to comment on Basel IA, and the views put forward in this response are supported by the European Banking Committee, which represents the Finance Ministries of all 27 Member States of the European Union.

The European Commission supports the Agencies' goal to make risk-based capital rules more risk sensitive, and consequently we strongly encourage the Agencies to permit the full use of the Standardised approach to credit risk as set out in the Basel Committee's "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" (the Revised Framework, June 2006). We believe that the Standardised approach offers a more risk-sensitive approach for banks than the existing rules, without creating competitive distortions or undue regulatory burden. As the Standardised approach has been developed within the Revised Framework, we consider that it represents the appropriate alternative to the more advanced approaches to credit risk. We also consider that to promote consistency, all banks should also be subject to the Revised Framework approaches to operational risk, and the requirements set out in Pillar II and Pillar III.

In supporting the option to allow banks to use the Standardised approaches, the European Commission acknowledges the challenge that this may give rise to in terms of allowing the Agencies to meet the agreed timetable for implementing the Revised Framework. We strongly encourage the Agencies to maintain the existing timetable for the advanced approaches, even if this means that the Standardised approaches become available later than the advanced approaches. If the Agencies consider the introduction of the Standardised approaches to be

appropriate, then we would encourage a pragmatic and practical approach to transitional arrangements to facilitate such changes. Allowing banks that may seek to use the Standardised approaches to remain on Basel I during a transitional period would allow for a seamless introduction of the Standardised approaches, whilst ensuring that the implementation of the advanced approaches under the Revised Framework are not subject to further delay.

In relation to the scope of Basel IA, we would also like to indicate that there may be scope to clarify whether, or to what extent, the application of Basel IA will be optional. Although the Agencies indicate that a non-mandatory bank¹ may, if it chooses, adopt the proposed Basel IA rules, there is also a stipulation that the Agencies would retain the authority to require a non-mandatory bank to use either the existing or the proposed risk-based capital rules if the banking organisation's primary Federal supervisor determines that a particular capital rule is more appropriate for the risk profile of the banking organisation. In our view, the extent to which the rules will be optional would benefit from further clarification.

Notwithstanding our support for the introduction of the Standardised Approach for banks operating within the United States, the European Commission would like to make a first general comment that Basel IA should be aligned as much as possible with the requirements of the Revised Framework's Standardised Approach. In this regard, whilst we do not consider that it would be appropriate to indicate all of the areas where Basel IA diverges from the Standardised Approach, we would like to highlight the following areas simply by way of example:

- a) In terms of the increase in the number of risk weights, in our view it is not just a question of whether the risk weights proposed in Basel IA should be used, but more importantly that they be used consistently in the same way as in the Standardised Approach. So, for example, we do not consider that a risk weight of 10% would be appropriate, and we do consider that it would be appropriate to introduce risk weights of 350% and 1250% for certain securitisation exposures as is the case under the Standardised Approach;
- b) In relation to the use of external ratings, the proposal under Basel IA "if an exposure has two or more external ratings, the banking organisation must use the lowest assigned external rating to risk weight the exposure"², is contrary to the Standardised approach which states "if there are two assessments by ECAs chosen by a bank which map into different risk weights, the higher risk weight will be applied and if there are three or more assessments with different risk weights, the assessments corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights will be applied"³.
- c) In Basel IA, the Agencies indicate that they are proposing to assign a 10 percent CCF to short-term commitments, which would represent a further inconsistency with the Standardised approach.

The examples indicated above should not be considered to be exhaustive or to highlight the areas where divergent approaches may be the most material or important. However, the European Commission considers that these examples are indicative of some of the challenges

¹ A bank that is, under the relevant NPR, not required to adopt the advanced approaches set out in the Revised Framework.

² Fed. Reg 71 77451

³ BCBS: A Revised Framework, Comprehensive version, June 2006 §97, 98

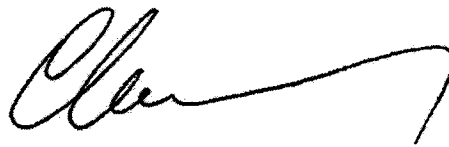
raised by the differences between Basel IA and the Standardised approach, and consequently we encourage the Agencies to align the Basel IA rules as much as possible with the Revised Framework's Standardised approach.

As a second general comment, we would encourage the Agencies to endeavour to ensure that there is as much consistency as possible when mapping exposures to risk weights. We consider that this consistency and transparency in the mapping process will be essential in order to maintain the integrity of the risk capital calculations. This consistency will be particularly important in the case of mortgages, should the proposal to use not only LTV but borrower creditworthiness in the determination of risk weights be introduced, as this treatment proposes up to fifteen different risk weight categories.

Beyond these general comments, it is not our intention at this stage to provide more detailed remarks on Basel IA. We hope that the comments that we have put forward will be of assistance to the Agencies in its further work on the development and finalisation of Basel IA. The European Commission is open to discuss or further explain the comments set out in this letter, and to work with the Agencies in a co-operative framework to facilitate the timely application of the Revised Framework and of Basel IA in the United States.

Please note that we have sent the same response to the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Charlie', followed by a long, sweeping horizontal line that ends in a small hook.

Charlie McCreevy



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

2007 319

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

JUN 27 2007

Ms. Alison Vekshin
Bloomberg News
1399 New York Avenue, NW, 11th FL
Washington, D.C. 20005

Dear Ms. Vekshin:

This is in response to your e-mail message dated June 15, 2007, and received by the Board's Freedom of Information office on June 18. Pursuant to the Freedom of Information Act ("Act"), 5 U.S.C. § 552, you request a copy of

the Federal Reserve Board's correspondence record of written, verbal and electronic communications authored by members of Congress, their aides and/or representatives, covering the time period of January 1, 2004, to the present.

Staff searched Board records and located the documents that are responsive to your request. I have determined, however, that some pages contain the following kinds of exempt information: staff opinions, recommendations, and analyses that would not be available by law to a party other than an agency in litigation with the agency (staff notations regarding constituent requests), and personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy (constituents' identifying information). Such information will be withheld from you under authority of exemptions 5 and 6 of the Act, 5 U.S.C. § 552(b)(5) and (b)(6). The documents have been reviewed under the requirements of subsection (b) of the Act, § 552(b), and all reasonably segregable nonexempt information will be made available to you. Accordingly, portions of certain pages (as will be apparent to you from the face of those pages) will be withheld from you.

Your request for information, therefore, is granted in part and denied in part for the reasons stated above. The Board's Freedom of Information office will

ALL COPY

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 10/1/07 BY 60322 UCBAW

provide you with a copy of the documents being made available to you pursuant to this authorization under separate cover.

If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

(signed) Jennifer J. Johnson



Jennifer J. Johnson
Secretary of the Board

Enclosure

mjz *PB*
MJO:PJB

U:\FOIA\2007\07-0319

bcc: Ms. Harris
Ms. Thro
Ms. Blatt
Mr. O'Rourke
Board Records – MS 108

FOIA # 07-0319

NOTE: P Elliff (BDM) provided the correspondence control system reports (1/6/04 – 6/18/07) (534 pages). P Blatt and M O'Rourke (Legal) reviewed the documents for potentially exempt information.

Board staff notations regarding requests (b)(5) and information regarding constituents' identification (b)(6) redacted.

On 6/19/07, P Blatt informed requester of the large volume of responsive documents and suggested narrowing the scope of her request. Requester decided that she wants all the reports, including constituent correspondence reports. Her request noted that she is willing to pay all reasonable agency costs.

Processed within expedited timeframe. PB



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 19, 2007

Ms. Alison Vekshin
Bloomberg News
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2007100319

Dear Ms. Vekshin,

This will acknowledge receipt of your email dated 06/15/2007 and received by the Board on 06/18/2007, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to the Board's Congressional correspondence log from January 1, 2004 to the present.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

2007-319



avekshin@bloomberg.net on 06/15/2007 05:28:46 PM

U.S. DEPARTMENT OF THE TREASURY
FEDERAL RESERVE SYSTEM

2007 JUN 18 AM 9:02

OFFICE OF THE SECRETARY
DEPARTMENT OF INFORMATION

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: Jun 15, 2007

Name: alison Vekshin
Affiliation: Bloomberg News
Category of
Affiliation: News Media
Address1: 1399 New York Ave., NW, 11th FL
Address2:
City, State: washington, DC
Zip: 20005
E-Mail: avekshin@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-654-4307 (work/home not specified)
Fax:

Max. Fee: \$0.00
Fee Waiver: I am a member of the media.

Delivery: Please mail to above address

Request: Refiling request from earlier today with a correction:

15 June 2007

Dear Sir or Madam:

Under the Freedom of Information Act, I request the opportunity to inspect a copy of the Fed's correspondence log, index, registry and/or other comprehensive record of written, verbal and electronic communications authored by members of Congress, their aides and/or representatives to the agency.

My request covers the time period of January 1, 2004, to the present. I would be satisfied with a written or electronic record of this correspondence, which should contain the name of the letter's author, the date it was written and/or received and the subject of that correspondence. I am willing to

reimburse all reasonable agency costs, if any, associated with the time agency personnel may dedicate to assembling this log for me.

As a representative of the media, representing legitimate public interest in the workings of its government representatives -- and given my work's time-sensitive nature -- I ask that you please expedite your response to this request.

If you have any questions, or should I be able to assist you further in fulfilling this request, please contact me.

Respectfully,

Alison Vekshin
Banking Regulation Reporter



avekshin@bloomberg.net on 06/15/2007 01:48:56 PM

U.S. GOVERNMENT
OF THE
FEDERAL RESERVE SYSTEM

2007 JUN 18 AM 9:02

OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION OFC

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: Jun 15, 2007

Name: Alison Vekshin
Affiliation: Bloomberg News
Category of
Affiliation: News Media
Address1: 1399 New York Ave., NW, 11th FL
Address2:
City, State: washington, DC
Zip: 20005
E-Mail: avekshin@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-654-4307 (work/home not specified)
Fax:

Max. Fee: \$0.00
Fee Waiver: I am a member of the media.

Delivery: Please mail to above address

Request: 15 June 2007

Freedom of Information Act Office
Federal Deposit Insurance Corporation
Washington, D.C.

Dear Sir or Madam:

Under the Freedom of Information Act, I request the opportunity to inspect a copy of the FDIC's correspondence log, index, registry and/or other comprehensive record of written, verbal and electronic communications authored by members of Congress, their aides and/or representatives to the agency.

My request covers the time period of January 1, 2004, to the present. I would be satisfied with a written or electronic record of this correspondence, which should contain the name of the letter's author, the date it was written and/or received and the subject of that correspondence. I am willing to reimburse all reasonable agency costs, if any, associated with the time agency personnel may dedicate to assembling this log for me.

As a representative of the media, representing legitimate public interest in the workings of its government representatives -- and given my work's time-sensitive nature -- I ask that you please expedite your response to this request.

If you have any questions, or should I be able to assist you further in fulfilling this request, please contact me.

Respectfully,

Alison Vekshin
Banking Regulation Reporter
Bloomberg News
1399 New York Ave. N.W.
Washington, D.C. 20005

(O) (202) 654-4307
avekshin@bloomberg.net

Bd's Ltr 6/27/07

FREEDOM OF INFORMATION

CLEARANCE REPORT

SUBJECT : Copy of the FRBoard's correspondence record of written verbal and electronic
communications authored by member of Congress, their aides and/or representatives, covering the
time period of January 1, 2004 to the present

FILING LOCATION : Pt 8 Congressional - Congressional Logs from 2004 - Jun 2007

FOIA : 2007-319

EXEMPTIONS CLAIMED : 5,6

DOCUMENTS WITHHELD IN FULL : _____

FURNISHED ITEM (S) :

1. Correspondence Control Log for 2004 = 228 pgs.
2. Correspondence Control Log for 2005 = 156 pgs.
3. Correspondence Control Log for 2006 = 97 pgs.
4. Correspondence Control Log for Jan-Jun 18, 2007 = 51 pgs

4 Items = 532 pgs.

CLEARED FOR RELEASE BY : Patricia Blatt

PB

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100319	Formal	News Media	Alison Vekshin	06/18/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/28/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/28/2007.

The Law Requires the Board to Respond to This Request by: 07/17/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
BDM	Elliff
LEGAL	Blatt
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the Board's Congressional correspondence log from January 1, 2004 to the present

NOTES

EXPEDITED treatment requested. Notified A. Thro

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmd w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100319	Formal	News Media	Alison Vekshin	06/18/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/28/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/28/2007.

The Law Requires the Board to Respond to This Request by: 07/17/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours – Time spent determining if material is exempt from disclosure

3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
BDM	Elliff
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26		6.8	6.8
FR 27+			
Computer			

DESCRIPTION

a copy of the Board's Congressional correspondence log from January 1, 2004 to the present

expedited treatment requested – processed within if possible time frame.

Pat 05-12
Pat 06-07
DH
Pat 05-mc

NOTES

6/19- Requester informed of the large volume & suggestions were given to her to narrow the scope but she wants all reports (including constituent info)

RECOMMENDED DISPOSITION☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part**EXEMPTIONS:***b5, b6*

Signed:

Patricea Blakely

Date:

6/20/07

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100319	Formal	News Media	Alison Vekshin	06/18/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/28/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/28/2007.

The Law Requires the Board to Respond to This Request by: 07/17/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours — Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours — Time spent determining if material is exempt from disclosure
3. Nonbillable Hours — All other time spent on the request.

-- ASSIGNMENTS --

Division Person Assigned

BDM	Skidmore/FYI
BDM	Smith, M./FYI
BDM	Elliff
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

a copy of the Board's Congressional correspondence log from January 1, 2004 to the present

supplied - 1/1/04 - 6/19/07

P. Elliff

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

2007-410

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 30, 2007

Ms. Alison Vekshin
Bloomberg News
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Ms. Vekshin:

This is in reference to your e-mail message dated and received by the Board's Freedom of Information office on August 20, 2007. Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, you request

the number of complaints consumers have filed with the Federal Reserve and the Fed Bank of Richmond annually since 2000 against the credit card operations at Capital One.

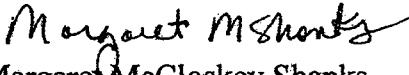
Staff searched Board records and located a portion of the information that is responsive to your request. Your request asked for the number of complaints filed with the Federal Reserve System and with the Federal Reserve Bank of Richmond against Capital One's credit card operations annually since 2000. However, in accordance with the Board's record retention policy, complaint data are retained for only a five year period. Accordingly, we will provide you with the number of Capital One Bank credit card complaints received by the Federal Reserve System and the Federal Reserve Bank of Richmond from January 1, 2002 to December 31, 2006.

Name Institution	2002	2003	2004	2005	2006
Capital One Bank Credit Card Complaints Received Directly by the Federal Reserve Board and Other Reserve Banks	378	337	370	373	379
Capital One Bank Credit Card Complaints Received Directly by the Federal Reserve Bank of Richmond	457	494	318	291	250
Total Number of Capital One Bank Credit Card Complaints Received by the Federal Reserve System	835	831	688	664	629

FOR FILES
DENISE HARRIS

Your request for information, therefore, is granted in full as to the information in the Board's possession.

Very truly yours,


Margaret McCloskey Shanks
Associate Secretary of the Board

MJO:RS

U:\FOIA\2007\07-0410.doc

bcc: Ms. Harris
 Ms. Logan/Thro
 Ms. Skalski
 Mr. O'Rourke
 Board Records – MS 108

FOIA #: 07-0410

NOTES: Amy Burke (DCCA) provided the responsive information derived from CAESAR [consumer complaint database]. The information was reviewed by Rita Skalski and Michael O'Rourke (both of Legal) for potentially exempt information. The responsive information is provided below:

Name Institution	2002	2003	2004	2005	2006
Capital One Bank Credit Card Complaints Received Directly by the Federal Reserve Board and Other Reserve Banks	378	337	370	373	379
Capital One Bank Credit Card Complaints Received Directly by the Federal Reserve Bank of Richmond	457	494	318	291	250
Total Number of Capital One Bank Credit Card Complaints Received by the Federal Reserve System	835	831	688	664	629

The requester asked for the number of credit card complaints received by the Board and the Federal Reserve Bank of Richmond annually since the year 2000. Because of the Board's record retention policy, complaint data are kept for only five years. We will provide the requester with data from January 1, 2002 – December 31, 2006.

Staff recommends that the above referenced information be released in full.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

MEMO

DATE: August 23, 2007

TO: Amy Burke

FROM: Denise Gaillard *D.G.*
Yvonne Cooper *YC*

SUBJECT: FOIA Request 20071000410

This memo is in response to a request from Alison Vekshin for the number of Capital One Bank credit card complaints that were received by the Federal Reserve System annually since the 2000. Staff conducted a search of the Consumer Analysis Evaluation System and Reports (CAESAR) database and have provided the results in the chart below. Please note that in accordance with our record retention policy complaint data is retained for a five year period. Accordingly, we have provided data from January 1, 2002 to December 31, 2006.

Institution Name	2002	2003	2004	2005	2006
Capital One Bank Credit Card Complaints	835	831	688	664	629

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

DATE: August 22, 2007
TO: Yvonne Cooper
FROM: Amy Burke AB
SUBJECT: FOIA Request 2007100410

I have received the attached FOIA from Ms. Alison Vekshin requesting the number of complaints consumers have filed with the Federal Reserve and the Federal Reserve Bank of Richmond annually since 2000 against the credit card operations of Capital One.

Please assign someone to search for the applicable material and let me know if you think this request involves privileged or confidential material. If you have any questions about the scope of the request, please let me know.

The due date for responding to the request is August 27, 2007.

Attachments

2007-410



avekshin@bloomberg.net on 08/20/2007 09:57:34 AM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: Aug 20, 2007

Name: Alison Vekshin
Affiliation: Bloomberg News
Category of Affiliation: News Media
Address1: 1399 New York Ave., NW, 11th FL
Address2:
City, State: Washington, DC
Zip: 20005
E-Mail: avekshin@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 00000
Telephone: 202-654-4307 (work/home not specified)
Fax:

Max. Fee: \$0.00
Fee Waiver: Media exemption.

Delivery: Please call for pick up

Request: I am looking for the number of complaints consumers have filed with the Federal Reserve and the Fed Bank of Richmond annually since 2000 against the credit card operations of Capital One.

2007 AUG 20 AM 11:44
FEDERAL RESERVE SYSTEM
OFFICE OF THE SECRETARY
WASHINGTON, DC 20541

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100410	Formal	News Media	Alison Vekshin	08/20/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 08/30/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 08/30/2007.

The Law Requires the Board to Respond to This Request by: 09/18/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
C&CA	Burke
LEGAL	Skalski
LEGAL	Koontz

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the number of complaints consumers have filed with the Federal Reserve and the Federal Reserve Bank of Richmond annually since 2000 against the credit card operations of Capital One

NOTES

Previous = 2006 and before (Skalski and Koontz assigned)

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100410	Formal	News Media	Alison Vekshin	08/20/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 08/30/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 08/30/2007.

The Law Requires the Board to Respond to This Request by: 09/18/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours -- Time spent determining if material is exempt from disclosure

3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
C&CA	Burke
LEGAL	Skalski
LEGAL	Koontz

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26	1/2 hr	1/2 hr	
FR 27+			
Computer			

10.6

DESCRIPTION

the number of complaints consumers have filed with the Federal Reserve and the Federal Reserve Bank of Richmond annually since 2000 against the credit card operations of Capital One

NOTES

Previous = 2006 and before (Skalski and Koontz assigned)

RECOMMENDED DISPOSITION☐ NO responsive records☐ Records not reasonably identified☒ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☐ Deny in part**EXEMPTIONS:**

Signed: _____

J E N

Date: _____

8/23/07

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100410	Formal	News Media	Alison Vekshin	08/20/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 08/30/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 08/30/2007.

The Law Requires the Board to Respond to This Request by: 09/18/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

- ASSIGNMENTS -

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
C&CA	Burke
LEGAL	Skalski
LEGAL	Koontz

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the number of complaints consumers have filed with the Federal Reserve and the Federal Reserve Bank of Richmond annually since 2000 against the credit card operations of Capital One

*4/23
Sent to
Henry Burke*

NOTES

Previous = 2006 and before (Skalski and Koontz assigned)

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☒ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: *[Signature]*Date: *8/27/07*



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

2007-450
5
SEP 27 2007

Mr. Craig Torres
Bloomberg News
1399 New York Avenue
Washington, D.C. 20005-4711

Dear Mr. Torres:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on September 24, 2007. Pursuant to the Freedom of Information Act, 5 U.S.C. § 552, you request a copy of

minutes and transcripts of the Board meeting or meetings that resulted in the approval of the merger between Fifth Third Bank and Old Kent Bank on May 14, 2001.

Staff searched Board records and found documents that are responsive to your request. The Board's Freedom of Information office will provide you with a copy of the documents under separate cover. Your request, therefore, is granted in full.

Very truly yours,

(signed) Margaret McCloskey Shanks
Margaret McCloskey Shanks
Associate Secretary of the Board

FOR FILES
W. CONNOR

SEE COPY

U:\FOIA\2007\07-0450

mjs MJO:PJB *PB*

bcc: Ms. Harris
Ms. Thro
Mr. O'Rourke
Ms. Blatt
Board Records – MS 108

NOTE: Bob Frierson (SECY) provided responsive documents and indicated release in full.

RELEASE IN FULL:

1. March 12, 2001 Attendance list and voting action re merger application.
2. May 14, 2001 Attendance list and voting action re corporate reorganization.



ctorres3@bloomberg.net on 09/24/2007 11:09:08 AM

2007-450

RECEIVED
FEDERAL RESERVE SYSTEM

2007 SEP 24 AM 11:52

DEPT. OF THE TREASURY
FEDERAL RESERVE SYSTEM
FEDERAL INFORMATION OFFICE

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Sep 24, 2007

Name: Craig Torres
Affiliation:
Category of
Affiliation: News Media
Address1: 1399 New York Ave
Address2:
City, State: Washington, DC
Zip: 20005-4711
E-Mail: ctorres3@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-654-1220 (work/home not specified)
Fax: 202-393-7239

Max. Fee: \$200.00
Fee Waiver:

Delivery: Please call for pick up

Request: Bloomberg News requests minutes and transcripts of the Board meeting or meetings that resulted in the approval of the merger between Fifth Third Bank and Old Kent Bank on May 14, 2001. Cf:
<http://www.federalreserve.gov/BoardDocs/press/bhc/2001/20010514/>

These meetings should no longer be covered by the five-year confidentiality limit for Board proceedings. If the meetings began in 2000, we request all transcripts and minutes regarding the Old Kent and Fifth Third merger as well. Kind regards, Craig Torres, Bloomberg News.

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Craig Torres
Bloomberg News
1399 New York Avenue, NW
Washington, DC 20005-4711

September 28, 2007

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62571	Formal	Initial	News Media	09/24/2007

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	4	0.10	0.40

Total Amount: \$0.40

Fee Waived Amount: \$0.40

Amount Due: \$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2007100450
Invoice No: 62571
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100450	Formal	News Media	Craig Torres	09/24/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/04/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/04/2007.

The Law Requires the Board to Respond to This Request by: 10/23/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added
SECY	Figuerola-Gomez

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the minutes and transcripts of the Board meeting(s) that resulted in the approval of merger between Fifth Third Bank and Old Kent Bank on May 14, 2001

NOTES**RECOMMENDED DISPOSITION**☐ NO responsive records☐ Confirmed w/FR Bank (see Note:)**EXEMPTIONS:**☐ Records not reasonably identified☐ Deny in full☒ Grant request in full☐ Deny in partSigned: Patricia BlatchDate: 9/25/07

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007100450	Formal	News Media	Craig Torres	09/24/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/04/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/04/2007.

The Law Requires the Board to Respond to This Request by: 10/23/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	O'Rourke
LEGAL	Blatt
SECY	Figueroa-Gomez

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the minutes and transcripts of the Board meeting(s) that resulted in the approval of merger between Fifth Third Bank and Old Kent Bank on May 14, 2001

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

 Alison M Thro /BOARD/FRS

09/24/2007 05:25 PM

To Patricia J Blatt/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD
cc Sharon Logan/BOARD/FRS@BOARD, Denise
Harris/BOARD/FRS@BOARD, Rita
Skalski/BOARD/FRS@BOARD

bcc

Subject Fw: Board Meeting Minutes -- FOIA Request

Hey, Pat and Michael -- I'm assigning this request to you. It is conceivable that this one can be closed out by week's end. Please follow up with Bob and Isa in the next day or so. Thanks. --Alison

--- Forwarded by Alison M Thro/BOARD/FRS on 09/24/2007 05:24 PM ---

 Alison M Thro /BOARD/FRS

09/24/2007 05:23 PM

To Frierson bob, isa.figueroa-gomez@frb.gov

cc Patricia J Blatt/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD, Rita
Skalski/BOARD/FRS@BOARD, Sharon
Logan/BOARD/FRS@BOARD, Denise
Harris/BOARD/FRS@BOARD

Subject Board Meeting Minutes -- FOIA Request

Bob and Isa -- We have a new FOIA request (attached) from a reporter with Bloomberg news seeking the minutes and transcripts of the Board meeting during which the merger of Fifth Third Corporation and Old Kent Financial Corporation was approved. The transaction was approved on March 12, 2001. I'm assuming that the Board meeting was on or about that date. Is this information available and, in your view, releasable?

[(b)(5)]
Thanks in advance for your help. --Alison




2007-450assignmentsheet.pdf



2007-450request.pdf



Patricia J Blatt /BOARD/FRS
09/28/2007 01:18 PM

To Martha Connor/BOARD/FRS@BOARD
cc Michael O'Rourke/BOARD/FRS@BOARD, Alison M
Thro/BOARD/FRS@BOARD
bcc
Subject Re: Fw: Re:FOIA Request #2007-450 

I called Mr. Torres and informed him that there were no transcripts for the mtgs (info from Bob Frierson).
Torres will file another FOIA request for any memoos, etc.

Patricia Blatt
Legal Division
(202) 452-3696
Martha Connor/BOARD/FRS



Martha Connor /BOARD/FRS
09/28/2007 12:11 PM

To Patricia J Blatt/BOARD/FRS@BOARD
cc
Subject Fw: Re:FOIA Request #2007-450

FYI..

— Forwarded by Martha Connor/BOARD/FRS on 09/28/2007 12:11 PM —



"CRAIG TORRES,
BLOOMBERG/
NEWSROOM:"
<ctorres3@bloomberg.net>
Sent by:
ctorres3@bloomberg.net

To Martha.Connor@frb.gov
cc
Subject Re:FOIA Request #2007-450

09/28/2007 11:54 AM

Martha: Thanks for this. Can you please acknowledge that I also have an
outstanding request for the transcripts of this meeting. Thank you, Craig
Torres, Bloomberg News.

----- Original Message -----

From: Martha Connor <Martha.Connor@frb.gov>
At: 9/28 11:51:13

See attached re Fifth Third Bank and Old Kent Bank. Thanks



(See attached file: 07-450Doc.pdf) 07-450Do.pdf

MINUTES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DATE: March 12, 2001

TIME: 11:15 a.m.

LOCATION: Board Room

ATTENDANCE:

Mr. Greenspan, Chairman
Mr. Kelley
Mr. Meyer
Mr. Gramlich

Office of the Secretary
Ms. Johnson, Secretary
Mr. Frierson, Associate Secretary
Mrs. Doying, Assistant to the Secretary
Mr. Hiratsuka, Technical Writer

Office of Board Members
Mr. Skidmore, Special Assistant to the Board

Legal Division
Mr. Alvarez, Associate General Counsel
Mr. Ashton, Associate General Counsel

Division of Research and Statistics
Mr. Ettin, Deputy Director

Division of Banking Supervision and Regulation
Mr. Schemering, Deputy Director
Ms. Cross, Deputy Associate Director
Mr. Embersit, Assistant Director

Other supporting staff

FIFTH THIRD BANCORP, Cincinnati, Ohio -- Applications and notices to acquire Old Kent Financial Corporation, Grand Rapids, Michigan, and thereby acquire Old Kent's subsidiary banks and nonbanking subsidiaries.

Approved.
Issuance of order authorized.
March 12, 2001.

Voting for this action: Chairman Greenspan and Governors Kelley, Meyer, and Gramlich.

Background: Staff memoranda, March 6, 7, and 8, 2001.

Implementation: Press release and order, March 12, and letter from Mr. Frierson to Goodwin Procter LLP, counsel to the applicant, March 13, 2001.

MINUTES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DATE: May 14, 2001

TIME: 11:30 a.m.

LOCATION: Board Room

ATTENDANCE:

Mr. Greenspan, Chairman
Mr. Ferguson, Vice Chairman
Mr. Kelley
Mr. Meyer
Mr. Gramlich

Office of the Secretary

Ms. Johnson, Secretary
Mr. Frierson, Associate Secretary
Mrs. Lowrey, Associate Secretary
Mrs. Doying, Assistant to the Secretary
Mrs. Hamilton, Technical Writer

Office of Board Members

Ms. Fox, Assistant to the Board
Ms. Smith, Assistant to the Board
Mr. Skidmore, Special Assistant to the Board

Legal Division

Mr. Mattingly, General Counsel

Division of Research and Statistics

Mr. Stockton, Director
Mr. Ettin, Deputy Director
Mr. Wilcox, Deputy Director
Mr. Slifman, Associate Director
Mr. Simpson, Senior Adviser

Division of Monetary Affairs

Mr. Kohn, Director
Mr. Lindsey, Deputy Director
Mr. Madigan, Associate Director
Mr. Whitesell, Assistant Director
Mr. Gillum, Senior Economist

Division of International Finance

Ms. Johnson, Director
Mr. Howard, Deputy Director
Mr. Reinhart, Deputy Director

OLD KENT BANK, National Association, Jonesville, Michigan – Applications to effect a corporate reorganization after Fifth Third Bancorp, Cincinnati, Ohio, acquires Old Kent Financial Corporation, Grand Rapids, Michigan.

**Approved.
Issuance of order authorized.
May 14, 2001.**

**Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and
Governors Kelley, Meyer, and Gramlich.**

Background: Staff memoranda, May 7 and 10, 2001.

Implementation: Press release, order, and letter from Mr. Frierson to Goodwin Procter LLP, counsel to the applicant, May 14, 2001.

2008-11



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

NOV 1 2007

Mr. Craig Torres
1399 New York Avenue, N.W.
Washington, DC 20005-4711

Dear Mr. Torres:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on October 3, 2007. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

copies of the staff memoranda (dated March 6, 7, and 8, 2001, and May 7 and 10, 2001) that provided the background for the approvals of the merger between Fifth Third and Old Kent banks, their subsidiaries, and the reorganization of their holding companies.

Staff searched Board records and found the documents that are responsive to your request. I have determined, however, that the documents contain the following kinds of exempt information: trade secrets and commercial or financial information obtained from a person and privileged or confidential (business plans, nonpublic and pro forma financial information, and descriptions of internal organization procedures); inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency (deliberative staff analyses and recommendations); and information that is contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions (discussions of examination issues and examination related information and materials). Such information will be withheld from you under authority of exemptions 4, 5, and 8 of the Act, respectively, 5 U.S.C. §§ 552(b)(4), (b)(5), and (b)(8). The documents have been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. Approximately 96 full pages and portions of other pages of documents (as will be apparent to you from the face of those documents) will be withheld from you.

FOR FILES
W. CONNOR

SEE COPY

Your request for information, therefore, is granted in part and denied in part for the reasons stated above. The Board's Freedom of Information office will provide you with a copy of the documents being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information. You may also submit a request to the Board's General Counsel for discretionary release of confidential supervisory information, pursuant to section 261.22 of those same Rules.

Very truly yours,

(signed) Jennifer J. Johnson

Jennifer J. Johnson
Secretary of the Board

Enclosure

KAA *VB*
KAA:PJB

U:\FOIA\2008\08-0011.doc

bcc: Ms. Harris
Ms. Thro
Ms. Appelbaum
Ms. Blatt
Ms. Logan
Board Records – MS 108

FOIA # 08-11

Note: Records provided documents and P Blatt found additional documents in FIRMA. P Blatt and K Appelbaum (Legal) reviewed the documents for confidentiality. Because the Board Order of March 12, 2001, contained a significant amount of information that was in the staff memos, P Robinson and A Thro (Legal), and R Frierson (SECY) were consulted regarding release of information in the memos. *(b)(5)*

RESPONSIVE DOCUMENTS:

Memoranda from BS&R, R&S, CCA, and FRB Cleveland for March 12, 2001, Board mtg - redact + WH 61 pgs.

Memoranda from BS&R, CCA, and FRB Cleveland for May 14, 2001, Board mtg - redact + WH 35 pgs. *(b)(5)*

2008-11



ctorres3@bloomberg.net on 10/03/2007 05:01:16 PM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

2007 OCT -3 PM 5:32
FEDERAL RESERVE SYSTEM
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

Date: Oct 03, 2007

Name: Craig Torres
Affiliation:
Category of
Affiliation: News Media
Address1: 1399 New York Ave. NW
Address2:
City, State: Washington, DC
Zip: 20005-4711
E-Mail: ctorres3@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-365-2997 (work/home not specified)
Fax: 202-393-7239
Max. Fee: \$200.00
Fee Waiver:

Delivery: Please call for pick up

Request: Minutes from the Board of Governors approvals of the merger between Fifth Third Bancorp and Old Kent Bank (minutes are from meeting at 11:15 on March 12, 2001; and from 11:30 May 14, 2001) note staff memoranda from March 6, 7, 8, 2001; and staff memoranda from May 7 and 10, 2001 informed the decision. Under the Freedom of Information Act, Bloomberg News requests copies of the staff memoranda that provided the background for the approvals of the merger between Fifth Third and Old Kent banks, their subsidiaries, and the reorganization of their holding companies. Kind regards, Craig Torres, staff writer, Bloomberg News.

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100011	Formal	News Media	Craig Torres	10/03/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/13/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/13/2007.

The Law Requires the Board to Respond to This Request by: 11/01/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Blatt
LEGAL	Appelbaum

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the staff memoranda that provided the background for the approval of the merger between Fifth Third and Old Kent banks

NOTES**RECOMMENDED DISPOSITION**

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100011	Formal	News Media	Craig Torres	10/03/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/13/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/13/2007.

The Law Requires the Board to Respond to This Request by: 11/01/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Blatt
LEGAL	Appelbaum

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22	.5		
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the staff memoranda that provided the background for the approval of the merger between Fifth Third and Old Kent banks

NOTES

10/10- docs to Blatt (2) approx. 1 inch

RECOMMENDED DISPOSITION

☐ NO responsive records☐ Confirmed w/FR Bank (see Note:)

EXEMPTIONS:

☐ Records not reasonably identified☐ Deny in full☐ Grant request in full☐ Deny in partSigned: Maria VanegasDate: 10/9/07

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100011	Formal	News Media	Craig Torres	10/03/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/13/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/13/2007.

The Law Requires the Board to Respond to This Request by: 11/01/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

Division	Person Assigned
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

background documents related to the Fifth Third and Old Kent merger acquisition

NOTES**RECOMMENDED DISPOSITION**☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part**EXEMPTIONS:**

4, 5, 8

Signed: Patricia BlattsDate: 10/30/07

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Craig Torres
Bloomberg News
1399 New York Avenue, NW
Washington, DC 20005-4711

November 07, 2007

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62617	Formal	Initial	News Media	10/03/2007

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	54	0.10	5.40
Search Hour	Labor by Hour	8	38.00	304.00
Search Hour	Labor by Hour	0.5	20.00	10.00
Review Hour	Labor by Hour	8	38.00	304.00
Total Amount:				\$623.40
Fee Waived Amount:				\$623.40
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100011
Invoice No: 62617
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Case ID# D10874

Section 3(a)(3) – Acquisition of a Bank Holding Company

Section 3(a)(1) – Formation of a Bank Holding Company

Section 3(a)(5) – Bank Holding Company Merger

Section 4(c)(8) – Nonbanking Activities

Application Received	<u>January 5, 2001</u>	60-day Period Began
Internal Target Date	<u>March 6, 2001</u>	60-day Period Ended
Memorandum Date	<u>March 8, 2001</u>	

APPLICANTS

Fifth Third Bancorp
Cincinnati, Ohio

Fifth Third Financial Corporation
Cincinnati, Ohio

**BANK HOLDING COMPANY
TO BE ACQUIRED**

Old Kent Financial Corporation
Grand Rapids, Michigan

Table of Contents

	Pages
Memorandum from Division of Banking Supervision and Regulation	1-6
Memorandum from the Division of Research and Statistics	200-214
Memorandum from the Division of Consumer and Community Affairs	300-330
Memorandum from the Federal Reserve Bank of Cleveland	400-422
Memorandum and Draft Order from Legal Division	500 and following

RESTRICTED FR

SUMMARY:

Fifth Third Bancorp, Cincinnati, Ohio (consolidated assets of \$45.9 billion) proposes to acquire Old Kent Financial Corporation, Grand Rapids, Michigan (consolidated assets of \$23.9 billion) through an exchange of shares. Old Kent would be merged into Fifth Third's newly formed mid-tier bank holding company, Fifth Third Financial Corporation, Cincinnati, Ohio. This proposal is being presented to the Board because of

- The elimination of existing competition in eight banking markets.
- The receipt of letters protesting the proposal on CRA and competitive grounds.

¹ The Division of Banking Supervision and Regulation (Ms. Cross and Messrs. Russell and Bissenas), the Division of Research and Statistics, the Division of Consumer and Community Affairs, and the Legal Division

RESTRICTED FR

[] [] Two commenters raised the [] competitive issues concerning the need for branch divestitures in those banking markets that exceed DOJ merger guidelines. The concerns of these protestants have been addressed in the competitive analysis. (See the accompanying memorandum from the Division of Research and Statistics for additional discussion.)

Three CRA-related protests were received, two from community groups and one from a Commissioner of Kent County, Michigan. The protestants allege that Fifth Third and Old Kent have poor records of home mortgage lending to low- and moderate-income ("LMI") and minority individuals. The protestants also criticize Fifth Third's and Old Kent's records of providing banking services in certain LMI and minority communities, and urge Fifth Third to disclose any branch closings made in conjunction with the proposal. One protestant noted that there is a pending lawsuit based on alleged predatory lending practices against a subsidiary of Old Kent Mortgage Company. Two protestants have requested that a public hearing be held on the proposal, and one asks that Fifth Third make CRA commitments to address particular CRA-related concerns prior to the Federal Reserve acting on the proposal.²

Board and Reserve Bank staff have reviewed the overall CRA performance records of the Fifth Third and Old Kent organizations and determined

² Five comments were submitted after the close of the public comment period. One letter was from an earlier timely protestant, a community organization in Akron, that reiterated the organization's concerns. Three letters were from Grand Rapids residents who expressed concerns about the loss of a banking organization headquartered in the city and potential job losses. The final letter was from a community organization in Grand Rapids that commended Old Kent for sponsoring an African-American cultural event in the city.

RESTRICTED FR

that they are satisfactory The subsidiary depository institutions of both holding companies are rated satisfactory or better for CRA ☐

OTHER COMMENTS:

RESTRICTED FR

RESTRICTED FR

Exempt from open meeting because of disclosure of confidential and examination data

BS&R memorandum - pages 4-6

DCCA memorandum - pages 301-302, 317-318, 322, 325-326

Reserve Bank memorandum - pages 401, 412

Withhold 1 pg

RESTRICTED FR

To Board of Governors

Date March 6, 2001

From Division of Research
and Statistics
(Mr Cymak)

Subject Application by Fifth Third Bancorp,
Cincinnati, OH, to acquire Old Kent
Financial Corp, Grand Rapids, MI

Summary of Issues

Applicant has proposed divestitures in four of these six markets in order to reduce the magnitude of the proposal's structural effects

Introduction

Applicant (Fifth Third) is the 24th largest banking organization in the U S and has total consolidated assets of \$44.7 billion. Applicant proposes to acquire Old Kent Financial Corporation (consolidated assets of \$22.2 billion), the 41st largest banking firm in the U S¹. Applicant and Old Kent operate in several central U S states but compete directly only in Indiana and Michigan².

1

2

Within these two states, Applicant and Old Kent are direct competitors in eight local banking markets, seven of which are wholly in Michigan and one of which straddles the Michigan/Indiana border.³

3. See attached market tables.

2) Grand Rapids Market--No Divestiture The target firm, Old Kent, is headquartered in Grand Rapids and has long been the largest banking competitor in this market. Currently, Old Kent ranks first among the market's 29 banking and thrift competitors and has a market share of deposits amounting to 46.7 percent. Applicant, entered this market very recently (December 2000) through the acquisition of a thrift institution and is the market's 8th largest competitor, with only a 2.9 percent market share of deposits.

5 Applicant currently has 12 offices in the Grand Rapids market, and Old Kent has 58

3) Freemont-Newaygo Market--Divestiture Applicant is the fifth largest of six banking organizations in the Freemont-Newaygo banking market and holds 11.3 percent of market deposits. Old Kent ranks second in the market with a 23.2 percent market share.

6 In addition, four other entries occurred through the acquisition of existing firms

4) Benton Harbor Market-Divestiture Applicant ranks as the second largest of the market's 11 banking and thrift competitors, and its market share of deposits is 23.1 percent. The target firm, Old Kent, is the fourth largest competitor and has a deposits market share of 10.6 percent.

5) Holland Banking Market--Divestiture Applicant and Old Kent rank fourth and second, respectively, in the Holland banking market Applicant holds 13.6 percent of market deposits, Old Kent, 20.7 percent

6) Muskegon-Grand Haven Banking Market--Divestiture Applicant is the fifth largest of 14 banking and thrift competitors in the Muskegon-Grand Haven banking market. Its market share of deposits amounts to 11.2 percent. The target firm, Old Kent, is the market's largest competitor, and it has a 21.7 percent market share.

Conclusion

Deposit Market Share Analysis

FED BANKING MARKET Allegan, MI

Pre Merger									Post Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Number of Branches	Total Deposits In Market (\$000)	Weighted Deposits In Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits In Market (\$000)	Weighted Deposits In Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
7		Fifth Third Bancorp (OH)	Bank	1	14,056	14,056	4.02	16					
Target													
4		Old Kent Financial Corp (MI)	Bank	3	50,018	50,018	14.30	205					
Resulting Institution													
	2	Fifth Third Bancorp (OH)	Bank						4	64,074	64,074	18.32	336
Other Institutions													
1	1	United Community Fndl Corp (MI) Bank	Bank	3	68,245	68,245	19.51	381	3	68,245	68,245	19.51	381
2	3	Huntington Bancshares Inc (OH)	Bank	4	63,847	63,847	18.25	333	4	63,847	63,847	18.25	333
3	4	Chemical Financial Corp (MI)	Bank	3	61,843	61,843	17.68	313	3	61,843	61,843	17.68	313
5	5	National City Corp (OH)	Bank	3	49,051	49,051	14.02	197	3	49,051	49,051	14.02	197
6	6	Macalawa Bank Corp (MI)	Bank	2	19,340	19,340	5.53	31	2	19,340	19,340	5.53	31
8	7	HCB Financial Corp (MI)	Bank	1	12,121	12,121	3.47	12	1	12,121	12,121	3.47	12
9	8	O A K Financial Corp (MI)	Bank	1	6,619	6,619	1.89	4	1	6,619	6,619	1.89	4
10	9	Frost Financial Bancorp (OH)	Bank	1	4,620	4,620	1.32	2	1	4,620	4,620	1.32	2
Totals		10		22	349,760	349,760	100.00	1,492	22	349,760	349,760	100.00	1,607

Pre-Merger HHI 1,492

Post Merger HHI 1,607

HHI Change 115

Notes

Deposit data as of 6/30/00. Thrifts included at 50% weight.

prepared 2/19/01 (BD)

Deposit Market Share Analysis

FED BANKING MARKET: Elkhart-Mies-South Bend

Pre Merger									Post Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
16		Fifth Third Bancorp (OH)	Bank	3	26,861	26,861	0.49	0					
Target													
6		Old Kent Financial Corp. (MI)	Bank	12	314,221	314,221	5.78	33					
Resulting Institution													
	6	Fifth Third Bancorp (OH)	Bank						15	341,082	341,082	6.27	39
Other Institutions													
1	1	1st Source Corp. (IN)	Bank	32	1,873,730	1,873,730	34.45	1,187	32	1,873,730	1,873,730	34.45	1,187
2	2	KeyCorp (OH)	Bank	33	734,930	734,930	13.51	183	33	734,930	734,930	13.51	183
3	3	Bank One Corp. (IL)	Bank	17	525,580	525,580	9.68	93	17	525,580	525,580	9.68	93
4	4	ABN AMRO North America HC (IL)	Bank	18	443,179	443,179	8.15	66	18	443,179	443,179	8.15	66
5	5	National City Corp. (OH)	Bank	21	375,019	375,019	6.89	48	21	375,019	375,019	6.89	48
7	7	Lakeland Financial Corp. (IN)	Bank	13	235,136	235,136	4.32	19	13	235,136	235,136	4.32	19
8	8	Crystal Valley Financial Corp. (IN)	Bank	4	186,953	186,953	3.44	12	4	186,953	186,953	3.44	12
9	9	Wells Fargo & Co. (CA)	Bank	6	130,570	130,570	2.40	6	6	130,570	130,570	2.40	6
10	10	Chemical Financial Corp. (MI)	Bank	7	130,544	130,544	2.40	6	7	130,544	130,544	2.40	6
11	11	St. Joseph Capital Corp. (IN)	Bank	1	117,038	117,038	2.15	5	1	117,038	117,038	2.15	5
12	12	MFB Corp. (IN)	Thrift	7	231,242	115,621	2.13	5	7	231,242	115,621	2.13	5
13	13	Huntington Bancshares Inc. (OH)	Bank	5	69,205	69,205	1.27	2	5	69,205	69,205	1.27	2
14	14	Sobieski Bancorp Inc. (IN)	Thrift	3	74,721	37,361	0.69	0	3	74,721	37,361	0.69	0
15	15	Jones Bancorp, Inc. (MI)	Bank	5	35,815	35,815	0.65	0	5	35,815	35,815	0.65	0
17	16	FFW Corp. (IN)	Thrift	1	36,088	18,044	0.33	0	1	36,088	18,044	0.33	0
18	17	LaSalle Federal Savings Bank (MI)	Thrift	1	35,043	17,522	0.32	0	1	35,043	17,522	0.32	0
19	18	Capitol Bancorp Ltd. (MI)	Bank	1	13,894	13,894	0.25	0	1	13,894	13,894	0.25	0
20	19	Kosciusko Financial, Inc. (IN)	Bank	1	12,732	12,732	0.23	0	1	12,732	12,732	0.23	0
21	20	C&F Banc Shares Corporation (IN)	Bank	1	10,200	10,200	0.19	0	1	10,200	10,200	0.19	0
22	21	American Midwest Financial (IN)	Thrift	1	17,356	8,678	0.16	0	1	17,356	8,678	0.16	0
23	22	Peoples Bancorp (IN)	Thrift	2	13,388	6,694	0.12	0	2	13,388	6,694	0.12	0
Totals		23		195	5,643,045	5,439,127	100.00	1,664	195	5,643,045	5,439,127	100.00	1,670

Pre-Merger HHI: 1,664

Post-Merger HHI: 1,670

HHI Change: 6

Deposit Market Share Analysis

FED BANKING MARKET Ludington, MI

Northwestern Bancorp @ 100%

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre Merger				Post Merger					
				Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
7		Fifth Third Bancorp (OH)	Bank	1	45,313	45,313	8.68	75					
Target													
2		Old Kent Financial Corp (MI)	Bank	2	80,767	80,767	15.47	239					
Resulting Institution													
	2	Fifth Third Bancorp (OH)	Bank						3	126,080	126,080	24.15	583
Other Institutions													
1	1	West Shore Bank Corporation (MI)	Bank	6	140,834	140,834	26.98	728	6	140,834	140,834	26.98	728
3	3	Huntington Bancshares Inc (OH)	Bank	6	70,986	70,986	13.60	185	6	70,986	70,986	13.60	185
4	4	Shelby Financial Corporation (MI)	Bank	3	59,804	59,804	11.42	130	3	59,804	59,804	11.42	130
5	5	Lake Osceola State Bank (MI)	Bank	2	50,261	50,261	9.63	93	2	50,261	50,261	9.63	93
6	6	National City Corp (OH)	Bank	2	48,828	48,828	9.35	87	2	48,828	48,828	9.35	87
8	7	Northwestern Bancorp (MI)	Thrift	1	25,409	25,409	4.87	24	1	25,409	25,409	4.87	24
Totals				23	522,002	522,002	100.00	1,562	23	522,002	522,002	100.00	1,830
Pre-Merger HHI				1,562									
Post Merger HHI				1,830									
HHI Change				268									

Notes

Deposit data as of 6/30/00

prepared 2/28/01 (BD)

Deposit Market Share Analysis

FED BANKING MARKET Grand Rapids, MI

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre Merger					Post Merger				
				Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Weighted Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Weighted Deposit HHI
Buyer													
	8	Fifth Third Bancorp (OH)	Bank	12	260 951	260 951	2.88	8					
Target													
	1	Old Kent Financial Corp (MI)	Bank	58	4 232 124	4 232 124	46.66	2 177					
Resulting Institution													
	1	Fifth Third Bancorp (OH)	Bank						70	4 493 075	4 493 075	49.53	2 454
Other Institutions													
2	2	Bank One Corp (IL)	Bank	35	1 039 836	1 039 836	11.46	131	35	1 039 836	1 039 836	11.46	131
3	3	Huntington Bancshares Inc (OH)	Bank	25	578 074	578 074	6.37	41	25	578 074	578 074	6.37	41
4	4	ABN AMRO North America HC (IL)	Bank	20	474 088	474 088	5.23	27	20	474 088	474 088	5.23	27
5	5	Mercantile Bank Corp (MI)	Bank	2	382 398	382 398	4.00	16	2	382 398	382 398	4.00	16
6	6	Comerica Inc (MI)	Bank	22	320 848	320 848	3.54	13	22	320 848	320 848	3.54	13
7	7	O A K Financial Corp (MI)	Bank	10	268 670	268 670	2.96	9	10	268 670	268 670	2.96	9
9	8	National City Corp (OH)	Bank	21	203 953	203 953	2.25	5	21	203 953	203 953	2.25	5
10	9	Grand Bank Financial Corp (MI)	Bank	1	183 757	183 757	2.03	4	1	183 757	183 757	2.03	4
11	10	Independent Bank Corp (MI)	Bank	6	166 171	166 171	1.83	3	6	166 171	166 171	1.83	3
12	11	ChoiceOne Fnc Serv (MI)	Bank	6	134 170	134 170	1.48	2	6	134 170	134 170	1.48	2
13	12	Macatawa Bank Corp (MI)	Bank	4	104 615	104 615	1.16	1	4	104 615	104 615	1.16	1
14	13	Caledonia Financial Corp (MI)	Bank	3	104 568	104 568	1.16	1	3	104 568	104 568	1.16	1
15	14	Flagstar Bancorp Inc (MI)	Thrft	4	173 918	86 959	0.96	1	4	173 918	86 959	0.96	1
16	15	Founders Financial Corporation (MI)	Bank	2	84 676	84 676	0.93	1	2	84 676	84 676	0.93	1
17	16	United Community Fnc'l Corp (MI)	Bank	9	80 585	80 585	0.89	1	9	80 585	80 585	0.89	1
18	17	Bank West Financial Corp (MI)	Savings Bank	6	155 997	77 999	0.86	1	6	155 997	77 999	0.86	1
19	18	West Michigan Financial Corp (MI)	Bank	2	68 363	68 363	0.75	1	2	68 363	68 363	0.75	1
20	19	Volley Ridge Financial Corp (MI)	Bank	3	58 004	58 004	0.64	0	3	58 004	58 004	0.64	0
21	20	Northpointe Bancshares Inc (MI)	Bank	1	46 659	46 659	0.51	0	1	46 659	46 659	0.51	0
22	21	Capitol Bancorp Ltd (MI)	Bank	1	38 984	38 984	0.43	0	1	38 984	38 984	0.43	0
23	22	Harbor Springs Financial Corp (MI)	Bank	1	36 629	36 629	0.40	0	1	36 629	36 629	0.40	0
24	23	HCB Financial Corp (MI)	Bank	2	29 830	29 830	0.33	0	2	29 830	29 830	0.33	0
25	24	ICNB Financial Corporation (MI)	Bank	1	11 545	11 545	0.13	0	1	11 545	11 545	0.13	0
26	25	Union Financial Corporation (MI)	Bank	1	6 322	6 322	0.07	0	1	6 322	6 322	0.07	0
27	26	Northern Trust Corp (IL)	Bank	1	4 935	4 935	0.05	0	1	4 935	4 935	0.05	0
28	27	Inwin Financial Corp (IN)	Bank	1	2 827	2 827	0.03	0	1	2 827	2 827	0.03	0
29	28	Republic Bancorp Inc (MI)	Bank	1	2 280	2 280	0.03	0	1	2 280	2 280	0.03	0
Totals		29		261	9 235,757	9,070,800	100.00	2,444	261	9 235,757	9,070,800	100.00	2 713

Pre-Merger HHI: 2 444

Post-Merger HHI: 2 713

Deposit Market Share Analysis

FED BANKING MARKET Fremont-Newaygo, MI

Pre Merger Rank	Post Merger Rank	Institution	Type	Number of Branches	Pre Merger				Post Merger				
					Total Deposits In Market (\$000)	Weighted Deposits In Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits In Market (\$000)	Weighted Deposits In Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
5		Fifth Third Bancorp (OH)	Bank	1	27,975	27,975	11.29	127					
Target													
2		Old Kent Financial Corp. (MI)	Bank	1	57,540	57,540	23.22	539					
Resulting Institution													
	1	Fifth Third Bancorp (OH)	Bank						2	85,515	85,515	34.50	1,191
Other Institutions													
1	2	Independent Bank Corp. (MI)	Bank	3	67,315	67,315	27.16	738	3	67,315	67,315	27.16	738
3	3	Huntington Bancshares Inc. (OH)	Bank	4	48,194	48,194	19.45	378	4	48,194	48,194	19.45	378
4	4	Valley Ridge Financial Corp. (MI)	Bank	3	33,278	33,278	13.43	180	3	33,278	33,278	13.43	180
6	5	Shelby Financial Corporation (MI)	Bank	1	13,541	13,541	5.48	30	1	13,541	13,541	5.48	30
Totals	6			13	247,841	247,841	100.00	1,992	13	247,841	247,841	100.00	2,517

Pre-Merger HHI 1,992

Post Merger HHI 2,516

HHI Change 524

Notes

Deposit data as of 6/30/00 Thrifts included at 50% weight

prepared 2/19/01 (BD)

Deposit Market Share Analysis

FED BANKING MARKET Benton Harbor-St. Joseph, MI

Pre Merger									Post Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
2		Fifth Third Bancorp (OH)	Bank	14	319,770	319,770	23.11	534					
Target													
4		Old Kent Financial Corp (MI)	Bank	6	146,870	146,870	10.62	113					
Resulting Institution													
2		Fifth Third Bancorp (OH)	Bank						20	466,640	466,640	33.73	1,138
Other Institutions													
1	1	Chemical Financial Corp (MI)	Bank	21	557,754	557,754	40.31	1,625	21	557,754	557,754	40.31	1,625
3	3	Bank One Corp (IL)	Bank	7	165,777	165,777	11.98	144	7	165,777	165,777	11.98	144
5	4	ABN AMRO North America HC (IL)	Bank	3	74,492	74,492	5.38	29	3	74,492	74,492	5.38	29
6	5	LaSalle Federal Savings Bank (MI) Thrift		3	78,287	38,134	2.76	8	3	78,287	38,134	2.76	8
7	6	West Michigan Savings Bank (MI)	Bank	1	25,046	25,046	1.81	3	1	25,046	25,046	1.81	3
8	7	1st Source Corp (IN)	Bank	2	19,364	19,364	1.40	2	2	19,364	19,364	1.40	2
9	8	National City Corp (OH)	Bank	1	17,388	17,388	1.26	2	1	17,388	17,388	1.26	2
10	9	Sturgis B&TC (MI)	Savings Bank	3	22,146	11,073	0.60	1	3	22,146	11,073	0.60	1
11	10	Alliance Financial Corporation (MI)	Bank	1	7,889	7,889	0.57	0	1	7,889	7,889	0.57	0
Totals		11		62	1,432,763	1,383,557	100.00	2,460	62	1,432,763	1,383,557	100.00	2,951

Pre-Merger HHI 2,460

Post Merger HHI 2,951

HHI Change 491

Notes

Deposit data as of 6/30/00 Thrifts included at 50% weight

prepared 2/20/01 (BD)

Deposit Market Share Analysis

FED BANKING MARKET: Holland, MI

Pre Merger Rank	Post Merger Rank	Institution	Type	Pre Merger				Post Merger					
				Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
4		Fifth Third Bancorp (OH)	Bank	6	202,263	202,263	13.56	184					
Target													
2		Old Kent Financial Corp. (MI)	Bank	11	308,146	308,146	20.86	427					
Resulting Institution													
	1	Fifth Third Bancorp (OH)	Bank						17	510,409	510,409	34.22	1,171
Other Institutions													
1	2	Huntington Bancshares Inc. (OH)	Bank	11	416,212	416,212	27.90	779	11	416,212	416,212	27.90	779
3	3	Macatawa Bank Corp. (MI)	Bank	9	211,889	211,889	14.20	202	9	211,889	211,889	14.20	202
5	4	Lake Michigan Finl Corporation (MI)	Bank	1	99,124	99,124	6.65	44	1	99,124	99,124	6.65	44
6	5	Capitol Bancorp Ltd. (MI)	Bank	1	81,253	81,253	5.45	30	1	81,253	81,253	5.45	30
7	6	National City Corp. (OH)	Bank	8	78,968	78,968	5.29	28	8	78,968	78,968	5.29	28
8	7	ABN AMRO North America HC (IL)	Bank	4	31,009	31,009	2.08	4	4	31,009	31,009	2.08	4
9	8	Bank One Corp. (IL)	Bank	3	22,654	22,654	1.62	2	3	22,654	22,654	1.52	2
10	9	Flagstar Bancorp Inc. (MI)	Thrift	2	41,958	20,979	1.41	2	2	41,958	20,979	1.41	2
11	10	O.A.K. Financial Corp. (MI)	Bank	1	12,877	12,877	0.86	1	1	12,877	12,877	0.86	1
12	11	Comerica Inc. (MI)	Bank	2	3,222	3,222	0.22	0	2	3,222	3,222	0.22	0
13	12	Republic Bancorp Inc. (MI)	Bank	1	3,092	3,092	0.21	0	1	3,092	3,092	0.21	0
Totals		13		60	1,512,667	1,491,688	100.00	1,702	60	1,512,667	1,491,688	100.00	2,262

Pre-Merger HHI: 1,702

Post-Merger HHI: 2,262

HHI Change: 560

Notes:

Deposit data as of 6/30/00. Thrifts included at 50% weight.

revised: 2/21/01 (BD)

Deposit Market Share Analysis

FED BANKING MARKET Muskegon-Grand Haven, MI

		Pre Merger							Post Merger				
Pre Merger Rank	Post Merger Rank	Institution	Type	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI	Number of Branches	Total Deposits in Market (\$000)	Weighted Deposits in Market (\$000)	Weighted Market Share (%)	Deposit HHI
Buyer													
5		Fifth Third Bancorp (OH)	Bank	7	194,547	194,547	11.24	126					
Target													
1		Old Kent Financial Corp (MI)	Bank	9	374,823	374,823	21.98	489					
Resulting Institution													
	1	Fifth Third Bancorp (OH)	Bank						18	569,470	569,470	32.91	1,083
Other Institutions													
2	2	Comerica Inc (MI)	Bank	9	280,993	280,993	15.08	227	9	280,993	280,993	15.08	227
3	3	National City Corp (OH)	Bank	11	257,675	257,675	14.89	222	11	257,675	257,675	14.89	222
4	4	Huntington Bancshares Inc (OH)	Bank	9	205,327	205,327	11.86	141	9	205,327	205,327	11.86	141
6	5	Bank One Corp (IL)	Bank	5	141,284	141,284	8.16	67	5	141,284	141,284	8.16	67
7	6	Capitol Bancorp Ltd (MI)	Bank	2	120,046	120,046	6.94	48	2	120,046	120,046	6.94	48
8	7	Community Shores Bank Corp (MI)	Bank	2	88,423	88,423	5.11	26	2	88,423	88,423	5.11	26
9	8	Shelby Financial Corporation (MI)	Bank	3	38,989	38,989	2.25	5	3	38,989	38,989	2.25	5
10	9	Valley Forge Financial Corp (MI)	Bank	2	26,100	26,100	1.51	2	2	26,100	26,100	1.51	2
11	10	Flagstar Bancorp Inc. (MI)	Thrift	1	25,440	12,720	0.74	1	1	25,440	12,720	0.74	1
12	11	Independent Bank Corp (MI)	Bank	1	5,428	5,428	0.31	0	1	5,428	5,428	0.31	0
13	12	Republic Bancorp Inc. (MI)	Bank	1	2,710	2,710	0.16	0	1	2,710	2,710	0.16	0
14	13	ABN AMRO North America HC (IL)	Bank	1	1,425	1,425	0.08	0	1	1,425	1,425	0.08	0
Totals		16		63	1,743,270	1,730,550	100.00	1,336	63	1,743,270	1,730,550	100.00	1,822

Pre-Merger HHI 1,335

Post Merger HHI 1,822

HHI Change 487

Notes

Deposit data as of 8/30/00 Thrifts included at 50% weight

DATE March 8, 2001

TO Board of Governors

FROM Division of Consumer and Community Affairs
(Helen M. Troy) *HMT*

SUBJECT Applications of Fifth Third Bancorp, Cincinnati, OH, to acquire Old Kent Financial Corporation, Grand Rapids, MI

SUMMARY OF ISSUES: Fifth Third Bancorp, Cincinnati, OH ("Fifth Third" - consolidated assets of \$45.9 billion), proposes to acquire Old Kent Financial Corporation, Grand Rapids, MI ("Old Kent" - consolidated assets of \$23.9 billion). Fifth Third currently operates six depository institutions in seven states (Ohio, Arizona, Florida, Illinois, Indiana, Kentucky, and Michigan). Five of the six institutions are state member banks and the Arizona institution is a thrift. Old Kent operates two banks, one a state member bank and one a national bank (Old Kent Bank, Grand Rapids, MI, and Old Kent Bank, N.A., Jonesville, MI), in three states (Michigan, Illinois, and Indiana).

The System received a number of comments in connection with these proposals, three commenters criticized the CRA record of one or both organizations and several commenters supported the proposal. *[Handwritten mark]*

ICP asserted that both Fifth Third's and Old Kent's HMDA lending suggests that they engage in discriminatory practices, not only with respect to the credit making decision, but also with respect to "lack of outreach" to minority groups. A local group, Fair Housing Contact Service, Akron, OH ("Fair Housing Contact Service") expressed concerns regarding Fifth Third's level of service to LMI neighborhoods in the Akron area. *[Handwritten mark]*

[Handwritten mark]

RESTRICTED FR

300

[] Fair Housing Contact Service alleged that Fifth Third has not lived up to its agreement, criticizing the bank for failing to open any branches in LMI areas of the City of Akron and for what the group believes to be a low level of lending in low-income census tracts, and alleging that Fifth Third had not marketed its products and services to LMI neighborhoods. Commissioner Mayhue repeated a number of ICP's comments regarding the home-mortgage lending record of Fifth Third and Old Kent, but focused his comments on Old Kent's service to blacks in his district and expressed concern regarding the fate of one of the two Old Kent branches located in his district.

Fifth Third and Old Kent provided information regarding their CRA programs, highlighting significant achievements since their respective last CRA examinations, fair lending policies and procedures, branch closing procedures, and a variety of other material responsive to concerns raised by the commenters. In addition, both organizations submitted testimonials regarding their programs in their local communities from individuals, community-based organizations, and public officials.

Each of the subsidiary depository institutions of Fifth Third and Old Kent are currently rated "Satisfactory" or better by their supervisory agencies at their most current CRA examinations. [

DISCUSSION: Three commenters criticized the CRA performance of one or both organizations in connection with this proposal Inner City Press/Community on the Move Bronx, NY ("ICP"), Fair Housing Contact Service Akron, OH ("Fair Housing Contact Service"), and the Honorable W Paul Mayhue, Commissioner, 17th District,

Kent County, MI ICP submitted [] comments, alleging that neither organization is meeting the needs of its LMI and minority communities or of minority individuals, specifically, blacks¹

} comments submitted by the Fair Housing Contact Service and Commissioner Mayhue concerned banking service in their respective areas (i e , Fifth Third's in the Akron area and Old Kent's in Commissioner Mayhue's district in Grand Rapids)

Finally, ICP noted that two of Fifth Third's banks and both of Old Kent's banks received component ratings of "Low Satisfactory" at their respective CRA examinations³

³ ICP noted that Fifth Third's lead bank Fifth Third Bank Cincinnati OH (Fifth Third-Cincinnati) its recently-acquired Civitas Bank Evansville IN (subsequently merged into Fifth Third Bank Indiana St Joseph MI) and both Old Kent banks received ratings of Low Satisfactory for Investments at their most

recent CRA examinations ICP also noted that Old Kent Bank N A Jonesville MI (Old Kent Bank-
Jonesville) received a rating of Low Satisfactory for its Lending

RESTRICTED FR

305

Withhold 11 pgs

CRA Record: In connection with the current proposal, staff has reviewed both Fifth Third and Old Kent's CRA and Compliance records [] each of Fifth Third's and Old Kent's existing and predecessor institutions were rated "Satisfactory" or better for CRA by its federal supervisory agency at its most recent examination []

Fifth Third – The following chart shows the existing Fifth Third banks and the CRA and Compliance ratings assigned at their most recent examinations

**FIFTH THIRD
CRA/COMPLIANCE RATINGS**

Affiliate	Asset Size (\$B)	CRA Rating	Compliance Rating	Date	Agency
Fifth Third Bank ⁹ Cincinnati, OH	\$13 1	Satisfactory HS-LS-OS			FRB- Cleveland
Fifth Third Bank, Indiana St Joseph, MI	\$9 3	Satisfactory HS-LS-HS			FRB- Chicago
Fifth Third Bank of Kentucky Louisville, KY	\$2 1	Outstanding HS-OS-OS			FRB-St Louis
Fifth Third Bank Northern Kentucky Florence, KY	\$1 1	Satisfactory HS-LS-HS			FRB- Cleveland
Fifth Third Bank, Southwest, FSB Scottsdale, AZ	\$0 4	Satisfactory HS-LS-LS			OTS
Fifth Third Bank of Florida Naples, FL	\$0 3	Satisfactory LS-LS-LS			FRB- Atlanta

[REDACTED]

Fifth Third Bank, Cincinnati, OH - The Federal Reserve Bank of Cleveland ("FRB-Cleveland") performed a CRA examination of Fifth Third's lead bank, Fifth Third Bank, Cincinnati, OH, [REDACTED] and rated the institution "Satisfactory" [REDACTED]

[REDACTED]

RESTRICTED FR

319

Withhold 2 pgs

Old Kent – Old Kent operates two banks, Old Kent Bank, Grand Rapids, MI, which comprises approximately 98.3 percent of consolidated assets, and Old Kent Bank, N A, Jonesville, MI

**OLD KENT
CRA/COMPLIANCE RATINGS**

Affiliate	Asset Size (\$ million)	CRA Rating	Compliance Rating	Date	Agency
Old Kent Bank Grand Rapids, MI	\$22,300	Satisfactory HS-LS-LS			FRB- Chicago
Old Kent Bank N A Jonesville, MI	\$139	Satisfactory LS-LS-HS			OCC

The Federal Reserve Bank of Chicago conducted a CRA examination Old Kent Bank, Grand Rapids, MI ("Old Kent-Grand Rapids") [] and rated the institution "Satisfactory" []

RESTRICTED FR

323

withhold 7 pgs

MEMORANDUM FROM: Division of Consumer and Community Affairs

DATE: March 8, 2001

**SUPPLEMENTAL INFORMATION ON THE APPLICATIONS
OF FIFTH THIRD BANCORP, CINCINNATI, OH, TO
ACQUIRE OLD KENT FINANCIAL CORPORATION, GRAND
RAPIDS, MI**

Withhold 29 pgs

RESTRICTED FR

INTERNAL - F.R.
FINAL MEMORANDUM
FEDERAL RESERVE BANK OF CLEVELAND

APPLICATION BY: Fifth Third Bancorp (\$46 billion, "Fifth Third")
Cincinnati, Ohio

TO ACQUIRE: Old Kent Financial Corporation (\$24 billion, "Old Kent")
Grand Rapids, Michigan

LEGAL AUTHORITY: Sections 3 and 4 of the Bank Holding Company Act and
Section 25 of the Federal Reserve Act

March 7, 2001


R. Chris Moore
Senior Vice President

III DESCRIPTION OF THE PROPOSAL

Fifth Third, a multi-bank financial holding company with consolidated assets totaling \$46 billion, proposes to acquire Old Kent, a two-bank financial holding company with consolidated assets totaling \$24 billion, pursuant to sections 3 and 4 of the Bank Holding Company Act and section 25 of the Federal Reserve Act 1

Consummation of this proposal would increase consolidated assets from \$46 billion to [] billion and allow Fifth Third to significantly expand its presence in Michigan and Illinois []

IV ANALYSIS AND RESOLUTION OF ISSUES

1 []

A Overview

Fifth Third is the nation's twenty-second largest banking organization based on assets of \$47.0 billion 2

INTERNAL-PR

It owns six depository institutions with aggregate deposits of \$31.0 and offices in Arizona, Florida, Illinois, Indiana, Kentucky, Michigan, and Ohio. Fifth Third now proposes to acquire Old Kent, which holds assets of \$23.9 and ranks thirty-ninth nationwide. Old Kent owns two banks with combined deposits of \$17.4 billion and offices in Illinois, Indiana, and Michigan.

Fifth Third and Old Kent have eight banking markets in common:

- 1 Elkhart-Niles-South Bend, Indiana-Michigan
- 2 Allegan, Michigan
- 3 Benton Harbor-St. Joseph, Michigan
- 4 Fremont-Newaygo, Michigan
- 5 Grand Rapids, Michigan
- 6 Holland, Michigan
- 7 Ludington, Michigan
- 8 Muskegon-Grand Haven, Michigan

withhold 12 pgs

Table 1

Banking Market Definitions

Allegan, MI	Allegan County except for Laketown, Fillmore, Ovensel, Salem, Dorr, Leighton, Otsego, and Gunplain townships
Benton Harbor-St Joseph, MI	Van Buren County excluding the western two tiers of townships, plus the northwestern portion of Berrien County (Watervliet, Coloma, Hagar, Bainbridge, Benton, St Joseph, Pipestone, Sodus, Royalton, Lincoln, Baroda, Lake, and Chikaming townships)
Elkhart-Niles-South Bend, IN-MI	Elkhart County, Indiana, St. Joseph County, Indiana, excluding Olive and Warren townships; Scott, Jefferson, Van Buren, and Turkey Creek townships in Kosciusko County, Indiana; Cass County, Michigan; and Oronoko, Berrien, Buchanan, Niles, and Bertrand townships in Berrien County, Michigan

Fremont-Newaygo, MI	The southern two-thirds of Newaygo County
Grand Rapids, MI	Kent County except for Oakfield and Spencer townships, Yankee Springs, Thornapple, and Irving townships in Barry County, Casnovia township in Muskegon County, Salem, Dorr, and Leighton townships in Allegan County, and Jamestown, Georgetown, Blendon, Allendale, Tallmadge, Polkton, Wright, and Chester townships in Ottawa County
Holland, MI	Park, Holland, Zeeland, Olive, and Port Sheldon townships in Ottawa County, plus Laketown, Fillmore, and Ovensel townships in Allegan County
Ludington, MI	Mason County except Grant, Freesoil, and Meade townships, Lake County except Elk and Eden townships, Oceana County, and the northern one-third of Newaygo County
Muskegon-Grand Haven, MI	Muskegon County, excluding Casnovia township, plus Grand Haven, Spring Lake, Crockery, and Robinson townships in Ottawa County

Table 2
Fremont-Newaygo Banking Market *
 Thrift included at 50%
 Deposits as of June 30 2000

<u>Organization</u>	<u>Current Market</u>				<u>Pro Forma Market</u>			
	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>
Without Divestiture								
Independent Bank Corp (MI)	67,315	1	27.16	738				
Old Kent Financial Corp (MI)	57,540	2	23.22	539				
Huntington Bancshares Inc (OH)	48,194	3	19.45	378				
Valley Ridge Financial Corp (MI)	33,276	4	13.43	180				
Fifth Third Bancorp (OH)	27,975	5	11.29	127				
Shelby Financial Corporation (MI)	13,541	6	5.46	30				
Market Total	247,841		100.00	1992				

With Divestiture -- 1 office of Fifth Third Bancorp**To Largest Acceptable In-Market Buyer***All in-market banking organizations hold more than 2.0% of market deposits***To Out-of-Market Banking Organization**

Fifth Third Bancorp (OH)	27,975	5	11.29	127
New Banking Organization	0	0	0	0
Market Total	247,841	7	100.01	1992

Note There are no thrifts in this market

- The Fremont-Newaygo, Michigan, market includes the southern two-thirds of Newaygo County

Table 3

Muskegon-Grand Haven Banking Market *

Thrift included at 50%

Deposits as of June 30 2000

<u>Organization</u>	<u>Current Market</u>				<u>Pro Forma Market</u>			
	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>
Without Divestiture								
Old Kent Financial Corp (MI)	374,923	1	21.66	469				
Comerica Inc (MI)	260,993	2	15.08	227				
National City Corp (OH)	257,675	3	14.89	222				
Huntington Bancshares Inc (OH)	205,327	4	11.86	141				
Fifth Third Bancorp (OH)	194,547	5	11.24	126				
Bank One Corp (IL)	141,264	6	8.16	67				
Capitol Bancorp Ltd (MI)	120,046	7	6.94	48				

INTERNAL-PR

Community Shores Bank Corp (MI)	88,423	8	5 11	26
Shelby Financial Corporation (MI)	38,969	9	2 25	5
Valley Ridge Financial Corp (MI)	26,100	10	1 51	2
Flagstar Bancorp Inc (MI) (T)	12,720	11	0 74	1
Independent Bank Corp (MI)	5,428	12	0 31	0
Republic Bancorp Inc (MI)	2,710	13	0 16	0
ABN AMRO North America HC (IL)	1 425	14	0 08	0
Market Total	1,730,550		100 00	1335

With Divestiture - 1 office of Old Kent Financial Corp

To Largest Acceptable In-Market Buyer

Fifth Third Bancorp (OH)	194,547	5	11 24	126
Valley Ridge Financial Corp (MI)	26,100	10	1 51	2
Market Total	1,730,550		99 99	1335

To Out-of-Market Banking Organization

Fifth Third Bancorp (OH)	194,547	5	11 24	126
New Banking Organization	0	0	0	0
Market Total	1,730 550		99 99	1335

(T) = Thrift Institution

- * The Muskegon-Grand Haven, Michigan, market includes Muskegon County, excluding Casnovia township, plus Grand Haven, Spring Lake Crockery, and Robinson townships in Ottawa County

Table 4

Benton Harbor-St. Joseph Banking Market*

Thrift included at 50%

Deposits as of June 30 2000

Organization	Current Market				Pro Forma Market			
	(\$000)	Rank	%Share	HHI	(\$000)	Rank	%Share	HHI
Without Divestiture								
Chemical Financial Corp (MI)	557 754	1	40 31	1625				
Fifth Third Bancorp (OH)	319,770	2	23 11	534				
Bank One Corp (IL)	165 777	3	11 98	144				
Old Kent Financial Corp (MI)	146,870	4	10 62	113				
ABN AMRO North America HC (IL)	74 492	5	5 38	29				

LaSalle Federal Savings Bank (MI) (T)	38,134	6	2.76	8
West Michigan Savings Bank (MI)	25,046	7	1.81	3
1st Source Corp (IN)	19,364	8	1.40	2
National City Corp (OH)	17,388	9	1.26	2
Sturgis B&TC (MI) (T)	11,073	10	0.80	1
Alliance Financial Corporation (MI)	7,889	11	0.57	0
Market Total	1,383,557		100.00	2460

With Divestiture -- 2 offices of Old Kent Financial Corp

To Largest Acceptable In-Market Buyer

Fifth Third Bancorp (OH)	319,770	2	23.11	534
West Michigan Savings Bank (MI)	25,046	7	1.81	3
Market Total	1,383,557		100.00	2461

To Out-of-Market Banking Organization

Fifth Third Bancorp (OH)	319,770	2	23.11	534
New Banking Organization	0	0	0	0
Market Total	1,383,557		100.00	2461

(T) = Thrift Institution

- The Benton Harbor-St. Joseph, Michigan, market includes Van Buren County excluding the western two tiers of townships, plus the northwestern portion of Berrien County (Watervliet, Coloma, Hagar, Bainbridge, Benton, St. Joseph, Pipestone, Sodus, Royalton, Lincoln, Baroda, Lake, and Chikaming townships)

Table 5

Holland Banking Market*

Thrift included at 50%

Deposits as of June 30, 2000

Organization	Current Market				Pro Forma Market			
	(\$000)	Rank	%Share	HHI	(\$000)	Rank	%Share	HHI
Without Divestiture								
Huntington Bancshares Inc (OH)	416,212	1	27.90	779				
Old Kent Financial Corp (MI)	308,146	2	20.66	427				
Macatawa Bank Corp (MI)	211,889	3	14.20	202				

INTERNAL-FH

Fifth Third Bancorp (OH)	202,263	4	13.56	184
Lake Michigan Finl Corporation (MI)	99,124	5	6.65	44
Capitol Bancorp Ltd (MI)	81,253	6	5.45	30
National City Corp (OH)	78,968	7	5.29	28
ABN AMRO North America HC (IL)	31,009	8	2.08	4
Bank One Corp (IL)	22,654	9	1.52	2
Flagstar Bancorp Inc (MI) (T)	20,979	10	1.41	2
O A K Financial Corp (MI)	12,877	11	0.86	1
Comerica Inc (MI)	3,222	12	0.22	0
Republic Bancorp Inc (MI)	3,092	13	0.21	0
Market Total	1,491,688		100.00	1702

With Divestiture - 2 offices of Old Kent Financial Corp

To Largest Acceptable In-Market Buyer

Fifth Third Bancorp (OH)	202,263	4	13.56	184
Bank One Corp (IL)	22,654	9	1.52	2
Market Total	1,491,688		100.00	1702

To Out-of-Market Banking Organization

Fifth Third Bancorp (OH)	202,263	4	13.56	184
New Banking Organization	0	0	0	0
Market Total	1,491,688		100.00	1702

(T) = Thrift Institution

- The Holland, Michigan, market includes Park, Holland, Zeeland, Olive, and Port Sheldon townships in Ottawa County, plus Laketown, Fillmore, and Ovensel townships in Allegan County

Table 6

Grand Rapids Banking Market*

Thrift included at 50%

Deposits as of June 30, 2000

Organization	Current Market				Pro Forma Market			
	(\$000)	Rank	%Share	HHI	(\$000)	Rank	%Share	HHI
Old Kent Financial Corp (MI)	4,232,124	1	46.66	2177				

Bank One Corp (IL)	1,039,836	2	11.46	131
Huntington Bancshares Inc (OH)	578,074	3	6.37	41
ABN AMRO North America HC (IL)	474,088	4	5.23	27
Mercantile Bank Corp (MI)	362,398	5	4.00	16
Comenca Inc (MI)	320,848	6	3.54	13
O A K Financial Corp (MI)	268,670	7	2.96	9
Fifth Third Bancorp (OH)	260,951	8	2.88	8
National City Corp (OH)	203,953	9	2.25	5
Grand Bank Financial Corp (MI)	183,757	10	2.03	4
Independent Bank Corp (MI)	166,171	11	1.83	3
ChoiceOne Fnc Serv (MI)	134,170	12	1.48	2
Macatawa Bank Corp (MI)	104,615	13	1.15	1
Caledonia Financial Corp (MI)	104,568	14	1.15	1
Flagstar Bancorp Inc (MI) (T)	86,959	15	0.96	1
Founders Financial Corporation (MI)	84,676	16	0.93	1
United Community Fnci Corp (MI)	80,565	17	0.89	1
Bank West Financial Corp (MI) (T)	77,999	18	0.86	1
West Michigan Financial Corp (MI)	68,363	19	0.75	1
Valley Ridge Financial Corp (MI)	58,004	20	0.64	0
Northpointe Bancshares, Inc (MI)	46,659	21	0.51	0
Capitol Bancorp Ltd (MI)	38,984	22	0.43	0
Harbor Springs Financial Corp (MI)	36,629	23	0.40	0
HCB Financial Corp (MI)	29,830	24	0.33	0
ICNB Financial Corporation (MI)	11,545	25	0.13	0
Union Financial Corporation (MI)	6,322	26	0.07	0
Northern Trust Corp (IL)	4,935	27	0.05	0
Inwin Financial Corp (IN)	2,827	28	0.03	0
Republic Bancorp Inc (MI)	2,280	29	0.03	0
Market Total	9,070,800		100.00	2444

(T) = Thrift Institution

- * The Grand Rapids, Michigan, market includes Kent County except for Oakfield and Spencer townships, Yankee Springs, Thornapple, and Irving townships in Barry County, Casnovia township in Muskegon County, Salem, Dorr, and Leighton townships in Allegan County, and Jamestown, Georgetown, Blendon, Allendale, Tallmadge, Polkton, Wright, and Chester townships in Ottawa County

Table 7

Ludington Banking Market*

Thrift included at 100%

Deposits as of June 30, 2000

<u>Organization</u>	<u>Current Market</u>				<u>Pro Forma Market</u>			
	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>	<u>(\$000)</u>	<u>Rank</u>	<u>%Share</u>	<u>HHI</u>

INTERNAL-FK

West Shore Bank Corporation (MI)	140,834	1	26 98	728
Old Kent Financial Corp (MI)	80,767	2	15 47	239
Huntington Bancshares Inc (OH)	70,986	3	13 60	185
Shelby Financial Corporation (MI)	59,604	4	11 42	130
Lake-Osceola State Bank (MI)	50,261	5	9 63	93
National City Corp (OH)	48,828	6	9 35	87
Fifth Third Bancorp (OH)	45,313	7	8 68	75
Northwestern Bancorp (MI) (T)	25,409	8	4 87	24
Market Total	522,002		100 00	1562

(T) = Thrift Institution

- * The Ludington, Michigan, market includes Mason County except Grant, Freesoil, and Meade townships, Lake County except Elk and Eden townships, Oceana County, and the northern one-third of Newaygo County

March 8, 2001

TO Board of Governors

SUBJECT Section 3 and 4
applications and notices by
Fifth Third Bancorp to acquire
Old Kent Financial Corporation, and
thereby acquire Old Kent's subsidiary
banks and nonbanking subsidiaries

FROM Legal Division
(Mr Alvarez,
Ms Robinson, and
Mr Wiederhorn)

Attached is a proposed order reflecting staff's
of these applications and notices

Attachment

2

RESTRICTED FR

Case ID# D-10890

**Section 9 - State Member Bank Application
Section 18(c) - Bank Merger Act Application
Section 18(c) - Purchase and Assumption Agreements**

Applications Received	<u>March 13, 2001</u>	60-Day Period Began
Internal Target Date	<u>May 14, 2001</u>	60-Day Period Ends
Memorandum Date	<u>May 10, 2001</u>	

APPLICANTS Old Kent Bank, N A
 Jonesville, Michigan

Old Kent Bank
Grand Rapids, Michigan

BANK TO BE MERGED Fifth Thurd Bank, Indiana
 St Joseph, Michigan

BRANCHES TO BE ACQUIRED Old Kent Bank
 Grand Rapids, Michigan

Old Kent Bank, N A
Jonesville, Michigan

Table of Contents

	Pages
Memorandum from the Division of Banking Supervision and Regulation	1- 6
Memorandum from the Division of Consumer and Community Affairs	300-325
Memorandum from the Federal Reserve Bank of Cleveland	400-410
Draft Order from the Legal Division	500 and following

RESTRICTED FR

RESTRICTED FR

SUMMARY:

The proposal is an internal reorganization involving three existing bank subsidiaries of Fifth Third Bancorp, Cincinnati, Ohio (consolidated assets of \$70.8 billion). Two of the subsidiaries were acquired by Fifth Third Bancorp as part of its acquisition of Old Kent Financial Corporation, Grand Rapids, Michigan, on April 2, 2001.²

The proposal is being presented to the Board because a community group in Chicago, Illinois, filed a protest alleging that one of the bank subsidiaries involved in the reorganization, Old Kent Bank, Grand Rapids, Michigan, has engaged in discriminatory lending practices with respect to African Americans. For the reasons discussed in the attached memorandum from the Division of Consumer and Community Affairs and the attached Order from the Legal Division,

¹ The Division of Banking Supervision and Regulation (Mess Cross and M. Clark, and Mr. Bissenas), the Division of Consumer and Community Affairs, the Division of Research and Statistics, and the Legal Division.

² The Board approved the merger of Fifth Third Bancorp and Old Kent Financial Corporation on March 12, 2001.

RESTRICTED FR

RESTRICTED FR

DISCUSSION:

The purpose of the proposed reorganization is to geographically realign Fifth Third Bancorp's branching networks in Michigan, Indiana, Illinois, and northern Kentucky. Three existing bank subsidiaries of Fifth Bancorp plan to enter into a series of transactions that would create two new state member banks³. As indicated in the attached financial summary!

³ The three existing bank subsidiaries include Old Kent Bank, Grand Rapids, Michigan – total assets of \$24.1 billion, Fifth Third Bank, Indiana, St. Joseph, Michigan – total assets of \$10.5 billion, and Old Kent Bank, N.A., Jonesville, Michigan – total assets of \$140 million. The proposed transactions include a charter conversion, one bank merger, two name changes, and the purchase/sale of 75 branches between the two surviving banks.

RESTRICTED FR

* * * * *

Exempt from open meeting due to disclosure of examination data

BS&R memorandum – pages 5 and 6

DCCA memorandum – pages 301, 302, 304 – 311, 313 – 316, 322, and 323

withhold 2 pgs

RESTRICTED FR

DATE May 10, 2001

TO Distribution

FROM Shawn McNulty *SM*

SUBJECT Applications by Old Kent Bank, NA, Jonesville, MI, to become a member of the Federal Reserve System in connection with its conversion to a state bank chartered in Indiana, and to be merged into Fifth Third Bank, Indiana, St Joseph, MI, and by the newly chartered bank and Old Kent Bank, Grand Rapids, MI, to realign their branches in a series of reciprocal purchase and assumption agreements

RESTRICTED

Attached is the Division of Consumer and Community Affairs' memorandum on the above-mentioned case |



Attachment

Distribution

Dolores Smith
Glenn Loney
Sandra Braumstein
Beverly Smith
Suzanne Kilham
Records

Electronic Copies

Applications Review Examiners
Anthony Iwuji
Karen Murtagh
Bob Cook
Marilyn Grace
William Bissenas
Andrew Wiederhorn
Federal Reserve Bank of Cleveland – Tom Hendricks

RESTRICTED FR

DATE May 10, 2001

TO Board of Governors

FROM Division of Consumer and Community Affairs
Helen M. Troy *HMT*

SUBJECT Applications by Old Kent Bank, NA, Jonesville, MI, to become a member of the Federal Reserve System in connection with its conversion to a state bank chartered in Indiana, and to be merged into Fifth Third Bank, Indiana, St. Joseph, MI, and by the newly chartered bank and Old Kent Bank, Grand Rapids, MI, to realign their branches in a series of reciprocal purchase and assumption agreements

SUMMARY OF ISSUES: This proposal represents a corporate reorganization of three existing subsidiaries of Fifth Third Bancorp, Cincinnati, OH ("Fifth Third" – consolidated assets of \$70.8 billion) following Fifth Third's acquisition of Old Kent Financial Corporation, Grand Rapids, MI ("Old Kent").¹ The subsidiaries involved in this reorganization are Old Kent Bank, Grand Rapids, MI ("Old Kent-MI" – total assets of \$24.1), Old Kent Bank, NA, Jonesville, MI ("Old Kent Bank, NA" – total assets of \$140 million), and Fifth Third Bank, Indiana, St. Joseph, MI ("Old Fifth Third-IN" – total assets of \$10.5 billion). Old Kent-MI, a state member bank, currently operates branches in Michigan, Illinois, and Indiana. Old Kent Bank, NA, operates branches only in Michigan. Old Fifth Third-IN, a state member bank, operates branches in Indiana, Kentucky, and Michigan.

Old Kent Bank, NA, proposes to surrender its OCC charter, relocate its headquarters to Indianapolis, IN, convert to an Indiana state charter, change its name to Fifth Third Bank, Indiana, Indianapolis, IN ("New Fifth Third-IN"), and seek membership in the Federal Reserve System. Old Fifth Third-IN will then merge into New Fifth Third-IN. Finally, New Fifth Third-IN and Old Kent-MI will realign their branches through purchase and assumption transactions so that New Fifth Third-IN acquires Old

¹ The Board approved Fifth Third's acquisition of Old Kent on March 12, 2001, that proposal was consummated on April 2, 2001.

Kent-MI's Indiana branches and Old Kent-MI acquires New Fifth Third-IN's Michigan branches

[] [] comments submitted by Mr. Richard Pitts, Jr., Executive Director of Minorities for Parity in Banking, Chicago, IL. Mr. Pitts alleged that Old Kent-MI engages in "racist and discriminatory" practices with respect to blacks in the Chicago area. Mr. Pitts focused his comments on Old Kent-MI's lending, particularly on commercial and residential lending, charging that black applicants are treated differently, and less favorably, throughout the credit evaluation process. In addition, Mr. Pitts maintained that blacks are not afforded the same terms on certain types of loans. Finally, Mr. Pitts alleged that Old Kent-MI had delayed providing information that he had requested in order to prevent him from filing a comment in connection with Fifth Third's acquisition of Old Kent and he requested the assistance of the Federal Reserve System in obtaining the information, in investigating Old Kent-MI's alleged discriminatory practices, and in holding a hearing or meeting at which his group might present its concerns.

Old Kent-MI indicated that it had responded in a reasonable manner to Mr. Pitts' requests for information. The bank provided copies of its lending policies and underwriting guidelines, as well as a description of its credit decision-making processes for residential and commercial loans, and descriptions of its small business and residential loan programs that are available in the Chicago area.

Each of the subsidiary depository institutions involved in this proposal are currently rated "Satisfactory" by their supervisory agencies at their most current CRA examinations. Old Kent-MI was examined by the Federal Reserve Bank of Chicago ("FRB-Chicago") [] and Old Kent Bank, NA, was examined by the OCC [] [] Both Old Kent banks were rated [] for Compliance at their concurrent Compliance examinations by their respective supervisory agencies. Old Fifth Third-IN's CRA and Compliance ratings are those of Civitas Bank, a predecessor bank. Civitas was rated "Satisfactory" for CRA and [] for Compliance by the FRB-Chicago at its [] examination []

RESTRICTED FR

301

withhold 9 pgs

The table below shows the ratings for the three banks that are involved in the instant applications

**FIFTH THIRD
CRA/COMPLIANCE RATINGS**

Name	Asset Size (\$B)	CRA Rating	Compliance Rating	Date	Agency
Fifth Third Bank, Indiana St Joseph, MI	\$10.5	Satisfactory HS-LS-HS			FRB- Chicago
Old Kent Bank Grand Rapids, MI	\$24.1	Satisfactory HS-LS-LS			FRB- Chicago
Old Kent Bank, N A Jonesville, MI	\$0.1	Satisfactory LS-LS-HS			OCC

Old Kent Bank, Grand Rapids, MI - The Federal Reserve Bank of Chicago ("FRB-Chicago") conducted a CRA examination Old Kent Bank, Grand Rapids, MI ("Old Kent-MI"), on [] and rated the institution on "Satisfactory" overall []

[] In its Chicago assessment area, Old Kent-MI was also rated "Satisfactory" overall. []

RESTRICTED FR

311

Withhold 14 pgs

INTERNAL-FR

**FINAL MEMORANDUM
FEDERAL RESERVE BANK OF CLEVELAND**

APPLICATIONS BY:

Fifth Third Bancorp (\$70 billion, "Fifth Third")
Cincinnati, Ohio

**TO EFFECT AN INTERNAL REORGANIZATION THROUGH THE
FOLLOWING:**

Old Kent Bank, N.A., Jonesville, Michigan ("New Fifth Third Bank, Indiana," Indianapolis, Indiana) to become a member of the Federal Reserve System in connection with its conversion to a state chartered (Indiana) bank,

Old Kent Bank, N.A., Jonesville, Michigan ("New Fifth Third Bank, Indiana," Indianapolis, Indiana) to acquire through merger Fifth Third Bank, Indiana, St. Joseph, Michigan,

Old Kent Bank, N.A., Jonesville, Michigan ("New Fifth Third Bank, Indiana," Indianapolis, Indiana) to purchase certain assets and assume certain deposits of Old Kent Bank, Grand Rapids, Michigan,

Old Kent Bank, Grand Rapids, Michigan to purchase certain assets and assume certain deposits of Old Kent Bank, N.A., Jonesville, Michigan ("New Fifth Third Bank, Indiana," Indianapolis, Indiana) and to

Establish branch offices in connection with the above applications

LEGAL AUTHORITY:

Section 18(c) the Federal Deposit Insurance Act and
Section 9 of the Federal Reserve Act

W. H. Hold 'gg

INTERNAL-FR

III. DESCRIPTION OF THE PROPOSAL

On March 12, 2001, the Board approved applications by Fifth Third to acquire Old Kent Financial Corporation, Grand Rapids, Michigan ("OKFC") Those applications were consummated on April 2, 2001 (See, Fifth Third Bancorp, 87 Federal Reserve Bulletin ____ (2001))

Fifth Third developed a comprehensive plan of reorganization during the pendency of the OKFC applications processing period whose principal purpose is to re-establish an Indiana banking charter and align along political boundaries, Fifth Third's banking business in Indiana and Michigan Fifth Third's reorganization plan is comprised of four steps, all of which are scheduled to be consummated concurrently Those steps are summarized below

- **Step 1:** Old Kent Bank, N A , Jonesville, Michigan, a former subsidiary of OKFC, would terminate its OCC charter, relocate to Indianapolis, Indiana, convert to a state chartered Indiana bank, and be renamed, "*Fifth Third Bank, Indiana*" ("New Fifth Third Bank, Indiana") It is in connection with the conversion transaction that the bank has filed an application to become a state-chartered member bank
- **Step 2:** Fifth Third Bank, Indiana, St Joseph, Michigan, would merge with and into the New Fifth Third Bank, Indiana
- **Steps 3 and 4:** New Fifth Third Bank, Indiana and Old Kent Bank, Grand Rapids, Michigan ("Old Kent") would through purchase and assumption transactions align their branches by state affiliation with New Fifth Third Bank, Indiana's Michigan-based branches being acquired by Old Kent and Old Kent's Indiana-based branches being acquired by New Fifth Third Bank, Indiana

Withhold 8 pgs

2008-44



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

Mr. Craig Torres
Bloomberg News
1399 New York Avenue, N.W.
Washington, DC 20005

NOV 29 2007

Dear Mr. Torres:

This is in response to your letter dated and received by the Board's Freedom of Information office on November 2, 2007. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request copies of the comment letters of Dennis Lockhart of the Federal Reserve Bank of Atlanta and Michael E. Collins of the Federal Reserve Bank of Philadelphia on the Home Equity Lending Market [OP-1288].

Staff searched Board records and found the documents that are responsive to your request. I have determined, however, that the documents contain inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency (intra-agency staff recommendations and analyses). Such information will be withheld from you under authority of exemption 5 of the Act, 5 U.S.C. § 552(b)(5). The documents have been reviewed under the requirements of subsection (b) of the Act, § 552(b), and all reasonably segregable nonexempt information will be made available to you. Approximately 3 full pages and portions of other pages (as will be apparent from the face of those pages) will be withheld from you.

Your request for information, therefore, is partially granted and partially denied for the reasons stated above. The Board's Freedom of Information office will provide you with copies of the documents being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,
(signed) Jennifer J. Johnson

Jennifer J. Johnson
Secretary of the Board

FOR FILES
JENNIFER J. JOHNSON
11/29/07

Enclosure

THE COPY

2008-44

2 November 2007

Jeanne McLaughlin
Manager, Freedom of Information Office
Board of Governors
The Federal Reserve
Washington, DC 20551

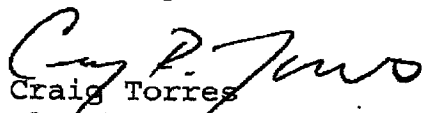
Dear Ms. McLaughlin:

Under the Freedom of Information Act, Bloomberg News requests copies of the comment letters of Dennis Lockhart of the Federal Reserve Bank of Atlanta and Michael E. Collins of the Federal Reserve Bank of Philadelphia on the Home Equity Lending Market [OP-1288]. For further reference, see:
http://www.federalreserve.gov/generalinfo/foia/index.cfm?Doc_ID=OP%2D1288&doc_ver=1&StartRow=21

Public affairs officers at the Board and reserve banks say the comment letters are exempt from public evaluation because they represent intra-agency communication. Federal Reserve banks are not full agents of the U.S. government or the Federal Reserve Board. If they were, they would be subject to Freedom of Information Act requests, which they aren't.

Further, reserve banks are the front-line examination and supervision entities of the Federal Reserve System. Their opinions should represent a valuable component of the public debate the Federal Reserve Board has hosted on mortgage protections for consumers. Federal Reserve banks are quasi-private institutions whose shareholders include commercial banks. Their comments should be public as are those of other private citizens and corporations.

Cordially,


Craig Torres
Bloomberg News
1399 New York Avenue, N.W.
Washington, DC 20005

RECEIVED
FEDERAL RESERVE SYSTEM
2007 NOV -2 PM 5:11
FEDERAL RESERVE SYSTEM
RECEIVED IN ORIGINAL FORM

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Craig Torres
Bloomberg News
1399 New York Avenue, NW
Washington, DC 20005-4711

December 04, 2007

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62659	Formal	Initial	News Media	11/02/2007

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	16	0.10	1.60
Total Amount:				\$1.60
Fee Waived Amount:				\$1.60
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100044
Invoice No: 62659
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100044	Formal	News Media	Craig Torres	11/02/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 11/12/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 11/12/2007.

The Law Requires the Board to Respond to This Request by: 12/04/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
C&CA	Burke
C&CA	Austin, K
LEGAL	Appelbaum
LEGAL	Blatt

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

copies of comment letters from Dennis Lockhart of FRB Atlanta and Michael E. Collins of FRB Philadelphia on the Home Equity Lending Market (OP-1288)

08-11

NOTES

Attached letters need to be cleared for public release.

RECOMMENDED DISPOSITION☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part**EXEMPTIONS:**

5

Signed: Patricia BlattDate: 11/29/07

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100044	Formal	News Media	Craig Torres	11/02/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 11/12/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 11/12/2007.

The Law Requires the Board to Respond to This Request by: 12/04/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
C&CA	Burke
C&CA	Austin, K
LEGAL	Appelbaum
LEGAL	Blatt

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

copies of comment letters from Dennis Lockhart of FRB Atlanta and Michael E. Collins of FRB Philadelphia on the Home Equity Lending Market (OP-1288)

NOTES

Attached letters need to be cleared for public release.

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____



FEDERAL RESERVE BANK
OF PHILADELPHIA

To: Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th and Constitution Avenue NW
Washington, DC 20551

From: Michael E. Collins, Senior Vice President
Federal Reserve Bank of Philadelphia

Michael E. Collins

Re: HOEPA Rulemaking, Docket # OP-1288

Date: August 10, 2007

Thank you for the opportunity to comment on the Board of Governors' proposal to exercise its rulemaking authority under the Home Ownership and Equity Protection Act of 1994 (HOEPA) to address abusive and unfair or deceptive acts or practices in the residential mortgage market.

The Board has solicited comments on four lending practices it is contemplating regulating under its HOEPA authority.

Prepayment Penalties

Should prepayment penalties be restricted?

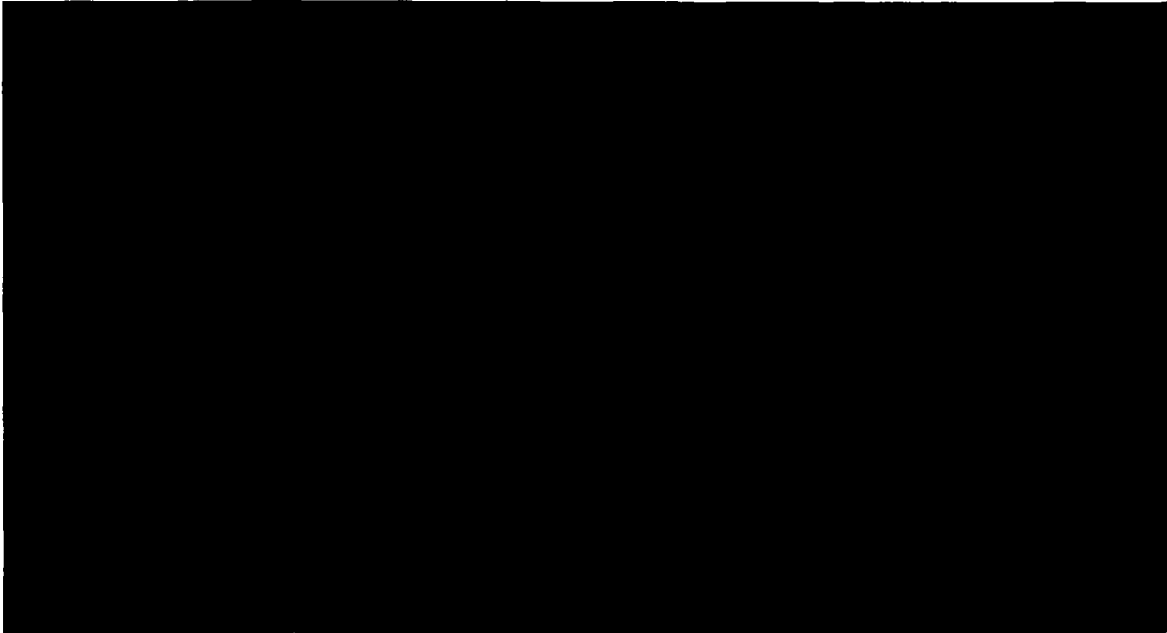




Would enhanced disclosure of prepayment penalties help address concern about abuses?



How would a prohibition or restriction on prepayment penalties affect consumers and the type and terms of credit offered?

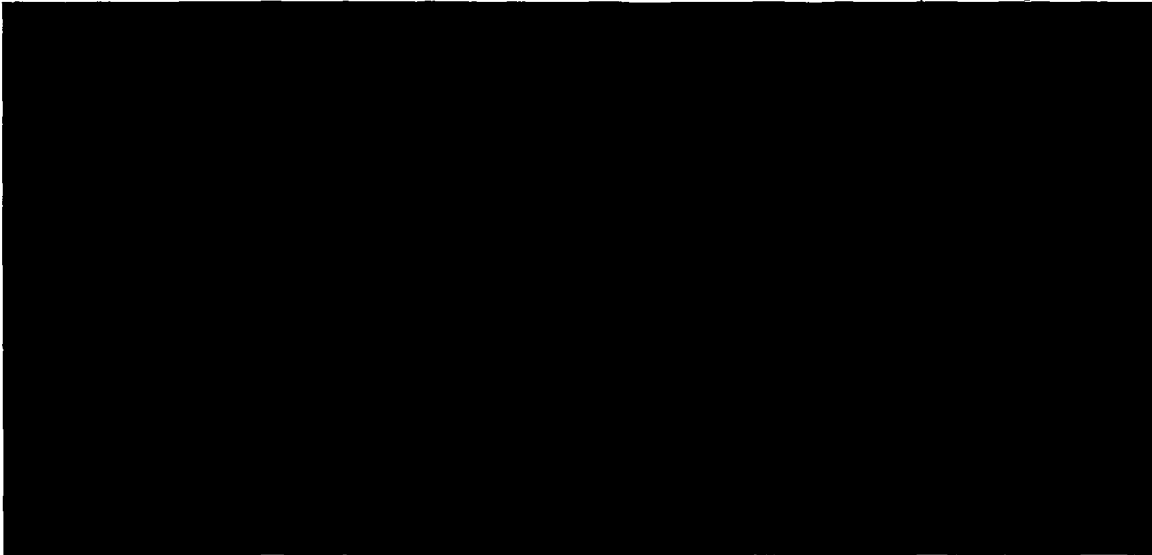


Escrow for Property Taxes and Insurance

Should escrows for taxes and insurance be required for subprime mortgage loans?



If escrows were to be required, should consumers be permitted to "opt out" of escrows?

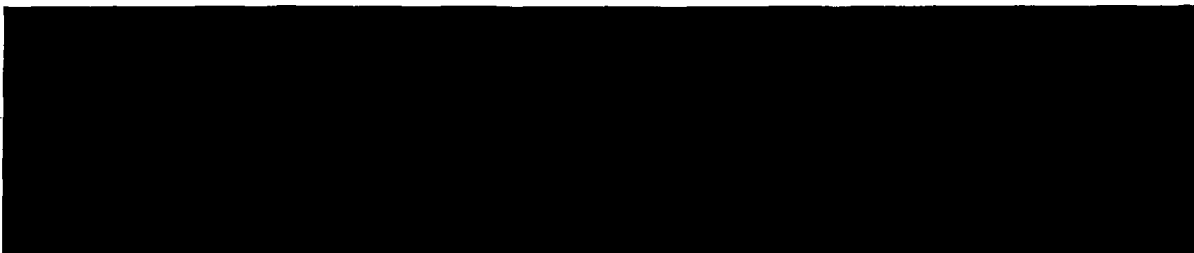


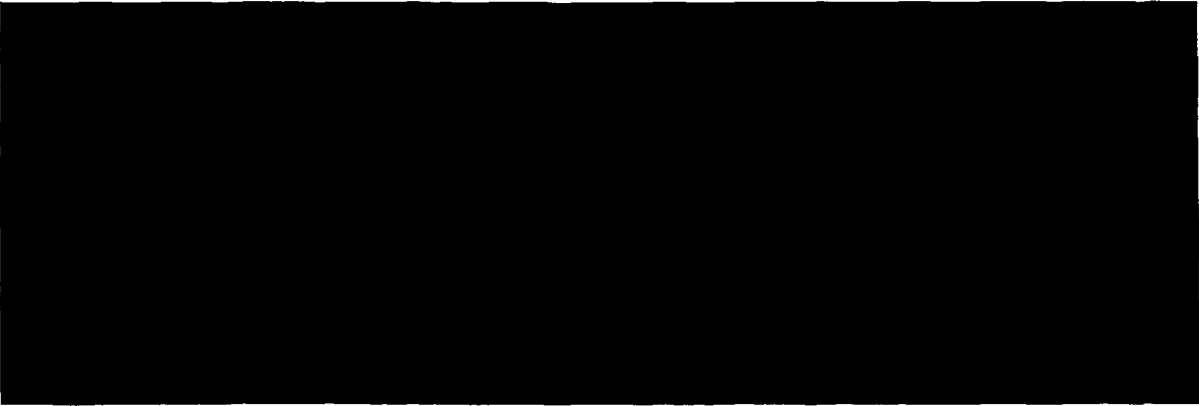
How would escrow requirements affect consumers and the type and terms of credit offered?




Stated Income or Low Doc Loans

Should stated income or low doc loans be prohibited for certain loans, such as loans to subprime borrowers?






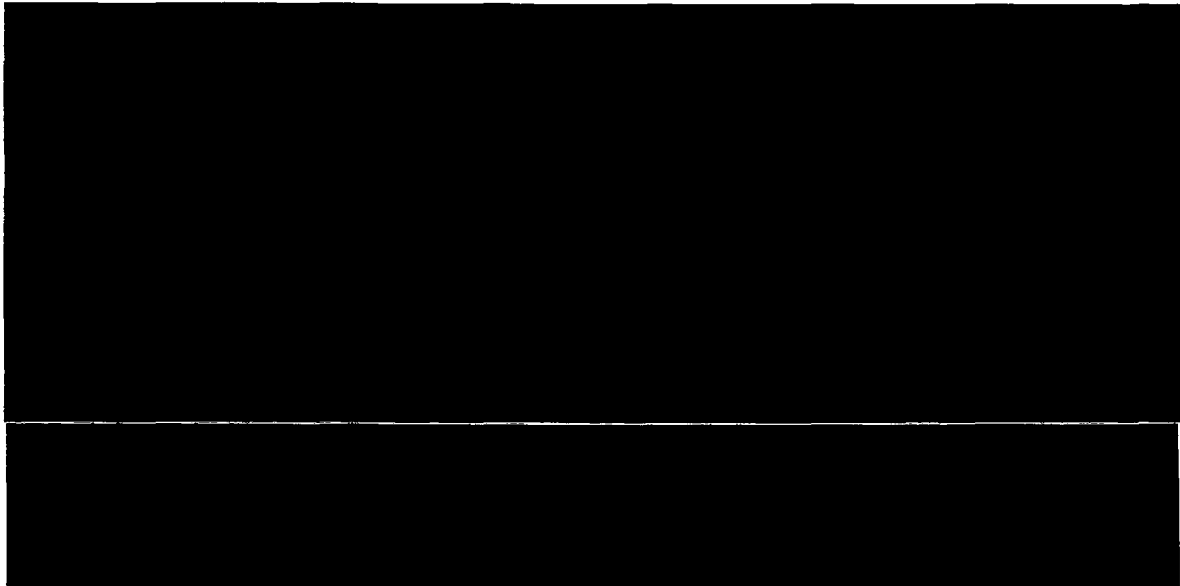
Should stated income or low doc loans be prohibited for higher-risk loans, for example, for loans with high loan-to-value ratios?



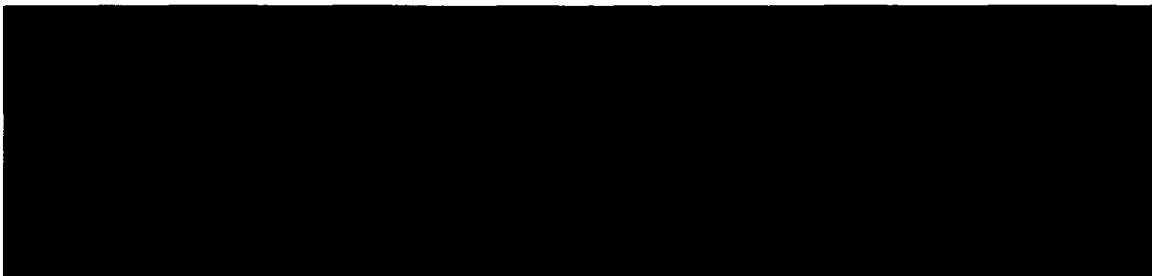
How would a restriction on stated income or low doc loans affect consumers and the type and terms of credit offered?





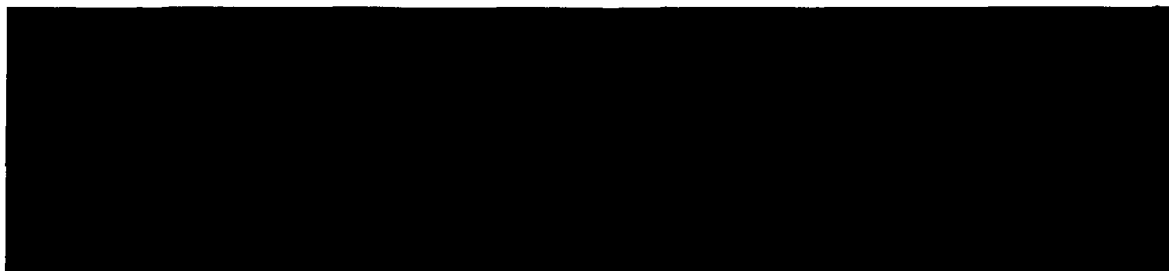


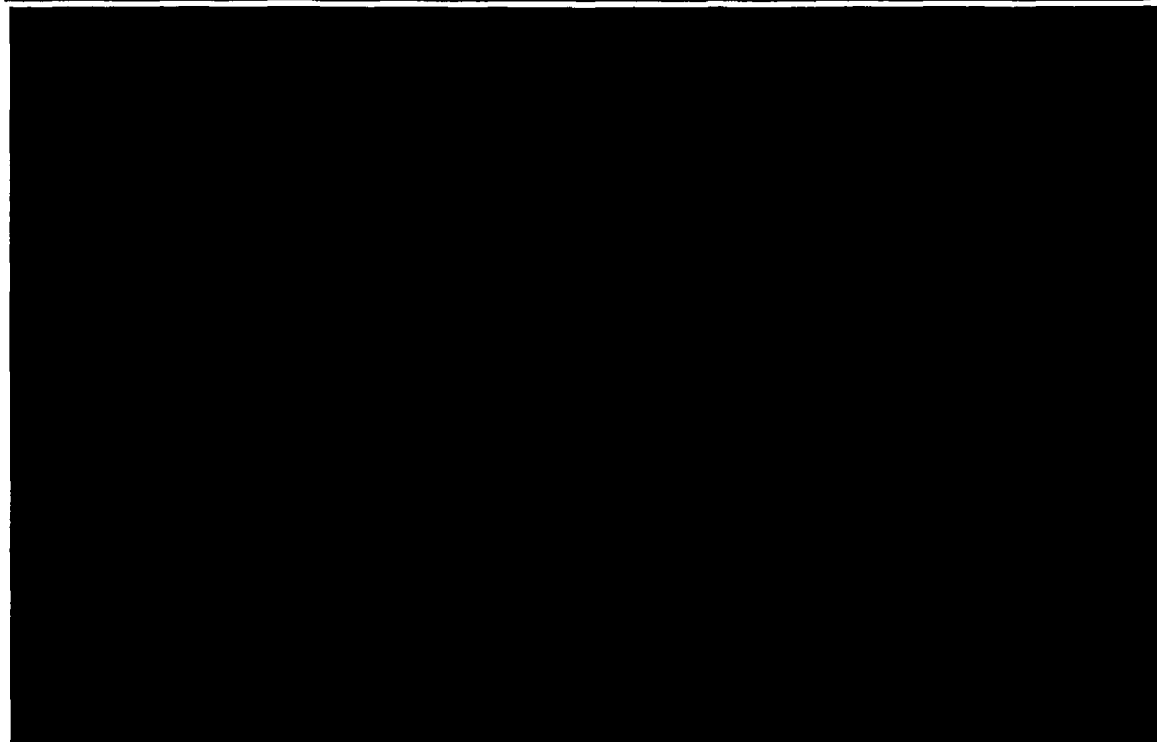
Should lenders be required to disclose to the consumer that a stated income loan is being offered and allow the consumer the option to document income?



Unaffordable Loans

Should lenders be required to underwrite all loans based on the fully indexed rate and fully amortizing payments?

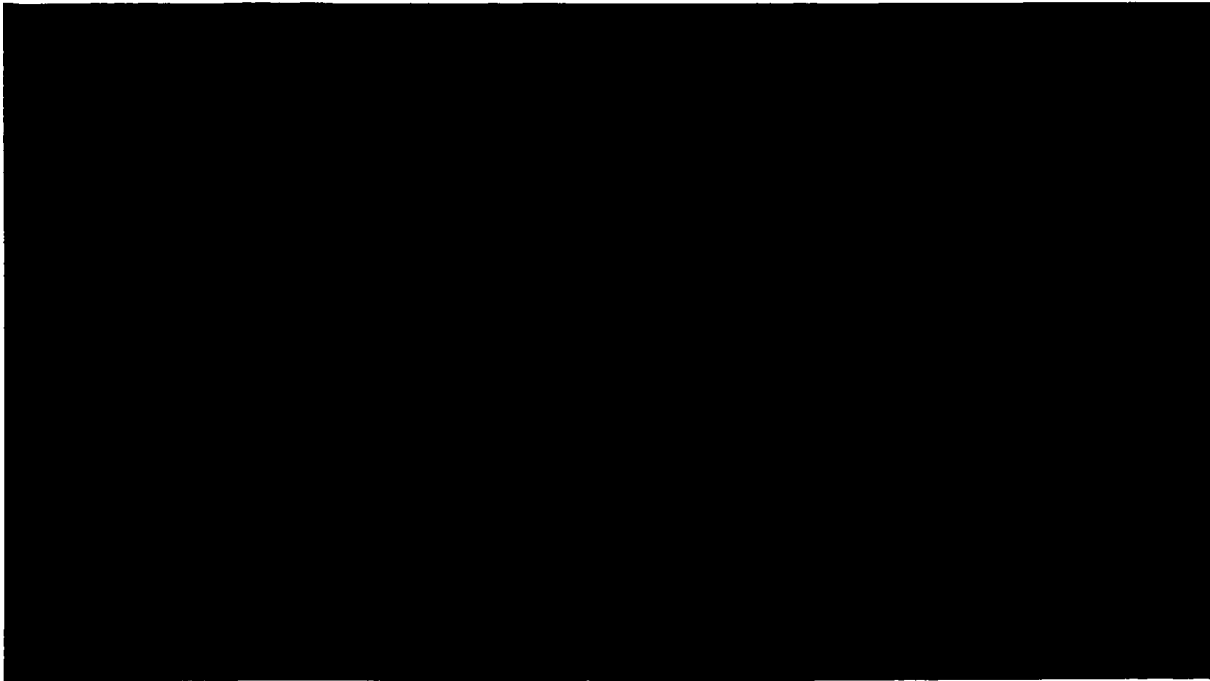




Should there be a rebuttable presumption that a loan is unaffordable if the borrower's debt-to-income ratio exceeds 50 percent (at loan origination)?



Are there specific consumer disclosures that would help address concerns about unaffordable loans? How would such provisions affect consumers and the type and terms of credit offered?



Conclusion

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DENNIS P. LOCKHART
President and
Chief Executive Officer



FEDERAL
RESERVE
BANK
of ATLANTA

August 15, 2007

1000 Peachtree Street N.E.
Atlanta, Georgia 30309-4470
404.498.8501
fax 404.498.8073
dennis.p.lockhart@atl.frb.org

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: Docket No. OP 1288

Dear Ms. Johnson:

The Home Ownership and Equity Protection Act of 1994 (HOEPA) requires the Board to hold periodic hearings on the home equity market and the adequacy of existing regulatory and legislative provisions for protecting the interests of consumers, particularly low-income consumers. The Board held a public HOEPA hearing on June 14, 2007 at the Federal Reserve Board.

At the time of the public hearing, the Board requested comment on a number of HOEPA related issues, including whether the Board should use its rulemaking authority under HOEPA to address concerns about various loan terms or practices regarding subprime mortgage market borrowers. In response to this request for comment the Federal Reserve Bank of Atlanta offers the following comments from its Bank Supervision and Regulation Division.

I. Background and General Comment

The original HOEPA law was enacted in response to testimony about predatory home equity lending practices in underserved markets in which some lenders were making high-rate, high-fee home equity loans to cash-poor homeowners. Therefore, the HOEPA law identifies a class of high-cost mortgage loans based on the loans' rates and fees. Loans above HOEPA's price triggers require additional disclosures and are subject to substantive restrictions on loan terms.

HOEPA prohibitions and limitations do not apply to all types of mortgage transactions. Specifically, HOEPA does not apply to purchase money loans, reverse mortgages, or home equity lines of credit.

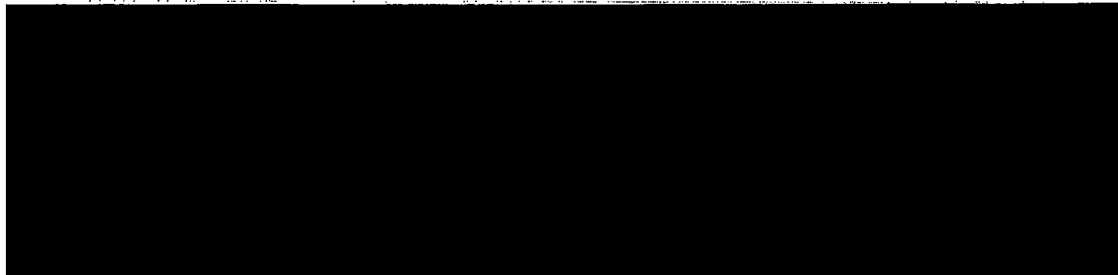
FEDERAL RESERVE BANK *of* ATLANTA

Ms. Jennifer J. Johnson

August 15, 2007

Page 2

HOEPA is implemented by sections 226.31 through 34 of the Board's Regulation Z. Regulation Z's HOEPA rules include a number of prohibitions and term limitations. For example, lenders are prohibited from extending credit based on the consumer's collateral without regard to the consumer's ability to repay. A mortgage transaction subject to HOEPA also may not have a payment schedule that creates negative amortization.



II. Specific Comment on Certain Loan Terms and Practices

A number of specific comments were requested relating to customer classifications,

FEDERAL RESERVE BANK *of* ATLANTA

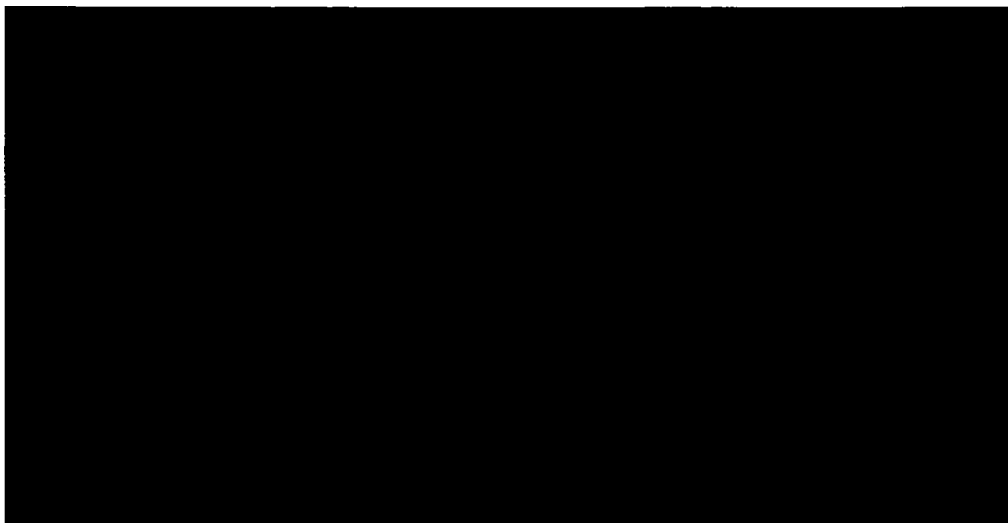
Ms. Jennifer J. Johnson

August 15, 2007

Page 3

product types and loan terms for which the Board is considering HOEPA applicability.
We have the following comments:

Customer Classification – Subprime Borrowers



Negative Amortization



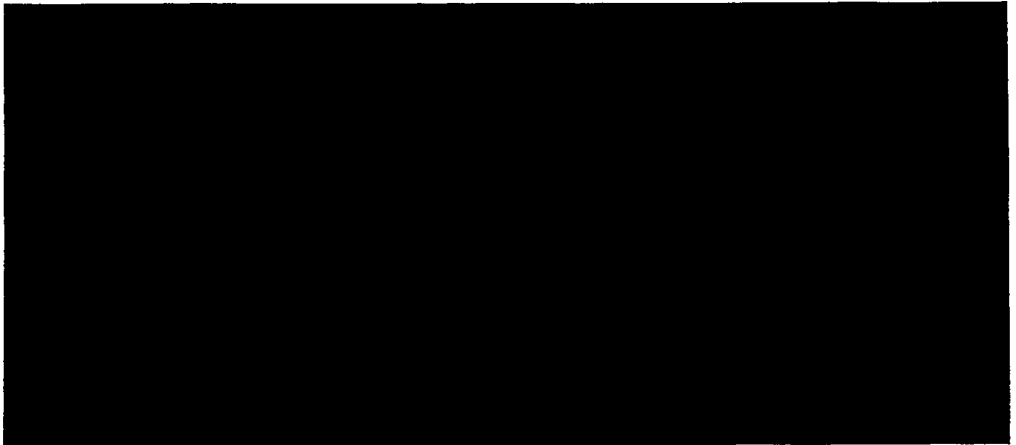
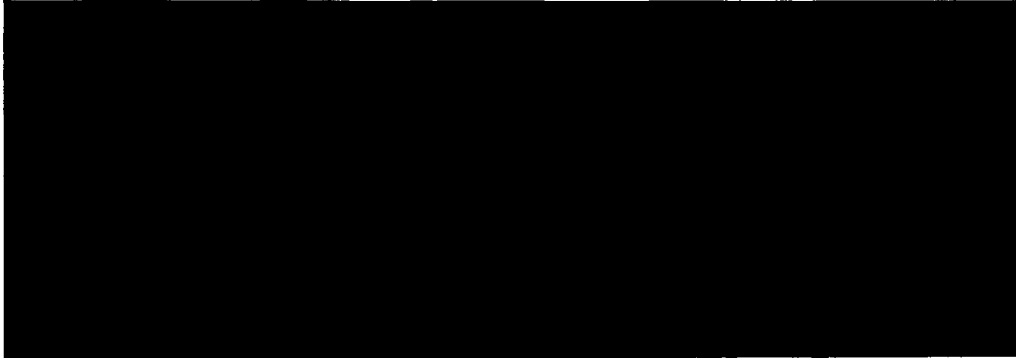
FEDERAL RESERVE BANK *of* ATLANTA

Ms. Jennifer J. Johnson

August 15, 2007

Page 4

Prepayment Penalties



FEDERAL RESERVE BANK of ATLANTA

Ms. Jennifer J. Johnson

August 15, 2007

Page 5



Repayment Ability



Escrow Accounts



FEDERAL RESERVE BANK *of* ATLANTA

Ms. Jennifer J. Johnson

August 15, 2007

Page 6

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Low Documentation/Stated Income Loans

[REDACTED]

FEDERAL RESERVE BANK *of* ATLANTA

Ms. Jennifer J. Johnson

August 15, 2007

Page 7

Underwriting – Fully Indexed Rate



The Federal Reserve Bank of Atlanta thanks the Board for this opportunity to comment and hopes that these comments will be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lockhart'.

Dennis P. Lockhart

2008-157 \$



Alison M Thro/BOARD/FRS
02/07/2008 08:04 AM

To Jeanne M McLaughlin/BOARD/FRS@BOARD, Martha
Connor/BOARD/FRS@BOARD, Denise
Harris/BOARD/FRS@BOARD, Carolyn

cc

bcc

Subject Fw: Meetings FOIA

Dear all --

The e-mail inquiry (at bottom) came in this morning, and public affairs has asked if we would e-mail this person (Scott Lanman, with Bloomberg News) the same information we sent to Damien Paletta earlier this week (in response to FOIA 08-138) ASAP (basically, before 9:00 this a.m.).

Would you please log this request in as a General FOIA and e-mail the requester the same responsive information we sent to Damien in response to 08-138? The person's e-mail address is:
slanman@bloomberg.net

[
L

] (b)(5)

--Alison

— Forwarded by Alison M Thro/BOARD/FRS on 02/07/2008 07:58 AM —



Michelle.A.Smith@frb.gov
02/07/2008 07:46 AM

To "Alison Thro" <Alison.M.Thro@frb.gov>

cc

Subject Fw: Meetings FOIA

[
L

] (b)(5)

----- Original Message -----

From: "SCOTT LANMAN, BLOOMBERG/ NEWSROOM:" [slanman@bloomberg.net]
Sent: 02/07/2008 07:12 AM EST
To: Michelle Smith
Subject: Meetings FOIA

Hi David and Michelle:

I am writing to request the schedule of all of Chairman Bernanke's appointments since Sept. 1, up to the most recent you can provide, pursuant to the Freedom of Information Act. Specifically, I would like a copy of the information provided

RECEIVED
FEB 7 2008
AM 9:46
FEDERAL RESERVE SYSTEM
OF THE
UNITED STATES GOVERNMENT

to the Wall Street Journal, as published today. Thanks.

Best,
Scott Lanman

2008-157



"SCOTT LANMAN,
BLOOMBERG/
NEWSROOM:"
<slanman@bloomberg.net>
Sent by:
slanman@bloomberg.net

To Denise.Harris@frb.gov
cc
bcc
Subject Re:Chairman Bernanke's schedule

02/07/2008 09:54 AM

Thank you very much.

----- Original Message -----

From: Denise Harris <Denise.Harris@frb.gov>
At: 2/07 9:53:49

Attached is a copy of the schedule for Chairman Bernanke's appointment in response to your request.



(See attached file: 08-138Doc.pdf) 08-138Doc.pdf

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100157	Formal	News Media	Scott Lanman	02/07/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 02/17/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 02/17/2008.

The Law Requires the Board to Respond to This Request by: 03/07/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the schedule of all of Chairman Bernanke's appointments from September 1 to the most recent

NOTES

Per A. Thro, email records in response to 2008-138 and a NO Letter

RECOMMENDED DISPOSITION

<input type="checkbox"/> NO responsive records <input type="checkbox"/> Records not reasonably identified <input type="checkbox"/> Grant request in full	<input type="checkbox"/> Confirmed w/FR Bank (see Note:) <input type="checkbox"/> Deny in full <input type="checkbox"/> Deny in part	EXEMPTIONS: <hr/>
--	--	----------------------

Signed: _____ Date: _____

2008-157

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg

February 07, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62730	Formal	Initial	News Media	02/07/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	60	0.10	6.00
Total Amount:				\$6.00
Fee Waived Amount:				\$6.00
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100157
Invoice No: 62730
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

FOR FILES
JANE HARRIS

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100157	Formal	News Media	Scott Lanman	02/07/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 02/17/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 02/17/2008.

The Law Requires the Board to Respond to This Request by: 03/07/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

Division Person Assigned

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the schedule of all of Chairman Bernanke's appointments from September 1 to the most recent

NOTES

Per A. Thro, email records in response to 2008-138

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

Tuesday, January 2, 2007

- All Day -

Federal Holiday—National Day of Mourning for President Ford

Wednesday, January 3, 2007

07:30 AM - 08:15 AM	Breakfast w/Secy. Paulson
09:00 AM - 09:30 AM	President Cathy Minehan, FRBank Boston
10:00 AM - 11:00 AM	Meeting w/Karen Johnson, Joe Gagnon, Dave Skidmore, Michelle Smith
02:00 PM - 02:30 PM	Hiroko Ota, Minister of State for Economic and Fiscal Policy + 7-member delegation [Karen Johnson and David Bowman]
03:00 PM - 03:45 PM	Charles Dallara, Mng. Dir., David Schraa, Dir. of Regulatory Affairs Department, Institute of International Finance, and Bill Harrison, JP Morgan Chase (w/Governor Bies)

Thursday, January 4, 2007

09:00 AM - 09:30 AM	Meeting w/D. Wilcox, A. Lehnert, W. Hambley, M. Smith
11:00 AM - 11:30 AM	Briefing w/Congressional staff
02:00 PM - 02:30 PM	Governor Kroszner, Roger Cole and Scott Alvarez
04:40 PM	TRAVEL – CHICAGO

Friday, January 5, 2007

	TRAVEL – CHICAGO
12:45 PM - 01:30 PM	Luncheon address: Jointly w/American Economic Association & American Finance Association

Saturday, January 6, 2007- Tuesday, January 9, 2007

TRAVEL – Basel, Switzerland

Wednesday, January 10, 2007

10:00 AM - 10:30 AM	Michelle Smith & Rose Pianalto
01:45 PM - 02:15 PM	Videconference Q&As: Economic Education Specialist Professional Development Conference
03:00 PM - 03:30 PM	Scott Alvarez
05:00 PM - 05:45 PM	Governor Bies

Thursday, January 11, 2007

09:00 AM - 09:30 AM	DWilcox, DSkidmore & MSmith
10:00 AM - 10:45 AM	Yuji Yamamoto, Japan's Minister for Financial Services + 6-member delegation
11:00 AM - 12:00 PM	Interview: Steve Liesman of CNBC
01:00 PM - 02:00 PM	DWilcox, BWascher, SAaronson, JZickler MSmith & DSkidmore
02:00 PM - 03:00 PM	RBOPS Oversight Meeting
04:00 PM - 04:30 PM	Peter Hooper & Mike Prell

Friday, January 12, 2007

07:30 AM - 08:15 AM	Breakfast w/Secy. Paulson
11:30 AM - 12:00 PM	Vince Reinhart and Spencer Dale
12:30 PM - 01:30 PM	Lunch w/AI Hubbard, NEC
01:45 PM - 02:15 PM	Telephone meeting: Mervyn King, Bank of England
03:00 PM - 03:30 PM	Jason Cummins, Christopher Rokos and Tryfon Natsis w/Brevan Howard Asset Management

Monday, January 15, 2007

HOLIDAY – Martin Luther King Day

Tuesday, January 16, 2007

10:30 AM - 11:00 AM Debbie Danker + Vincent Reinhart, Michelle Smith, David Skidmore, Carol Low
02:00 PM - 03:00 PM Governor Warsh, Salvarez, K Fallon, R Pribble & W Passmore
03:30 PM - 04:30 PM Pre-testimony briefing

Wednesday, January 17, 2007

07:30 AM - 08:30 AM Breakfast with Senator Judd Gregg
10:15 AM - 10:30 AM Courtesy visit w/South African Parliamentary Delegation
03:00 PM - 04:00 PM Pre-testimony briefing

Thursday, January 18, 2007

10:00 AM - 01:00 PM Testimony -- Senate Budget Committee
01:00 PM - 02:00 PM CEA Luncheon
02:30 PM - 03:30 PM Meeting: ABA's Economic Advisory Committee
03:30 PM - 04:00 PM Governor Kroszner

Friday, January 19, 2007

10:00 AM - 11:00 AM Meeting w/Mortgage Bankers Association (MBA) Leadership
02:30 PM - 03:00 PM Mr. Eero Heinaluoma, Minister of Finance of Finland + 6-member delegation
(w/Karen Johnson and Nathan Palmer)
03:30 PM - 04:30 PM Karen Johnson, John Rogers & Steve Kamin

Monday, January 22, 2007

09:30 AM - 10:30 AM Briefing by Peter Orszag, Donald Marron and Bob Dennis of CBO (w/D Stockton,
D Wilcox et al)
12:15 PM - 12:30 PM Telephone call from Tim Geithner
02:15 PM - 02:45 PM Debbie Danker, Vincent Reinhart & Athanasios Orphanides
03:00 PM - 04:00 PM Governor Mishkin
04:00 PM - 05:00 PM Dave Stockton et al

Tuesday, January 23, 2007

08:00 AM - 09:00 AM Breakfast w/Cong. Paul Gillmor, Mark Wellman & David Oxner (w/Win Hambley)
10:15 AM - 12:00 PM Meeting w/members of the Senate Finance Committee
02:30 PM - 03:00 PM Vice Chairman Kohn

Wednesday, January 24, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson
09:00 AM - 09:30 AM Caroline Hoxby of Harvard University
02:15 PM - 02:45 PM Governor Mishkin
03:00 PM - 04:00 PM Briefing w/BS&R staff

Thursday, January 25, 2007

08:30 AM - 08:45 AM Jennifer Johnson
10:00 AM - 10:45 AM Meeting w/S Braunstein et al + W Hambley

Friday, January 26, 2007

10:00 AM - 11:30 AM pre-FOMC briefing w/R&S staff
11:30 AM - 12:30 PM pre-FOMC briefing w/MA staff

Monday, January 29, 2007

10:00 AM - 12:00 PM	Pre-FOMC Board Meeting
02:30 PM - 03:00 PM	Vice Chairman, VReinhart, DDanker and AOrphanides

Tuesday, January 30, 2007

10:15 AM - 11:15 AM	Meeting w/Tim Geithner, Governor Bies and Governor Kroszner
11:30 AM - 12:00 PM	Meeting w/Tim Geithner
12:00 PM - 12:30 PM	Governor Mishkin
02:00 PM - 06:00 PM	FOMC Meeting
06:00 PM	Reception & Dinner to follow FOMC meeting

Wednesday, January 31, 2007

09:00 AM - 02:30 PM	FOMC Meeting/Luncheon
---------------------	-----------------------

2

Chairman Bernanke's Schedule
February 1, 2007 – August 31, 2007

Thursday, February 1, 2007

09:30 AM - 09:45 AM	Governor Mishkin
10:00 AM - 11:00 AM	Vincent Reinhart, Pat Parkinson, Bill English & Steve Malphrus
11:45 AM - 12:15 PM	Meeting w/Senator Christopher Dodd & Shawn Maher, Legislative Director (w/Win Hambley)
03:00 PM - 03:30 PM	Briefing: FRB Congressional staff
04:00 PM - 04:45 PM	Robert Portman, Austin Smythe and JD Foster of OMB (w/DStockton & DWilcox)

Friday, February 2, 2007

07:30 AM - 08:15 AM	Breakfast w/Secy. Paulson
09:30 AM - 10:00 AM	Wayne Passmore & Diana Hancock
10:30 AM - 11:15 AM	Larry Lindsey and Marc Sumerlin of the Lindsey Group
12:00 PM - 01:00 PM	Lunch @ White House
03:45 PM - 04:10 PM	Q&A Session + Group Photo: Congressional Office's Third Annual Event: Introduction to the Federal Reserve

Monday, February 5, 2007

10:00 AM - 12:00 PM	Board meeting
12:30 PM - 01:00 PM	Agustin Carstens, Secy. of Finance, Mexico, +4-member delegation; Karen Johnson and Carlos Arteta
02:00 PM - 03:00 PM	[REDACTED]
03:15 PM - 03:45 PM	Pat Parkinson, Patricia White and Michael Gibson
04:00 PM - 04:15 PM	Scott Alvarez
04:15 PM - 04:45 PM	Interview (Personnel)

Tuesday, February 6, 2007

TRAVEL: Omaha, Nebraska
 Speech: Greater Omaha Chamber of Commerce

Wednesday, February 7, 2007

10:00 AM - 10:45 AM	Bill English and Mary Hoffman
11:00 AM - 11:45 AM	Meeting w/SBraunstein, Sheila Maith, Glenn Canner + MSmith & DSkidmore
01:00 PM - 02:30 PM	Board Meeting
04:00 PM - 05:30 PM	Interagency briefing w/new members of the House Financial Services Committee

08:00 AM - 09:00 AM	<u>Thursday, February 8, 2007</u> Breakfast w/Federal Advisory Council
10:00 AM - 12:00 PM	Board meeting
12:30 PM - 01:30 PM	[REDACTED]
02:00 PM - 02:10 PM	Debbie Danker
03:00 PM - 03:05 PM	Jennifer Johnson
03:30 PM - 05:00 PM	Conference of Business Economists
06:00 PM - 08:00 PM	Reception/Dinner: Federal Advisory Council

Friday, February 9-Sunday, February 11, 2007

TRAVEL: Essen, Germany
G7 Ministerial Meetings

Monday, February 12, 2007

10:00 AM - 10:15 AM	Dave Stockton, Myron Kwast, Michelle Smith & Win Hambley
01:00 PM - 02:00 PM	Lunch w/Congressman Patrick McHenry, Jon Causey, Chief of Staff, and Jennifer Mundy, Legislative Director (w/Win Hambley)
02:30 PM - 03:00 PM	Briefing w/staff: RCole, SALvarez, WHambley, MSmith, DSkidmore
03:00 PM - 04:30 PM	Pre-testimony briefing

Tuesday, February 13, 2007

08:30 AM - 09:00 AM	Breakfast w/Secy. Paulson
10:00 AM - 11:00 AM	[REDACTED]
02:45 PM - 03:00 PM	Telephone meeting w/Amb. David Manning @ British Embassy
03:30 PM - 04:30 PM	Pre-testimony briefing
05:00 PM - 05:15 PM	Steve Malphrus

Wednesday, February 14, 2007

10:00 AM - 01:00 PM	Testimony: Senate Banking Committee (Semiannual Monetary Policy Report)
03:30 PM - 04:30 PM	Briefing for PWG Meeting (w/Gov. Warsh, PParkison, PWhite, MGibson)
04:30 PM - 05:30 PM	Pre-testimony briefing

10:00 AM - 01:00 PM **Thursday, February 15, 2007**
Testimony: House Financial Services Committee
(Semiannual Monetary Policy Report)

03:00 PM - 05:00 PM PWG Meeting

Friday, February 16, 2007

09:00 AM - 10:00 AM Interview (Personnel)

11:30 AM - 12:30 PM Meeting w/DWilcox, et al, MSmith, WHambley

12:30 PM - 01:30 PM Lunch w/Karen Johnson

02:00 PM - 02:45 PM Robin Lumsdaine

03:00 PM - 03:30 PM Meeting with VC Kohn, Gov. Warsh, S. Malphrus et al

03:30 PM - 04:00 PM Meeting w/VC Kohn

04:30 PM - 04:45 PM Brief meeting w/Young Presidents' Organization (w/Gov. Warsh)

Tuesday, February 20, 2007

09:20 AM - 11:00 AM [REDACTED]

02:00 PM - 04:00 PM Board meeting

04:00 PM - 04:15 PM Gov. Mishkin

Wednesday, February 21, 2007

09:00 AM - 10:00 AM [REDACTED]

10:30 AM - 11:15 AM Meeting w/Robert Steel, David Nason, Matthew Scogin, Mario Ugoletti & Roberta McInerney w/Governor Warsh & Scott Alvarez

12:30 PM - 01:30 PM Lunch w/Sheila Bair, Chairman, FDIC

04:45 PM - 05:15 PM Vice Chairman Kohn

Thursday, February 22, 2007

12:30 PM - 01:30 PM Lunch w/Governor Bies

02:00 PM - 03:00 PM [REDACTED]

Friday, February 23, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson

09:30 AM - 10:00 AM Telephone meeting: Jean-Pierre Roth, Swiss National Bank

11:00 AM - 12:00 PM [REDACTED]

12:30 PM - 01:30 PM Lunch w/Governor Warsh

03:00 PM - 03:45 PM John Chambers, Chairman/CEO, Cisco Systems, Inc.

Monday, February 26, 2007
10:00 AM - 10:30 AM Wayne Passmore, Diana Hancock, Michelle Smith & Dave Skidmore
03:00 PM - 04:00 PM Briefing w/BS&R staff
04:30 PM - 05:00 PM Phone call from John Shoven
05:30 PM - 05:45 PM Telephone call from Pres. Geithner
05:45 PM - 06:15 PM RBOPS Reception—Joint meeting of Reserve Bank Audit Committee Chairs and General Auditors

Tuesday, February 27, 2007

10:00 AM - 10:30 AM Christopher Rupkey, Sr. VP, Bank of Tokyo-Mitsubishi, NY (w/Vince Reinhart)
12:15 PM - 01:15 PM Lunch w/Gov. Kroszner
01:30 PM - 03:00 PM Pre-testimony briefing
03:45 PM - 04:15 PM Meeting w/Gov. Warsh, WPassmore, WHambley, BPribble, MSmith & DSkidmore
04:30 PM - 05:00 PM Meeting w/Secy. Margaret Spellings, Department of Education

Wednesday, February 28, 2007

10:00 AM - 01:00 PM Testimony: House Budget Committee (Economic Outlook)
03:00 PM - 04:00 PM [REDACTED]
04:15 PM - 04:30 PM Myron Kwast & Larry Slifman

Thursday, March 1, 2007

08:30 AM - 09:30 AM Breakfast w/Senator Robert Menendez, Chris Schloesser, Karissa Willhite (w/Win Hambley)
10:00 AM - 10:30 AM Valéry Giscard d'Estaing and Amb. Jean-David Levitte (w/Karen Johnson and Paul Wood)
03:15 PM - 03:45 PM Professor Stanley Fischer, Governor, Bank of Israel
04:00 PM - 04:15 PM Barry Snyder

Friday, March 2, 2007

TRAVEL - Stanford, California
Speech: SIEPR 4th Annual Economic Summit

Monday, March 5, 2007

10:00 AM - 12:00 PM Board meeting
12:30 PM - 01:30 PM Lunch w/Dave Stockton
02:00 PM - 02:30 PM Telephone meeting w/Alan Blinder, Princeton University
02:30 PM - 03:30 PM [REDACTED]
04:00 PM - 05:00 PM Videoconference meeting: Basel II

Tuesday, March 6, 2007

10:30 AM - 11:00 AM	Meeting w/Gov. Warsh, Win Hambley, Michelle Smith & Brian Gross
11:30 AM - 12:00 PM	Larry Meyer & Brian Sack of Macroeconomic Advisers (w/VReinhart)
02:00 PM - 02:30 PM	Speech (via satellite) before the Independent Community Bankers of America (ICBA) 2007 Annual Convention and Techworld
04:30 PM - 05:00 PM	Courtesy visit/Photo shoot: w/delegation from EU Commission+ six (Staff: KO'Day, R Cole & BBouchard)

Wednesday, March 7, 2007

10:00 AM - 12:00 PM	Board meeting
02:30 PM - 03:30 PM	Myron Kwast, Robin Prager, Michelle Smith and/or Dave Skidmore
04:00 PM - 05:00 PM	DCCA Briefing (w/Gov. Kroszner, Leonard Chanin, Sheila Maith & Stephanie Martin)
05:30 PM - 07:30 PM	Reception/Dinner: Consumer Advisory Council

Thursday, March 8, 2007

09:00 AM - 11:00 AM	Meeting: Consumer Advisory Council
12:15 PM - 12:45 PM	Vince Reinhart & Debbie Danker
01:00 PM - 01:10 PM	Group Photo w/Consumer Advisory Council Members
01:10 PM - 02:15 PM	Luncheon: Consumer Advisory Council
02:30 PM - 03:30 PM	Meeting w/representatives from the Semiconductor Industry Association
03:30 PM - 03:45 PM	Governor Mishkin
04:00 PM - 04:10 PM	Steve Malphrus
04:40 PM	Phone call from Tim Geithner

Friday, March 9, 2007

08:00 AM - 09:00 AM	Breakfast w/Senator Max Baucus and Russell Sullivan (w/Win Hambley)
10:00 AM - 11:00 AM	Meeting w/staff: DStockton, LSlifman, LSheiner, WHambley, MSmith, DSkidmore
12:30 PM - 01:30 PM	Lunch w/Cong. Barney Frank
02:30 PM - 03:00 PM	Vince Reinhart & Debbie Danker

Monday, March 12, 2007

10:00 AM - 11:00 AM	
11:00 AM - 11:15 AM	Scott Alvarez & Steve Malphrus
12:30 PM - 01:30 PM	Lunch w/Governor Mishkin
02:00 PM - 02:45 PM	Vince Reinhart, Debbie Danker & Steve Meyer
04:00 PM - 05:00 PM	Dave Stockton et al
06:30 PM - 09:00 PM	Dinner – Conference on US Capital Markets Competitiveness

Wednesday, March 14, 2007

08:00 AM - 09:00 AM Breakfast w/Al Hubbard

Thursday, March 15, 2007

08:00 AM - 09:30 AM Breakfast meeting: German Ambassador, Dr. Klaus Scharioth, & German Federal Minister of Finance, Peer Steinbrück.

12:00 PM - 12:45 PM Meeting w/ABA Board Members

01:30 PM - 02:00 PM Vice Chairman Kohn

02:30 PM - 03:00 PM Briefing: FRB Congressional staff

04:00 PM - 04:30 PM Meeting/Photo Op: Brian Patterson, Chairman of the Board; Patrick Neary, Chief Executive; Con Horan, Prudential Director & Mary O'Dea, Consumer Director of the Irish Financial Regulator (w/Kathleen O'Day, Legal & Jonathan Sacks, BS&R)

06:00 PM - 08:00 PM TIAC: Reception/dinner

Friday, March 16, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson

09:15 AM - 09:45 AM Timothy Adams, Under Secretary for International Affairs, Treasury

10:00 AM - 12:30 PM TIAC: Meeting/Luncheon

12:30 PM - 01:00 PM Gov. Warsh, VC Kohn, Michelle Smith

01:00 PM - 02:30 PM pre-FOMC briefing w/R&S staff

02:30 PM - 03:30 PM pre-FOMC briefing w/Governor Mishkin & MA staff

04:45 PM - 05:45 PM Video conference meeting: Basel II

Monday, March 19, 2007

10:00 AM - 12:30 PM Pre-FOMC Board meeting

02:30 PM - 03:00 PM Eugen Haltiner, Chairman, & Luc Thevenoz, Commissioner, Swiss Federal Banking Commission and Philipp Hildebrand, Member of the Governing Board, Swiss National Bank (Karen Johnson & Guthrie Dundas)

Tuesday, March 20, 2007

12:30 PM - 01:30 PM Lunch w/Vice Chairman Kohn and Tim Geithner

02:30 PM - 05:30 PM FOMC Meeting

05:30 PM - 07:30 PM Farewell FOMC reception/dinner for Gov. Bies

Wednesday, March 21, 2007

09:00 AM - 03:00 PM FOMC Meeting/Luncheon

03:30 PM - 03:45 PM Marianne Emerson

Thursday, March 22, 2007
 09:10 AM Breakfast/Coffee w/Participants: Conference on Credit Risk & Credit Derivatives
 09:25 AM - 09:30 AM Welcome remarks: R&S Conference on Credit Risk & Credit Derivatives
 12:30 PM - 01:30 PM Lunch w/Charles Dallara, Managing Director, Institute of International Finance
 03:00 PM - 04:00 PM Briefing w/BS&R Staff
 04:15 PM - 05:00 PM Briefing by Sandy Braunstein & Wayne Passmore

Friday, March 23, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson
 11:00 AM - 12:00 PM [REDACTED]
 12:30 PM - 01:30 PM Lunch w/Vince Reinhart
 01:45 PM - 01:55 PM Brief introduction by Louise Roseman: Lenny Schrank & Lazaro Campos, (outgoing/incoming CEO of /SWIFT)

Monday, March 26, 2007

11:00 AM - 12:00 PM MKwast, SBraunstein, NLIang, ALehnert, MSmith, and/or DSKidmore
 02:15 PM - 04:00 PM Farewell reception for Governor Bies
 04:00 PM - 05:00 PM Pre-testimony briefing

Tuesday, March 27, 2007

08:30 AM - 09:30 AM Informal dialogue w/Class of 2007 Stanford Sloan Master's Program
 11:00 AM - 11:30 AM Steve Malphrus, Pat Parkinson & Bill English
 12:30 PM - 01:30 PM Lunch w/Steve Malphrus
 03:00 PM - 04:00 PM Pre-testimony briefing

Wednesday, March 28, 2007

10:30 AM - 01:00 PM Testimony: Joint Economic Committee (Economic Outlook)
 03:30 PM - 04:30 PM Meeting: 2007 Annual CSBS Washington Fly-In
 04:30 PM - 05:00 PM Governor Mishkin
 05:00 PM - 05:30 PM Lord John Browne, Group Chief Executive, BP p.l.c. & Bob Malone, Chairman & President, BP America (w/Karen Johnson & Brett Berger)

	<u>Thursday, March 29, 2007</u>
10:00 AM - 10:45 AM	Meeting w/Treasury: Robert Steel, David Nason, Matt Scogin & Kristen Jaconi
11:30 AM - 12:00 PM	Meeting/Photo Op: Georgios Alogoskoufis, Minister, Ministry of Economy & Finance, Greece + 5) (w/Tom Connors & Guthrie Dundas)
12:30 PM - 01:30 PM	Lunch w/Louise Roseman
01:45 PM - 02:00 PM	Governor Bies
02:00 PM - 02:30 PM	Meeting w/Gov. Warsh, Pat Parkinson, Pat White et al
04:00 PM - 06:00 PM	PWG Meeting
	<u>Friday, March 30, 2007</u>
07:30 AM - 08:15 AM	Breakfast w/Secy. Paulson
12:00 PM - 01:30 PM	Lunch/Speech: Community Affairs Research Conference
03:30 PM - 04:00 PM	Takatoshi Ito, Graduate School of Economics, University of Tokyo
	<u>Monday, April 2, 2007</u>
10:00 AM - 12:00 PM	Board meeting
12:15 PM - 01:15 PM	Lunch w/Vice Chairman Kohn
	<u>Tuesday, April 3, 2007</u>
11:45 AM - 12:15 PM	(former) Senator Phil Gramm & Peter Wuffli, UBS (w/Karen Johnson)
12:30 PM - 01:30 PM	Lunch w/Marianne Emerson
	<u>Wednesday, April 4, 2007</u>
03:00 PM - 04:00 PM	Meeting: Gov. Warsh, Gov. Kroszner, Nellie Liang, Michelle Smith, Dave Skidmore
	<u>Thursday, April 5, 2007</u>
10:00 AM - 10:30 AM	Informal coffee gathering w/Division of Monetary Affairs
12:45 PM - 01:45 PM	Lunch w/Sandy Braunstein
	<u>Friday, April 6, 2007</u>
12:30 PM - 01:30 PM	Lunch w/John Dugan, Comptroller of the Currency
02:00 PM - 02:15 PM	Steve Malphrus
	<u>Monday, April 9, 2007</u>
08:30 AM - 09:30 AM	Breakfast meeting w/Gov. Warsh & Michelle Smith
12:30 PM - 01:30 PM	Lunch w/Roger Cole
02:00 PM - 03:00 PM	[REDACTED]

Tuesday, April 10, 2007

10:30 AM - 10:45 AM	Marsha Reidhill and Stephen Phillips
11:00 AM - 12:00 PM	[REDACTED]
12:00 PM - 01:00 PM	Lunch w/R&S Staff
01:15 PM - 01:30 PM	Photo op w/R&S staff
01:50 PM - 01:55 PM	John Nash
02:00 PM - 02:30 PM	Vince Reinhart, Debbie Danker, Dave Skidmore, Michelle Smith, and Carol Low

Wednesday, April 11, 2007

TRAVEL: New York, New York

Breakfast meeting w/NY business community leaders (attendance list attached)

[REDACTED]

Speech: New York University School of Law

Thursday, April 12, 2007

10:00 AM - 10:30 AM	Briefing: FRB Congressional staff
11:00 AM - 11:15 AM	Steve Malphrus & Tom Connors
12:30 PM - 01:30 PM	Lunch w/Fay Peters
03:00 PM - 04:00 PM	BS&R Briefing
04:30 PM - 05:00 PM	Toshihiko Fukui, Governor, Mr. Tadashi Nunami, General Mgr. for the Americas, Bank of Japan (w/KJohnson)

Friday, April 13, 2007

07:30 AM - 08:15 AM	Breakfast w/Secretary Paulson
09:00 AM - 09:30 AM	Meeting w/Farouk El-Okdah, Governor, & Ms. Rania Al-Mashat, Division Chief of the Monetary Policy Unit, Central Bank of Egypt, Dr. Boutros-Ghali, Minister of Finance, Ms. Amina Ghanem, Sr. Advisor to Dr. Boutros-Ghali & Gov. Kroszner
10:00 AM - 10:30 AM	Photo Op/Meeting: Commissioner Joaquin Almunia, European Commission & 5-member delegation)
11:00 AM - 12:00 PM	Meeting w/DStockton, VReinhart, ALehnert, NLiag, JGalen & Raven Saks & DSkidmore
01:00 PM - 02:00 PM	Lunch with select people from the G7
02:30 PM - 07:00 PM	G7 Ministerial Meeting
08:00 PM - 10:00 PM	G7 Outreach Dinner: Investment Flows from Oil Exporters

Saturday, April 14, 2007

09:15 AM - 09:45 AM

Meeting w/Mr. Sergei Storchak - Deputy Finance Minister of the Russian Federation & Mr. Sergei Ignatiev, Chairman of the Central Bank of Russia (w/Gov. Kroszner)

10:00 AM

Meetings: International Monetary & Financial Committee

02:00 PM - 03:30 PM

Host luncheon for G-10 Governors

03:30 PM - 04:00 PM

Photo Op/Meeting: Wilhelm Molterer, Austrian Minister of Finance, Klaus Liebscher, Governor, Josef Christl, Executive Director, Austrian National Bank & Thomas Wieser, Director General, Ministry of Finance

04:15 PM - 05:00 PM

Roundtable discussion w/Undersecy. Tim Adams & Member Countries of the Gulf Corporation Council (GCC)

05:30 PM - 06:00 PM

Meeting w/Guillermo Ortiz, Governor, Bank of Mexico

Monday, April 16, 2007

08:00 AM - 09:00 AM

Breakfast with Al Hubbard

12:30 PM - 01:30 PM

Lunch w/Secy. Rice

02:30 PM - 03:00 PM

Meeting w/Dr. Shamshad Akhtar, Governor, State Bank of Pakistan

04:00 PM - 04:30 PM

Steve Axilrod (retiree)

Tuesday, April 17, 2007

09:45 AM - 09:50 AM

Debbie Danker

10:00 AM - 11:00 AM

KJohnson, DFreeman & MSmith and/or DSkidmore

02:15 PM - 03:00 PM

Meeting w/Governor Warsh & Michelle Smith

03:00 PM - 04:00 PM

Meeting w/National Association of Realtors

06:00 PM - 06:30 PM

Reception: New Reserve Bank Directors

06:30 PM - 08:00 PM

Dinner: New Reserve Bank Directors

Wednesday, April 18, 2007

12:45 PM - 01:15 PM

Lunch w/New Reserve Bank Directors

01:45 PM - 02:15 PM

Remarks: Orientation Program for New Reserve Bank Directors

03:00 PM - 03:30 PM

Athanasios Orphanides

Thursday, April 19, 2007

08:30 AM - 09:30 AM

Breakfast w/Congressman John Campbell

10:00 AM - 11:00 AM

Meeting w/Members of the House Ways & Means Committee

12:00 PM - 12:30 PM

Informal discussion: Students from the East Harlem School, New York

01:00 PM - 02:00 PM

CEA Luncheon

03:15 PM - 03:30 PM

Governor Kroszner

03:30 PM - 04:30 PM

Meeting: Gov. Kroszner, SBraunstein, SAlvarez, DBailey, SRoberts, NLiang & MSmith (w/DSKidmore by conference phone)

Friday, April 20, 2007

10:00 AM - 11:00 AM

[REDACTED]

12:30 PM - 01:30 PM

Lunch w/John Reich, Director OTS

02:30 PM - 03:30 PM

[REDACTED]

Monday, April 23, 2007

10:00 AM - 12:00 PM

Board Meeting

12:30 PM - 01:30 PM

Lunch w/Jennifer Johnson

02:00 PM - 02:30 PM

Meeting w/Governor Warsh & Michelle Smith

03:00 PM - 03:05 PM

Photo w/winner of the National Poster Contest

04:30 PM - 05:00 PM

Governor Mishkin

Tuesday, April 24, 2007

12:30 PM - 02:30 PM

25-Year Service Awards Program/Luncheon

04:00 PM - 04:30 PM

Meeting w/Nellie Liang, Karen Dynan & Dave Skidmore

Wednesday, April 25, 2007

10:00 AM - 10:15 AM

Welcome Remarks: The Greater Washington JumpStart Coalition
Financial Literacy Event

Thursday, April 26, 2007

09:00 AM - 09:10 AM

Opening Remarks: Take Our Daughters and Sons to Work Day Program

10:00 AM - 11:00 AM

Meeting w/Mortgage Bankers Associations' residential lenders

11:30 AM - 12:30 PM

[REDACTED]

12:30 PM - 01:30 PM

Lunch w/Scott Alvarez

01:30 PM - 02:00 PM

Graham Ingham, VP, Chief of Staff's Office, @ FRBNY

02:30 PM - 02:45 PM

Pat Parkinson & Scott Alvarez

02:45 PM - 03:00 PM

Scott Alvarez

03:00 PM - 03:30 PM

Briefing: FRB Congressional staff

Friday, April 27, 2007

07:30 AM - 08:15 AM

Breakfast w/Secretary Paulson

11:00 AM - 12:00 PM

[REDACTED]

Monday, April 30, 2007

09:30 AM - 10:00 AM	VC Kohn, Vince Reinhart, Debbie Danker & Spencer Dale
11:00 AM - 11:45 AM	Meeting w/Governor Warsh & Michelle Smith
01:00 PM - 02:00 PM	Meeting w/VCKohn, Governor Warsh, Steve Malphrus & Scott Alvarez
02:30 PM - 03:30 PM	Dave Stockton et al

Tuesday, May 1, 2007

TRAVEL – Butte, Montana

Speech: Montana Economic Development Summit

Wednesday, May 2, 2007

08:30 AM - 09:00 AM	Phone meeting w/Gov. Warsh
10:30 AM - 11:00 AM	Interview
11:15 AM - 11:30 AM	Steve Malphrus
01:30 PM - 02:30 PM	Pre-PWG Briefing: Gov. Kroszner, Roger Cole, Pat Parkinson & Pat White
03:00 PM - 05:00 PM	PWG Meeting
06:30 PM - 07:30 PM	Photo/OP/Meeting (w/Pat Parkinson): Schumer/Bloomberg Competitiveness Report

Thursday, May 3, 2007

02:30 PM - 03:00 PM	Jon Faust, John Hopkins University
03:30 PM - 04:30 PM	Meeting w/Dave Stockton, Dave Wilcox & Michelle Smith
05:00 PM - 06:00 PM	Meeting with Sen. Richard Shelby on Hill w/Bill Duhnke, Staff Director, and Mark Oesterle, Chief Counsel (w/Laricke Blanchard)

Friday, May 4, 2007

07:15 AM - 08:00 AM	Breakfast w/Secretary Paulson
10:00 AM - 11:30 AM	pre-FOMC briefing w/R&S staff
11:30 AM - 12:30 PM	pre-FOMC briefing w/MA staff

Monday, May 7, 2007

08:30 AM - 10:30 AM	Board Meeting
01:30 PM - 02:00 PM	Meeting w/Ned Gramlich
02:00 PM	Remarks @ retirement reception for Barry Snyder, Inspector General
03:00 PM - 04:00 PM	Meeting w/Deborah Majoras, Chairman, Federal Trade Commission + two staff members (w/Gov. Kroszner, Gov. Warsh, SAlvarez, SBraunstein, & NLiAng)

Tuesday, May 8, 2007

10:30 AM - 11:00 AM	Meeting w/Gov. Warsh and Michelle Smith
04:30 PM - 05:00 PM	President Geithner
05:00 PM - 05:45 PM	Vice Chairman, Governor Kroszner & President Geithner

Wednesday, May 9, 2007

08:30 AM - 02:00 PM

FOMC Meeting/Luncheon

Thursday, May 10, 2007

08:30 AM - 09:00 AM

Breakfast w/Secretary Paulson

02:15 PM - 02:45 PM

Meeting w/Dr. Mohammad Al-Jasser, Vice Governor, Saudi Arabian Monetary Agency (w/MLeahy & RKnippenburg)

03:00 PM - 03:30 PM

Briefing: FRB Congressional staff

04:00 PM - 05:00 PM

Briefing: BS&R staff

05:15 PM - 05:30 PM

Governor Warsh & Scott Alvarez

Friday, May 11, 2007

09:45 AM - 10:00 AM

Karen Johnson

10:00 AM - 12:30 PM

Meeting/Luncheon: Federal Advisory Council

01:30 PM - 03:00 PM

DCCA Briefing w/VCKohn & Gov. Warsh

07:30 PM - 08:10 PM

Cocktail Reception/Informal Remarks: G-20 Workshop – Commodity Cycles and Financial Stability

Monday, May 14, 2007

10:00 AM - 10:30 AM

Meeting w/Ellen Hughes-Cromwick, Chief Economist, and Don Leclair, Chief Financial Officer, + 2 senior economists, Ford Motor Company (w/LSilfman)

02:00 PM - 02:30 PM

Meeting w/(former) Gov. Wayne Angell

Tuesday, May 15, 2007

08:10 AM - 09:00 AM

Speech (via satellite) Atlanta Fed's Conference: The Credit Channel of Monetary Policy

Wednesday, May 16, 2007

09:30 AM - 09:45 AM

Meeting pre-Sen. Dodd phone call with Laricke Blanchard & Michelle Smith

10:00 AM - 12:30 PM

Phone call from Senator Dodd

Thursday, May 17, 2007

TRAVEL: Chicago, Illinois

Speech/FRBChicago's Bank Structure Conference

Meeting: National Housing Council of the Financial Services Roundtable

04:45 PM - 05:00 PM

Karen Johnson

Friday, May 18, 2007

07:30 AM - 08:15 AM	Breakfast w/Secretary Paulson
08:30 AM - 09:00 AM	Phone call from Rep. Zoe Lofgren
10:00 AM - 10:15 AM	Dave Stockton & Myron Kwast
11:15 AM - 11:45 AM	Matthew Slaughter, Tuck School of Business, Dartmouth College
02:40 PM	PSU transportation (w/Laricke Blanchard) to Rayburn House Office Building
03:00 PM - 03:30 PM	Meeting w/Representative Barney Frank

Monday, May 21, 2007

08:45 AM - 09:30 AM	Breakfast w/Governor Warsh & Michelle Smith
10:00 AM - 12:00 PM	Board Meeting
12:30 PM - 12:45 PM	Welcome remarks—2007 Fed Challenge Participants
01:00 PM - 03:00 PM	Meeting on China SED II
03:30 PM - 03:45 PM	Photo w/finalists of the 2007 Fed Challenge
04:00 PM - 04:30 PM	Meeting w/DStockton, NLIang, MSmith & DSkidmore

Tuesday, May 22, 2007

08:00 AM - 09:00 AM	Breakfast US/China Strategic Economic Dialogue II
10:20 AM - 11:15 AM	Session I: Principals Only – US/China Strategic Economic Dialogue II
11:45 AM - 12:00 PM	Scott Alvarez, Pat Parkinson & Myron Kwast
12:30 PM - 01:30 PM	Lunch with Gov. Kroszner
01:30 PM - 02:00 PM	Interview
03:00 PM - 04:00 PM	Meeting w/BOG and NABE
04:30 PM - 05:45 PM	Session IV: Rebalancing Growth: US/China Strategic Economic Dialogue
06:00 PM - 06:30 PM	Remarks: Princeton Prize in Race Relations
06:30 PM - 08:00 PM	Dinner/Cultural Event: U.S./China Strategic Economic Dialogue II

Wednesday, May 23, 2007

09:30 AM - 11:30 AM	Board meeting
02:15 PM - 03:00 PM	Meeting w/The House of Commons Treasury Select Committee (TSC) (w/DStockton, BMadigan & KJohnson)
03:30 PM - 04:30 PM	Briefing: BS&R staff
05:30 PM - 06:00 PM	Meeting w/Senator Charles Schumer (w/Laricke Blanchard and Carmencita Whonder)
07:00 PM - 09:00 PM	Dinner: US/China Strategic Economic Dialogue II

Thursday, May 24, 2007

10:00 AM - 10:30 AM	Professor Robert Hall, Stanford University
11:00 AM - 11:30 AM	Dave Stockton
12:00 PM - 01:00 PM	Lunch @ White House
03:00 PM - 03:30 PM	Briefing: Congressional staff
03:45 PM - 04:15 PM	Sam Palmisano, Chairman & CEO of IBM
04:30 PM - 05:00 PM	Interview
05:40 PM	PSU transportation (w/Gov. Warsh) to the Capital Hilton Hotel
06:00 PM - 08:30 PM	Reception/Dinner: US/China Business Council in honor of Her Excellency Wu Yi, Vice Premier, People's Republic of China, and members of the Chinese delegation to the SED

Friday, May 25, 2007

07:30 AM - 08:15 AM	Breakfast w/Secretary Paulson
09:30 AM - 10:15 AM	Wayne Passmore, Diana Hancock, Michelle Smith & Dave Skidmore

Tuesday, May 29, 2007

10:10 AM - 10:15 AM	Opening Remarks/Group Photo: 7th Annual International Seminar on Policy Challenges for the Financial Sector
11:30 AM - 12:30 PM	Meeting w/representatives from the Service Employee Int'l Union (w/DWilcox, BWascher and/or MShanks or CRich)
01:00 PM - 02:30 PM	IMF US Article IV Luncheon
05:30 PM - 06:00 PM	Reception: Participants of the 7th Annual International Seminar on Policy Challenges for the Financial Sector.

Wednesday, May 30, 2007

10:00 AM - 11:00 AM Photo Op/ Meeting w/Retail Industry Leaders Association

11:00 AM - 11:30 AM Meeting w/Jan Hatzius, Chief U.S. Economist w/Goldman Sachs

01:00 PM - 01:45 PM Meeting w/Governor Warsh & Michelle Smith

02:00 PM - 02:30 PM Wayne Passmore, Diana Hancock & Dave Skidmore

02:30 PM - 03:00 PM Videotaping for CMinehan

04:00 PM - 04:30 PM Interview (Personnel)

05:45 PM - 06:00 PM President Yellen

06:00 PM - 08:00 PM Reception/Dinner: Conference of Chairmen

Thursday, May 31, 2007

12:00 PM - 01:00 PM Luncheon: Conference of Chairmen

01:15 PM - 01:45 PM Remarks: Conference of Chairmen

02:00 PM - 02:15 PM Vincent Reinhart

02:30 PM - 03:00 PM Governor Warsh & Pat Parkinson

Friday, June 1, 2007

10:00 AM - 11:00 AM Meeting w/staff: Q&A prep session for IMC

11:00 AM - 12:00 PM Meeting with representatives from the AFL/CIO (w/DStockton & BWascher and/or MShanks or CRich)

Monday, June 4, 2007

10:00 AM - 12:00 PM Board meeting

03:30 PM - 03:45 PM Courtesy Visit: Amb. Arturo Sarukhan, Embassy of Mexico & Antonio Ortiz, Minister of Economic Affairs (w/TConnors)

04:45 PM - 05:15 PM Governor Mishkin

Tuesday, June 5, 2007

08:15 AM - 10:00 AM IMC: Central Bankers Panel (via satellite) – Cape Town, South Africa

11:00 AM - 11:30 AM Meeting w/DStockton, MKwast, DHancock, MSmith & LBlanchard

02:00 PM - 02:30 PM Manley Johnson & David Smick—Johnson Smick International, Inc.

03:45 PM - 04:15 PM Meeting w/Rep. Spencer Bachus (w/LBlanchard, DEllis & DEnglish)

Wednesday, June 6, 2007

10:00 AM - 11:00 AM Meeting w/CEOs of the Business Software Alliance

12:30 PM - 01:30 PM Lunch w/Vice Chairman Kohn

04:00 PM - 04:30 PM Josh Feinman, Chief Economist, Deutsche Asset Management & Bettina Mueller, Portfolio Manager, Frankfurt Office, Deutsche Bank

05:00 PM - 05:30 PM Alan Mulally, CEO, FORD

06:45 PM - 09:00 PM Dinner meeting w/the Business Roundtable

Thursday, June 7, 2007

08:15 AM - 08:20 AM	Photo Op w/CEMLA Conference Participants
10:00 AM - 11:00 AM	Photo Op/Meeting w/National Association of Home Builders (NAHB)
01:15 PM - 01:45 PM	Remarks: President's Export Council
02:00 PM - 03:00 PM	Meeting w/Futures Industry Association
03:30 PM - 04:00 PM	Briefing: FRB Congressional staff
04:45 PM - 05:00 PM	Scott Alvarez


Friday, June 8, 2007

07:30 AM - 08:00 AM	Breakfast w/Secretary Paulson
10:30 AM - 11:00 AM	Remarks: 2007 Aillard Capital Conference (Co-sponsored by U. of Colorado & Fort Lewis College)
01:00 PM - 01:30 PM	Vincent Reinhart and Spencer Dale

Monday, June 11, 2007

09:15 AM - 09:30 AM	Telephone call w/Tim Geithner
11:00 AM - 12:00 PM	Meeting w/Jeremy Nowak, & Ira Goldstein of The Reinvestment Fund (w/Gov. Kroszner, SBraunstein, LChanin)
03:00 PM - 04:00 PM	Briefing: BS&R staff
04:30 PM - 05:15 PM	Meeting w/DStockton et al

Tuesday, June 12, 2007

09:00 AM - 10:00 AM	
01:00 PM - 02:00 PM	CEA Luncheon
02:30 PM - 03:30 PM	Meeting with the ABA Economic Advisory Committee
05:30 PM - 07:30 PM	Reception & Dinner w/Supervision Committee

Wednesday, June 13, 2007

11:00 AM - 12:00 PM	Meeting w/National Association of Manufacturers (NAM)
01:30 PM - 02:00 PM	Meeting w/Laricke Blanchard
02:00 PM - 02:30 PM	Vincent Reinhart & Bill English

TRAVEL: Richmond, Virginia
Dinner Meeting—Board of Directors, FRBank of Richmond

Thursday, June 14, 2007

TRAVEL—Richmond, Virginia and Atlanta, Georgia
Meeting/Luncheon—Board of Directors, FRBank Richmond
Conference Speaker, FRBank Atlanta

Friday, June 15, 2007

02:30 PM - 03:00 PM	Telephone Meeting w/Secretary Paulson
---------------------	---------------------------------------

Monday, June 18, 2007

10:00 AM - 11:00 AM	Meeting: Messrs. William Apgar and Nicholas Retsinas (w/Governor Kroszner, RCole, & SBraunstein)
11:30 AM - 12:30 PM	Meeting w/James Hoffa, General President, International Brotherhood of Teamsters & Thomas Mackell, Chairman, FRBank of Richmond (w/DStockton, LSlifman and/or MShanks or CRich)
02:00 PM - 03:00 PM	Martin Eakes, Michael Calhoun, and Eric Halperin [w/Gov. Kroszner & Sandy Braunstein]
03:00 PM - 04:00 PM	[REDACTED]
04:00 PM - 05:00 PM	Dave Stockton et al

Tuesday, June 19, 2007

10:00 AM - 11:00 AM	[REDACTED]
11:30 AM - 12:00 PM	Vince Reinhart, Debbie Danker & Jonathan Wright
01:00 PM - 02:00 PM	Governor Kroszner, Sandy Braunstein & Laricke Blanchard
02:00 PM - 03:00 PM	Meeting: American Securitization Forum (w/Gov. Kroszner, RCole & SBraunstein)
03:30 PM - 04:30 PM	[REDACTED]
05:00 PM - 05:30 PM	Governor Warsh

Wednesday, June 20, 2007

10:00 AM - 10:45 AM	Meeting w/representatives from ACORN [Association of Community Organizations for Reform Now] (w/Gov. Kroszner, SBraunstein, SMaith & SStawick)
11:30 AM - 12:00 PM	Briefing: FRB Congressional staff
12:00 PM - 01:00 PM	Meeting w/the board of the Securities Industry and Financial Markets Association (SIFMA)

TRAVEL: Chicago, Illinois
Reception/Dinner: Board of Directors, FRBank of Chicago

Thursday, June 21, 2007

TRAVEL: Chicago, Illinois
Meeting/Luncheon, Board of Directors, FRB Chicago

Friday, June 22, 2007

07:30 AM - 08:00 AM	Breakfast w/Secretary Paulson
09:30 AM	Telephone call from President Geithner
10:00 AM - 11:30 AM	pre-FOMC briefing w/R&S staff
11:30 AM - 12:30 PM	pre-FOMC briefing w/MA staff
01:30 PM - 02:00 PM	Governor Mishkin

Monday, June 25, 2007

10:00 AM - 12:00 PM

Pre-FOMC Board Meeting

04:30 PM - 05:00 PM

Meeting w/Herbert Sandler, Founder & Former CEO of Golden West Financial (w/Gov. Kroszner, SBraunstein & DBailey)

Tuesday, June 26, 2007

09:45 AM - 09:55 AM

Group photo w/Board's research assistants

10:15 AM - 10:45 AM

Meeting w/Jon Faust, John Hopkins University

12:00 PM - 12:05 PM

Greet/Photo Op: w/Marjorie Fass Rabinowitz & an 8-member group from Dillon High School's class of 1971

02:30 PM - 03:30 PM

Vice Chairman Kohn

Wednesday, June 27, 2007

10:00 AM - 11:30 AM

Meeting on Systemic Issues

12:00 PM - 12:30 PM

Meeting w/President Geithner

02:00 PM - 06:00 PM

FOMC Meeting

07:30 PM - 09:00 PM

Annual FOMC dinner (w/Anna) hosted by British Ambassador David Manning & Lady Catherine Manning

Thursday, June 28, 2007

09:00 AM - 03:00 PM

FOMC Meeting/Luncheon

04:30 PM - 05:30 PM

Meeting w/staff: KJohnson, VReinhart, DStockton, MSmith & DSkidmore

Friday, June 29, 2007

10:00 AM - 12:30 PM

TIAC: Meeting/Luncheon

02:00 PM - 02:30 PM

Stephen Phillips, w/FRB's Fine Arts Program

02:30 PM - 03:00 PM

Michael Kiley (R&S Division)

03:00 PM - 04:00 PM

Briefing: BS&R staff

Monday, July 2, 2007

07:30 AM - 08:00 AM

Breakfast w/Secretary Paulson

11:00 AM

Telephone call from Paul McCulley, EVP at PIMCO

12:30 PM - 01:30 PM

Lunch with Gov. Kroszner

04:00 PM - 04:15 PM

Phone call from Jeff Lacker, President, FRB-Richmond

Tuesday, July 3, 2007

08:15 AM - 09:15 AM

Breakfast w/AI Hubbard, NEC/White House

10:00 AM - 10:45 AM

Brian Madigan

Monday, July 9, 2007

10:00 AM - 12:00 PM	Board Meeting
12:30 PM - 01:30 PM	Lunch w/Governor Mishkin
02:30 PM - 03:30 PM	VC Kohn, VReinhart, BMadigan, DStockton & DWilcox
05:30 PM - 06:00 PM	Robert Portman, Stephen McMillin & John Kitchen of OMB (w/DWilcox & LSiffman)

Tuesday, July 10, 2007

TRAVEL: Cambridge, Massachusetts

Speech: NBER's Monetary Economics Summer Institute

Wednesday, July 11, 2007

11:00 AM - 11:50 AM	Board Meeting
11:50 AM - 12:00 PM	Governor Kroszner
02:00 PM - 03:00 PM	
05:00 PM - 05:30 PM	Meeting w/Rep. Barney Frank (w/Laricke Blanchard)

Thursday, July 12, 2007

10:00 AM - 11:00 AM	
12:00 PM	Telephone call from Glenn Hubbard, Columbia University
02:55 PM - 03:15 PM	Group Photo/Remarks: Summer Intern Welcome Reception
03:30 PM - 04:00 PM	Briefing: FRB Congressional staff

Friday, July 13, 2007

09:00 AM - 09:30 AM	Wayne Passmore
10:00 AM - 11:00 AM	Board meeting
11:30 AM - 12:00 PM	Telephone meeting w/Jean-Claude Trichet
12:30 PM - 02:00 PM	
02:30 PM - 03:30 PM	Chairman Sheila Bair, FDIC
03:30 PM - 03:40 PM	Dr. Andrew Brimmer
04:00 PM - 04:30 PM	Daniel Mudd, President/CEO, FannieMae (w/Gov. Warsh)

Monday, July 16, 2007

03:15 PM - 03:30 PM	Laricke Blanchard & Tara Foscatto
04:00 PM - 05:00 PM	Briefing by Under Secretary Robert Steel et al (w/Gov. Kroszner, RCole & SAlvarez)

Tuesday, July 17, 2007

12:00 PM - 12:30 PM	Meeting w/Senator Dodd (w/Laricke Blanchard)
03:00 PM - 04:30 PM	Pre-testimony briefing w/staff

Wednesday, July 18, 2007

10:00 AM - 01:00 PM

Testimony: House Committee on Financial Services (Monetary Policy Report)

03:30 PM - 04:30 PM

Pre-testimony briefing w/staff

Thursday, July 19, 2007

09:30 AM - 01:00 PM

Testimony: Senate Banking Committee (Monetary Policy Report)

03:00 PM - 03:30 PM

Interview (Personnel)

04:00 PM - 04:30 PM

Meeting w/Chairman Sheila Bair

05:00 PM - 05:30 PM

Robert McTeer w/National Center for Policy Analysis

Friday, July 20, 2007

07:30 AM - 08:00 AM

Breakfast w/Secretary Paulson

08:30 AM - 08:45 AM

Michael Neal, RA, IF Division

09:00 AM - 09:30 AM

Richard Sandor, Chmn & CEO, Paula DiPerna, EVP, & William Ferretti, VP & Spec. Asst. to Chmn. Chicago Climate Exchange (w/Brian Madigan)

10:00 AM - 11:00 AM

Meeting w/Executive Members of the Housing Policy Council

03:00 PM - 03:45 PM

VCKohn, VReinhart, BMadigan, MSmith

Monday, July 23, 2007

10:00 AM - 12:00 PM

Board Meeting

12:30 PM - 01:30 PM

Lunch w/Governor Warsh

02:00 PM - 02:30 PM

Interview (Personnel)

03:00 PM - 03:30 PM

Professor Timothy Besley, Monetary Policy Committee, Bank of England

Tuesday, July 24, 2007

03:00 PM - 03:30 PM

Walter Lukken, Acting Chairman, Commodity Futures Trading Commission

04:30 PM - 05:00 PM

Professor Jordi Gali, Universitat Pompeu Fabra, Barcelona

Wednesday, July 25, 2007

09:15 AM - 09:45 AM

Governor Kroszner

12:00 PM - 12:30 PM

Mr. Dominique Strauss-Kahn, the European candidate for the position of Directeur Général, IMF & Ambroise Fayolle, Asst. Secy for Multilateral & Development Affairs, France's Treasury Department (w/Karen Johnson)

01:30 PM - 02:30 PM

Briefing w/staff for PWG meeting

03:30 PM - 05:30 PM

PWG Meeting

Thursday, July 26, 2007

09:00 AM - 09:30 AM

[REDACTED]

09:45 AM - 10:00 AM

Brief introductory meeting: Neil Milner, CSBS w/their new chairman Jeff Vogel (WY) and Chair-elect Tim Karsky (ND)

10:00 AM - 11:00 AM

Meeting w/National Fair Housing Association (w/SBraunstein & Carol Evans)

11:30 AM - 12:00 PM

David Wilcox, David Lebow, Wendy Dunn & Charles Fleischman

02:00 PM - 02:20 PM

Kathleen O'Day

02:30 PM

Call from Scott Alvarez

03:30 PM - 04:00 PM

Congressional staff briefing

05:00 PM - 06:00 PM

Group Photo/Informal Remarks: Princeton-in-Washington

Friday, July 27, 2007

09:15 AM - 09:30 AM

Meeting w/Steve Malphrus

09:30 AM - 10:00 AM

Richard (Dick) Parsons, CEO, Time-Warner

10:30 AM - 11:30 AM

Governor Kohn, Brian Madigan, Debbie Danker & Steve Meyer

11:30 AM - 12:00 PM

Meeting w/Gov. Warsh, Brian Madigan & Nellie Liang

12:30 PM - 01:30 PM

Lunch with Secy. Paulson & Daniel Price (w/Kathleen O'Day)

05:00 PM - 06:00 PM

Photo Op/Informal Remarks: Penn-in Washington

Monday, July 30, 2007

10:00 AM - 11:00 AM

[REDACTED]

11:00 AM - 11:30 AM

Steve Malphrus, James Clouse, Nellie Liang, William English

12:00 PM - 01:00 PM

Lunch w/Secretary Carlos Gutierrez

02:15 PM - 02:45 PM

Meeting w/Jeff Neubert, CEO, Norm Nelson, General Counsel, NY Clearing House Association and Jerry Grundhofer, Chairman, US Bank (w/Louise Roseman)

04:00 PM - 05:00 PM

Dave Stockton et al

Tuesday, July 31, 2007

09:45 AM - 10:45 AM

Meeting w/Bond Market Association

12:00 PM - 01:00 PM

Lunch @ White House

02:15 PM - 02:30 PM

Brian Madigan & Debbie Danker

02:30 PM - 03:30 PM

[REDACTED]

03:45 PM - 04:00 PM

Deborah Bailey & Sabbeth Siddique

Wednesday, August 1, 2007

09:15 AM - 09:45 AM Meeting w/Governor Warsh & Michelle Smith
12:00 PM - 12:30 PM Governor Warsh, Michelle Smith and Nellie Liang

Thursday, August 2, 2007

09:30 AM - 09:45 AM Jennifer Johnson
02:00 PM - 02:15 PM Telephone meeting w/Secy. Paulson
03:50 PM - 04:00 PM Wayne Passmore
04:00 PM - 04:30 PM Richard Syron of FreddieMac (w/Wayne Passmore)

Friday, August 3, 2007

10:00 AM - 11:30 AM pre-FOMC briefing w/R&S staff
11:30 AM - 12:30 PM pre-FOMC briefing w/MA staff

Monday, August 6, 2007

10:00 AM - 12:30 PM Pre-FOMC Board Meeting
01:30 PM - 02:00 PM President Geithner
06:00 PM - 06:30 PM Staff re: Market update

Tuesday, August 7, 2007

08:30 AM - 01:00 PM FOMC Meeting
01:00 PM - 02:00 PM FOMC farewell luncheon for President Moscow
05:30 PM - 06:00 PM Pat Parkinson

Wednesday, August 8, 2007

10:00 AM - 10:15 AM Reception for dissertation interns
10:45 AM - 11:00 AM Taping for Urban Institute in honor of Ned Gramlich
11:30 AM - 12:00 PM Nabi Sensoy, Ambassador of Turkey and his wife, Mrs. Gülgün Sensoy
02:00 PM - 03:00 PM Meeting w/John Taylor and the board of directors of the National Community Reinvestment Coalition (w/Governor Kroszner & Sandy Braunstein)
03:30 PM - 04:30 PM Briefing: BS&R staff
04:30 PM - 05:00 PM Wayne Passmore & Andreas Lehnert
05:00 PM Telephone call from Robert Rubin, Citigroup

Thursday, August 9, 2007

07:30 AM - 08:15 AM	Breakfast w/Secretary Paulson
09:30 AM - 10:30 AM	Meeting w/Governor Kroszner, Governor Mishkin, Sandy Braunstein, Michelle Smith, Leonard Chanin, and Laricke Blanchard
11:00 AM - 12:00 PM	Meeting w/Lewis Ranieri, Hyperion Partners (w/Gov. Kroszner & SBraunstein)
02:00 PM - 02:30 PM	Raymond Dalio, Stephen McMenamin, David Storrs & Aleksander Weiler
03:30 PM - 04:00 PM	Briefing: FRB Congressional Staff
04:30 PM	Conference call

Friday, August 10, 2007

07:00 AM	Conference call
08:30 AM - 08:45 AM	Meeting w/Steve Malphrus
02:30 PM - 03:00 PM	President Fisher, FRB Dallas
05:00 PM	Conference Call

Monday, August 13, 2007

05:00 PM	Conference call
----------	-----------------

Tuesday, August 14, 2007

08:00 AM - 08:20 AM	Conference Call
10:30 AM - 11:00 AM	Conference Call
11:00 AM - 11:30 AM	Telephone call from John Reich, Director, w/Tim Ward, OTS Deputy Director for Supervision, Examinations, and Consumer Protection, and Sharon Stark, Senior Economic and Policy Advisor, Office of Thrift Supervision
02:00 PM - 03:00 PM	Meeting w/staff on subprime
04:30 PM	Conference call

Wednesday, August 15, 2007

08:00 AM - 08:30 AM	Conference Call
10:00 AM - 11:00 AM	Mtg. w/Gov. Kroszner, Wayne Passmore, Andreas Lehnert, Diana Hancock
11:00 AM - 11:30 AM	Conference call
11:50 AM - 12:05 PM	Governor Mishkin
05:00 PM	Conference call

Thursday, August 16, 2007

07:30 AM - 08:15 AM	Conference call
08:30 AM - 09:00 AM	Conference Call
09:30 AM - 10:30 AM	Meeting w/Peter Orszag, Director, Robert Sunshine, Deputy Director & Pete Fontaine, Assistant Director, Budget Analysis Division, CBO (w/Dan Sichel, Eric Engen, and Glenn Follette)
11:50 AM	PSU transportation to Treasury Department
12:00 PM - 01:00 PM	Lunch w/Secretary Paulson
06:00 PM - 06:30 PM	Videoconference

Friday, August 17, 2007

07:30 AM - 08:30 AM	Conference call
10:30 AM - 11:00 AM	Conference call
11:00 AM - 12:00 PM	PWG conference call (w/Gov. Warsh and Patrick Parkinson)
01:30 PM - 02:00 PM	Telephone meeting w/Mervyn King, Bank of England
03:00 PM - 03:30 PM	Conference call

Monday, August 20, 2007

07:30 AM - 08:00 AM	Conference call
10:00 AM - 10:45 AM	Meeting w/Gov. Kroszner (by phone) Scott Alvarez, Wayne Passmore, Andreas Lehnert & Diana Hancock
02:00 PM - 02:30 PM	Karen Johnson & Brian Madigan
03:30 PM - 03:45 PM	Scott Alvarez and Laricke Blanchard
04:00 PM - 04:30 PM	Conference Call
06:00 PM	Telephone Secy. Paulson

Tuesday, August 21, 2007

07:30 AM - 08:00 AM	Conference call
09:40 AM	PSU transportation (w/MSmith & LBlanchard) to Senate Russell Office Building
10:00 AM - 11:00 AM	Meeting w/Senator Chris Dodd & Secy. Paulson
02:00 PM - 02:30 PM	Brian Madigan, Debbie Danker and Steve Meyer
04:00 PM - 04:30 PM	Conference Call

Wednesday, August 22, 2007

07:30 AM - 08:00 AM	Conference call
09:45 AM - 10:00 AM	Officer Appointments and Promotions Meeting w/Chairman Bernanke
04:00 PM - 04:30 PM	Conference Call

Thursday, August 23, 2007

07:30 AM - 08:00 AM Conference call

09:30 AM - 10:00 AM Telephone call from Al Hubbard, NEC

10:30 AM - 11:00 AM Telephone call from John (Jack) Brennan, Chairman/CEO of The Vanguard Group (w/BMadigan & PParkinson)

11:30 AM - 12:00 PM Telephone meeting w/President Lacker, FRB Richmond

01:30 PM - 02:00 PM Telephone call from Wayne Passmore and Glenn Canner

02:00 PM - 03:00 PM Meeting w/Vice Chairman Kohn, Deborah Bailey and Coryann Stefansson

04:00 PM - 04:30 PM Conference Call

Friday, August 24, 2007

07:30 AM - 08:00 AM Conference call

11:00 AM - 11:30 AM Interview (Personnel)

12:00 PM - 12:15 PM Gov. Kroszner

02:00 PM - 02:30 PM Telephone call from Don Leclair, CFO, & Ellen Hughes-Cromwick, Chief Economist w/Ford Motor Company (w/LSlifman)

04:00 PM - 04:30 PM Conference Call

Monday, August 27, 2007

08:00 AM - 08:45 AM Conference Call

09:15 AM - 09:45 AM Meeting w/Governor Warsh & Michelle Smith

10:30 AM - 11:30 AM Meeting w/Vice Chairman w/Dave Stockton + Staff

12:30 PM - 01:30 PM Lunch w/Rodrigo deRato, IMF

02:30 PM - 03:30 PM [REDACTED]

04:00 PM - 04:45 PM Conference Call

04:40 PM Call Gov. Mishkin

Tuesday, August 28, 2007

08:00 AM - 08:45 AM Conference Call

10:00 AM - 10:30 AM Meeting w/Larry Meyer and Brian Sack, Macroeconomic Advisers

11:00 AM - 11:20 AM Call from Al Hubbard

04:00 PM - 04:45 PM Conference Call

Wednesday, August 29, 2007

08:00 AM - 08:45 AM	Conference Call
08:45 AM - 09:15 AM	Telephone meeting: Vice Chairman Kohn and Tim Geithner
11:00 AM - 11:45 AM	Larry Lindsey, Marc Sumerlin and Tim Adams w/The Lindsey Group
12:00 PM - 12:15 PM	Brian Madigan & Deborah Danker
04:00 PM - 04:45 PM	Conference Call

Thursday, August 30-Saturday, September 1, 2007

TRAVEL—Jackson Hole, Wyoming

Conference/Speech—FRBank Kansas City's Annual Economic Symposium

05:30 PM	Conference Call
----------	-----------------

Friday, August 31, 2007

07:00 AM	Conference call
05:30 PM	Conference call

Breakfast Meeting
for The Honorable Ben Bernanke
Chairman, Board of Governors of the
Federal Reserve System
Wednesday, April 11, 2007

Ms. Michelle A. Smith
Assistant to the Board
Board of Governors

Mr. Paul Calello
Chief Executive Officer
Credit Suisse Investment Bank

Ms. Jill M. Considine
Chairman and Chief Executive
Officer
The Depository Trust Company

Ms. Zoe Cruz
Co-President
Morgan Stanley

Mr. Richard S. Fuld, Jr.
Chairman and Chief Executive
Officer
Lehman Brothers Holdings, Inc.

Mr. Denis M. Hughes
President
New York State AFL-CIO

Mr. Henry R. Kravis
Founding Partner
Kohlberg Kravis Roberts & Co.

Ms. Indra K. Nooyi
President and Chief Financial Officer
PepsiCo, Inc.

Mr. E. Stanley O'Neal
Chairman and Chief Executive
Officer
Merrill Lynch & Co., Inc.

Mr. Thomas A. Renyi
Chairman and Chief Executive
Officer
The Bank of New York Company, Inc.

The Honorable Robert E. Rubin
Chairman of the Executive
Committee
Citigroup, Inc.

Mr. Stephen A. Schwarzman
Chairman and Chief Executive
Officer
The Blackstone Group

Mr. Jerry I. Speyer
President and Chief Executive
Officer
Tishman Speyer

Mr. Timothy F. Geithner
President
Federal Reserve Bank of New York

Mr. Terrence J. Checki
Executive Vice President
Federal Reserve Bank of New York

Mr. William C. Dudley
Executive Vice President
Federal Reserve Bank of New York

CHAIRMAN BERNANKE'S SCHEDULE
September 2007 – December 2007

Tuesday, September 4, 2007

08:00 AM - 08:45 AM Conference Call
Location: Chairman's Office

10:00 AM - 12:00 PM Board meeting
Location: Board Room

02:30 PM - 03:30 PM Staff Briefing
Location: Special Library

04:00 PM - 04:45 PM Conference Call
Location: Chairman's Office

Wednesday, September 5, 2007

08:00 AM - 08:45 AM Conference Call
Location: Chairman's Office

09:15 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 11:00 AM Meeting w/NAHB's High Production Home Builders Council
Location: Board Room

11:30 AM - 12:00 PM **Rhode Island Business Leaders Day**
Location: Room G-50 -- Dirksen Senate Office Building

02:00 PM - 02:30 PM Meeting w/staff
Location: Chairman's Office

02:30 PM - 03:00 PM Meeting w/Lloyd Blankfein, Goldman Sachs (w/Board member)
Location: Chairman's Office

04:00 PM - 04:45 PM Conference Call
Location: Chairman's Office

Thursday, September 6, 2007

08:00 AM - 08:45 AM Conference Call
Location: Chairman's Office

09:00 AM - 09:45 AM Meeting w/Larry Summers
Location: Chairman's Office

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

01:00 PM - 02:00 PM Meeting with [REDACTED]
Location: Chairman's Office

02:00 PM - 02:30 PM Meeting w/Peter Hooper and Mike Prell
Location: Chairman's Office

03:00 PM - 03:30 PM Meeting w/Ed Yingling, ABA & Ken Thompson, Wachovia Corporation
Location: Chairman's Office

03:30 PM - 04:00 PM Conference Call
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/staff
Location: Special Library

06:30 PM - 08:30 PM Dinner w/Federal Advisory Council
Location: Executive Park Boardroom--Park Hyatt Hotel

Friday, September 7, 2007

07:30 AM - 08:00 AM Breakfast w/Secy. Paulson
Location: Dining Room A

08:30 AM - 09:00 AM Conference Call
Location: Chairman's Office

09:00 AM - 09:30 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 11:30 AM Meeting w/Federal Advisory Council
Location: Board Room

11:45 AM - 12:45 PM Luncheon--Brookings Panel on Economic Activity
Location: 2nd Floor -- National Trust for Historic Preservation

01:00 PM - 01:15 PM Meeting w/staff
Location: Chairman's Office

01:15 PM - 02:15 PM Meeting w/staff
Location: Room B-4001

02:30 PM - 03:00 PM Conference Call
Location: Chairman's Office

03:30 PM - 04:15 PM Meeting w/ [REDACTED]
Location: Chairman's Office

Sunday-Monday, September 9-10, 2007

TRAVEL: Basel, Switzerland -- Bimonthly BIS meetings

Tuesday, September 11, 2007

TRAVEL: Berlin, Germany
Speech: Bundesbank Lecture

Wednesday, September 12, 2007

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Thursday, September 13, 2007

08:30 AM - 09:00 AM Breakfast w/Secy. Paulson
Location: Treasury

09:45 AM - 10:15 AM Meeting w/staff
Location: Chairman's office

12:00 PM - 01:00 PM Brown Bag Lunch @ Council of Economic Advisers
Location: 8th Floor -- Exterior Conference Room

03:30 PM - 04:00 PM Staff Briefing
Location: Chairman's Office

04:15 PM - 04:45 PM Conference Call
Location: Chairman's Office

06:00 PM - 06:15 PM Telephone meeting w/Al Hubbard

Friday, September 14, 2007

12:00 PM - 12:30 PM Conference Call
Location: Chairman's office

12:30 PM - 01:30 PM Lunch w/Chairman Bair, FDIC
Location: Dining Room A

01:35 PM - 01:45 PM Meeting w/FR Bank staff

02:00 PM - 02:30 PM Meeting w/staff
Location: Chairman's Office

04:00 PM - 04:30 PM Conference Call
Location: Chairman's Office

Monday, September 17, 2007

10:00 AM - 12:00 PM Pre-FOMC Board meeting
Location: Board Room

12:00 PM - 12:30 PM Meeting w/Board member
Location: Chairman's Office

04:00 PM - 04:45 PM Conference Call
Location: Chairman's Office

04:45 PM - 05:15 PM Meeting with FR Bank staff
Location: Chairman's Office

Tuesday, September 18, 2007

- 08:30 AM - 03:00 PM FOMC Meeting/Luncheon
Location: Board Room
- 06:15 PM - 06:30 PM Cocktail reception for the Large Complex Banking Organization
Management Group (LCBO MG)
Location: Cafeteria

Wednesday, September 19, 2007

- 09:15 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office
- 10:30 AM - 11:00 AM Meeting w/staff
Location: Chairman's Office
- 03:00 PM - 05:00 PM Pre-testimony briefing w/staff
Location: Anteroom
- 05:15 PM - 05:45 PM Conference Call
Location: Chairman's Office
- 06:00 PM - 06:15 PM Telephone meeting w/Secretary Paulson

Thursday, September 20, 2007

- 10:00 AM - 12:00 PM Testimony-House Financial Services Committee
Location: Room 2128 RHOB
- 03:00 PM - 04:00 PM Meeting w/staff
Location: Anteroom
- 04:00 PM - 04:30 PM Conference Call
Location: Chairman's Office

Friday, September 21, 2007

- 04:30 PM - 05:00 PM Conference Call
Location: Chairman's Office
- 06:00 PM - 07:00 PM Alan Greenspan book signing
Location: Decatur House

Monday, September 24, 2007

- 09:30 AM - 12:00 PM Board Meeting
Location: Board Room
- 01:00 PM - 01:30 PM Speech: U.S. Chamber of Commerce's Annual Education and
Workforce Summit
Location: Palladian Room @ Omni Shoreham Hotel
- 01:30 PM - 01:45 PM Meeting w/Tom Donohue, President and CEO of the U.S.
Chamber
Location: Director's Room @ Omni Shoreham Hotel

02:00 PM - 02:15 PM Meeting w/staff
Location: Chairman's Office

02:45 PM - 03:45 PM Meeting w/staff
Location: Anteroom

04:00 PM - 04:30 PM Telephone meeting

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Tuesday, September 25, 2007

09:45 AM - 11:00 AM Meeting w/ [REDACTED]
Location: [REDACTED]

02:00 PM - 02:45 PM Meeting w/staff
Location: Chairman's Office

03:00 PM - 04:00 PM Meeting w/staff
Location: Anteroom

04:00 PM - 05:00 PM Photo Op/Meeting: Managed Funds Association
Location: Board Room

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Wednesday, September 26, 2007

09:00 AM - 10:00 AM Meeting: High-tech CEOs
Location: Board Room

11:00 AM - 11:45 AM Meeting: CSBS International Dialogue
Location: Board Room

01:30 PM - 02:30 PM Staff Briefing
Location: Chairman's Office

03:00 PM - 05:00 PM PWG Meeting
Location: Room 3327 -- Treasury Department

Thursday, September 27, 2007

08:00 AM - 09:00 AM Breakfast w/Cong. Scott Garrett (w/Board staff)
Location: Dining Room A

10:00 AM - 10:30 AM Staff Briefing
Location: Chairman's Office

01:00 PM - 01:10 PM Opening Remarks @ Conference: "Domestic Prices in an Integrated World Economy"
Location: Dining Room E & F

03:30 PM - 04:00 PM Conference Call
Location: Chairman's Office

04:30 PM - 05:30 PM Meeting w/board of directors of the Financial Services Roundtable
Location: Salon IIIA -- Ritz-Carlton Hotel

Friday, September 28, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson
Location: Treasury Department

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

11:30 AM - 12:30 PM Staff Briefing
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/Robert Zoellick, President, World Bank
Location: DR-A

04:00 PM - 04:30 PM Conference Call
Location: Chairman's Office

Monday, October 1, 2007

09:00 AM - 09:30 AM Photo Op/Meeting: Dr. Muhammed Yunus + (3) -- winner, 2006 Nobel Peace Prize
Location: Special Library

10:00 AM - 12:00 PM Board meeting
Location: Board Room

01:30 PM - 02:00 PM Meeting w/staff
Location: Chairman's Office

02:00 PM - 02:30 PM Meeting w/Swiss Bankers Association (w/Board staff)
Location: Special Library

Tuesday, October 2, 2007

TRAVEL:

Remarks/Q&A: System Leadership Initiative Conference
Chicago, Illinois

04:30 PM - 05:00 PM Meeting w/staff director
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Wednesday, October 3, 2007

09:00 AM - 09:15 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 12:00 PM Meeting w/Andrew Gilman
Location: Anteroom

02:30 PM - 03:00 PM Telephone meeting w/Secretary Paulson
Location: Chairman's Office

03:30 PM - 03:45 PM Telephone meeting w/Jason Cummins, Alan Howard and Chris Rokos, Brevan Howard Asset Management
Location: Chairman's Office

04:00 PM - 04:10 PM Meeting w/Norman Robertson, Adjunct Professor, Carnegie Mellon University
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

06:00 PM - 08:30 PM Reception/Dinner – FR Banks Mid-Service Directors
Location: Reception: Cafeteria
Dinner: Dining Room E

Thursday, October 4, 2007

08:00 AM - 09:00 AM Breakfast w/Congressman. Michael Capuano, Robert Primus & Noelle Melton
Location: Dining Room A

11:15 AM - 11:25 AM Meeting w/Ambassador Adel al-Jubeir, Saudi Arabia
Location: Chairman's Office

12:45 PM - 01:30 PM Lunch w/FR Banks Mid-Service Directors
Location: Dining Room E

01:45 PM - 02:15 PM Informal Q&As: FR Banks Mid-Service Directors
Location: Board Room

04:15 PM - 04:30 PM Telephone meeting w/Cong. John Campbell
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Friday, October 5, 2007

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Vice Chairman's Office

Tuesday, October 9, 2007

09:15 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 10:30 AM Meeting w/Robert Wolf, CEO and (former) Senator Phil Gramm,
Vice Chairman, UBS Investment Bank
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/staff
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/Matthew Slaughter, Dartmouth College
Location: Dining Room A

01:45 PM - 02:00 PM Meeting w/Bob Scully, Morgan Stanley
Location: Chairman's Office

02:00 PM - 02:30 PM Meeting w/Jeffrey Immelt and Nancy Dorn, General Electric
Company
Location: Chairman's Office

04:00 PM - 04:15 PM Meeting w/staff
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Wednesday, October 10, 2007

11:10 AM - 12:00 PM Guest speaker: Fall 2007 meeting of the Financial Services Forum
Location: Madarin Oriental Hotel

02:00 PM - 03:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

03:15 PM - 04:45 PM Meeting w/ staff
Location: Anteroom

05:00 PM - 05:30 PM Meeting w/staff
Location: Chairman's Office

Thursday, October 11, 2007

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: Dining Room A

Friday, October 12, 2007

09:10 AM - 09:25 AM Brief remarks: Dallas Fed's conference honoring John Taylor
Location: Special Library -- [videoconference]

09:30 AM - 01:00 PM Meeting w/Academic Consultants
Location: Board Room

01:00 PM - 02:00 PM Luncheon
Location: Dining Room L

02:30 PM - 02:45 PM Telephone call w/Al Hubbard
Location: Chairman's Office

4:30 PM - 05:00 PM Meeting w/staff
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Monday, October 15, 2007

10:00 AM - 12:00 PM Board meeting
Location: Board Room

06:15 PM - 09:30 PM Reception/Speech/Dinner: Economic Club of New York
Location: New York Hilton

Tuesday, October 16, 2007

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

11:00 AM - 11:10 AM Meeting w/staff
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting w/staff
Location: Chairman's Office

01:30 PM - 02:00 PM Meeting w/staff
Location: Chairman's Office

02:00 PM - 02:30 PM Meeting w/Jill Considine and Donald Donahue, Depository Trust Company
Location: Chairman's Office

03:00 PM - 04:00 PM Meeting w/Walter Lukken, Acting Chairman, CFTC (+5 senior officers)
Location: Anteroom

04:15 PM - 05:00 PM Meeting w/FRB/Treasury staff
Location: Anteroom

05:00 PM - 05:15 PM Meeting w/staff
Location: Chairman's Office

06:00 PM - 06:15 PM Reception: System Public Affair Officers
Location: CAFETERIA

Wednesday, October 17, 2007

08:00 AM - 09:00 AM Breakfast w/Rep. Judy Biggert, Nicole Austin, Financial Services Staffer, Kathy Lydon, Chief of Staff
Location: Dining Room A

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

12:15 PM - 12:30 PM Pre-luncheon meeting w/William (Bill) Novelli, John Rother and Tom Nelson
Location: Building "A" -- 7th Floor -- Mr. Novelli's Office

12:30 PM - 02:00 PM Luncheon @ AARP [Attendance List Attached]
Location: Building "A" -- 8th Floor -- Room 130

02:30 PM - 03:00 PM Telephone call w/ [REDACTED]

03:00 PM - 03:30 PM Staff Briefing
Location: Chairman's Office

04:30 PM - 05:00 PM Meeting w/staff
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Thursday, October 18, 2007

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: Treasury

09:15 AM - 10:15 AM Meeting w/ [REDACTED]
Location: Chairman's Office

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

02:30 PM - 02:50 PM Meeting w/Governor Toshihiko Fukui, Akinari Horii, and Tadashi Nunami, Bank of Japan (w/Board staff)
Location: Anteroom

03:45 PM - 04:15 PM Meeting w/Senator Mike Crapo, Gregg Richard, & Laricke Blanchard
Location: Room 239--Dirksen Senate Office Building

05:30 PM - 06:30 PM Brief Remarks @ Reception sponsored by The International Economy magazine honoring Jean-Claude Trichet as "Policymaker of the Year."
Location: Hay Adams Hotel

06:30 PM - 07:00 PM Meeting w/Governor Guillermo Ortiz, Governor, Central Bank of Mexico
Location: Lafayette Room -- Hay Adams Hotel

Friday, October 19, 2007

08:15 AM - 09:15 AM Breakfast with Al Hubbard
Location: Dining Room A

10:00 AM - 11:30 AM Speech: FRB St. Louis' Annual Economic Policy Conference
Location: Special Library [Videoconference]

11:45 AM - 01:00 PM G3 Luncheon Meeting
Location: Treasury Dining Room -- 2nd Floor -- Treasury Department

01:15 PM - 06:30 PM G7 Ministerial Meetings
Location: Cash Room -- Treasury Department

07:30 PM - 09:00 PM Dinner w/Sir Nigel Sheinwald, new British Ambassador & Governor Mervyn King, BOE
Location: Ambassador's Residence

Saturday, October 20, 2007

08:30 AM - 09:30 AM Breakfast w/members of the International Monetary Finance Committee
Location: HQ2-Conference Hall #2 -- IMF

10:00 AM Meetings: IMFC
Location: HQ2 Conference Hall #1 -- IMF

12:00 PM - 12:30 PM Meeting w/Joaquin Almunia, Commissioner for Economic & Monetary Affairs, European Commission (w/Board member and staff)
Location: IMF: US Office -- Room 13318

12:30 PM - 01:00 PM Meeting w/Mrs. Christine Lagarde, Minister of Economy, Finances and Labor
Location: US Office -- Room 13318

02:00 PM - 03:30 PM Host G-10 Luncheon
Location: HQ1-02-306 -- Managing Director's Dining Room

03:30 PM - 04:00 PM Photo Op & Meeting w/John Tsang, Financial Secretary, Hong Kong + 5-member delegation
Location: IMF: US Office -- Room 13318

06:00 PM - 07:30 PM Reception: Michael Wilson, Ambassador of Canada
Location: Ambassador's Residence

Monday, October 22, 2007

09:00 AM - 09:30 AM Keynote Opening Remarks: Group of Thirty's Annual
International Banking Seminar
Location: Dining Rooms D, E & F

10:30 AM - 11:00 AM Photo op/Courtesy meeting w/Mehmet Simsek, Minister of Turkey
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting w/staff
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch
Location: Dining Room A

01:30 PM - 02:00 PM Meeting w/Richard Berner and Stephen Jen, Morgan Stanley
Location: Chairman's Office

02:00 PM - 03:00 PM Meeting w/[REDACTED]
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/staff
Location: Special Library

05:00 PM - 05:30 PM Meeting w/staff
Location: Chairman's office

Tuesday, October 23, 2007

08:00 AM - 09:00 AM Meeting w/staff
Location: DR-A

09:30 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office

12:00 PM - 12:30 PM Meeting w/Secy. Paulson and Chairman Cox (w/Board staff)
Location: Treasury - Small Conference Room (next to 3330)

03:00 PM - 03:30 PM Meeting w/staff
Location: Chairman's office

03:30 PM - 04:00 PM Conference call
Location: Chairman's Office

Wednesday, October 24, 2007

02:00 PM - 02:30 PM Meeting w/staff
Location: Chairman's office

Thursday, October 25, 2007

08:15 AM - 08:45 AM Breakfast w/Secretary Paulson
Location: Dining Room A

09:00 AM - 11:30 AM Meeting: Consumer Advisory Council
Location: Dining Room E

11:30 AM - 12:00 PM Meeting w/staff
Location: Chairman's Office

01:00 PM - 02:00 PM Luncheon: Consumer Advisory Council
Location: Dining Room L

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

05:30 PM - 06:00 PM Meeting w/Board member
Location: Chairman's Office

Friday, October 26, 2007

10:00 AM - 11:30 AM pre-FOMC Staff Briefing
Location: Special Library

11:30 AM - 12:30 PM pre-FOMC Staff Briefing
Location: Special Library

12:30 PM - 01:30 PM Lunch w/Board member
Location: DINING ROOM A

02:00 PM - 02:45 PM Meeting w/staff
Location: Chairman's Office

03:00 PM Meeting w/staff
Location: Chairman's Office

Monday, October 29, 2007

10:00 AM - 12:00 PM Pre-FOMC Board meeting
Location: Board Room

02:00 PM - 03:00 PM Staff Briefing
Location: Anteroom

03:45 PM - 04:30 PM Conference Call
Location: Chairman's Office

05:00 PM - 05:30 PM Meeting w/Board member
Location: Chairman's office

Tuesday, October 30, 2007

02:00 PM - 05:30 PM FOMC Meeting
Location: Board Room

05:30 PM - 07:30 PM FOMC Dinner
Location: Cafeteria

Wednesday, October 31, 2007

- 09:00 AM - 12:30 PM FOMC Meeting/Luncheon
Location: Board Room
- 12:30 PM - 02:00 PM FOMC's farewell luncheon for Cathy Minehan
Location: Dining Room E

Thursday, November 1, 2007

- 08:00 AM - 09:00 AM Breakfast meeting
Location: Dining Room I
- Rainbow Push
Reverend Jesse Jackson
Ms. Kimberly Marcus
Mr. Jonathan Jackson
- University of Maryland
Ronald Walters
- Campaign for America's Future
Robert Borosage
- National Community Reinvestment Coalition
Mr. John Taylor
- 10:30 AM - 11:00 AM Staff Briefing
Location: Chairman's Office
- 11:00 AM - 11:30 AM Meeting w/Professor Hidehiro Kikuchi, Bunkyo Gakuin
University, Japan
Location: Chairman's Office
- 11:45 AM - 12:30 PM Meeting w/staff
Location: Chairman's office
- 12:30 PM - 01:30 PM Lunch w/Board member
Location: DINING ROOM A
- 03:15 PM - 03:30 PM Retirement Reception -- Karen Johnson
Location: DR E
- 05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Friday, November 2, 2007

- 08:00 AM - 09:00 AM Meeting w/staff
Location: Dining Room A
- 10:00 AM - 11:00 AM Open Board Meeting
Location: Board Room

02:30 PM - 03:00 PM Telephone meeting w/Secretary Paulson
Location: Chairman's office

05:30 PM - 06:00 PM Conference Call
Location: Chairman's Office

Monday, November 5, 2007

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

01:00 PM - 02:00 PM Meeting w/staff
Location: Chairman's Office

02:00 PM - 02:15 PM Telephone meeting, [REDACTED]
Location: Chairman's Office

TRAVEL: San Antonio, TX

Tuesday, November 6, 2007

TRAVEL: San Antonio, TX

08:00 AM - 09:00 AM Breakfast w/San Antonio-Austin Region Business Leaders
Location: The Westin Riverwalk Hotel [Attendance List Attached]

10:45 AM - 12:00 PM Reception w/VIPS & board of directors of Accion Texas
[Attendance List Attached]
Location: Henry Gonzalez Convention Center, San Antonio, TX

12:00 PM - 01:30 PM Lunch/speech: ACCION Texas, San Antonio, TX
Location: Henry Gonzalez Convention Center, San Antonio, TX

TRAVEL: Washington, D.C.

Wednesday, November 7, 2007

10:00 AM - 11:00 AM Photo Op/Meeting: Executive Committee of the U.S. Chamber of Commerce
Location: Board Room

11:30 AM - 12:00 PM Meeting w/Steve Bartlett, FSR; Dick Kovacevich, Wells Fargo; and Jaime Dimon, JPMorgan Chase
Location: Chairman's Office

02:30 PM - 04:30 PM Pre-testimony briefing
Location: Anteroom

05:45 PM - 06:15 PM Reception: Consumer Compliance Supervision Managers
Location: Cafeteria

Thursday, November 8, 2007

10:00 AM - 12:30 PM	Testimony: Joint Economic Committee <i>Location:</i> Room 216 – Hart Building
12:30 PM - 01:30 PM	Luncheon/Informal Forum: Democratic Policy Committee (DPC) <i>Location:</i> US Capitol Room S-211 (LBJ Room)
02:00 PM - 02:30 PM	Meeting w/staff <i>Location:</i> Chairman's Office
03:00 PM - 04:00 PM	Staff Briefing <i>Location:</i> Anteroom
04:15 PM - 04:45 PM	Meeting w/staff <i>Location:</i> Chairman's Office
05:00 PM - 05:30 PM	Meeting w/staff <i>Location:</i> Chairman's Office
05:30 PM - 06:00 PM	Telephone call w/Board member <i>Location:</i> Chairman's office

Friday, November 9, 2007

10:00 AM - 11:00 AM	Meeting: Mortgage Bankers Association <i>Location:</i> Board Room
11:15 AM - 11:45 AM	Meeting w/staff <i>Location:</i> Chairman's Office
01:00 PM - 02:00 PM	Lunch w/Dominique Strauss-Kahn, Managing Director, IMF <i>Location:</i> Dining Room A
03:00 PM - 03:30 PM	Telephone meeting w/Secretary Paulson <i>Location:</i> Chairman's Office

Tuesday, November 13, 2007

10:00 AM - 11:00 AM	Meeting w/SIFMA's Chief Investment Officers Group <i>Location:</i> Board Room
11:15 AM - 12:00 PM	Meeting w/staff
01:30 PM - 02:15 PM	Meeting w/Secretary Paulson <i>Location:</i> Treasury Department
04:00 PM - 04:30 PM	Meeting w/staff <i>Location:</i> Chairman's Office
05:15 PM - 06:00 PM	Remarks and Q&A w/Blue Dog Coalition <i>Location:</i> 1300 Longworth House Office Building

Wednesday, November 14, 2007

09:10 AM - 10:00 AM Keynote Address + Q&As: CATO's 25th Annual Monetary Conference
Location: F.A. Hayek Auditorium @ CATO Institute

11:15 AM - 11:45 AM Telephone meeting w/ [REDACTED]
[REDACTED]

12:00 PM - 12:30 PM Meeting w/staff
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/Board Member
Location: Dining Room A

01:30 PM - 02:00 PM Telephone meeting w/ [REDACTED]
[REDACTED]

02:20 PM - 02:45 PM Telephone meeting w/ [REDACTED]
[REDACTED]

03:15 PM - 03:45 PM Meeting w/Cong. Gregory Meeks, Jameel Aalim-Johnson, Chief of Staff
Location: Room 2342 Rayburn House Office Building

04:15 PM - 05:15 PM Meeting w/Senator Sherrod Brown, Mark Powden, Sr. Policy Adviser (w/Board staff)
Location: S-324 -- U.S. Capitol

Thursday, November 15, 2007

08:00 AM - 09:00 AM Breakfast w/Rep. Luis Gutierrez, Eric Edwards, Staff Director & Counsel, and Jennice Fuentes, Chief of Staff (w/Board staff)
Location: Dining Room A

10:00 AM - 10:30 AM Meeting w/Paul McCulley, PIMCO
Location: Chairman's Office

11:00 AM - 11:30 AM Staff Briefing
Location: Chairman's Office

12:00 PM - 12:30 PM Conference call
Location: Chairman's Office

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

TRAVEL: South Africa

Friday, November 16 – Tuesday, November 20, 2007

TRAVEL: Meeting of G-20 Finance Ministers and Central Bank Governors
Cape Town, South Africa

Wednesday, November 21, 2007

11:00 AM - 12:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

02:30 PM - 03:00 PM Meeting w/staff
Location: Chairman's Office

05:00 PM - 05:30 PM Conference call
Location: Chairman's Office

Monday, November 26, 2007

09:15 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 10:30 AM Telephone meeting w/Gov. Mervyn King, BOE

11:00 AM - 11:30 AM Meeting w/ [REDACTED]
Location: Chairman's Office

12:00 PM - 01:00 PM Lunch w/POTUS
Location: Private Dining Room @ White House

01:30 PM - 02:30 PM Meeting w/ [REDACTED]
Location: Chairman's Office

02:30 PM - 03:00 PM CFC photo session (w/Board photographer)
Location: 2nd Floor Atrium

03:30 PM - 04:30 PM Meeting w/Chairman Sheila Bair, FDIC
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

Tuesday, November 27, 2007

09:00 AM - 09:10 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 10:15 AM Welcome Remarks -- College Fed Challenge
Location: Board Room

11:00 AM - 12:00 PM Meeting: Members of the Greenlining Coalition
Location: B-4001

12:00 PM - 12:30 PM Meeting w/staff
Location: Chairman's Office

02:00 PM - 03:30 PM Meeting w/staff
Location: B-4001

04:30 PM - 05:15 PM Meeting w/Board Member
Location: Chairman's Office

Wednesday, November 28, 2007

08:30 AM - 09:00 AM Telephone call w/Undersecretary Robert Steel & Tony Ryan
Location: Chairman's Office

10:00 AM - 10:30 AM Meeting w/Jan Hatzius, Chief U.S. Economist w/Goldman Sachs
Location: Chairman's Office

11:05 AM - 12:05 PM Meeting w/[REDACTED]
Location: Anteroom

02:00 PM - 02:30 PM Meeting w/staff
Location: Chairman's office

02:30 PM - 03:00 PM Meeting w/FR Bank staff
Location: Chairman's Office

03:00 PM - 04:00 PM Meeting w/Board of Trustees of the Institute of International Bankers
Location: Board Room

05:00 PM - 05:30 PM Conference Call
Location: Chairman's Office

06:00 PM - 08:30 PM Reception/Dinner: Conference of Chairmen
Location: Terrace Level -- Cafeteria

Thursday, November 29, 2007

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: Dining Room A

12:00 PM - 12:20 PM Luncheon: Conference of Chairmen
Location: Board Room

12:20 PM - 12:50 PM Informal discussion w/Conference of Chairmen
Location: Board Room

TRAVEL: Charlotte, NC

Dinner speech: Annual Meeting of the Charlotte Chamber of Commerce
Charlotte Convention Center, Charlotte, NC

Friday, November 30, 2007 -- TRAVEL -- Charlotte, NC

10:00 AM - 11:00 AM Meeting w/representatives of the North Carolina Bankers Association
Location: Charlotte Branch -- 530 East Trade Street
Charlotte, NC

12:00 PM - 01:00 PM Conference call
Location: Chairman's Office

Monday, December 3, 2007

08:30 AM - 10:00 AM Buffet breakfast w/ [REDACTED]
Location: Dining Room I

10:30 AM - 11:00 AM Meeting w/Peter Hooper, Deutsche Bank Securities and Michael
Prell, Consultant
Location: Chairman's Office

11:30 AM - 12:00 PM Meeting w/staff
Location: Chairman's Office

12:00 PM - 01:00 PM Lunch w/ [REDACTED]
Location: DR-A

03:00 PM - 04:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/staff
Location: Special Library

05:15 PM - 05:45 PM Conference Call
Location: Chairman's Office

Tuesday, December 4, 2007

09:30 AM - 10:15 AM Meeting w/staff
Location: Chairman's Office

10:30 AM - 11:30 AM Meeting w/Chairman Ronald Rosenfeld and Steve Cross, Director
of Supervision, Housing Finance Board
Location: Special Library

12:30 PM - 01:30 PM Lunch w/ [REDACTED]
Location: Dining Room A

02:00 PM - 03:00 PM Conference Call
Location: Chairman's Office

04:00 PM - 04:10 PM Meeting w/staff
Location: Chairman's Office

04:30 PM - 05:00 PM Meeting w/Board Member
Location: Chairman's Office

05:00 PM - 05:30 PM Staff Briefing
Location: Chairman's Office

Wednesday, December 5, 2007

08:00 AM - 09:00 AM Meeting w/Democratic Budget Group
Location: Room 1302 - Longhouse Office Building

10:00 AM - 11:00 AM Meeting w/staff
Location: Chairman's Office

01:00 PM - 02:30 PM Staff Briefing
Location: Special Library

03:00 PM - 05:00 PM PWG meeting
Location: Room 3327 – Treasury Department

05:15 PM Telephone call w/Jean-Claude Trichet, ECB

06:00 PM - 08:00 PM Holiday Reception: Public Affairs/Congressional Liaison Offices
Location: Atrium

Thursday, December 6, 2007

02:00 PM - 02:30 PM Meeting w/staff
Location: Anteroom

03:45 PM - 05:45 PM Board meeting
Location: Special Library

05:45 PM Conference Call
Location: Chairman's Office

Friday, December 7, 2007

07:15 AM - 08:00 AM Breakfast w/Secretary Paulson
Location: Treasury Department

09:15 AM - 09:45 AM Meeting w/G. Kennedy Thompson, Wachovia Corporation
Location: Chairman's Office

10:00 AM - 12:30 PM Photo Op/Meeting/Luncheon: Federal Advisory Council
Location: Board Room

12:45 PM Meeting w/staff
Location: Chairman's Office

01:00 PM - 02:30 PM pre-FOMC Staff Briefing
Location: Special Library

02:30 PM - 03:30 PM pre-FOMC Staff Briefing
Location: Special Library

Monday, December 10, 2007

07:00 AM - 07:30 AM Conference Call
Location: Residence

10:00 AM - 12:30 PM Pre-FOMC Board Meeting
Location: Board Room

12:30 PM - 01:00 PM Meeting w/Board Member
Location: Dining Room A

05:00 PM - 05:30 PM Meeting w/FR Bank staff
Location: Chairman's Office

05:30 PM - 06:00 PM Meeting w/FR Bank staff
Location: Chairman's Office

Tuesday, December 11, 2007

08:00 AM - 03:00 PM FOMC Meeting/Luncheon
Location: Board Room

Wednesday, December 12, 2007

09:30 AM - 10:15 AM Meeting w/Cong. Rahm Emanuel
Location: Room H-157 -- Capitol Building

2:00 PM TRAVEL

TRAVEL: Atlanta, GA

Dinner/Meeting: Boards of Directors, Federal Reserve Bank of Atlanta

Thursday, December 13, 2007

TRAVEL: Atlanta, GA

Meeting/Luncheon: Boards of Directors, Federal Reserve Bank of Atlanta

05:15 PM - 05:30 PM Remarks (via videoconference) System Meeting on Subprime
Mortgage and Foreclosure Issues, Denver, Colorado
Location: Special Library

Friday, December 14, 2007

08:30 AM - 09:00 AM Telephone call to Secretary Paulson

10:00 AM - 12:30 PM Photo Op/Meeting/Luncheon, TIAC
Location: Board Room

03:00 PM - 03:30 PM Meeting with Al Kelly, President, American Express
Location: Chairman's Office

04:00 PM - 04:30 PM Telephone call to Secretary Jackson, HUD

Monday, December 17, 2007

03:00 PM - 03:30 PM Meeting w/Christopher Rupkey, Bank of Tokyo-Mitsubishi, NY
Location: Chairman's Office

Tuesday, December 18, 2007

9:15 AM - 09:45 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 12:00 PM Open Board Meeting
Location: Board Room

02:30 PM - 03:00 PM Meeting w/Tom Gallagher and Nancy Lazar, ISI Group
Location: Chairman's Office

04:00 PM - 04:30 PM Meeting w/ [REDACTED]
[REDACTED]
Location: Chairman's Office

05:00 PM - 06:30 PM Farewell Reception for Al Hubbard
Location: Indian Treaty Room -- 4th Floor -- EEOB

Wednesday, December 19, 2007

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

03:00 PM - 04:00 PM Staff Briefing
Location: Anteroom

Thursday, December 20, 2007

10:00 AM - 10:30 AM Staff Briefing
Location: Chairman's Office

11:00 AM - 11:45 AM PhotoOp w/ [REDACTED]
Location: 1st Floor Foyer -- Constitution Avenue Side

12:30 PM - 01:30 PM Meeting w/Board Member
Location: Dining Room A

04:00 PM - 04:30 PM Meeting with Staff
Location: Chairman's Office

Friday, December 21, 2007

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson
Location: Dining Room A

09:10 AM - 09:30 AM Conference Call
Location: Chairman's Office

09:30 AM - 10:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

10:30 AM - 10:50 AM Meeting w/staff
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/staff
Location: Chairman's office

12:00 PM - 01:30 PM Holiday luncheon w/PSU
Location: Dining Room L

02:00 PM - 02:30 PM Meeting w/staff
 Location: Chairman's Office

03:00 PM - 03:30 PM Telephone meeting
 Location: Chairman's Office

04:30 PM - 05:00 PM Conference Call
 Location: Chairman's Office

Wednesday, December 26, 2007

08:30 AM - 09:00 AM Conference Call
 Location: Chairman's Office

Friday, December 28, 2007

08:30 AM - 09:00 AM Conference Call
 Location: Chairman's Office

10:00 AM - 10:30 AM Meeting w/staff
 Location: Chairman's Office

Luncheon Meeting w/AARP
Wednesday, 10/17/07
12:15-2:00 p.m.
601 E Street, N.W.
Washington, D.C.

Chairman Bernanke	
Michelle Smith	Board's Public Affairs Officer
Bill Novelli	CEO
Tom Nelson	COO
John Rother	Director Policy and Strategy
Jon Dauphine	Director Economic Economic Security
Larry Renfro	CEO AARP Services
John Gray	Communications Outreach Director-Economics
Jean Setzfand	Director Economic Issues
David Sloane	Sr. Managing Director Govt. Relations & Advocacy
Susan Reinhard	Sr. Managing Director Public Policy
David Certner	Director Legal Counsel & Policy
Bob Romesco	CEO AARP Board Support
Lisa K. Davis	Director Public Education
Kevin Donnellan	Chief Communications Director
Rob Hagans	Chief Financial Officer
Mara Mayor	CEO Board Support
Kirsten Sloan	National Coordinator Federal Affairs
	Coordinator Outreach & Services -Financial
Laura Bos	Security
Sussana Montezmolo	Sr. Legal Representative - Federal Affairs
Barbara Woolley	Director Public Outreach
Paul Anderson	Director Communication Strategies & Outreach

**San Antonio-Austin Region Business Leaders
Breakfast with Federal Reserve Chairman Ben Bernanke**

Tuesday, November 6, 2007

**Westin Riverwalk Hotel
Lantana Room
San Antonio, Texas**

Attendees

Charlie Amato, CEO, Southwest Business Corporation
Charles Butt, CEO, HEB
Robert Davis, CEO, USAA
Dick Evans, President & CEO, Frost Bank
Jim Goudge, President & CEO, Broadway National Bank
Bill Greehey, Chairman, NuStar Energy
Red McCombs, McCombs Enterprises
Marvin Rush, CEO, Rush Enterprise
Bruce Smith, CEO, Tesoro Corp.
Bartell Zachry, Zachry Construction

ACCION Texas VIP Reception

Tuesday, November 6, 2007
10:45 a.m. -- Room 003
Gonzalez Convention Center

Name	Title	Affiliation
Murli Adruy	Management Associate	Citibank
Robert Annibale	Global Microfinance	Citi
James Bantham	Vice President and Counsel	Citi-South Central Region
Janie Barrera	President and CEO	ACCION Texas
Michael Barrera	President and CEO	U.S. Hispanic Chamber of Commerce
Jordana Barton	Vice President for Development and Communications	ACCION Texas
Lynn Belk	Senior Director,	Citibank Client Services
Gloria Vasquez Brown	Vice President	Dallas Fed
Anna Cabral	US Treasurer	Treasury Department
Rick Calero	Region Manager	Citibank
Peter Cavazos	Area Manager	Citibank
Reuben Franco	Vice President	Citibank
Kathleen Gibson	Central Region Head	Citi- Commercial Business Group
Janie Hernandez	Vice President for Human Resources	ACCION Texas
Steve Lafredo	Regional Business Banking Manager	Citibank
Gustavo Lasala	Chief Financial Officer	ACCION Texas
Gary Lindner	Chief Operating Officer	ACCION Texas
Carey Marin	Public Affairs Director	Citi - Global Consumer Group
Regina Montoya	Chief Executive Officer	New America Alliance
Mark Nerio	Director	Citi - Global Consumer Group
Steve Oglesbee	Region Manager	Citibank
Ken Olson	Senior Director	Citibank Client Services
Mark Pinsky	President/Chief Operating Officer	Opportunity Finance Network
Chuck Prince	Chairman/Chief Operating Officer	Citigroup
Sandra Reilly	Director	Citi-Microfinance Group
Dr. Harriett Romo	Director, Mexico Center	University of Texas at San Antonio
Ricardo Romo	President	University of Texas at San Antonio
Surinder Singh	International Consumer Business Manager	Citi - Microfinance Group
Debbie Taylor	Southwest Region Director	Citi - Global Consumer Group
Virginia Torres	Vice President for Texas Lending	ACCION Texas
Dr. Lynda de la Vina	Dean, College of Business	University of Texas at San Antonio
Norman Wright	President	Citibank Client Services
Judith Zaffirini	State Senator	Texas State Senate

Greenspan

Paulson

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Lindsey

Sumerlin

Adams

Alan

Honorable Henry

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Lawrence

Donald

Tim

Greenspan Associates

Treasury Department

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Lindsey Group

The Lindsey Group

The Lindsey Group

02-Jan-08 02-Jan-08 Bernanke,Ben S

11-Jan-08 01-Feb-08 Bernanke,Ben S

11-Jan-08 11-Jan-08 Bernanke,Ben S

11-Jan-08 11-Jan-08 Bernanke,Ben S

14-Jan-08 14-Jan-08 Bernanke,Ben S

14-Jan-08 14-Jan-08 Bernanke,Ben S

14-Jan-08 14-Jan-08 Bernanke,Ben S

15-Jan-08 15-Jan-08 Bernanke,Ben S

15-Jan-08 15-Jan-08 Bernanke,Ben S

15-Jan-08 15-Jan-08 Bernanke,Ben S

[REDACTED]	[REDACTED]	[REDACTED]	15-Jan-08	15-Jan-08 Bernanke,Ben S
[REDACTED]	[REDACTED]	[REDACTED]	15-Jan-08	15-Jan-08 Bernanke,Ben S
Dennis	Robert	Congressional Budget Office	16-Jan-08	16-Jan-08 Bernanke,Ben S
Sunshine	Robert	Congressional Budget Office	16-Jan-08	16-Jan-08 Bernanke,Ben S
[REDACTED]	[REDACTED]	[REDACTED]	17-Jan-08	17-Jan-08 Bernanke,Ben S
Lazear	Honorable Edward	Council of Economic Advisers	17-Jan-08	17-Jan-08 Bernanke,Ben S
Marron	Donald	Council of Economic Advisers	17-Jan-08	17-Jan-08 Bernanke,Ben S
Carlton	Dennis	Council of Economic Advisers	17-Jan-08	17-Jan-08 Bernanke,Ben S
[REDACTED]	[REDACTED]	[REDACTED]	18-Jan-08	18-Jan-08 Bernanke,Ben S
[REDACTED]	[REDACTED]	[REDACTED]	18-Jan-08	18-Jan-08 Bernanke,Ben S
[REDACTED]	[REDACTED]	[REDACTED]	18-Jan-08	18-Jan-08 Bernanke,Ben S
Jackson	Rev. Jesse	RainbowPUSH Coalition	24-Jan-08	24-Jan-08 Bernanke,Ben S
Borosage	Robert	Campaign for America's Future	24-Jan-08	24-Jan-08 Bernanke,Ben S
Browning	Rev. Grainger	Ebenezer AME Church	24-Jan-08	24-Jan-08 Bernanke,Ben S
Reid, III	Rev. Frank	Bethel AME Church	24-Jan-08	24-Jan-08 Bernanke,Ben S
Shelton	Hilary	NAACP	24-Jan-08	24-Jan-08 Bernanke,Ben S
Murphy	Laura	Laura W. Murphy, LLC	24-Jan-08	24-Jan-08 Bernanke,Ben S
Marcus	Kimberly	RainbowPUSH	24-Jan-08	24-Jan-08 Bernanke,Ben S

2008-205
U



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 31, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on March 3, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

"Chairman's Bernanke's schedule for January and February 2008 [including] meetings, conference calls, lunches, etc., and the names of individuals and groups who participated."

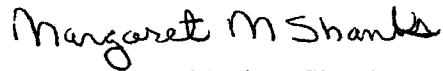
Staff searched Board records and located the certain of the substantive information you seek. You will be provided with a copy of the Chairman's daily calendar (excluding entries of a personal nature) for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing the information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

of the document being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

A handwritten signature in cursive script that reads "Margaret M Shanks".

Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

AMT
AMT:amt

U:\FOIA\2008\08-0205.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-0205

Note: Calendar data for January 2008 was previously released in response to **FOIA # 08-155**. Information responsive to the request for February 2008 data was provided by Rita Proctor (BDM), the Chairman's Assistant, and was reviewed by Michelle Smith (BDM), David Skidmore (BDM), and Alison Thro (Legal). In addition, Alison Thro discussed the request with Scott Alvarez (Legal).

[(b)(4)]

The calendar data is in the same form released in response to FOIA #s 08-155, 08-91, 07-434, 07-106, 07-165 and 7-0074.

2008-205



slanman@bloomberg.net on 03/03/2008 12:03:15 PM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

2008 MAR -3 PM 4:19
SECTION OF INFORMATION OF C
OF THE SYSTEM
RESERVE SYSTEM

Date: Mar 03, 2008

Name: Scott Lanman
Affiliation:
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$200.00
Fee Waiver:

Delivery: Please fax to above number

Request: I am requesting Chairman Bernanke's schedule for January and February 2008. This would include meetings, conference calls, lunches, etc., and the names of individuals and groups who participated. Thank you very much.

January 2008

12:30 PM - 01:30 PM Lunch w/Dr. Greenspan
Location: Dining Room A

02:30 PM - 03:00 PM Conference Call
Location: Chairman's Office

TRAVEL – Washington, DC

09:30 AM - 10:00 AM	Meeting w/Board staff <i>Location:</i> Chairman's Office
10:30 AM - 11:00 AM	Meeting w/Board staff <i>Location:</i> Chairman's Office
11:00 AM - 11:20 AM	Meeting w/Board staff <i>Location:</i> Chairman's Office
11:45 AM - 12:45 PM	Lunch w/Secy. Paulson <i>Location:</i> Treasury
01:00 PM - 02:00 PM	Briefing: President's Working Group <i>Location:</i> Roosevelt Room @ White House
03:00 PM - 03:30 PM	Briefing w/Board staff <i>Location:</i> Chairman's Office
04:00 PM - 04:30 PM	Conference Call <i>Location:</i> Chairman's Office

TRAVEL – Zurich, Switzerland

Meetings w/G10 Governors

05:00 PM - 05:30 PM Meeting w/Board staff
Location: Chairman's Office

Wednesday, January 9, 2008

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

12:00 PM - 12:30 PM Conference Call
Location: Chairman's Office

05:00 PM - 07:00 PM Videoconference
Location: Special Library

Thursday, January 10, 2008

11:00 AM - 11:30 AM Phone call from Alan Mullaly, Don Leclair and Ellen Hughes-Cromwick
Ford Motor Co.
Location: Chairman's Office

12:15 PM - 02:00 PM Reception/Luncheon/Speech:
Women in Housing & Finance & Exchequer Club
Location: State Room @ The Mayflower Hotel

02:30 PM - 05:30 PM Briefing w/Board staff
Location: Anteroom

Friday, January 11, 2008

08:30 AM - 09:30 AM Breakfast w/Secy. Paulson
Location: Dining Room A

10:00 AM - 11:00 AM Meeting, [REDACTED]
Location: Chairman's Office

12:00 PM - 01:30 PM Lunch w/ [REDACTED]
Location: [REDACTED]

02:15 PM - 03:15 PM Meeting, [REDACTED]
Location: Chairman's Office

03:30 PM - 04:00 PM Conference Call
Location: Chairman's Office

04:00 PM - 04:15 PM Meeting w/Board staff
Location: Chairman's Office

04:30 PM - 05:30 PM Briefing w/Board staff
Location: Anteroom

Monday, January 14, 2008

09:00 AM - 10:00 AM Meeting w/Board staff
Location: Special Library

10:00 AM - 11:00 AM Meeting, [REDACTED]
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting, [REDACTED]
Location: Chairman's Office

01:00 PM - 01:30 PM Photo Op/Meeting w/Speaker Nancy Pelosi, and Senator Harry Reid
Location: Room H-232 - Capitol

03:00 PM - 04:00 PM Meeting, [REDACTED]
Location: Chairman's Office

05:15 PM - 05:30 PM Meeting w/Board staff
Location: Chairman's Office

Tuesday, January 15, 2008

10:00 AM - 11:00 AM Meeting, [REDACTED]
Location: Chairman's Office

01:30 PM - 02:30 PM Phone call w [REDACTED]
Location: Chairman's Office

02:30 PM - 03:00 PM Meeting w/Donald (Marc) Sumerlin & Tim Adams, The Lindsey Group
Location: Chairman's Office

03:30 PM - 03:45 PM Telephone call from Cong. Steny Hoyer – House Majority Leader
Location: Chairman's Office

Wednesday, January 16, 2008

08:30 AM - 09:30 AM Peter Orszag, Robert Sunshine and Bob Dennis, CBO
Location: B-4001

12:30 PM - 01:30 PM Lunch w/Board staff
Location: Dining Room A

03:00 PM - 04:30 PM Pre-testimony briefing
Location: Anteroom

Thursday, January 17, 2008

10:00 AM - 12:30 PM Photo Op/Testimony: House Committee on the Budget
Location: Room 210 – Cannon House Office Building

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

02:30 PM - 03:30 PM Meeting w/ABA Economic Advisory Committee
Location: Board Room

04:00 PM - 05:00 PM Meeting, [REDACTED]
Location: Chairman's Office

Friday, January 18, 2008

08:00 AM - 09:00 AM Breakfast: [REDACTED]
Location: Dining Room A

09:00 AM - 09:30 AM Meeting w/Board staff
Location: Chairman's Office

09:30 AM - 10:00 AM Meeting w/Board staff
Location: Chairman's Office

10:00 AM - 11:00 AM Meeting w/Board staff
Location: Special Library

11:10 AM - 12:00 PM First Lady Laura Bush, Ambassador Sensoy, Mrs. Gulgun Sensoy,
Mrs. Anna Bernanke +Nancy Brinker, Chief of Protocol, State Department
Location: Atrium

12:00 PM - 12:30 PM Meeting w/Board staff
Location: Chairman's Office

02:00 PM - 02:45 PM Meeting w/Cong. John Spratt
Location: Room 1401 – Longworth House Office Building

03:00 PM - 04:00 PM Meeting, [REDACTED]
Location: Chairman's Office

04:15 PM - 04:20 PM Telephone call w/Secy. Paulson

Monday, January 21, 2008 Holiday -- Martin Luther King

Tuesday, January 22, 2008

12:10 PM - 12:30 PM Meeting w/Board staff
Location: Chairman's Office

04:15 PM - 04:45 PM Conference Call
Location: Chairman's Office

Wednesday, January 23, 2008

10:00 AM Telephone conference, [REDACTED]

12:30 PM - 01:30 PM Lunch w/Board staff
Location: Dining Room A

01:40 PM Photo Shoot w/ [REDACTED]
Location: Board Room

03:00 PM - 04:00 PM Briefing w/Board staff
Location: Anteroom

Thursday, January 24, 2008

10:30 AM - 11:15 AM Meeting w/Rev. Jesse Jackson, RainbowPUSH Coalition
Robert Borosage Campaign for America's Future
Reverend Grainger Browning Ebenezer AME Church
Hilary Shelton NAACP
Reverend Dr. Frank Reid Bethel AME Church
Laura Murphy Laura W. Murhpy, LLC
Kimberly Marcus RainbowPUSH Coalition
Location: Special Library

03:00 PM - 03:30 PM Briefing w/Board staff
Location: Chairman's Office

Friday, January 25, 2008

10:00 AM - 11:30 AM Pre-FOMC briefing w/Board staff
Location: Special Library

11:30 AM - 12:30 PM Pre-FOMC briefing w/Board staff
Location: Special Library

12:45 PM - 01:45 PM Lunch w/Reserve Bank staff
Location: Dining Room A

02:00 PM - 02:45 PM Meeting w/Board staff
Location: Anteroom

03:00 PM - 03:30 PM Briefing w/Board staff
Location: Anteroom

04:30 PM - 05:00 PM Telephone meeting w/Secy Paulson

Monday, January 28, 2008

10:00 AM - 12:00 PM Pre-FOMC Board Meeting
 Location: Board Room

02:00 PM - 02:30 PM Meeting w/Reserve Bank staff
 Location: Chairman's Office

03:00 PM - 03:30 PM Meeting w/Board staff
 Location: Chairman's Office

04:00 PM - 04:30 PM Meeting w/Board staff
 Location: Chairman's Office

Tuesday, January 29, 2008

08:00 AM - 09:00 AM Breakfast w/Reserve Bank staff
 Location: Dining Room A

12:00 PM - 12:30 PM Meeting w/Reserve Bank staff
 Location: Chairman's Office

02:00 PM - 05:30 PM FOMC Meeting
 Location: Board Room

05:30 PM - 06:30 PM FOMC reception/dinner
 Location: Cafeteria

Wednesday, January 30, 2008

09:00 AM - 02:00 PM FOMC Meeting/Luncheon
 Location: Board Room

03:30 PM - 03:45 PM Meeting w/Board staff
 Location: Chairman's Office

Thursday, January 31, 2008

08:00 AM - 09:00 AM Breakfast w/ [REDACTED]
 Location: Dining Room A

09:30 AM - 10:00 AM Meeting w/Luo Jiwei, Chairman, China Investment Corp.
 Location: Anteroom

11:00 AM - 12:00 PM Meeting w/Elizabeth Renuart, Alys Cohen, Diane Thompson, Jessica Attie
 and Karen Brown, National Consumer Law Center
 Location: Anteroom

01:00 PM - 02:30 PM Briefing w/Board staff
 Location: Anteroom

03:00 PM - 05:00 PM Meeting w/PWG
 Location: Room 3327 — Treasury Department

TRAVEL — Williamsburg, VA

Schedule, February 2008

Friday, February 1, 2008

TRAVEL: Williamsburg, Virginia

09:00 AM - 10:00 AM **Breakfast meeting w/Democratic Caucus Issues Conference**
Location: James River Ballroom, Kingsmill Resort, Williamsburg, VA

02:15 PM - 02:30 PM **Closing Remarks: Congressional staffers—Day @ The Fed**
Location: Dining Room E

03:30 PM - 04:00 PM Meeting w/Fed staff
Location: Anteroom

Monday, February 4, 2008

08:45 AM - 09:30 AM Breakfast meeting
Location: Dining Room A

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

11:15 AM - 12:00 PM Meeting w/Fed staff
Location: Anteroom

12:30 PM - 02:00 PM Luncheon hosted by Andrew Crockett in honor of Mr. Dominique Strauss-Kahn, Managing Director, IMF
Location: 9th Floor – 800 Connecticut Ave, NW

Tuesday, February 5, 2008

08:00 AM - 09:00 AM Breakfast w/Senator Max Baucus, Russell Sullivan, Staff Director
Senate Finance Committee
Location: Dining Room A

10:00 AM - 10:45 AM Meeting w/representatives of Fidelity Investments
Location: Anteroom

Franco Castagliuolo, Mortgage and MBS Fixed Income Analyst
Lisa Emsbo-Mattingly, Chief Economist
George Fischer: Fixed Income Portfolio Manager
John Harris: Retail Equities Sector Leader and Portfolio Manager
William Irving: Fixed Income Portfolio Manager
Robert Litterst: Money Market Portfolio Manager
Christine McConnell: Leveraged Loan Portfolio Manager
Bob Tucker: Director of Counterparty Risk
Derek Young: Asset Allocation Portfolio Manager

11:00 AM - 11:45 AM Meeting w/Fed staff
Location: Chairman's Office

03:00 PM - 03:30 PM Meeting w/Fed staff
Location: Chairman's Office

03:45 PM - 04:15 PM Meeting w/Fed staff
Location: Chairman's Office

Wednesday, February 6, 2008

09:15 AM - 10:00 AM Meeting w/Senator Dodd
Location: Room 448-Russell Senate Office Building

10:30 AM - 11:00 AM Meeting w/Fed staff
Location: Chairman's Office

11:00 AM - 12:00 PM Meeting w/Fed staff
Location: Chairman's Office

03:00 PM - 03:30 PM Briefing w/Fed staff
Location: Chairman's Office

05:00 PM Telephone meeting w/Secy. Paulson

Thursday, February 7, 2008

TRAVEL: G-7 Ministerial Meetings
Location: Tokyo, Japan

Friday, February 8, 2008

TRAVEL: G-7 Ministerial Meetings
Location: Tokyo, Japan

Saturday, February 9, 2008

-All Day - G-7 Ministerial Meetings
Location: Tokyo, Japan

Sunday, February 10, 2008

- All Day - G-7 Ministerial Meetings
Location: Tokyo, Japan

TRAVEL: Washington, DC

Monday, February 11, 2008

10:00 AM - 10:30 AM Meeting w/Fed staff
Location: Chairman's Office

05:00 PM - 05:50 PM Conference Call
Location: Chairman's Office

Tuesday, February 12, 2008

10:00 AM - 11:00 AM Meeting w/Senate Finance Committee
Location: Room S-219 in the Capitol

01:30 PM - 02:00 PM Meeting w/Senate Republic Party Committee (RPC)
Location: Mansfield Room, S-207— just off the Senate floor

03:15 PM - 03:45 PM Meeting w/Fed staff
Location: Chairman's Office

04:00 PM - 04:30 PM Meeting w/Fed staff
Location: Chairman's Office

05:00 PM Telephone call from Reserve Bank staff

Wednesday, February 13, 2008

10:00 AM Telephone call from Jean-Pierre Roth, Swiss National Bank

01:30 PM - 02:15 PM Conference Call
Location: Chairman's Office

03:00 PM - 04:30 PM Briefing w/Fed staff
Location: Anteroom

Thursday, February 14, 2008

10:00 AM - 12:30 PM Testimony: Committee on Banking, Housing and Urban Affairs
Location: Room 325 – Russell Senate Office Building

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

03:30 PM - 05:00 PM Meeting: BOG w/Conference of Business Economists (CBE)
Location: Board Room

05:30 PM Telephone meeting w/Secy. Paulson

06:00 PM - 08:30 PM Reception/Dinner: Federal Advisory Council
Location: Cafeteria

Friday, February 15, 2008

08:30 AM - 09:30 AM Breakfast w/Cong. Paul Ryan, Joyce Meyer, Tim Flynn, Austin Smythe
Location: Dining Room A

10:00 AM - 01:00 PM Meeting/Luncheon: Federal Advisory Council
Location: Board Room

04:30 PM - 05:30 PM Briefing w/Fed staff
Location: Anteroom

Tuesday, February 19, 2008

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

02:30 PM - 03:15 PM Meeting w/Walter Kielholz, Charles Dallara, Caitriona O'Kelly and Joseph Seidel
Location: Anteroom

04:30 PM - 05:30 PM Conference Call
Location: Special Library

Wednesday, February 20, 2008

08:15 AM - 08:45 AM Telephone call from Neville Isdell, Chairman/CEO, Coca Cola Co.

10:00 AM - 11:30 AM Board Meeting
Location: Board Room

12:30 PM - 01:30 PM Lunch w/Fed staff
Location: Dining Room A

02:15 PM - 03:15 PM Meeting w/James Lockhart, Director, OFHEO
Location: OFEHO Office

04:00 PM - 05:00 PM Meeting w/Secretary Paulson & Assistant Secretary Dave Nason, Treasury Department
Location: Chairman's Office

05:15 PM - 05:30 PM Meeting w/Fed staff
Location: Chairman's Office

Thursday, February 21, 2008

08:30 AM - 09:15 AM	Breakfast w/Secy. Paulson <i>Location: Treasury</i>
09:30 AM - 10:00 AM	Interview <i>Location: Chairman's Office</i>
11:00 AM - 11:10 AM	Telephone call, Tom Donohue, President/CEO, U.S. Chamber of Commerce
12:00 PM - 12:30 PM	Telephone call, Sam Palmisano, Chairman/CEO, IBM
12:30 PM - 01:30 PM	Lunch w/Reserve Bank staff <i>Location: Dining Room A</i>
02:30 PM - 04:00 PM	Meeting w/Fed staff <i>Location: Anteroom</i>
04:00 PM - 04:30 PM	Meeting w/Josh Feinman and James Grady, Deutsche Asset Management <i>Location: Chairman's Office</i>

Friday, February 22, 2008

11:00 AM - 12:00 PM	Board meeting <i>Location: Board Room</i>
12:30 PM - 01:30 PM	Lunch w/Reserve Bank staff <i>Location: Dining room A</i>
02:00 PM - 03:00 PM	Meeting w/ [REDACTED] <i>Location: Chairman's Office</i>
03:00 PM - 03:30 PM	Briefing w/Fed staff <i>Location: Chairman's Office</i>
04:00 PM - 04:45 PM	Conference Call <i>Location: Chairman's Office</i>
05:00 PM - 05:45 PM	Meeting w/Fed staff <i>Location: Anteroom</i>

2x 4

Monday, February 25, 2008

08:30 AM - 09:15 AM	Breakfast meeting <i>Location: DR A</i>
10:00 AM - 11:00 AM	Meeting w/Fed staff <i>Location: Anteroom</i>
12:00 PM - 01:30 PM	Luncheon: National Governors Association <i>Location: Salon 1 – Ballroom Level @ J.W. Marriott Hotel</i>
02:45 PM - 03:45 PM	Fed-Treasury meeting <i>Location: Special Library</i>
03:45 PM - 04:00 PM	Meeting w/Secy. Paulson <i>Location: Chairman's Office</i>
05:15 PM	Telephone call w/Reserve Bank staff

Tuesday, February 26, 2008

12:00 PM - 01:00 PM

Lunch w/POTUS

Location: Private Dining Room @ White House

03:00 PM - 04:30 PM

Briefing w/Fed staff

Location: Special Library

Wednesday, February 27, 2008

08:00 AM - 08:15 AM

**Welcome/Opening Remarks – Central Bank Workshop
Monetary Policy Implementation**

Location: Board Room

10:00 AM - 01:00 PM

Testimony: House Committee on Financial Services

Location: Room 2128, Rayburn House Office Building

03:30 PM - 04:30 PM

Briefing w/Fed staff

Location: Special Library

Thursday, February 28, 2008

10:00 AM - 01:00 PM

Testimony: Senate Committee on Banking, Housing and Urban Affairs

Location: Room 538, Dirksen Senate Office Building

03:30 PM - 04:00 PM

Meeting w/Fed staff

Location: Chairman's Office

04:30 PM

Telephone call, Lloyd Blankfein, Chairman, Goldman Sachs

06:00 PM - 08:30 PM

Reception/Dinner: TIAC

Location: Cafeteria

Friday, February 29, 2008

10:00 AM - 01:00 PM

Meeting/Luncheon: TIAC

Location: Board Room

01:15 PM - 01:45 PM

Meeting w/Fed staff

Location: Chairman's Office

02:30 PM - 03:00 PM

Meeting w/Larry Meyer and Brian Sack, Macroeconomic Advisers

Location: Chairman's Office

04:00 PM - 05:00 PM

Briefing w/Fed staff

Location: Anteroom

**Chairman Bernanke's Schedule
March 3-6, 2008**

Saturday, March 1, 2008

09:00 AM - 01:00 PM

Meeting @ Treasury

Location: Room 3327

Attendees:

Treasury: Secy. Paulson, Robert Steel, Anthony Ryan and David Nason

FRB: Chairman, Governor Warsh, President Geithner, Art Angulo and Patrick Parkinson

06:30 PM

Dinner w/Secretary Paulson, Secretary Spellings

Location: Paulson residence

Monday, March 3, 2008

10:00 AM - 12:00 PM

Board Meeting

Location: Board Room

01:30 PM - 02:15 PM

Meeting w/Reserve Bank Staff

Location: Chairman's Office

TRAVEL: Orlando, Florida

Tuesday, March 4, 2008

07:15 AM - 08:15 AM

Breakfast w/ICBA's Executive Committee

Location: Orlando World Center Marriott Resort

09:00 AM - 10:00 AM

Speech: ICBA Techworld

Location: Orlando World Center Marriott Resort

TRAVEL: Washington, DC

04:00 PM - 04:30 PM

Interview

Location: Chairman's Office

05:15 PM - 05:45 PM

Meeting w/Governor

Location: Chairman's Office

06:15 PM - 06:45 PM

Conference Call

Location: Chairman's Office

Wednesday, March 5, 2008

09:30 AM - 10:30 AM

Meeting w/Treasury Borrowing Advisory Committee

Location: Board Room

11:00 AM - 12:00 PM

Meeting w/

Location: Chairman's Office

b(4)

12:30 PM - 02:00 PM

Lunch w/

Location:

b(4)

02:30 PM - 03:00 PM

Meeting w/Fed staff

Location: Chairman's Office

03:15 PM - 03:45 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
04:00 PM - 04:30 PM	Conference call: Alan Mulally and Don Leclair, Ford Motor Company <i>Location:</i> Chairman's Office
04:30 PM - 05:00 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
05:00 PM - 05:30 PM	Conference Call <i>Location:</i> Chairman's Office
05:30 PM - 07:30 PM	Reception/Dinner: Consumer Advisory Council <i>Location:</i> Cafeteria

Thursday, March 6, 2008

09:00 AM - 12:30 PM	Meeting: Consumer Advisory Council <i>Location:</i> Dining Room E
01:00 PM - 02:00 PM	Group Photo/Luncheon: Consumer Advisory Council <i>Location:</i> Dining Room E/Dining Room L
02:15 PM - 02:30 PM	Videotape remarks for RB Staff <i>Location:</i> Special Library
03:00 PM - 03:30 PM	Briefing w/Fed staff <i>Location:</i> Chairman's Office
03:45 PM - 03:50 PM	Telephone call: Professor Alan Rechtschaffen, NYU
TRAVEL: New York, NY	

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100205	Formal	News Media	Scott Lanman	03/03/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 03/13/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 03/13/2008.

The Law Requires the Board to Respond to This Request by: 03/31/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division Person Assigned

LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's meeting schedule for January and February 2008

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

205



"SCOTT LANMAN,
BLOOMBERG/
NEWSROOM:"
<slanman@bloomberg.net>
Sent by:
slanman@bloomberg.net

To Martha.Connor@frb.gov
cc
bcc
Subject Re:FOIA Request #2008-205

04/02/2008 04:51 PM

History

This message has been replied to and forwarded.

Thank you very much. Do you have the schedule for any part or all of March available yet? Regards, Scott Lanman

----- Original Message -----

From: Martha Connor <Martha.Connor@frb.gov>

At: 4/02 16:27:25

See attached documents relating to Chairman Bernanke's meeting schedule from Jan thru Feb 08. Thanks



(See attached file: 08-205 Docu.pdf) 08-205_Docu.pdf

2008-278



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

KEVIN M. WARSH
MEMBER OF THE BOARD

November 7, 2008

Mr. Thomas Golden
Wilkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6099

Dear Mr. Golden:

This is in response to your letter dated and received by the Board's Freedom of Information office on October 14, 2008, in which you appeal, on behalf of Bloomberg L.P. and its reporter, Craig Torres, pursuant to 12 CFR 261.13(i), the determination of the Secretary of the Board ("Secretary") on Mr. Torres' request under the Freedom of Information Act ("the Act" or "FOIA"), 5 U.S.C. § 552. By letter dated April 7, 2008, Mr. Torres requested:

"[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co."

Staff interpreted the request as seeking transaction-specific documents regarding securities posted as collateral for the loan and not as seeking high level information regarding classes or categories of eligible collateral.

By letter dated September 30, 2008, the Secretary informed Mr. Torres that staff had searched Board records and made suitable inquiries but had found no documents that were responsive to his request. The Secretary advised that documents otherwise responsive to the request were located at the Federal Reserve Bank of New York ("FRBNY"), but that these were not considered to be "records of the Board" subject to the Act. The Secretary further noted that even if the

documents were deemed to be records of the Board, the information contained in them would be exempt in full from disclosure under exemption 4 of FOIA, 5 U.S.C. § 552(b)(4).

By your appeal, you challenge the Secretary's determination that otherwise responsive documents located at the FRBNY are not "records of the Board" under the Act. You also challenge the Secretary's determination that exemption 4 of FOIA would provide a valid basis for withholding these documents, assuming that they are properly considered "records of the Board" under the Act.

I have confirmed that the documents sought by your request are located at the FRBNY, not the Board. By regulation, certain documents located at the Reserve Bank may be "records of the Board" subject to the Act. The documents you seek, however, do not fall within this narrow category of records. The Board's "Rules Regarding Availability of Information" define the term "record of the Board" to include, among other things, "all information coming into the possession and under the control of the Board, [or] any Federal Reserve Bank ... in the performance of functions for or on behalf of the Board" 12 CFR 261.2(i)(1)(i) (emphasis added). The "records" nature of the documents you seek thus depends on whether the Reserve Bank possesses the documents as part of a Board-delegated function.

I have reviewed the authority and circumstances under which the Reserve Bank obtained and possesses the documents you seek. Essentially, the Reserve Bank obtained the documents as part of its administration of a loan extended by the Reserve Bank to facilitate the acquisition of Bear Stearns by J.P. Morgan Chase & Co. (JPMC). Although the loan was made under emergency and other circumstances necessitating Board involvement, these circumstances did not convert an otherwise commercial action into a Board (agency) function. At no time did the Board or Board staff obtain, review, or rely upon these documents. Accordingly, I conclude that the documents are not "records of the Board" subject to the Act.

Even if the documents at issue were deemed to be "records of the Board," I have confirmed that the documents would be exempt in full from disclosure under exemption 4 of FOIA. Information in the possession of an agency is exempt from disclosure if it falls within one or more of the enumerated FOIA exemptions. See 5 U.S.C. § 552(b)(1)-(9). Exemption 4 of FOIA permits agencies to withhold "trade secrets and commercial or financial information obtained from a person

[that is] privileged or confidential.” 5 U.S.C. § 522(b)(4). Courts have construed this exemption to permit agencies to withhold information if disclosure is likely (1) to affect the reliability or availability of information the agency would receive in the future, or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. See National Parks and Conservation Assoc. v. Morton, 498 F.2d 765 (D.C. Cir. 1974).

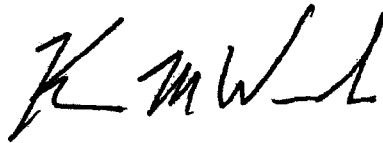
I have confirmed that the information you seek is confidential commercial information. The information at issue contains confidential commercial business information regarding securities pledged as collateral in connection with JPMC’s acquisition of Bear Stearns. The release of this information would cause commercial and competitive harm to JPMC by revealing detailed non-public financial information concerning the financing arrangement regarding its acquisition of Bear Stearns. Such information would be properly withheld under exemption 4.

I have further determined that even if the documents were determined to be “records of the Board,” they also would be exempt from disclosure in full under exemption 5 of FOIA. Exemption 5 of FOIA permits the government to withhold “inter-agency or intra-agency memorandums or letters which would not be available by law to a party ... in litigation with the agency.” 5 U.S.C. § 552(b)(5). The Supreme Court has held that this exemption encompasses a privilege analogous to the qualified privilege for confidential commercial information available in civil discovery under Rule 26(c)(7) of the Federal Rules of Civil Procedure. See FOMC v. Merrill, 443 U.S. 340, 359 (1979). The Court noted, “[T]he sensitivity of the commercial secrets involved, and the harm that would be inflicted upon the government by premature disclosure, should continue to serve as relevant criteria in determining the applicability of this Exemption 5 privilege.” 443 U.S. at 363. I find that the disclosure of the information at issue would harm the financial interests of the FRBNY and hamper its ability to maximize recovery on the emergency loan to JPMC. The disclosure would also hamper the FRBNY’s ability to minimize the risk of causing financial instability to the market.

Based on a de novo review of the Secretary’s decision, and on the recommendation of counsel regarding the legal issues involved, I affirm the Secretary’s decision that documents responsive to your request are not records of the Board subject to the Act. I also affirm that even if such documents were deemed to be records of the Board, they would be exempt in full from disclosure

under exemption 4. I also find that if the documents were records of the Board, they would be exempt in full from disclosure under exemption 5 of the Act. Accordingly, your appeal is denied. If you believe that the Board is withholding information from you contrary to your legal rights, you may seek judicial review of my decision in an appropriate United States District Court pursuant to 5 U.S.C. § 552(a)(4)(B).

Sincerely,

A handwritten signature in black ink, appearing to read "K M W L". The letters are stylized and connected, with a large "K" at the beginning and a long horizontal stroke at the end.

KAA:DLS

U:\Seid\FOIA\Craig Torres FOIA Appeal\ Craig Torres FOIA Appeal Letter.doc

bcc: Governor Warsh
Ms. Johnson
Ms. Harris
Ms. Shanks
Ms. Appelbaum
Mr. Seid
Board Records
Legal Records

FOIA # 08-0278

787 Seventh Avenue
New York, NY 10019-4099
(212) 728-8000

Date: August 18, 2008

Time:

Total number of pages (including this page): 3

Please include Client/Matter No. below

FROM: Jared E. Cohen

Room No.: 4578

Phone No.: (212) 728-8575

TO: Alison Thro

Fax No.: (202) 872-7565

Telephone No.: (202) 452-3236

City: New York

State: NY

RECEIVED
OFFICE OF THE
FEDERAL RESERVE SYSTEM

2008 AUG 18 AM 10:35

RECEIVED
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

Confidentiality Note:

The information contained in this facsimile ("fax") transmission is sent by an attorney or his/her agent, is intended to be confidential and for the use of only the individual or entity to which it is addressed. The information may be protected by attorney/client privilege, work product immunity, or other legal rules. If the reader of this message is not the intended recipient or agent responsible for delivering it to the intended recipient, you are hereby notified that any retention, dissemination, disclosure, distribution, copying, or other use of this fax is strictly prohibited. If you have received this fax in error, please notify us immediately by telephone in order to arrange for the destruction of the fax, or its return to us at our expense. Willkie Farr & Gallagher LLP is a limited liability partnership organized in the United States under the laws of the State of Delaware, which laws limit the personal liability of partners. THANK YOU.

Attention Recipient:

If Any Problems:

Receiving Fax Number:

Call (212) 728-8911

(212) 728-8111

Internal Use Only:

Client No.: 007237

Matter No.: 10335

Attorney No.: 12129

Please check here if you want faxed document returned to you instead of sent to Records Department.

WILLKIE FARR & GALLAGHER LLP

275 Seventh Avenue
New York, NY 10019-1029
Tel: 212 725 9000
Fax: 212 725 5247

August 18, 2008

BY FEDEX AND FAX TO (202) 872-7565

Alison Thro
Senior Counsel
Board of Governors of the Federal Reserve System
20th & Constitution Avenue, NW
Washington, DC 20551
(202) 452-3236

Re: Freedom of Information Act, Request No. 2008100278

Dear Ms. Thro:

As I stated in our phone call on August 4, 2008, this firm represents Bloomberg L.P. ("Bloomberg") and its reporter Craig Torres in connection with their above-referenced Freedom of Information Act ("FOIA") request (the "Request"), electronically submitted to the Board of Governors of the Federal Reserve System (the "Board") on April 7, 2008. To this date, more than four months after the Board received our Request, we have yet to receive a substantive response.

The Request seeks "[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co." To save the Board time in responding to the Request, as Mr. Torres stated to you over the phone, we do not require all responsive documents, but simply any one document showing the list of securities supporting the loan (the "List").

In my phone conversation with you, you stated that based on your conversations with the appropriate employees of the Board, you believe that the Board does not have a copy of the List, but you stated that The Federal Reserve Bank of New York (the "NY Fed") has it. You implied that the Board, therefore, had no obligation to produce the List in response to the Request. If that is in fact the Board's position, we urge the Board to reconsider it. In any event, we request that the Board state its position in writing.

The Board must make its Records available to the public if not exempt from disclosure. See 5 U.S.C. § 552 *et seq.*; 12 C.F.R. §§ 261.10-12. "Records of the Board include: (i) In written form, or in nonwritten or machine-readable form; all information coming into the possession and under the control

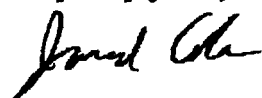
August 18, 2008

Page 2

of the Board, any Board member, any Federal Reserve Bank, or any officer, employee, or agent of the Board or of any Federal Reserve Bank, in the performance of functions for or on behalf of the Board that constitute part of the Board's official files; or (ii) That are maintained for administrative reasons in the regular course of business in official files in any division or office of the Board or any Federal Reserve Bank in connection with the transaction of any official business." 12 C.F.R. § 261.2(i)(1) (emphasis added). Therefore, even if, as you suggest, the List is in the possession of the NY Fed, it is still a Board Record, and the Board must produce it in response to our Request.

If we do not receive a response to our Request by September 1, 2008 (nearly 5 months after you received the Request), we will consider your failure to respond to be a denial, as FOIA provides, and we will consider our options in moving to vindicate the public's right to know.

Very truly yours,



Jared Cohen

cc: Charles J. Glasser, Esq.
Media Counsel, Bloomberg News

Craig Torres
Reporter, Bloomberg News

2008-278

FREEDOM OF INFORMATION ACT REQUEST

REQUEST FOR EXPEDITED TREATMENT

Freedom of Information Office
Board of Governors of the Federal Reserve System
20th & C Street, N.W.
Washington, D.C. 20551

7 April 2008

2008 APR -7 AM 11:05
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

Expedite Requested

BY MAIL AND FAX to (202) 872-7562/7565

Dear Sir or Madam:

Pursuant to the Freedom of Information Act, 5 U.S.C. § 552 *et seq.*, (hereinafter "FOIA") I hereby request that I be allowed immediate access to the following documents (the "Records") or, in that alternative, that I be immediately provided with copies of such Records:

All documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co.

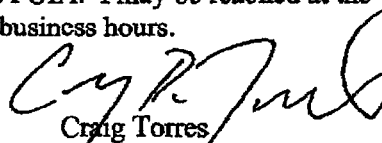
I am a reporter for Bloomberg News, an accredited and recognized newsgathering organization, and request the Records in order to inform the public about matters of public concern. The Federal government has assumed risk with respect to the securities in question, so they represent a potential taxpayer liability. Consequently, they are a matter of high public interest. The Federal Reserve is not a profit-maximizing institution and should not be concerned about market impact if information concerning the securities are made public. The Federal Reserve also has ten years to cause the portfolio to be sold.

Bloomberg News, on whose behalf I make this request, is primarily engaged in the dissemination of information, including to the financial community and the investing public. In addition, there is urgency in informing Bloomberg News's readers of the Federal Reserve's activities in this area, particularly since the federal government's efforts to mitigate the current financial difficulties may be on-going, and should be shaped by the public's fully-informed views regarding the propriety of such efforts. Consequently, I respectfully request expedited treatment of this request.

Pursuant to FOIA, please respond in writing within 20 (twenty) working days of this letter. If you decide to withhold any Record(s) or redact any information from the Record(s), please state the legal basis and specific exemption you assert for so deciding.

We agree to pay reasonable fees for the Records, including actual costs up to \$300. If you choose to make the Records available but your estimate is that actual costs will exceed this amount, please contact me so that I may make the appropriate arrangements for payment.

This request is segregable, and if any part is denied, the remaining part of the request should be complied with. Please contact me if I may expedite your office's satisfaction of its obligations under the FOIA. I may be reached at the telephone number listed below during normal business hours.


Craig Torres
Reporter
Bloomberg News
202-654-1220

cc: Mark McQuillan, Bureau Chief
Daniel Moss, Managing Editor
Chris Anstey, Team Leader
Thomas H. Golden, Esq.

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100278	Formal	News Media	Craig Torres	04/07/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 04/17/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 04/17/2008.

The Law Requires the Board to Respond to This Request by: 05/05/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro
LEGAL	EXPEDITE

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the portfolio of securities supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns by JP Morgan Chase & Co

NOTES**RECOMMENDED DISPOSITION**

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

WILLKIE FARR & GALLAGHER LLP

FAX TRANSMISSION

2008-278
787 Seventh Avenue
New York, NY 10019-6099
(212) 728-8000
appeal

Date: October 14, 2008

Time:

Total number of pages (including this page): 10

Please include Client/Matter No. below

FROM: Thomas Golden

Room No.:

Phone No.: (212) 728-8657

TO: Freedom of Information
Office

Fax No.: (202) 872-7565

Telephone No.:

City:

Country:

FREEDOM OF INFORMATION ACT APPEAL

OCT 14 PM 4:40
RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE**Confidentiality Note:**

The information contained in this facsimile ("fax") transmission is sent by an attorney or his/her agent, is intended to be confidential and for the use of only the individual or entity to which it is addressed. The information may be protected by attorney/client privilege, work product immunity, or other legal rules. If the reader of this message is not the intended recipient or agent responsible for delivering it to the intended recipient, you are hereby notified that any retention, dissemination, disclosure, distribution, copying, or other use of this fax is strictly prohibited. If you have received this fax in error, please notify us immediately by telephone in order to arrange for the destruction of the fax or its return to us at our expense. Willkie Farr & Gallagher LLP is a limited liability partnership organized in the United States under the laws of the State of Delaware, which laws limit the personal liability of partners. THANK YOU.

WILLKIE FARR & GALLAGHER LLP

THOMAS H. GOLDEN
212 728 8657

golden@willkie.com

787 Seventh Avenue

New York, NY 10019-6097

Tel: 212 728 8656

Fax: 212 728 8611

October 14, 2008

BY FEDEX AND FAX TO (202) 872-7565

Freedom of Information Office
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, D.C. 20551

Re: **FREEDOM OF INFORMATION ACT APPEAL**
Freedom of Information Act Request No. 2008100278

Dear Sir or Madam:

This firm represents Bloomberg L.P. ("Bloomberg") and its reporter Craig Torres in connection with their above-referenced Freedom of Information Act (the "Act") request (the "Request"). I am writing on behalf of Bloomberg to appeal the denial of the Request.

1. **The Request and Response**

On April 7, 2008, Mr. Torres electronically submitted to the Board of Governors of the Federal Reserve System (the "Board") the Request, which seeks "[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co." Following the submission of the Request, phone calls were exchanged between Mr. Torres and Alison Thro, Senior Counsel for the Board, and between my firm and Ms. Thro. The Board finally responded formally to the Request in a letter dated September 30, 2008. (Exhibit 1.) In that letter, the Board denies the Request stating, "Staff searched Board records and made suitable inquires, but found no documents that are responsive to your request." In the footnote to that sentence, however, the Board states:

Staff has confirmed that documents responsive to your request are located at the Federal Reserve Bank of New York. I have determined that these documents are not 'records of the Board' under the Act. Nevertheless, even if they were deemed to be 'records of the Board,' I have confirmed that the documents would be exempt in full from disclosure under exemption 4 of the Act.

Freedom of Information Office

October 14, 2008

Page 2

2. Argumenta. Documents located at the Federal Reserve Bank of New York are Board Records under the Act

The Board must make its Records available to the public if not exempt from disclosure. See 5 U.S.C. § 552 *et seq.*; 12 C.F.R. §§ 261.10-12. "Records of the Board include: (i) In written form, or in nonwritten or machine-readable form; all information coming into the possession and under the control of the Board, any Board member, any Federal Reserve Bank, or any officer, employee, or agent of the Board or of any Federal Reserve Bank, in the performance of functions for or on behalf of the Board that constitute part of the Board's official files; or (ii) That are maintained for administrative reasons in the regular course of business in official files in any division or office of the Board or any Federal Reserve Bank in connection with the transaction of any official business." 12 C.F.R. § 261.26(i)(1) (emphasis added). Therefore, as we had explained to Ms. Thro in a letter dated August 18, 2008 (Exhibit 2), even if the records are in the possession of the Federal Reserve Bank of New York, they are still Board Records, and the Board must produce them in response to the Request.

b. The requested records are not exempt from disclosure under exemption 4.

Exemption 4 exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." 5 U.S.C. § 552(b)(4). Information is confidential if disclosure would likely (1) impair the government's ability to obtain necessary information in the future, or (2) cause substantial competitive harm to the person from whom the information was obtained. See Continental Stock Transfer & Trust Co. v. S.E.C., 566 F.2d 373 (2d Cir. 1977). Neither of these conditions is met here because the Federal Reserve Bank (the "Fed") in effect owns the portfolio of securities that is the subject of Bloomberg's Request. As the Fed stated in a press release regarding the portfolio:

The New York Fed will take, through a limited liability company formed for this purpose, control of a portfolio of assets valued at \$30 billion as of March 14, 2008. The assets will be pledged as security for \$29 billion in term financing from the New York Fed at its primary credit rate.

Statement on Financing Arrangement of JPMorgan Chase's Acquisition of Bear Stearns, March 24, 2008, <http://www.newyorkfed.org/newsevents/news/markets/2008/rp080324.html>. "BlackRock Financial Management Inc. has been retained by the New York Fed to manage and liquidate the assets." Summary of Terms and Conditions Regarding the JPMorgan Chase Facility, March 24, 2008, <http://www.newyorkfed.org/newsevents/news/markets/2008/rp080324b.html>. Therefore, the gains or losses from the portfolio belong to the taxpayers, and the taxpayers have a right to know about their investment and the associated risks.

Please feel free to contact me directly at (212) 728-8657 if you have any questions regarding this appeal.

Freedom of Information Office

October 14, 2008

Page 3

Very truly yours,



Thomas Golden

Enclosures

cc: Charles Glasser
Media Counsel, Bloomberg L.P.

Craig Torres

Alison Thro
Senior Counsel
Board of Governors of the Federal Reserve System
20th & Constitution Avenues, NW
Washington, DC 20551

Exhibit 1

Attn: Jared Cohen



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 30, 2008

Mr. Craig Torres
Bloomberg
1399 New York Avenue, NW
Washington, DC 20005-4711

Dear Mr. Torres:

This is in response to your letter dated and received by the Board's Freedom of Information office on April 7, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request:

"[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with COSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co."

Staff searched Board records and made suitable inquiries, but found no documents that are responsive to your request.¹ Accordingly, we cannot provide you with any information. A determination that no responsive records exist is considered to be an "adverse determination" under the Act. You may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours

A handwritten signature in cursive script, appearing to read "Jennifer J. Johnson".

Jennifer J. Johnson
Secretary of the Board

Enclosure

¹ Staff has confirmed that documents responsive to your request are located at the Federal Reserve Bank of New York. I have determined that these documents are not "records of the Board" under the Act. Nevertheless, even if they were deemed to be "records of the Board," I have confirmed that the documents would be exempt in full from disclosure under exemption 4 of the Act.

**RULES REGARDING AVAILABILITY OF INFORMATION 12 CFR 261, AS
AMENDED NOVEMBER 19, 1997
SECTION 261.13(i)**

(i) Appeal of denial of request. Any person denied access to Board records requested under section 261.12 may file a written appeal with the Board, as follows:

- (1) The appeal shall prominently display the phrase **FREEDOM OF INFORMATION ACT APPEAL** on the first page, and shall be addressed to the Freedom of Information Office, Board of Governors of the Federal Reserve System, 20th & C Street, N.W., Washington, D.C. 20551; or sent by facsimile to the Freedom of Information Office, (202) 872-7565.
- (2) An initial request for records may not be combined in the same letter with an appeal.
- (3) The appeal shall be filed within 10 working days of the date on which the denial was issued, or the date on which documents in partial response to the request were transmitted to the requester, whichever is later. The Board may consider an untimely appeal if—
 - (i) it is accompanied by a written request for leave to file an untimely appeal; and
 - (ii) the Board determines, in its discretion and for good and substantial cause shown, that the appeal should be considered.
- (4) The Board shall make a determination regarding any appeal within 20 working days of actual receipt of the appeal by the Freedom of Information Office, and the determination letter shall notify the appealing party of the right to seek judicial review.
- (5) The secretary may reconsider a denial being appealed if intervening circumstances or additional facts not known at the time of the denial come to the attention of the secretary while an appeal is pending.

Exhibit 2

WILLKIE FARR & GALLAGHER LLP

787 Seventh Avenue
New York, NY 10119-6099
Tel: 212 728-8000
Fax: 212 728-4481

August 18, 2008

BY FEDEX AND FAX TO (202) 872-7565

Alison Thro
Senior Counsel
Board of Governors of the Federal Reserve System
20th & Constitution Avenue, NW
Washington, DC 20551
(202) 452-3236

Re: Freedom of Information Act, Request No. 2008100278

Dear Ms. Thro:

As I stated in our phone call on August 4, 2008, this firm represents Bloomberg L.P. ("Bloomberg") and its reporter Craig Torres in connection with their above-referenced Freedom of Information Act ("FOIA") request (the "Request"), electronically submitted to the Board of Governors of the Federal Reserve System (the "Board") on April 7, 2008. To this date, more than four months after the Board received our Request, we have yet to receive a substantive response.

The Request seeks "[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co." To save the Board time in responding to the Request, as Mr. Torres stated to you over the phone, we do not require all responsive documents, but simply any one document showing the list of securities supporting the loan (the "List").

In my phone conversation with you, you stated that based on your conversations with the appropriate employees of the Board, you believe that the Board does not have a copy of the List, but you stated that The Federal Reserve Bank of New York (the "NY Fed") has it. You implied that the Board, therefore, had no obligation to produce the List in response to the Request. If that is in fact the Board's position, we urge the Board to reconsider it. In any event, we request that the Board state its position in writing.

The Board must make its Records available to the public if not exempt from disclosure. See 5 U.S.C. § 552 *et seq.*; 12 C.F.R. §§ 261.10-12. "Records of the Board include: (1) In written form, or in nonwritten or machine-readable form; all information coming into the possession and under the control

August 18, 2008

Page 2

of the Board, any Board member, any Federal Reserve Bank, or any officer, employee, or agent of the Board or of any Federal Reserve Bank, in the performance of functions for or on behalf of the Board that constitute part of the Board's official files; or (ii) That are maintained for administrative reasons in the regular course of business in official files in any division or office of the Board or any Federal Reserve Bank in connection with the transaction of any official business." 12 C.F.R. § 261.2(i)(1) (emphasis added). Therefore, even if, as you suggest, the List is in the possession of the NY Fed, it is still a Board Record, and the Board must produce it in response to our Request.

If we do not receive a response to our Request by September 1, 2008 (nearly 5 months after you received the Request), we will consider your failure to respond to be a denial, as FOIA provides, and we will consider our options in moving to vindicate the public's right to know.

Very truly yours,



Jared Cohen

cc: Charles J. Glasser, Esq.
Media Counsel, Bloomberg News

Craig Torres
Reporter, Bloomberg News

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100278	Formal	Commercial	Thomas Golden	10/14/2008
Transaction Type: Appeal				

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/24/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/24/2008.

The Law Requires the Board to Respond to This Request by: 11/12/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
LEGAL	Appelbaum
LEGAL	Seid

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the portfolio of securities supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns by JP Morgan Chase & Co

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 30, 2008

Mr. Craig Torres
Bloomberg
1399 New York Avenue, NW
Washington, DC 20005-4711

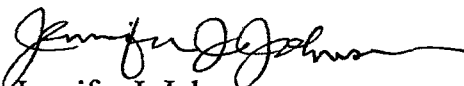
Dear Mr. Torres:

This is in response to your letter dated and received by the Board's Freedom of Information office on April 7, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

"[a]ll documents reflecting or concerning the portfolio of securities (listed on a security-by-security basis, with CUSIP numbers if available), supporting the loan extended by the Federal Reserve in connection with the proposed acquisition of Bear Stearns Cos. by JP Morgan Chase & Co."

Staff searched Board records and made suitable inquiries, but found no documents that are responsive to your request.¹ Accordingly, we cannot provide you with any information. A determination that no responsive records exist is considered to be an "adverse determination" under the Act. You may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours


Jennifer J. Johnson
Secretary of the Board

Enclosure

¹ Staff has confirmed that documents responsive to your request are located at the Federal Reserve Bank of New York. I have determined that these documents are not "records of the Board" under the Act. Nevertheless, even if they were deemed to be "records of the Board," I have confirmed that the documents would be exempt in full from disclosure under exemption 4 of the Act.

AMT
AMT:PMW:pmw

U:\FOIA\2008\08-0278.doc

bcc: Ms. Johnson
Ms. Harris
Ms. Thro
Ms. Wilson
Ms. Logan
Board Records

FOIA # 08-0278

[

]

(b)(5)

[

]



slanman@bloomberg.net on 04/11/2008 02:06:55 PM

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

2008 APR 11 PM 2:07

To: FOI.Requests@frb.gov
cc:

OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION OFFICE

Subject: FOIA Request

Date: Apr 11, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please call for pick up

Request: 1) Minutes of Federal Reserve Board of Governors meetings on March 14, 2008, including the decision to authorize the Federal Reserve Bank of New York to extend credit to Bear Stearns Cos. through JPMorgan Chase & Co.

2) Minutes of Board of Governors meetings on March 16, 2008, including the decisions announced that day to create the Primary Dealer Credit Facility; reduce the primary credit rate; and approve the financing arrangement with JPMorgan Chase & Co. and Bear Stearns.

3) Minutes of Board of Governors meeting on March 27, 2008, with topic of "Periodic Briefing and Discussion on Financial Markets, Institutions, and Infrastructure."

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

August 25, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63038	Formal	Initial	News Media	04/11/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	4	0.10	0.40
Total Amount:				\$0.40
Fee Waived Amount:				\$0.40
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100290
Invoice No: 63038
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 11, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100290

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 04/11/2008 and received by the Board on 04/11/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to the application by JP Morgan Chase & Co. to acquire Bear Stearns.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in cursive script, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100290	Formal	News Media	Scott Lanman	04/11/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 04/21/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 04/21/2008.

The Law Requires the Board to Respond to This Request by: 05/09/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the application by JP Morgan Chase & Co. to acquire Bear Stearns

NOTES**RECOMMENDED DISPOSITION**☐ NO responsive records☐ Records not reasonably identified☒ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☐ Deny in part**EXEMPTIONS:**Signed: Alisa ThroDate: 8/20/08



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 25, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on April 11, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request copies of the following:

1. Minutes of Federal Board of Governors meetings on March 14, 2008, including the decision to authorize the Federal Reserve Bank of New York to extend credit to Bear Stearns Cos. through JPMorgan Chase & Co.
2. Minutes of Board of Governors meetings on March 16, 2008, including the decisions announced that day to create the Primary Dealer Credit Facility; reduce the primary credit rate; and approve the financing arrangement with JPMorgan Chase & Co. and Bear Stearns.
3. Minutes of Board of Governors meeting on March 27, 2008, with topic of "Periodic Briefing and Discussion on Financial Markets, Institutions, and Infrastructure."

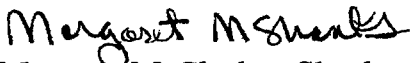
Documents responsive to the first two items of your request, the minutes of the Board's meetings held on March 14 and 16, 2008, are publicly available on the Board's public website. You may view and print copies of this information at the following link:

<http://www.federalreserve.gov/newsevents/press/other/20080627a.htm>.

Staff searched Board records and located the document that is responsive to item 3 of your request. The Board's Freedom of Information office will provide you with a copy of this document under separate cover.

Your request, therefore, is granted in full.

Very truly yours,


Margaret McCloskey Shanks
Associate Secretary of the Board

AMT:amt

U:\FOIA\2008\08-0290.doc

bcc: Ms. Johnson
Mr. Alvarez
Mr. Frierson
Mr. English
Mr. Skidmore
Ms. Harris
Ms. Thro
Ms. Logan
Board Records – MS 108

FOIA # 08-0290

Note: Minutes responsive to items 1 and 2 of the request were posted on the Board's public website on June 27, 2008.

[REDACTED]

(b)(5)

MINUTES OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

DATE: March 27, 2008

TIME: 10:00 a.m.

LOCATION: Board Room

ATTENDANCE:

Mr. Bernanke, Chairman
Mr. Kohn, Vice Chairman
Mr. Warsh
Mr. Kroszner
Mr. Mishkin

Office of the Secretary

Ms. Johnson, Secretary
Mr. Frierson, Deputy Secretary
Ms. Shanks, Associate Secretary
Ms. Beattie, Assistant to the Secretary
Ms. Burch, Technical Writer
Mr. Hiratsuka, Technical Writer

Board Members

Ms. Smith, Director
Mr. Blanchard, Assistant to the Board
Mr. Skidmore, Assistant to the Board
Mr. Gross, Special Assistant to the Board
Mr. Hambley, Senior Adviser to the Board

Legal Division

Mr. Alvarez, General Counsel

Division of Research and Statistics

Mr. Parkinson, Deputy Director
Mr. Wilcox, Deputy Director

Mr. Kwast, Senior Associate Director
Ms. White, Associate Director
Mr. Gibson, Deputy Associate Director
Mr. Passmore, Deputy Associate Director
Ms. Hancock, Assistant Director
Mr. Jones, Senior Adviser

Division of Monetary Affairs

Mr. Madigan, Director
Mr. Clouse, Deputy Director
Ms. Danker, Deputy Director
Mr. English, Deputy Director
Mr. Carpenter, Assistant Director
Mr. Perli, Assistant Director
Mr. Zakrajsek, Assistant Director

Division of International Finance

Mr. Sheets, Director
Mr. Kamin, Deputy Director
Mr. Leahy, Associate Director
Mr. Tryon, Associate Director
Mr. Freeman, Associate Director
Mr. Carey, Adviser

Division of Banking Supervision and Regulation

Mr. Cole, Director
Ms. Bailey, Deputy Director
Mr. Greenlee, Associate Director
Mr. Embersit, Deputy Associate Director
Mr. Siddique, Assistant Director
Ms. Davis, Senior Adviser

Reserve Bank Operations and Payment Systems

Ms. Roseman, Director
Mr. Marquardt, Deputy Director
Mr. Stehm, Associate Director
Ms. Hoskins, Deputy Associate Director
Ms. Foley, Assistant Director

Office of Staff Director for Management

Mr. Malphrus, Staff Director

Mr. Struckmeyer, Deputy Staff Director

Other Supporting Staff

FINANCIAL STABILITY -- Periodic report of the Staff Umbrella Group on Financial Stability.

**Discussed.
March 27, 2008.**

Today, the Staff Umbrella Group on Financial Stability, an interdivisional initiative in collaboration with staff of the Federal Reserve Bank of New York, presented another periodic report on financial stability. Staff members briefed the Board on two reports: (1) President's Working Group Policy Statement (released March 12, 2008) and (2) draft report to the G-7 from the Working Group on Market and Institutional Resilience of the Financial Stability Forum (scheduled for submission to the G-7 ministers and governors on April 7, 2008). In the ensuing discussion, staff also responded to requests from Board members for more information about the recommendations and other aspects of both reports.

One Board member inquired about how progress in implementing the recommendations would be evaluated. Another Board member remarked that both market discipline and regulatory capital appeared to have failed to constrain risk-taking effectively and asked whether the Financial Stability Forum could point to additional measures that would strengthen market discipline and capital standards. Several Board members also discussed with the staff matters in the reports and why some noteworthy matters seemed to receive little attention in the reports. Among the matters discussed were reliance on short-term secured financing, the connection between leverage and liquidity and its importance to understanding current market functioning, the lack of contract standardization for financial instruments, and the potential for conflicts of interests when rating agencies were involved in the design of new financial products.

The discussion also included matters for consideration going forward. One Board member discussed cross-border bank resolutions and cross-border collateral, noting that both issues raised significant questions. Several Board members discussed future challenges for the Federal Reserve and other central banks, including the ability

to assess accurately financial systems' vulnerabilities and to limit risks associated with access by certain institutions to the federal safety net without stifling innovations by those institutions.

At the conclusion of these discussions, it was understood that the group would continue to periodically present financial stability reports to the Board.

Participating in this discussion: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Staff memorandum, March 25, 2008, and handout entitled "March 2008 Financial Stability Briefing."

Implementation: None.

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100290	Formal	News Media	Scott Lanman	04/11/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 04/21/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 04/21/2008.

The Law Requires the Board to Respond to This Request by: 05/09/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the application by JP Morgan Chase & Co. to acquire Bear Stearns

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

290



Alison M Thro/BOARD/FRS

07/30/2008 01:36 PM

To Bob Frierson/BOARD/FRS@BOARD, Penelope Beattie/BOARD/FRS@BOARD

cc

bcc

Subject FOIA Request for Copies of March 27, 2008 Board Meeting Minutes

Bob and Penny --

Scott Lanman, a Bloomberg reporter, has requested a copy of that portion of the minutes of the Board's meeting dated March 27, 2008, addressing the topic "Periodic Briefing and Discussion on Financial Markets, Institutions, and Infrastructure." (Mr. Lanman also requested minutes of the Board's March 14 and 16, 2008, meetings, but those portions of the request were mooted when those minutes were posted on the Board's public website.)

[

Thanks in advance for your help.

--Alison

] (b)(5)

2008-291

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

May 12, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62909	Formal	Initial	News Media	04/11/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	11	0.10	1.10
Total Amount:				\$1.10
Fee Waived Amount:				\$1.10
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100291
Invoice No: 62909
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100291	Formal	News Media	Scott Lanman	04/11/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 04/21/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 04/21/2008.

The Law Requires the Board to Respond to This Request by: 05/09/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's schedule for March 2008

Martha - Please email the data

NOTES

to the requester. Responsive info.
is attached.

RECOMMENDED DISPOSITION

☐ NO responsive records☐ Records not reasonably identified☒ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part

EXEMPTIONS:

4

Signed: Alison ThroDate: 5/9/08

2008-291



slanman@bloomberg.net on 04/11/2008 01:48:00 PM
FEDERAL RESERVE SYSTEM

2008 APR 11 PM 2:07

OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Apr 11, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please call for pick up

Request: Chairman Bernanke's schedule for March 2008 including meetings, conference calls, lunches, etc., and the names of individuals and groups who participated.

291



David W
Skidmore/BOARD/FRS
05/08/2008 12:56 PM

To Alison M Thro/BOARD/FRS@BOARD
cc Michelle A Smith/BOARD/FRS@BOARD
bcc

Subject Re: FOIA Request for the Chairman's calendar

History

This message has been replied to

[(b)(5)]
Alison M Thro/BOARD/FRS



Alison M Thro/BOARD/FRS
05/08/2008 12:10 PM

To David W Skidmore/BOARD/FRS@BOARD, Michelle A
Smith/BOARD/FRS@BOARD
cc

Subject FOIA Request for the Chairman's calendar

Hi, Dave and Michelle -- I have another portion of the Chairman's calendar for your review. Scott Lanman, a Bloomberg reporter, has requested a copy of Chairman's calendar for March 2008. You previously reviewed and signed off on release of the calendar for March 1-13. Accordingly, the document below only covers March 14-30. (This same reporter submitted another request on 5/6 seeking the Chairman's schedule for April 2008. I should have that for your review shortly).

[(b)(5)]

Thanks, as always, for your help.

--Alison

[attachment "Chairman's Schedule, 3-14 to 3-31, 2008.pdf" deleted by David W Skidmore/BOARD/FRS]

Michelle A
Smith/BOARD/FRS
05/08/2008 02:01 PM

To Alison M Thro/BOARD/FRS@BOARD
cc David W Skidmore/BOARD/FRS@BOARD
bcc

Subject Re: FOIA Request for the Chairman's calendar

History

This message has been replied to

[(b)(5)
Alison M Thro/BOARD/FRS

Alison M Thro/BOARD/FRS
05/08/2008 01:23 PM

To David W Skidmore/BOARD/FRS@BOARD, Michelle A
Smith/BOARD/FRS@Board
cc

Subject Re: FOIA Request for the Chairman's calendar

[
David W Skidmore/BOARD/FRS

] (b)(5)



David W
Skidmore/BOARD/FRS
05/08/2008 12:56 PM

To Alison M Thro/BOARD/FRS@BOARD
cc Michelle A Smith/BOARD/FRS@BOARD
Subject Re: FOIA Request for the Chairman's calendar

[
Alison M Thro/BOARD/FRS

] (b)(5)

Alison M Thro/BOARD/FRS
05/08/2008 12:10 PM

To David W Skidmore/BOARD/FRS@BOARD, Michelle A
Smith/BOARD/FRS@BOARD
cc

Subject FOIA Request for the Chairman's calendar

Hi, Dave and Michelle -- I have another portion of the Chairman's calendar for your review. Scott Lanman, a Bloomberg reporter, has requested a copy of Chairman's calendar for March 2008. You previously reviewed and signed off on release of the calendar for March 1-13. Accordingly, the document below only covers March 14-30. (This same reporter submitted another request on 5/6 seeking the Chairman's schedule for April 2008. I should have that for your review shortly).

[

] (b)(5)

[

](b)(5)

Thanks, as always, for your help.

--Alison

[attachment "Chairman's Schedule, 3-14 to 3-31, 2008.pdf" deleted by David W Skidmore/BOARD/FRS]



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 9, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on April 11, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

"Chairman's Bernanke's schedule for March 2008 including meetings, conference calls, lunches, etc., and the names of individuals and groups who participated."

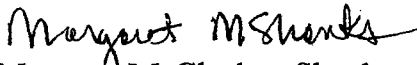
Staff searched Board records and located the substantive information you seek. You will be provided with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing the information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

separate cover. If you believe you have a legal right to any information that is being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

~~AMT~~
AMT:amt

U:\FOIA\2008\08-0291.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-0291

Note: Calendar data for March 1-6, 2008 was previously released in response to **FOIA 08-211**, and data for March 7-13, 2008 was previously released in response to **FOIA # 08-255**. In response to this request, Rita Proctor, the Chairman's Assistant, provided data for March 14-31, 2008. The data was reviewed for potentially exempt information by Michelle Smith (BDM), David Skidmore (BDM), and Alison Thro (Legal). In addition, Alison Thro alerted Scott Alvarez to the existence of the request and the fact that the request is being processed in a manner identical to recent similar requests for calendar data.

[(b)(5)]

The calendar data is in the same form released in response to FOIA #s 08- 255, 08-211, 08-155, 08-91, 07-434, 07-106, 07-165 and 7-0074.

Chairman Bernanke's Schedule
March 1-6, 2008

Saturday, March 1, 2008

09:00 AM - 01:00 PM

Meeting @ Treasury

Location: Room 3327

Attendees:

Treasury: Secy. Paulson, Robert Steel, Anthony Ryan and David Nason

FRB: Chairman, Governor Warsh, President Geithner, Art Angulo and Patrick Parkinson

06:30 PM

Dinner w/Secretary Paulson, Secretary Spellings

Location: Paulson residence

Monday, March 3, 2008

10:00 AM - 12:00 PM

Board Meeting

Location: Board Room

01:30 PM - 02:15 PM

Meeting w/Reserve Bank Staff

Location: Chairman's Office

TRAVEL: Orlando, Florida

Tuesday, March 4, 2008

07:15 AM - 08:15 AM

Breakfast w/ICBA's Executive Committee

Location: Orlando World Center Marriott Resort

09:00 AM - 10:00 AM

Speech: ICBA Techworld

Location: Orlando World Center Marriott Resort

TRAVEL: Washington, DC

04:00 PM - 04:30 PM

Interview

Location: Chairman's Office

05:15 PM - 05:45 PM

Meeting w/Governor

Location: Chairman's Office

06:15 PM - 06:45 PM

Conference Call

Location: Chairman's Office

Wednesday, March 5, 2008

09:30 AM - 10:30 AM

Meeting w/Treasury Borrowing Advisory Committee

Location: Board Room

11:00 AM - 12:00 PM

Meeting w/

Location: Chairman's Office

12:30 PM - 02:00 PM

Lunch w/

Location:

02:30 PM - 03:00 PM

Meeting w/Fed staff

Location: Chairman's Office

03:15 PM - 03:45 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
04:00 PM - 04:30 PM	Conference call: Alan Mulally and Don Leclair, Ford Motor Company <i>Location:</i> Chairman's Office
04:30 PM - 05:00 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
05:00 PM - 05:30 PM	Conference Call <i>Location:</i> Chairman's Office
05:30 PM - 07:30 PM	Reception/Dinner: Consumer Advisory Council <i>Location:</i> Cafeteria

Thursday, March 6, 2008

09:00 AM - 12:30 PM	Meeting: Consumer Advisory Council <i>Location:</i> Dining Room E
01:00 PM - 02:00 PM	Group Photo/Luncheon: Consumer Advisory Council <i>Location:</i> Dining Room E/Dining Room L
02:15 PM - 02:30 PM	Videotape remarks for RB Staff <i>Location:</i> Special Library
03:00 PM - 03:30 PM	Briefing w/Fed staff <i>Location:</i> Chairman's Office
03:45 PM - 03:50 PM	Telephone call: Professor Alan Rechtschaffen, NYU

TRAVEL: New York, NY

Chairman Bernanke's Schedule
March 7-13, 2008

Friday, March 7, 2008

TRAVEL: New York, NY

09:00 AM - 10:00 AM Meeting w/ [REDACTED]
Location: [REDACTED]
[See attendance list attached]

11:15 AM - 12:15 PM Meeting w/ [REDACTED]
Location: [REDACTED]

01:00 PM - 02:30 PM Lunch w/ [REDACTED]
Location: [REDACTED]

TRAVEL: Washington, D.C.

Saturday, March 8, 2008

08:00 AM - 08:30 AM Conference Call

Monday, March 10, 2008

08:30 AM - 08:45 AM Opening Remarks: 2008 EEO System Conference
Location: Dining Room E

09:00 AM - 09:15 AM Meeting w/Fed staff
Location: Chairman's Office

10:00 AM - 10:45 AM Informal discussion: MBA students, Yale's School of Management
Location: Board Room

11:00 AM - 12:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

01:30 PM - 02:00 PM Meeting w/Fed staff
Location: Chairman's Office

02:30 PM - 03:30 PM Meeting w/Commodity Futures Trading Commission
Location: CFTC, Three Lafayette Centre, 1155 21st Street, NW
Attendees:
Walter Lukken, Acting Chairman
Michael Loesch, Chief of Staff to the Chairman
Michael Otten, Counsel to the Chairman
Allison Lurton, Counsel to the Chairman
Anil Abraham, Counsel to the Chairman
Richard Shilts, Director, Division of Market Oversight
John Fenton, Deputy Director for Market Surveillance

04:00 PM - 05:00 PM Meeting w/Fed staff
Location: Special Library

05:00 PM - 06:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

07:15 PM - 08:45 PM Videoconference
Location: Special Library

Tuesday, March 11, 2008

07:30 AM - 08:15 AM Conference Call
Location: Chairman's Office

TRAVEL: New York, NY

12:30 PM - 02:00 PM Luncheon w/NY business leaders
Location: Federal Reserve Bank of New York
[See attendance list attached]

TRAVEL: Washington, D.C.

05:00 PM - 05:30 PM Meeting w/Fed staff
Location: Chairman's Office

Wednesday, March 12, 2008

09:20 AM - 09:30 AM Meeting w/Fed Governor
Location: Chairman's Office

09:30 AM - 10:00 AM Meeting w/Tony Hayward and Robert Malone, BP America
Location: Anteroom

10:15 AM - 10:30 AM Meeting w/Fed staff
Location: Chairman's Office

02:00 PM - 02:45 PM Meeting w/Fed staff
Location: Anteroom

02:45 PM - 03:30 PM Meeting w/Fed staff
Location: Anteroom

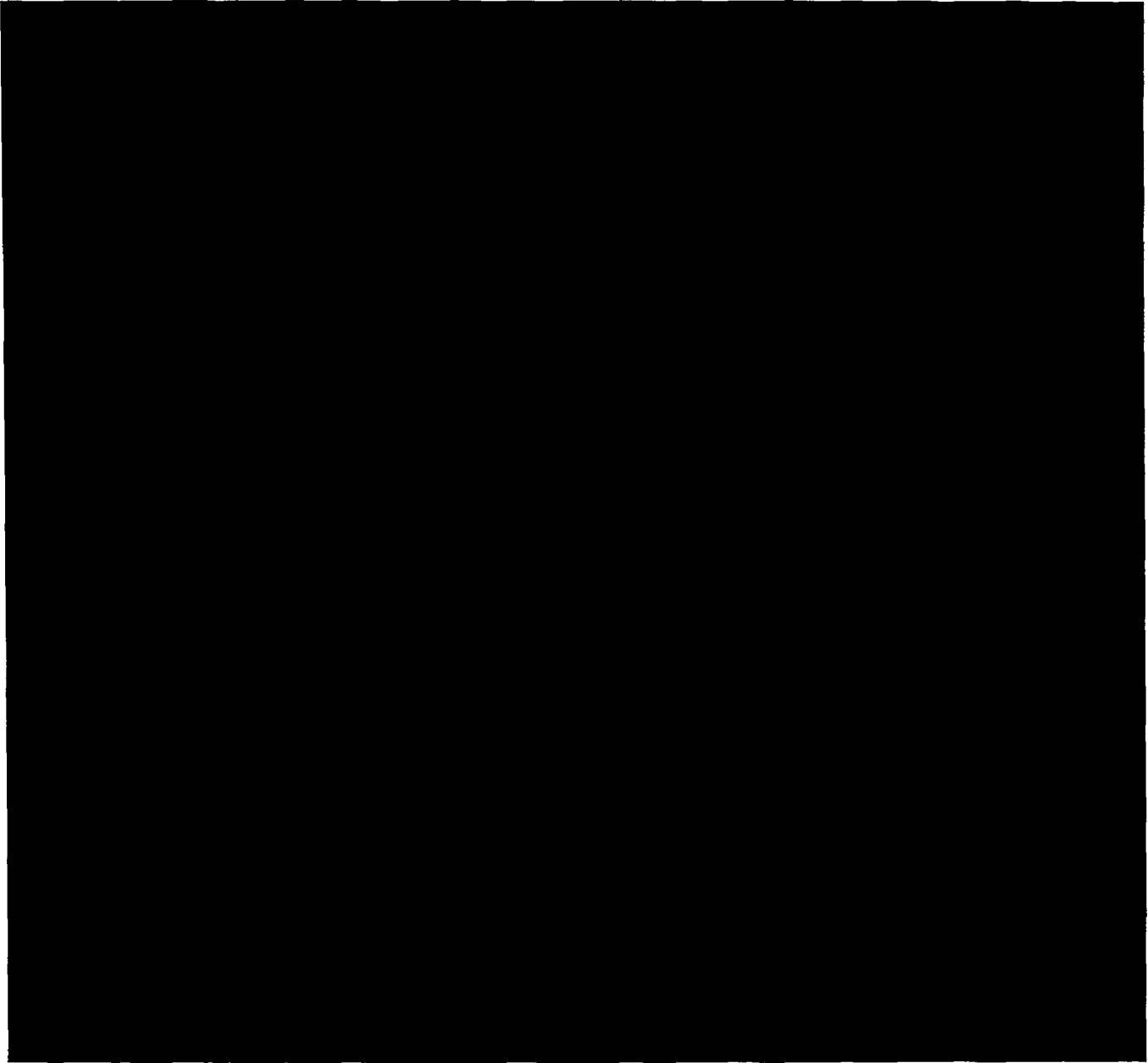
03:30 PM - 03:50 PM Meeting w/Fed staff
Location: Chairman's Office

Thursday, March 13, 2008

08:50 AM - 09:20 AM Conference Call
Location: Chairman's Office

10:00 AM - 10:45 AM Photo Op/Informal discussion w/students from Clemson University
Location: Board Room

12:30 PM - 01:30 PM	Lunch w/staff <i>Location:</i> Dining Room A
02:00 PM - 03:00 PM	Meeting: Board of Directors—Semiconductor Industry Association (SIA) <i>Location:</i> Board Room
03:30 PM - 04:30 PM	Meeting: Congressional Black Caucus <i>Location:</i> Room 2219 — Rayburn House Office Building



**Luncheon for
The Honorable Ben S. Bernanke
Chairman, Board of Governors
March 11, 2008
12:30 p.m.
Washington Dining Room**

Mr. Lloyd C. Blankfein Chairman and Chief Executive Officer Goldman Sachs Group, Inc.	Mr. Bruce Kovner Chairman Caxton Associates, LLC
Mr. Kenneth I. Chenault Chairman and Chief Executive Officer American Express Company	Mr. Eric Mindich Chief Executive Officer Eton Park Capital Management
Mr. James Dimon Chairman and Chief Executive Officer J.P. Morgan Chase & Co.	The Honorable Robert E. Rubin Chairman of the Executive Committee Citigroup, Inc.
Mr. Stanley F. Druckenmiller Chairman and Chief Executive Officer Duquesne Capital Management, LLC	Mr. Stephen A. Schwarzman Chairman and Chief Executive Officer The Blackstone Group
The Honorable Stephen Friedman Chairman Stone Point Capital, LLC	Mr. John A. Thain Chairman and Chief Executive Officer Merrill Lynch & Co., Inc.
Mr. Richard S. Fuld, Jr. Chairman and Chief Executive Officer Lehman Brothers Holdings, Inc.	Mr. Timothy F. Geithner President Federal Reserve Bank of New York
Mr. James Gorman President Morgan Stanley	Mr. Terrence J. Checki Executive Vice President Federal Reserve Bank of New York
Mr. Kenneth C. Griffin President and Chief Executive Officer Citadel Investment Group, LLC	Mr. William C. Dudley Executive Vice President Federal Reserve Bank of New York

**Chairman Bernanke's Schedule
March 14-31, 2008**

Friday, March 14, 2008

09:20 AM - 09:50 AM	Board meeting
01:00 PM - 01:30 PM	Speech: NCRC Annual Meeting <i>Location: Hyatt Regency Hotel</i>
02:00 PM - 03:00 PM	Pre-FOMC briefing w/Fed staff <i>Location: Special Library</i>
03:00 PM - 04:00 PM	Pre-FOMC briefing w/Fed staff <i>Location: Special Library</i>
04:30 PM - 05:15 PM	Briefing w/Fed staff <i>Location: Anteroom</i>
05:30 PM - 06:00 PM	Conference Call <i>Location: Chairman's Office</i>

Saturday, March 15, 2008

10:00 AM - 11:00 AM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
---------------------	---

Sunday, March 16, 2008

10:00 AM - 10:45 AM	Telephone call from RB staff
---------------------	------------------------------

Monday, March 17, 2008

08:00 AM - 08:30 AM	Conference Call <i>Location: Chairman's Office</i>
08:30 AM - 09:15 AM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
10:00 AM - 12:30 PM	Pre-FOMC Board Meeting <i>Location: Board Room</i>
01:15 PM - 01:45 PM	Telephone call w/RB staff <i>Location: Chairman's Office</i>
01:35 PM	PSU transportation (w/Gov. Warsh) to White House
01:55 PM - 02:55 PM	Meeting: President's Working Group on Financial Markets <i>Location: Roosevelt Room @ White House</i>
03:30 PM - 04:00 PM	Meeting w/Daniel Mudd, Chairman/CEO, FannieMae <i>Location: Chairman's Office</i>
05:15 PM - 05:45 PM	Meeting w/Fed staff <i>Location: Chairman's Office</i>

Tuesday, March 18, 2008

08:30 AM - 01:15 PM	FOMC Meeting <i>Location: Board Room</i>
01:30 PM - 02:30 PM	FOMC Retirement Luncheon <i>Location: Dining Room E</i>
04:00 PM - 04:30 PM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
05:30 PM - 06:15 PM	Conference Call

Location: Chairman's Office

Wednesday, March 19, 2008

09:45 AM - 10:15 AM Conference Call
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/Senator Tim Johnson
Location: Room 136 – Hart Senate Office Building

02:00 PM - 02:30 PM Interview
Location: Chairman's Office

02:30 PM - 03:00 PM Meeting w/Fed staff
Location: Chairman's Office

04:30 PM - 05:15 PM Meeting w/Fed Governor
Location: Chairman's Office

05:30 PM - 06:00 PM Conference Call
Location: Chairman's Office

Thursday, March 20, 2008

09:15 AM - 09:45 AM Conference Call
Location: Chairman's Office

10:00 AM - 11:00 AM Meeting w/Fed staff
Location: Anteroom

11:00 AM - 11:45 AM Meeting w/Fed staff
Location: Chairman's Office

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

03:00 PM - 03:30 PM Briefing w/Fed staff
Location: Chairman's Office

05:15 PM - 05:45 PM Conference Call
Location: Chairman's Office

Friday, March 21, 2008

07:30 AM - 08:15 AM Breakfast: Secy. Paulson
Location: Dining Room A

10:00 AM - 10:30 AM Conference Call
Location: Chairman's Office

05:00 PM - 05:30 PM Conference Call

Saturday, March 22, 2008

11:00 AM - 12:00 PM Conference Call

Monday, March 24, 2008

12:00 PM - 12:15 PM Telephone call from Senator McCain

02:00 PM - 02:30 PM Conference Call
Location: Chairman's Office

04:00 PM - 04:45 PM Meeting w/Fed Governor
Location: Chairman's Office

Tuesday, March 25, 2008

08:30 AM - 09:30 AM	Stanford Sloan Fellows <i>Location: Board Room</i>
10:00 AM - 10:10 AM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
11:30 AM	Telephone call to Senator Harry Reid
12:45 PM - 01:45 PM	Lunch: Governor Mario Draghi, Bank of Italy <i>Location: Dining Room A</i>
03:00 PM - 03:10 PM	Retirement Reception <i>Location: Research Library</i>
03:15 PM	Telephone call from Keith Hennessey, National Economic Council
04:00 PM - 04:30 PM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
04:30 PM - 05:30 PM	Briefing w/Fed staff <i>Location: Anteroom</i>
05:45 PM	Telephone call to Doug Holtz-Eakin

Wednesday, March 26, 2008

09:15 AM - 09:45 AM	Meeting w/Fed staff <i>Location: Chairman's Office</i>
10:00 AM - 11:00 AM	Securities Industry and Financial Markets Association (SIFMA) <i>Location: Board Room</i>
05:30 PM - 06:00 PM	Meeting w/Fed staff <i>Location: Chairman's Office</i>

Thursday, March 27, 2008

07:30 AM - 08:30 AM	Breakfast w/Christopher Nassetta, President/CEO, Hilton Hotel Corp. <i>Location: Dining Room A</i>
08:45 AM - 09:45 AM	Briefing w/Fed staff <i>Location: Special Library</i>
10:00 AM - 11:30 AM	Closed Board Meeting <i>Location: Board Room</i>
12:20 PM - 12:30 PM	Phone call from RB staff
01:30 PM - 03:30 PM	Briefing w/Fed staff <i>Location: Special Library</i>
04:00 PM - 05:00 PM	Conference Call <i>Location: Chairman's Office</i>

Friday, March 28, 2008

07:30 AM - 08:15 AM	Breakfast w/Secy. Paulson <i>Location:</i> Treasury Department
09:00 AM - 09:30 AM	Richard Syron, Freddie Mac <i>Location:</i> Chairman's Office
12:10 PM - 12:30 PM	Prof. Takatoshi Ito, Univ. of Tokyo <i>Location:</i> Chairman's Office
01:00 PM - 02:00 PM	Lunch: Lawrence Summers, Harvard University <i>Location:</i> Dining Room A
06:00 PM - 06:45 PM	Kevin Rudd, Prime Minister, Australia; Robert McCallum, U.S. Ambassador to Australia, Steven Kennedy, Prime Minister's Senior Economic Adviser, Nathan Sheets + staff from Embassy of Australia <i>Location:</i> Blair House

Monday, March 31, 2008

10:00 AM - 12:00 PM	Board Meeting <i>Location:</i> Board Room
01:30 PM - 03:30 PM	Meeting w/PWG <i>Location:</i> Room 3327 – Treasury Department
04:00 PM - 05:00 PM	Conference of State Bank Supervisors (CSBS) <i>Location:</i> Board Room

Bloomberg

Bloomberg L.P.

235 Peachtree St., NE
Suite 2210
Atlanta, GA 30303

Tel +1 404 507 1300
Fax +1 404 524 3668
bloomberg.com

May 1, 2008

Freedom of Information Office
Board of Governors of the Federal Reserve System
20th & Constitution Ave. NW
Washington, DC 20551

EXPEDITED FOIA REQUEST

Greetings:

Pursuant to the federal Freedom of Information Act, 5 U.S.C. § 552, et. seq., (the "FOIA") I request access to documents related to auditors Deloitte & Touche and KPMG's findings regarding deficiencies in the Federal Reserve's internal controls.

Specifically, among the documents, please include the March 19, 2008 communication from Deloitte about deficiencies in internal controls that is mentioned in your 2007 annual report (page 356), the letter from Deloitte on the 'technical details related to the deficiencies' mentioned on page 355 of the report, and both internal and external Fed documents that deal with your response to those deficiencies.

I agree to pay reasonable duplication fees for the processing of this request in an amount not to exceed \$500.00. However, please notify me prior to your incurring any expenses in excess of that amount. As a representative of the news media I am only required to pay for the direct cost of duplication after the first 100 pages.

Through this request, I am gathering information on the activities of the Federal Reserve, a federal agency that has a legislative mandate to protect the public interest, and thus is in the public interest. This information is being sought on behalf of Bloomberg News for dissemination to the general public.

If my request is denied in whole or part, I ask that you justify all deletions by reference to specific exemptions of the FOIA. I will also expect you to release all segregable portions of otherwise exempt material. I, of course, reserve the right to appeal your decision to withhold any information or to deny a waiver of fees. As I am making this request as a journalist and this information is of timely value, I would appreciate your communicating with me by telephone, rather than by mail, if you have questions regarding this request.

If other news organizations or individuals have requested access to the same documents, please provide me access to those documents at the same time you provide access to those news organizations or individuals.

2008 MAY 1 PM 12:50
FEDERAL RESERVE SYSTEM

Bloomberg

Please provide expedited review of this request which concerns a matter of urgency. As a journalist, I am primarily engaged in disseminating information.

I certify that my statements concerning the need for expedited review are true and correct to the best of my knowledge and belief.

I look forward to your reply within 20 business days, as the statute requires.

Thank you for your assistance.

Very truly yours,

A handwritten signature in cursive script that reads "Steve Matthews".

Steve Matthews
404-507-1310
Bloomberg News
235 Peachtree St., Suite 2210
Atlanta, GA 30303



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 30, 2008

Mr. Steve Matthews
Bloomberg News
235 Peachtree Street, Suite 2210
Atlanta, GA 30303

Request No. 2008100318

Dear Mr. Matthews:

On May 1, 2008, the Board of Governors (Board) received your request dated May 1, 2008, pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552 for records pertaining to auditors Deloitte & Touche and KPMG's findings regarding deficiencies in the Federal Reserve's internal controls.

Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until June 13, 2008, in order to consult with another agency or with two or more components of the Board having a substantial interest in the determination of the request.

If a determination can be made before June 13, 2008, we will respond to you promptly. It is our policy to process FOIA requests as quickly as possible while ensuring that we disclose the requested information to the fullest extent of the law.

Sincerely,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager
Freedom of Information Office



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 1, 2008

Mr. Steve Matthews
Bloomberg News
235 Peachtree Street, Suite 2210
Atlanta, GA 30303

FOIA Request No. 2008100318

Dear Mr. Matthews,

This will acknowledge receipt of your letter dated 05/01/2008 and received by the Board on 05/01/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to auditors Deloitte & Touche and KPMG's findings regarding deficiencies in the Federal Reserve's internal controls.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100318	Formal	News Media	Steve Matthews	05/01/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 05/11/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/11/2008.

The Law Requires the Board to Respond to This Request by: 05/30/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –Division Person Assigned

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	EXPEDITE
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

documents related to auditors Deloitte & Touch and KPMG's findings regarding the Federal Reserve's internal controls

NOTES

EXPEDITE REQUESTED

RECOMMENDED DISPOSITION☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part**EXEMPTIONS:**2, 5Signed: Date: 9/10/08

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Steve Matthews
Bloomberg News
235 Peachtree Street, Suite 2210
Atlanta, GA 30303

September 15, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63074	Formal	Initial	News Media	05/01/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	66	0.10	6.60
Total Amount:				\$6.60
Fee Waived Amount:				\$6.60
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100318
Invoice No: 63074
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

 Alison M Thro /BOARD/FRS

05/01/2008 04:13 PM

To Beth Coleman/BOARD/FRS@BOARD, Bill Mitchell/BOARD/FRS@BOARD
cc Michael J DiGennaro/BOARD/FRS@BOARD, Michael O'Rourke/BOARD/FRS@BOARD, Laurence A Froehlich/BOARD/FRS@BOARD, Jackie
bcc Denise Harris/BOARD/FRS

Subject Audit-related FOIA Request

Beth and Bill -- Greg Evans suggested that I contact you regarding the FOIA request, attached below. A reporter with Bloomberg has requested "access to documents related to auditors Deloitte & Touche and KPMG's findings regarding deficiencies in the Federal Reserve's internal controls." The requester specifically requests access to "the March 19, 2008 communication from Deloitte about deficiencies in internal controls that is mentioned in [the Board's] 2007 annual report (page 356), the letter from Deloitte on the 'technical details related to the deficiencies' mentioned on page 355 of the report, and both internal and external Fed documents that deal with [the Board's] response to those deficiencies." The internal control issues referenced are related to an audit of the Board not the RBs.

The requester has asked for expedited treatment of the request.

(b)(5)

Two of my colleagues, Michael O'Rourke and Michael DiGennaro, will be working on this request. I will ask them to follow up with you directly on this early next week.

(b)(5)

Thanks in advance for your help!

-Alison



2008-318assignmentsheet.pdf



2008-318request.pdf



Jeffrey R Peirce/BOARD/FRS

07/11/2008 09:25 AM

To Pamela M Wilson/BOARD/FRS@Board

cc Geary Cunningham/BOARD/FRS@Board, H Fay
Peters/BOARD/FRS@Board, Maureen
Hannan/BOARD/FRS@Board, Raymond

bcc

Subject Re: Review of Documents Submitted for Bloomberg FOIA

History

This message has been replied to.

Pam -

(b)(5)

Hope this helps,
-jeff

Raymond Romero/BOARD/FRS

**Raymond
Romero/BOARD/FRS**

07/11/2008 09:02 AM

To Pamela M Wilson/BOARD/FRS@BOARD

cc Maureen Hannan/BOARD/FRS@BOARD, H Fay
Peters/BOARD/FRS@BOARD, Jeffrey R
Peirce/BOARD/FRS@BOARD, Geary
Cunningham/BOARD/FRS@BOARD

Subject Review of Documents Submitted for Bloomberg FOIA

Pam,

Here is the additional information I have following our discussion this morning:

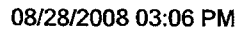
(b)(5)

Please let me know if there is anything else you require.

Thanks,
Ray Romero
(202) 452-2544

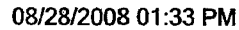


Pwd Items.xls ITAG Patch Management Summary September 9 2004.doc



bcc

----- Forwarded by Alison M Thro/BOARD/FRS on 08/28/2008 03:06 PM -----



O'Rourke/BOARD/FRS@BOARD, larry.froehlich@frb.gov

Michael:

(b)(5)

Jacqueline M. Becker, Senior Counsel
Board of Governors of the Federal Reserve System
Office of Inspector General
1709 New York Avenue N.W.
Washington, DC 20006
jackie.becker@frb.gov
(202) 973-5045



Jackie Becker/BOARD/FRS

09/09/2008 03:00 PM

To Alison M Thro/BOARD/FRS@BOARD, Michael J
DiGennaro/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD

cc Pamela M Wilson/BOARD/FRS@BOARD,
larry.froehlich@frb.gov

bcc

Subject Audit related FOIA

Per our telephone conversation, here are our most recent comments:

[Redacted content]

(b)(5)

Thanks so much for all of your assistance.

Jacqueline M. Becker, Senior Counsel
Board of Governors of the Federal Reserve System
Office of Inspector General
1709 New York Avenue N.W.
Washington, DC 20006
jackie.becker@frb.gov
(202) 973-5045

**Michael J
DiGennaro/BOARD/FRS**
07/25/2008 11:20 AM

To Alison M Thro/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD
cc Pamela M Wilson/BOARD/FRS@BOARD
bcc
Subject Fw: Audit Related FOIA

Alison and Michael -

(b)(5)

Thanks -

Michael

— Forwarded by Michael J DiGennaro/BOARD/FRS on 07/25/2008 10:59 AM —

**Michael J
DiGennaro/BOARD/FRS**
07/17/2008 12:09 PM

To Jackie Becker/BOARD/FRS, Bill Mitchell/BOARD/FRS,
Maureen Hannan/BOARD/FRS, Raymond
Romero/BOARD/FRS
cc Michael O'Rourke/BOARD/FRS@BOARD, Alison M

Thro/BOARD/FRS@BOARD
Subject Audit Related FOIA

Jacqueline, Bill, Maureen, and Ray -





















(b)(5)

Please let me know if you have any thoughts or comments regarding our proposed course of action.

Best -

Michael

Michael Jude Di Gennaro
Attorney
Banking Regulation and Policy
Legal Division
Board of Governors of the Federal Reserve System
1 (202) 452-2523

         
IT-26.pdf OIG-2.pdf OIG-3_DISCUSS.pdf OIG-4.pdf OIG-7.pdf OIG-7a.pdf OIG-8a.pdf OIG-10.pdf OIG-10a.pdf OIG-15.pdf
         
OIG-38.pdf OIG-39.pdf OIG-43.pdf OIG-44.pdf OIG-59.pdf OIG-61a.pdf OIG-69_DISCUSS.pdf OIG-78.pdf 08-0318.doc

**Michael J
DiGennaro/BOARD/FRS**
07/29/2008 03:18 PM

To Pamela M Wilson/BOARD/FRS@BOARD
cc
bcc
Subject Fw: Audit Related FOIA

Sorry Pam - here is the email.


















— Forwarded by Michael J DiGennaro/BOARD/FRS on 07/29/2008 03:17 PM —

**Michael J
DiGennaro/BOARD/FRS**
07/29/2008 03:18 PM

To Jackie Becker/BOARD/FRS@BOARD, Bill
Mitchell/BOARD/FRS@BOARD, Maureen
Hannan/BOARD/FRS@BOARD, Raymond
Romero/BOARD/FRS@BOARD, Laurence A
Froehlich/BOARD/FRS@BOARD
cc Alison M Thro/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD
Subject Audit Related FOIA

Jackie, Larry, Bill, Maureen, and Ray -

(b)(5)

       
OIG-2_rev.pdf OIG-3_rev.pdf OIG-4_rev.pdf OIG-7_rev.pdf OIG-7a_rev.pdf OIG-8a_rev.pdf OIG-10_rev.pdf OIG-10a_rev.pdf
      
OIG-15_rev.pdf OIG-38_rev.pdf OIG-39_rev.pdf OIG-43_rev.pdf OIG-44_rev.pdf OIG-59_rev.pdf OIG-61a_rev.pdf
 
OIG-78_rev.pdf 08-0318.doc

Thanks -

Mike

Michael Jude Di Gennaro
Attorney
Banking Regulation and Policy
Legal Division
Board of Governors of the Federal Reserve System
1 (202) 452-2523

**Michael J
DiGennaro/BOARD/FRS**

08/22/2008 03:48 PM

To Laurence A Froehlich/BOARD/FRS@BOARD, Jackie
Becker/BOARD/FRS@BOARD

cc Alison M Thro/BOARD/FRS@BOARD, Michael
O'Rourke/BOARD/FRS@BOARD, Pamela M
Wilson/BOARD/FRS@BOARD

bcc

Subject FOIA # 08-318: Audit-Related FOIA

Larry and Jackie -

Pam Wilson has been diligently implementing all of the changes and recommendations that we discussed in our last meeting. All of the technical changes, redactions, etc ... are noted and being implemented.

(b)(5)

Please let us know as soon as possible if you have any issues with this course of action.

Best Regards -

Michael

Michael Jude Di Gennaro
Attorney
Banking Regulation and Policy
Legal Division
Board of Governors of the Federal Reserve System
1 (202) 452-2523

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100318	Formal	News Media	Steve Matthews	05/01/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 05/11/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/11/2008.

The Law Requires the Board to Respond to This Request by: 05/30/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
------------------------	-------------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	EXPEDITE
LEGAL	DiGennaro
LEGAL	O'Rourke
OIG	Froehlich
OIG	Raia

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

documents related to auditors Deloitte & Touche and KPMG's findings regarding the Federal Reserve's internal controls

NOTES

EXPEDITE REQUESTED

RECOMMENDED DISPOSITION

_____ NO responsive records

_____ Records not reasonably identified

_____ Grant request in full

_____ Confirmed w/FR Bank (see Note:)

_____ Deny in full

_____ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

FR 1415



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

2008-3/8

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

SEP 12 2008

Mr. Steve Matthews
Bloomberg News
235 Peachtree Street
Suite 2210
Atlanta, GA 30303

Dear Mr. Matthews:

This is in response to your letter dated and received by the Board's Freedom of Information office on May 1, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

documents related to auditors Deloitte & Touche and KPMG's findings regarding deficiencies in the Federal Reserve's internal controls.

On May 8, 2008, during a telephone conversation with Ms. Alison Thro of the Board's Legal Division, you limited your request to the finding regarding "certain control deficiencies within the general computer environment within the Board of Governors," referenced in the Deloitte & Touche LLP letter dated March 19, 2008, which was published in the Board's 2007 Annual Report.

Staff searched Board records and located documents that are responsive to your request. I have determined, however, that the documents contain the following kinds of exempt information: information related solely to the internal personnel rules and practices of an agency (references to the identity of audit staff, documents detailing control deficiencies, control review status reports, audit-related findings and recommendations); and inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency (drafts of control reports and internal e-mail messages discussing audit items, status updates, and deficiencies). Such information will be withheld from you under authority of exemptions 2 and 5 of the Act, respectively, 5 U.S.C. §§ 552(b)(2) and (b)(5). The documents containing the exempt information have been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. Approximately 482 full pages and portions of other pages of documents (as will be apparent to you from the face of those documents) will be withheld from you.

File Copy

FOR FILES
J. CONNO

Your request for information, therefore, is granted in part and denied in part for the reasons stated above. The Board's Freedom of Information office will provide you with a copy of the documents being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours

~~(Signature)~~ Margaret McCloskey Shanks

Margaret McCloskey Shanks
Associate Secretary of the Board

mms

Enclosure

Federal Reserve System Audits

Audits of the Federal Reserve System

The Board of Governors, the Federal Reserve Banks, and the Federal Reserve System as a whole are all subject to several levels of audit and review. The Board's financial statements, and its compliance with laws and regulations affecting those statements, are audited annually by an outside auditor retained by the Board's Office of Inspector General. The Office of Inspector General also conducts audits, reviews, and investigations relating to the Board's programs and operations as well as to Board functions delegated to the Reserve Banks.

The Reserve Banks' financial statements are audited annually by an independent outside auditor retained by the Board of Governors. In addition, the Reserve Banks are subject to annual examination by the Board. As discussed in the chapter "Federal Reserve Banks," the Board's examination includes a wide range of ongoing oversight activities conducted on and off site by staff of the Board's Division of Reserve Bank Operations and Payment Systems.

Federal Reserve operations are also subject to review by the Government Accountability Office. ■

Board of Governors Financial Statements

The financial statements of the Board for 2007 were audited by Deloitte & Touche LLP, independent auditors.

Deloitte

INDEPENDENT AUDITORS' REPORT

The Board of Governors of the Federal Reserve System:

We have audited the accompanying balance sheet of the Board of Governors of the Federal Reserve System (the "Board") as of December 31, 2007, and the related statements of revenues and expenses and changes in cumulative results of operations, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Board for the year ended December 31, 2006 were audited by other auditors whose report, dated April 17, 2007, expressed an unqualified opinion on those statements and included an explanatory paragraph related to adoption of the Financial Accounting Standard Board Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such 2007 financial statements present fairly, in all material respects, the financial position of the Board of Governors of the Federal Reserve System as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2008 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Deloitte + Touche LLP

March 19, 2008
Washington, D.C.

BALANCE SHEETS

ASSETS	Year ending December 31,	
	2007	2006
CURRENT ASSETS		
Cash	\$ 44,613,728	\$ 60,030,706
Accounts receivable	2,996,318	2,625,907
Prepaid expenses and other assets	4,653,684	3,916,608
Total current assets	52,263,730	66,573,221
NONCURRENT ASSETS		
Property and equipment, net (Note 4)	153,350,880	151,205,386
Other assets	166,119	343,899
Total noncurrent assets	153,516,999	151,549,285
Total assets	<u>\$205,780,729</u>	<u>\$218,122,506</u>
LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 20,400,282	\$ 10,950,470
Accrued payroll and related taxes	5,647,053	5,421,666
Accrued annual leave	18,429,601	16,334,512
Capital lease payable (current portion)	108,755	327,663
Unearned revenues and other liabilities	702,122	366,304
Total current liabilities	45,287,813	33,400,615
LONG-TERM LIABILITIES		
Capital lease payable (non-current portion)	0	108,755
Accumulated retirement benefit obligation (Note 5)	2,201,675	1,354,662
Accumulated postretirement benefit obligation (Note 6)	7,972,469	8,111,829
Accumulated postemployment benefit obligation (Note 7)	8,855,613	6,515,301
Total long-term liabilities	19,029,757	16,090,547
Total liabilities	64,317,570	49,491,162
CUMULATIVE RESULTS OF OPERATIONS		
Working capital	7,084,672	33,500,269
Unfunded long-term liabilities	(17,542,943)	(14,325,986)
Net investment in assets	153,408,244	151,112,867
Accumulated other comprehensive income (loss) (Note 8)	(1,486,814)	(1,655,806)
Total cumulative results of operations	141,463,159	168,631,344
Total liabilities and cumulative results of operations	<u>\$205,780,729</u>	<u>\$218,122,506</u>

See accompanying notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

STATEMENTS OF REVENUES AND EXPENSES
AND CHANGES IN CUMULATIVE RESULTS OF OPERATIONS

	Year ending December 31,	
	2007	2006
BOARD OPERATING REVENUES		
Assessments levied on Federal Reserve Banks for Board operating expenses and capital expenditures	\$296,124,700	\$301,013,500
Other revenues	<u>10,365,414</u>	<u>8,508,949</u>
Total operating revenues	<u>306,490,114</u>	<u>309,522,449</u>
BOARD OPERATING EXPENSES		
Salaries	197,656,442	182,239,595
Retirement and insurance	39,451,541	35,853,297
Contractual services and professional fees	36,300,185	23,944,564
Depreciation, amortization, and net losses on disposals	13,557,498	13,058,667
Utilities	8,998,496	9,185,840
Travel	8,619,615	8,820,503
Software	6,678,514	6,637,765
Postage and supplies	8,836,143	4,560,368
Repairs and maintenance	3,890,191	2,634,459
Printing and binding	1,976,765	1,505,470
Other expenses	<u>7,861,901</u>	<u>7,435,067</u>
Total operating expenses	<u>333,827,291</u>	<u>295,875,595</u>
RESULTS OF OPERATIONS	<u>(27,337,177)</u>	<u>13,646,854</u>
CURRENCY COSTS		
Assessments levied on Federal Reserve Banks for currency costs	576,306,073	491,962,202
Expenses for printing, transporting, and retiring Federal Reserve Notes	<u>576,306,073</u>	<u>491,962,202</u>
CURRENCY ASSESSMENTS OVER (UNDER) EXPENSES	<u>0</u>	<u>0</u>
TOTAL RESULTS OF OPERATIONS	<u>(27,337,177)</u>	<u>13,646,854</u>
CUMULATIVE RESULTS OF OPERATIONS, Beginning of period	<u>168,631,344</u>	<u>156,640,296</u>
OTHER COMPREHENSIVE INCOME		
Adjustment to initially apply SFAS No. 158 (Note 8)	0	(1,655,806)
Amortization of prior service cost	(23,831)	0
Amortization of net actuarial loss	113,142	0
Net actuarial loss arising during the year	<u>79,681</u>	<u>0</u>
Total Other Comprehensive Income	<u>168,992</u>	<u>(1,655,806)</u>
CUMULATIVE RESULTS OF OPERATIONS, End of period	<u>\$141,463,159</u>	<u>\$168,631,344</u>

See accompanying notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

STATEMENTS OF CASH FLOWS

	Year ending December 31,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
RESULTS OF OPERATIONS	\$(27,337,177)	\$13,646,854
Adjustments to reconcile results of operations to net cash provided by (used in) operating activities:		
Depreciation	13,433,306	13,047,064
Net losses on disposals of property and equipment	124,192	11,603
Increase (decrease) in assets:		
Accounts receivable, prepaid expenses and other assets	(929,708)	(812,482)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	9,449,812	(5,955,880)
Accrued payroll and related taxes	225,387	561,094
Accrued annual leave	2,095,089	878,028
Unearned revenues and other liabilities	335,818	(417,407)
Accumulated retirement benefit obligation	847,013	541,165
Accumulated postretirement benefit obligation	(139,360)	1,874,539
Accumulated postemployment benefit obligation	2,340,312	1,403,936
Accumulated other comprehensive income	168,992	(1,655,806)
Net cash provided by operating activities	613,676	23,122,708
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposals	65,988	7,212
Capital expenditures	(15,768,979)	(8,829,712)
Net cash used in investing activities	(15,702,991)	(8,822,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital lease payments	(327,663)	(239,937)
Net cash used in financing activities	(327,663)	(239,937)
NET INCREASE (DECREASE) IN CASH	(15,416,978)	14,060,271
CASH BALANCE, Beginning of period	60,030,706	45,970,435
CASH BALANCE, End of period	\$ 44,613,728	\$60,030,706

See accompanying notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDING
DECEMBER 31, 2007 AND 2006

(1) STRUCTURE

The Federal Reserve System (System) was established by Congress in 1913 and consists of the Board of Governors (Board), the Federal Open Market Committee, the twelve regional Federal Reserve Banks, the Federal Advisory Council, and the private commercial banks that are members of the System. The Board, unlike the Reserve Banks, was established as a federal government agency and is supported by Washington, DC based staff numbering approximately 1,900, as it carries out its responsibilities in conjunction with other components of the Federal Reserve System.

The Board is required by the Federal Reserve Act to report its operations to the Speaker of the House of Representatives. The Act also requires the Board, each year, to order a financial audit of each Federal Reserve Bank and to publish each week a statement of the financial condition of each such Reserve Bank and a consolidated statement for all of the Reserve Banks. Accordingly, the Board believes that the best financial disclosure consistent with law is achieved by issuing separate financial statements for the Board and for the Reserve Banks. Therefore, the accompanying financial statements include only the results of operations and activities of the Board. Combined financial statements for the Federal Reserve Banks are included in the Board's annual report to the Speaker of the House of Representatives.

(2) OPERATIONS AND SERVICES

The Board's responsibilities require thorough analysis of domestic and international financial and economic developments. The Board carries out those responsibilities in conjunction with other components of the Federal Reserve System. The Board also supervises and regulates the operations of the Federal Reserve Banks, exercises broad responsibility in the nation's payments system, and administers most of the nation's laws regarding consumer credit protection. Policy regarding open market operations is established by the Federal Open Market Committee. However, the Board has sole authority over changes in reserve requirements, and it must approve any change in the discount rate initiated by a Federal Reserve Bank.

The Board also plays a major role in the supervision and regulation of the U.S. banking system. It has supervisory responsibilities for state-chartered banks that are members of the Federal Reserve System, bank holding companies, foreign activities of member banks, and U.S. activities of foreign banks.

(3) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting—The Board prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Revenues—The Board assesses the Federal Reserve Banks for operating expenses and additions to property, which are based on expected cash needs.

Currency Costs—Federal Reserve Banks issue new and fit currency to the public and destroy currency already in circulation as it becomes unfit or when a new design is issued. Each year, the Board orders new currency from the U.S. Department of Treasury's Bureau of Engraving and Printing. The Board incurs expenses and assesses the Federal Reserve Banks for printing, transporting, and retiring Federal Reserve Notes. These expenses and assessments are reported separately from the Board's operating transactions in the Board's Statement of Revenues and Expenses and Cumulative Results of Operations.

Allowance for Doubtful Accounts—Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The allowance for doubtful accounts is adjusted monthly, based upon a review of outstanding receivables.

Property, Equipment, and Software—The Board's property, buildings, equipment, and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets, which range from three to ten years for furniture and equipment, ten to fifty years for building equipment and structures, and two to ten years for software. Upon the sale or other disposition of a depreciable asset, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is recognized.

The Board complies with Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, which requires that certain costs incurred in the development of internal use software be capitalized and amortized over its useful life.

Art Collections—The Board has collections of works of art, historical treasures, and similar assets. These collections are maintained and held for public exhibition in furtherance of public service. Proceeds from any sales of collections are used to acquire other items for collections. As permitted by Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made, the cost of collections purchased by the Board is charged to expense in the year purchased and donated collection items are not recorded. The value of the Board's collections has not been determined.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications—Certain 2006 amounts have been reclassified to conform with 2007 presentation.

SFAS No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—The Board initially applied the provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, at December 31, 2006. This accounting standard requires recognition of the overfunded or underfunded status of a defined benefit post-

retirement plan in the Balance Sheets, and recognition of changes in the funded status in the years in which the changes occur through comprehensive income. The transition rules for implementing the standard required applying the provisions as of the end of the year of initial implementation, and the effect as of December 31, 2006 is recorded as "Adjustment to initially apply SFAS No. 158" in the Statements of Revenues and Expenses and Changes in Cumulative Results of Operations.

(4) PROPERTY AND EQUIPMENT

The following is a summary of the components of the Board's property and equipment, at cost, net of accumulated depreciation and amortization.

	2007	2006
Land	\$ 18,640,314	\$ 18,640,314
Buildings and improvements	149,968,504	147,504,169
Furniture and equipment	55,625,014	47,271,434
Software in use	14,745,157	13,681,508
Software in process	2,064,438	941,912
Construction in process	1,550,565	360,967
	<u>242,593,992</u>	<u>228,400,304</u>
Less accumulated depreciation and amortization	(89,243,112)	(77,194,918)
Property and equipment, net	<u>\$153,350,880</u>	<u>\$151,205,386</u>

Construction in process includes costs incurred in 2007 and 2006 for long-term security projects and building enhancements.

The Board entered into capital leases for printing equipment, which terminate in 2008. Furniture and equipment includes \$1,230,000 in 2007 and 2006 for capitalized leases. Accumulated depreciation includes \$1,123,000 and \$867,000 for capitalized leases as of 2007 and 2006, respectively. The Board paid interest related to these capital leases in the amount of \$31,000 and \$54,000 for 2007 and 2006, respectively.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of December 31, 2007, are as follows:

	2008
Total minimum lease payments	\$ 138,279
Less: Amount representing maintenance	(26,743)
Net minimum lease payments	111,536
Less: Amount representing interest	(2,781)
Present value of net minimum lease payments	108,755
Less: Current maturities of capital lease payments ..	(108,755)
Long-term capital lease obligations	<u>\$ 0</u>

(5) ACCUMULATED RETIREMENT BENEFITS

Substantially all of the Board's employees participate in the Retirement Plan for Employees of the Federal Reserve System (System Plan). The System Plan provides retirement benefits to employees of the Board, the Federal Reserve Banks, and the Office of Employee Benefits of the Federal Reserve System (OEB). The Federal Reserve Bank of New York, on behalf of the System, recognizes the net asset and costs associated with the System Plan in its financial statements. Costs associated with the System Plan are not redistributed to other participating employers.

Employees of the Board who became employed prior to 1984 are covered by a contributory defined benefits program under the System Plan. Employees of the Board who became employed after 1983 are covered by a non-contributory defined benefits program under the System Plan. Contributions to the System Plan are actuarially determined and funded by participating employers. Based on actuarial calculations, it was determined that employer funding contributions were not required for the years 2007 and 2006, and the Board was not assessed a contribution for these years.

Effective January 1, 1996, Board employees covered under the System Plan are also covered under a Benefits Equalization Plan (BEP). Benefits paid under the BEP are limited to those benefits that cannot be paid from the System Plan due to limitations imposed by Sections 401(a)(17), 415(b) and 415(e) of the Internal Revenue Code of 1986. Activity for the BEP for 2007 and 2006 is summarized in the following tables:

	2007	2006
<i>Change in projected benefit obligation</i>		
Benefit obligation, beginning of year ...	\$1,354,662	\$ 536,339
Service cost	329,282	185,483
Interest cost	87,837	45,004
Plan participants' contributions	0	0
Plan amendments	0	0
Actuarial (gain)/loss	453,526	596,114
Benefits paid	(23,632)	(8,278)
Benefit obligation, end of year	<u>\$2,201,675</u>	<u>\$1,354,662</u>
Accumulated benefit obligation, end of year	\$ 685,170	\$ 546,854
<i>Weighted-average assumptions used to determine benefit obligation as of December 31</i>		
Discount rate	6.25%	5.75%
Rate of compensation increase	5.00%	4.50%
<i>Change in plan assets</i>		
Fair value of plan assets, beginning of year ...	\$ 0	\$ 0
Employer contributions ..	23,632	8,278
Plan participants' contributions	0	0
Benefits paid	(23,632)	(8,278)
Fair value of plan assets, end of year	<u>\$ 0</u>	<u>\$ 0</u>

	2007	2006
<i>Reconciliation of funded status, end of year</i>		
Funded status	\$(2,201,675)	\$(1,354,662)
Net actuarial (gain) loss ..	1,006,257	580,386
Prior service (credit) cost ..	(233,404)	(247,417)
Prepaid (Accrued) pension cost	<u>\$(1,428,822)</u>	<u>\$(1,021,693)</u>

Amounts recognized in the financial statements consist of

Prepaid benefit cost	\$ 0	\$ 0
Accrued benefit liability ..	(1,428,822)	(1,021,693)
Intangible asset	0	0
Accumulated other comprehensive income	<u>(772,853)</u>	<u>(332,969)</u>
Net amount recognized ..	<u>\$(2,201,675)</u>	<u>\$(1,354,662)</u>

Components of net periodic benefit cost

Service cost—benefits earned during the period	\$ 329,282	\$ 185,483
Interest cost on projected benefit obligation ...	87,837	45,004
Expected return on plan assets	0	0
Amortization of prior service (credit) cost ..	(14,013)	(14,013)
Amortization of (gains) losses	27,655	0
Amortization of initial (asset) obligation ...	0	0
Net periodic benefit cost (credit)	<u>\$ 430,761</u>	<u>\$ 216,474</u>

Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31

Discount rate	6.00%	5.75%
Rate of compensation increase	4.50%	4.50%

Expected cash flows

Expected employer contributions:	
2008	\$ 82,134

Expected benefit payments:

2008	\$ 82,134
2009	96,170
2010	109,602
2011	120,750
2012	127,690
2013–2017	724,518

Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost (credit) in 2008 are shown below:

Net actuarial (gain)/loss ..	\$ 79,561
Prior service (credit)/cost ..	(14,013)
Total	<u>\$ 65,548</u>

A relatively small number of Board employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). These defined benefit plans are administered by the U.S. Office of Personnel Management, which determines the required employer contribution levels. The Board's contributions to these plans totaled \$316,000 and \$334,000 in 2007 and 2006, respectively. The Board has no liability for future payments to retirees under these programs and is not accountable for the assets of the plans.

Employees of the Board may also participate in the Federal Reserve System's Thrift Plan. Board contributions to members' accounts are based upon a fixed percentage of each member's basic contribution and were \$9,542,000 and \$8,964,000 in 2007 and 2006, respectively.

(6) ACCUMULATED POSTRETIREMENT BENEFITS

The Board provides certain life insurance programs for its active employees and retirees. Activity for 2007 and 2006 is summarized in the following tables:

	2007	2006
<i>Change in benefit obligation</i>		
Benefit obligation, beginning of year ...	\$8,111,829	\$8,273,831
Service cost	198,791	230,567
Interest cost	479,903	470,256
Plan participants' contributions	0	0
Plan amendments	0	0
Actuarial (gain) loss	(533,208)	(603,500)
Benefits paid	<u>(284,846)</u>	<u>(259,325)</u>
Benefit obligation, end of year	<u>\$7,972,469</u>	<u>\$8,111,829</u>

Weighted-average assumptions used to determine benefit obligation as of December 31

Discount rate	6.25%	6.00%
---------------------	-------	-------

Change in plan assets

Fair value of plan assets, beginning of year ...	\$ 0	\$ 0
Employer contribution ...	284,846	259,325
Plan participants' contributions	0	0
Benefits paid	<u>(284,846)</u>	<u>(259,325)</u>
Fair value of plan assets, end of year	<u>\$ 0</u>	<u>\$ 0</u>

	2007	2006
<i>Reconciliation of funded status at end of year</i>		
Benefit obligations	\$(7,972,469)	\$(8,111,829)
Unrecognized net actuarial (gain) loss ..	0	0
Unrecognized prior service cost	0	0
Amount recognized, end of year	<u>\$(7,972,469)</u>	<u>\$(8,111,829)</u>
<i>Amounts recognized in the financial statements consist of</i>		
Liability:		
Accrued benefit cost	\$(7,972,469)	\$(8,111,829)
Accumulated other comprehensive income	0	0
Net amount recognized ..	<u>0</u>	<u>0</u>
	<u>\$(7,972,469)</u>	<u>\$(8,111,829)</u>
<i>Amounts recognized in accumulated other comprehensive income consist of:</i>		
Net actuarial loss (gain) ..	\$ 803,702	\$ 1,422,398
Prior service cost (credit) ..	(89,741)	(99,560)
Transition obligation (asset)	0	0
Deferred curtailment (gain) loss	0	0
	<u>\$ 713,961</u>	<u>\$ 1,322,838</u>
<i>Components of net periodic benefit cost</i>		
Service cost—benefits earned during the period	\$ 198,791	\$ 230,567
Interest cost on projected benefit obligation ...	479,902	470,256
Expected return on plan assets	0	0
Amortization of prior service (credit) cost ..	(9,818)	(9,818)
Amortization of (gains) losses	85,487	120,022
Amortization of initial (asset) obligation ...	0	0
Net periodic benefit cost (credit)	<u>\$ 754,362</u>	<u>\$ 811,027</u>
<i>Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31</i>		
Discount rate	5.75%	5.50%

<i>Expected cash flows</i>	
Expected employer contributions:	
2008	\$ 293,767

<i>Expected benefit payments:</i>	
2008	\$ 293,767
2009	326,227
2010	352,683
2011	368,728
2012	384,026
2013–2017	2,300,954

<i>Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost (credit) in 2008 are shown below:</i>	
Net actuarial (gain) loss ...	\$ 7,425
Prior service (credit) cost ..	(9,818)
Total	\$ (2,393)

The above accumulated postretirement benefit obligation is related to the Board-sponsored life insurance programs. The Board has no liability for future payments to employees who continue coverage under the federally sponsored life and health programs upon retiring. Contributions for active employees participating in federally sponsored health programs totaled \$10,311,000 and \$9,607,000 in 2007 and 2006, respectively.

(7) ACCUMULATED POSTEMPLOYMENT BENEFITS

The Board provides certain postemployment benefits to eligible former or inactive employees and their dependents during the period subsequent to employment but prior to retirement. Postemployment costs were actuarially determined using a December 31 measurement date and discount rates of 5.75 percent as of December 31, 2007 and 2006. The accrued postemployment benefit costs recognized by the Board for the years ended December 31, 2007 and 2006, were \$3,055,000 and \$1,963,000, respectively.

(8) ACCUMULATED OTHER COMPREHENSIVE INCOME

Following is a reconciliation of beginning and ending balances of accumulated other comprehensive income.

	Amount related to defined benefit retirement plans	Amount related to postretirement benefits other than pensions	Change in funded status of benefit plans— other comprehensive income gain (loss)	Total accumulated other comprehen- sive income (loss)
Balance at January 1, 2006	\$ 0	\$ 0		
Adjustment to initially apply SFAS No. 158	332,969	1,322,837		168,992
Balance at December 31, 2006	\$ 332,969	\$ 1,322,837		
Change in funded status of benefit plans:				
Amortization of prior service costs	14,013	9,818		
Amortization of net actuarial gain (loss) ..	(27,655)	(85,487)		
Net actuarial (gain) loss arising during the year	453,526	(533,207)		
Change in funded status of benefit plans— other comprehensive income gain (loss) ..	439,884	(608,876)		
Balance at December 31, 2007	\$ 772,853	\$ 713,961		

	Total accumulated other comprehen- sive income (loss)
Balance at January 1, 2006	\$ 0
Adjustment to initially apply SFAS No. 158	(1,655,806)
Balance at December 31, 2006	\$ (1,655,806)
Change in funded status of benefit plans:	
Amortization of prior service costs	(23,831)
Amortization of net actuarial gain (loss)	113,142
Net actuarial (gain) loss arising during the year	79,681

Additional detail regarding the classification of accumulated other comprehensive income is included in notes 5 and 6.

(9) COMMITMENTS AND CONTINGENCIES

Leases

The Board has entered into several operating leases to secure office, training and warehouse space. Minimum annual payments under the operating leases having an initial or remaining noncancelable lease term in excess of one year at December 31, 2007, are as follows:

2008	\$ 1,623,970
2009	1,961,223
2010	2,013,281
2011	1,944,142
After 2011	9,118,887
	<u>\$16,661,503</u>

Rental expenses under the operating leases were \$539,000 and \$193,000 in 2007 and 2006, respectively.

Deferred Leases

The Board's operating leases contain rent abatements and scheduled rent increases. According to accounting principles generally accepted in the United States of America, rent abatements and scheduled rent increases must be considered in determining the annual rent expense to be recognized. The deferred rent represents the difference between the actual lease payments and the rent expense recognized. The current balance of deferred rent is \$318,000 and \$8,000 in 2007 and 2006, respectively.

Commitments

The Board has entered into an agreement with the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, through the Federal Financial Institutions Examination Council (the Council) to fund a portion of enhancements and maintenance fees for a central data repository project through 2013. The estimated total Board expense to support this effort is \$7.5 million.

In 2007, the Council began a rewrite of the Home Mortgage Disclosure Act processing system, for which the Board provides data processing services. The estimated total Board expense to support this effort is \$3.2 million through 2010.

Litigation

The Board is subject to contingent liabilities which include litigation cases. These contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. Based on information currently available to management, it is management's opinion that the expected outcome of these matters, individually or in the aggregate, will not have a materially adverse effect on the financial statements. Management believes the Board has substantial defenses and that the likelihood of an adverse judgment is remote.

(10) FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

The Board is one of the five member agencies of the Council, and currently performs certain management functions for the Council. The five agencies which are represented on the Council are the Board, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision. The Board's financial statements do not include financial data for the Council. Activity related to the Board and Council for 2007 and 2006 is summarized in the following table:

	2007	2006
<i>Council expenses charged to the Board</i>		
Assessments for operating expenses . . .	\$ 108,163	\$ 109,760
Central Data Repository	1,167,449	740,003
Uniform Bank Performance Report	192,026	204,617
Total Council expenses charged to the Board	<u>\$1,467,638</u>	<u>\$1,054,380</u>
<i>Board expenses charged to the Council</i>		
Data processing related services	\$4,457,647	\$3,429,499
Administrative services	190,800	183,000
Total Board expenses charged to the Council	<u>\$4,648,447</u>	<u>\$3,612,499</u>

	2007	2006
Accounts receivable due from the Council . . .	\$384,142	\$395,551
Accounts payable due to the Council	\$ 64,087	\$ 54,870

(11) FEDERAL RESERVE BANKS

The Board performs certain functions for the Reserve Banks in conjunction with its responsibilities for the System, and the Reserve Banks provide certain administrative functions for the Board. Activity related to the Board and Reserve Banks for 2007 and 2006 is summarized in the following table:

	As of December 31,	
	2007	2006
<i>Reserve Bank expenses charged to the Board</i>		
Data processing and communication	\$ 2,064,110	\$ 2,161,298
Contingency site	1,152,166	1,087,429
Total Reserve Bank expenses charged to the Board	<u>\$ 3,216,276</u>	<u>\$ 3,248,727</u>
<i>Board expenses charged to the Reserve Banks</i>		
Assessments for currency costs	\$576,306,073	\$491,962,202
Assessments for operating expenses of the Board	296,124,700	301,013,500
Data processing	704,840	731,999
Total Board expenses charged to the Reserve Banks	<u>\$873,135,613</u>	<u>\$793,707,701</u>
Accounts receivable due from Federal Reserve Banks	\$ 1,270,582	\$ 854,142
Accounts payable due to the Reserve Banks	\$ 10	\$ 12,417

(12) THE OFFICE OF EMPLOYEE BENEFITS OF THE FEDERAL RESERVE SYSTEM

OEB administers certain System benefit programs on behalf of the Board and the Reserve Banks, and costs associated with the OEB's activities are assessed to the Board and Reserve Banks. The Board was assessed \$2,866,676 and \$2,380,474 in 2007 and 2006, respectively.

Deloitte

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Governors of the Federal Reserve System:

We have audited the financial statements of the Board of Governors of the Federal Reserve System (the "Board") as of and for the year ended December 31, 2007, and have issued our report thereon dated March 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal controls. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

During our audit, we noted certain control deficiencies within the general computer control environment within the Board of Governors related to logical access controls, which affect several financial system platforms supporting the Board's financial statements. These deficiencies individually are not considered significant deficiencies, however, when considered collectively, aggregate to a significant deficiency. We have considered these matters in conjunction with our audit of the financial statements and noted no material misstatements or omissions in the Board's financial statements that were caused by these various control deficiencies. Management has taken steps to address these deficiencies by correcting the cause of a deficiency and/or by implementing additional compensating controls and processes. Due to the sensitive nature of these deficiencies, the technical details related to these deficiencies have been provided to Board of Governors' management in a separate, limited distribution communication.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

We have communicated to management, in a separate communication dated March 19, 2008, other control deficiencies involving the Board's internal control over financial reporting and other matters that we identified during our audit.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Distribution

This report is intended solely for the information and use of the Board, management, and others within the organization, the Office of Inspector General, and the United States Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

March 19, 2008
Washington, D.C.



Deloitte LLP
Suite 800
1750 Tysons Boulevard
McLean, VA 22102-4219
USA

Tel: +1 703 251 1000
Fax: +1 703 251 3400
www.deloitte.com

The Board of Governors of the Federal Reserve System,
The Inspector General of the Board of Governors, and
The Committee for Board Affairs

In planning and performing our audit of the financial statements of the Board of Governors of the Federal Reserve System (the "Board") as of and for the year ended December 31, 2007 (on which we have issued our report dated March 19, 2008), in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the Board's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, in connection with the audit, we have identified, and included in the attached Appendix, certain matters involving the Board's internal control over financial reporting that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

We have also identified, and included in the attached Appendix, other control deficiencies involving the Board's internal control over financial reporting as of December 31, 2007 that we wish to bring to your attention.

The definitions of a control deficiency, a significant deficiency, and a material weakness are also set forth in the attached Appendix.

Although we have included management's written response to our comments in the attached Appendix, such responses have not been subjected to the auditing procedures applied in our audit and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

March 19, 2008
Page 2

This report is intended solely for the information and use of the Inspector General of the Board of Governors of the Federal Reserve System, the Committee for Board Affairs, and management of the Board, and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss these comments with you and, if desired, to assist you in implementing any of the suggestions.

Yours truly,

Deloitte + Touche LLP

March 19, 2008

5-page attachment withheld in full, - (b)(2)

March 19, 2008
Page 4

OTHER MATERIAL WRITTEN COMMUNICATIONS

Pages 1-3 Not Responsive

2008, independence letter dated January 30, 2008, and a management representation letter and three reports concerning control-related matters identified in our audit of the financial statements, each dated March 19, 2008.

CONTROL-RELATED MATTERS

We have issued a separate report to you, also dated March 19, 2008, containing certain matters involving the Board's internal control over financial reporting that we consider to be material weaknesses or significant deficiencies under standards established by the American Institute of Certified Public Accountants.

[(b)(2)]

We have also communicated to management, in a separate report also dated March 19, 2008, other control deficiencies involving the Board's internal control over financial reporting and other matters that we identified during our audit.

This report is intended solely for the information and use of the Inspector General of the Board of Governors and the Committee for Board Affairs and is not intended to be and should not be used by anyone other than these specified parties.

We will be pleased to discuss this report with you further at your convenience.

Yours truly,

Deloitte + Touche LLP

Page 5 withheld in full - (b)(2)

Board of Governors of the Federal Reserve System

Report on Design Effectiveness for Select Processes Related to Financial Reporting

March 19, 2008

Deloitte



Deloitte LLP
Suite 800
1750 Tysons Boulevard
McLean, VA 22102-4219
USA

Tel: +1 703 251 1000
Fax: +1 703 251 3400
www.deloitte.com

Independent Accountant's Report

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

We have examined the suitability of the design of the Board of Governors of the Federal Reserve System ("Board of Governors") internal controls over financial reporting for selected processes as of December 31, 2007, based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework. E (b)(2)

The Board of Governors management is responsible for maintaining the suitable design of effective internal control over financial reporting. Our responsibility is to express an opinion on the design of internal control based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal control over financial reporting, evaluating the design of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. We were not engaged to examine and report on the operating effectiveness of the Board of Governors internal control over financial reporting as of December 31, 2007, and, accordingly, we express no opinion on operating effectiveness. In addition, we were engaged to examine only the controls over financial reporting for the processes listed in the first paragraph above and, accordingly, we express no opinion on the design effectiveness of controls related to other processes.

Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Board of Governors internal controls over financial reporting for the processes listed above are suitably designed, in all material respects, to prevent or detect material misstatements in the financial statements on a timely basis as of December 31, 2007, based on the COSO framework.

Deloitte & Touche LLP

March 19, 2008

***BOARD OF GOVERNORS
OF THE FEDERAL
RESERVE SYSTEM***

*Financial Statement as of and for the
Years Ended December 31, 2007 and 2006,
and Independent Auditors' Report*

INDEPENDENT AUDITORS' REPORT

The Board of Governors of the Federal Reserve System:

We have audited the accompanying balance sheet of the Board of Governors of the Federal Reserve System (the "Board") as of December 31, 2007, and the related statements of revenues and expenses and changes in cumulative results of operations, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Board for the year ended December 31, 2006 were audited by other auditors whose report, dated April 17, 2007, expressed an unqualified opinion on those statements and included an explanatory paragraph related to adoption of the Financial Accounting Standard Board Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such 2007 financial statements present fairly, in all material respects, the financial position of the Board of Governors of the Federal Reserve System as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2008 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

Deloitte + Touche LLP

March 19, 2008

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

BALANCE SHEETS

DECEMBER 31, 2007 AND 2006

	2007	2006
ASSETS		
CURRENT ASSETS:		
Cash	\$ 44,613,728	\$ 60,030,706
Accounts receivable	2,996,318	2,625,907
Prepaid expenses and other assets	<u>4,653,684</u>	<u>3,916,608</u>
Total current assets	52,263,730	66,573,221
NONCURRENT ASSETS:		
Property and equipment — net (Note 4)	153,350,880	151,205,386
Other assets	<u>166,119</u>	<u>343,899</u>
Total noncurrent assets	<u>153,516,999</u>	<u>151,549,285</u>
TOTAL ASSETS	<u>\$205,780,729</u>	<u>\$218,122,506</u>
LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 20,400,282	\$ 10,950,470
Accrued payroll and related taxes	5,647,053	5,421,666
Accrued annual leave	18,429,601	16,334,512
Capital lease payable (current portion)	108,755	327,663
Unearned revenues and other liabilities	<u>702,122</u>	<u>366,304</u>
Total current liabilities	<u>45,287,813</u>	<u>33,400,615</u>
LONG-TERM LIABILITIES:		
Capital lease payable (non-current portion)		108,755
Accumulated retirement benefit obligation (Note 5)	2,201,675	1,354,662
Accumulated postretirement benefit obligation (Note 6)	7,972,469	8,111,829
Accumulated postemployment benefit obligation (Note 7)	<u>8,855,613</u>	<u>6,515,301</u>
Total long-term liabilities	<u>19,029,757</u>	<u>16,090,547</u>
Total liabilities	<u>64,317,570</u>	<u>49,491,162</u>
CUMULATIVE RESULTS OF OPERATIONS:		
Working capital	7,084,672	33,500,269
Unfunded long-term liabilities	(17,542,943)	(14,325,986)
Net investment in noncurrent assets	153,408,244	151,112,867
Accumulated other comprehensive income (loss) (Note 8)	<u>(1,486,814)</u>	<u>(1,655,806)</u>
Total cumulative results of operations	<u>141,463,159</u>	<u>168,631,344</u>
TOTAL LIABILITIES AND CUMULATIVE RESULTS OF OPERATIONS	<u>\$205,780,729</u>	<u>\$218,122,506</u>

See notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN CUMULATIVE RESULTS OF OPERATIONS FOR THE YEARS ENDING DECEMBER 31, 2007 AND 2006

	2007	2006
BOARD OPERATING REVENUES:		
Assessments levied on Federal Reserve Banks for Board operating expenses and capital expenditures	\$296,124,700	\$301,013,500
Other revenues	10,365,414	8,508,949
Total operating revenues	<u>306,490,114</u>	<u>309,522,449</u>
BOARD OPERATING EXPENSES:		
Salaries	197,656,442	182,239,595
Retirement and insurance	39,451,541	35,853,297
Contractual services and professional fees	36,300,185	23,944,564
Depreciation, amortization, and net losses on disposals	13,557,498	13,058,667
Utilities	8,998,496	9,185,840
Travel	8,619,615	8,820,503
Software	6,678,514	6,637,765
Postage and supplies	8,836,143	4,560,368
Repairs and maintenance	3,890,191	2,634,459
Printing and binding	1,976,765	1,505,470
Other expenses	7,861,901	7,435,067
Total operating expenses	<u>333,827,291</u>	<u>295,875,595</u>
RESULTS OF OPERATIONS	<u>(27,337,177)</u>	<u>13,646,854</u>
CURRENCY COSTS:		
Assessments levied on Federal Reserve Banks for currency costs	576,306,073	491,962,202
Expenses for printing, transporting, and retiring Federal Reserve Notes	<u>576,306,073</u>	<u>491,962,202</u>
CURRENCY ASSESSMENTS OVER (UNDER) EXPENSES		
TOTAL RESULTS OF OPERATIONS	<u>(27,337,177)</u>	<u>13,646,854</u>
CUMULATIVE RESULTS OF OPERATIONS — Beginning of period	<u>168,631,344</u>	<u>156,640,296</u>
OTHER COMPREHENSIVE INCOME:		
Adjustment to initially apply SFAS No. 158 (Note 8)		(1,655,806)
Amortization of prior service cost	(23,831)	
Amortization of net actuarial loss	113,142	
Net actuarial loss arising during the year	<u>79,681</u>	
Total Other Comprehensive Income	168,992	(1,655,806)
CUMULATIVE RESULTS OF OPERATIONS — End of period	<u>\$141,463,159</u>	<u>\$168,631,344</u>

See notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDING DECEMBER 31, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
RESULTS OF OPERATIONS:		
Adjustments to reconcile results of operations to net cash provided by (used in) operating activities:		
Depreciation	\$ (27,337,177)	\$ 13,646,854
Net losses on disposals of property and equipment	13,433,306	13,047,064
Increase (decrease) in assets —	124,192	11,603
Accounts receivable, prepaid expenses and other assets	(929,708)	(812,482)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	9,449,812	(5,955,880)
Accrued payroll and related taxes	225,387	561,094
Accrued annual leave	2,095,089	878,028
Unearned revenues and other liabilities	335,818	(417,407)
Accumulated retirement benefit obligation	847,013	541,165
Accumulated postretirement benefit obligation	(139,360)	1,874,539
Accumulated postemployment benefit obligation	2,340,312	1,403,936
Accumulated other comprehensive income	168,992	(1,655,806)
Net cash provided by operating activities	613,676	23,122,708
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposals	65,988	7,212
Capital expenditures	(15,768,979)	(8,829,712)
Net cash used in investing activities	(15,702,991)	(8,822,500)
CASH FLOWS FROM FINANCING ACTIVITIES —		
Capital lease payments	(327,663)	(239,937)
Net cash used in financing activities	(327,663)	(239,937)
NET INCREASE (DECREASE) IN CASH	(15,416,978)	14,060,271
CASH BALANCE — Beginning of period	60,030,706	45,970,435
CASH BALANCE — End of period	\$ 44,613,728	\$ 60,030,706

See notes to financial statements.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDING DECEMBER 31, 2007 AND 2006

1. STRUCTURE

The Federal Reserve System (System) was established by Congress in 1913 and consists of the Board of Governors (Board), the Federal Open Market Committee, the twelve regional Federal Reserve Banks, the Federal Advisory Council, and the private commercial banks that are members of the System. The Board, unlike the Reserve Banks, was established as a federal government agency and is supported by Washington, DC based staff numbering approximately 1,900, as it carries out its responsibilities in conjunction with other components of the Federal Reserve System.

The Board is required by the Federal Reserve Act to report its operations to the Speaker of the House of Representatives. The Act also requires the Board, each year, to order a financial audit of each Federal Reserve Bank and to publish each week a statement of the financial condition of each such Reserve Bank and a consolidated statement for all of the Reserve Banks. Accordingly, the Board believes that the best financial disclosure consistent with law is achieved by issuing separate financial statements for the Board and for the Reserve Banks. Therefore, the accompanying financial statements include only the results of operations and activities of the Board. Combined financial statements for the Federal Reserve Banks are included in the Board's annual report to the Speaker of the House of Representatives.

2. OPERATIONS AND SERVICES

The Board's responsibilities require thorough analysis of domestic and international financial and economic developments. The Board carries out those responsibilities in conjunction with other components of the Federal Reserve System. The Board also supervises and regulates the operations of the Federal Reserve Banks, exercises broad responsibility in the nation's payments system, and administers most of the nation's laws regarding consumer credit protection. Policy regarding open market operations is established by the Federal Open Market Committee. However, the Board has sole authority over changes in reserve requirements, and it must approve any change in the discount rate initiated by a Federal Reserve Bank.

The Board also plays a major role in the supervision and regulation of the U.S. banking system. It has supervisory responsibilities for state-chartered banks that are members of the Federal Reserve System, bank holding companies, foreign activities of member banks, and U.S. activities of foreign banks.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The Board prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Revenues — The Board assesses the Federal Reserve Banks for operating expenses and additions to property, which are based on expected cash needs.

Currency Costs — Federal Reserve Banks issue new and fit currency to the public and destroy currency already in circulation as it becomes unfit or when a new design is issued. Each year, the Board orders new currency from the U.S. Department of Treasury's Bureau of Engraving and Printing. The

Board incurs expenses and assesses the Federal Reserve Banks for printing, transporting, and retiring Federal Reserve Notes. These expenses and assessments are reported separately from the Board's operating transactions in the Board's Statement of Revenues and Expenses and Cumulative Results of Operations.

Allowance for Doubtful Accounts — Accounts receivable considered uncollectible are charged against the allowance account in the year they are deemed uncollectible. The allowance for doubtful accounts is adjusted monthly, based upon a review of outstanding receivables.

Property, Equipment, and Software — The Board's property, buildings, equipment, and software are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets, which range from three to ten years for furniture and equipment, ten to fifty years for building equipment and structures, and two to ten years for software. Upon the sale or other disposition of a depreciable asset, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is recognized.

The Board complies with Statement of Position 98-1, *Accounting for the Costs of Computer Software Developed or Obtained for Internal Use*, which requires that certain costs incurred in the development of internal use software be capitalized and amortized over its useful life.

Art Collections — The Board has collections of works of art, historical treasures, and similar assets. These collections are maintained and held for public exhibition in furtherance of public service. Proceeds from any sales of collections are used to acquire other items for collections. As permitted by Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, the cost of collections purchased by the Board is charged to expense in the year purchased and donated collection items are not recorded. The value of the Board's collections has not been determined.

Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications — Certain 2006 amounts have been reclassified to conform with 2007 presentation.

SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* - The Board initially applied the provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, at December 31, 2006. This accounting standard requires recognition of the overfunded or underfunded status of a defined benefit postretirement plan in the Balance Sheets, and recognition of changes in the funded status in the years in which the changes occur through comprehensive income. The transition rules for implementing the standard required applying the provisions as of the end of the year of initial implementation, and the effect as of December 31, 2006 is recorded as "Adjustment to initially apply SFAS No. 158" in the Statements of Revenues and Expenses and Changes in Cumulative Results of Operations.

4. PROPERTY AND EQUIPMENT

The following is a summary of the components of the Board's property and equipment, at cost, net of accumulated depreciation and amortization.

	2007	2006
Land	\$ 18,640,314	\$ 18,640,314
Buildings and improvements	149,968,504	147,504,169
Furniture and equipment	55,625,014	47,271,434
Software in use	14,745,157	13,681,508
Software in process	2,064,438	941,912
Construction in process	<u>1,550,565</u>	<u>360,967</u>
	242,593,992	228,400,304
Less accumulated depreciation and amortization	<u>(89,243,112)</u>	<u>(77,194,918)</u>
Property and equipment — net	<u>\$ 153,350,880</u>	<u>\$ 151,205,386</u>

Construction in process includes costs incurred in 2007 and 2006 for long-term security projects and building enhancements.

The Board entered into capital leases for printing equipment, which terminate in 2008. Furniture and equipment includes \$1,230,000 in 2007 and 2006 for capitalized leases. Accumulated depreciation includes \$1,123,000 and \$867,000 for capitalized leases as of 2007 and 2006, respectively. The Board paid interest related to these capital leases in the amount of \$31,000 and \$54,000 for 2007 and 2006, respectively.

The future minimum lease payments required under the capital leases and the present value of the net minimum lease payments as of December 31, 2007, are as follows:

	2008
Total minimum lease payments	\$ 138,279
Less: Amount representing maintenance	<u>(26,743)</u>
Net minimum lease payments	111,536
Less: Amount representing interest	<u>(2,781)</u>
Present value of net minimum lease payments	108,755
Less: Current maturities of capital lease payments	<u>(108,755)</u>
Long-term capital lease obligations	<u>\$ -</u>

5. ACCUMULATED RETIREMENT BENEFITS

Substantially all of the Board's employees participate in the Retirement Plan for Employees of the Federal Reserve System (System Plan). The System Plan provides retirement benefits to employees of the Board, the Federal Reserve Banks, and the Office of Employee Benefits of the Federal Reserve System (OEB). The Federal Reserve Bank of New York, on behalf of the System, recognizes the net asset and costs associated with the System Plan in its financial statements. Costs associated with the System Plan are not redistributed to other participating employers.

Employees of the Board who became employed prior to 1984 are covered by a contributory defined benefits program under the System Plan. Employees of the Board who became employed after 1983 are covered by a non-contributory defined benefits program under the System Plan. Contributions to the System Plan are actuarially determined and funded by participating employers. Based on actuarial calculations, it was determined that employer funding contributions were not required for the years 2007 and 2006, and the Board was not assessed a contribution for these years.

Effective January 1, 1996, Board employees covered under the System Plan are also covered under a Benefits Equalization Plan (BEP). Benefits paid under the BEP are limited to those benefits that cannot be paid from the System Plan due to limitations imposed by Sections 401(a)(17), 415(b) and 415(e) of the Internal Revenue Code of 1986. Activity for the BEP for 2007 and 2006 is summarized in the following tables:

	2007	2006
Change in Projected Benefit Obligation:		
Benefit obligation — beginning of year	\$ 1,354,662	\$ 536,339
Service cost	329,282	185,483
Interest cost	87,837	45,004
Plan participants' contributions		
Plan amendments		
Actuarial (gain)/loss	453,526	596,114
Benefits paid	<u>(23,632)</u>	<u>(8,278)</u>
Benefit obligation — end of year	<u>\$ 2,201,675</u>	<u>\$ 1,354,662</u>
Accumulated benefit obligation — end of year	\$ 685,170	\$ 546,854
Weighted-average assumptions used to determine benefit obligation as of December 31:		
Discount rate	6.25 %	5.75 %
Rate of compensation increase	5.00 %	4.50 %
Change in Plan Assets:		
Fair value of plan assets — beginning of year	\$ -	\$ -
Employer contributions	23,632	8,278
Plan participants' contributions		
Benefits paid	<u>(23,632)</u>	<u>(8,278)</u>
Fair value of plan assets — end of year	<u>\$ -</u>	<u>\$ -</u>

	2007	2006
Reconciliation of Funded Status — End of Year:		
Funded status	\$ (2,201,675)	\$ (1,354,662)
Net actuarial (gain) loss	1,006,257	580,386
Prior service (credit) cost	<u>(233,404)</u>	<u>(247,417)</u>
Prepaid (Accrued) pension cost	\$ <u>(1,428,822)</u>	\$ <u>(1,021,693)</u>
Amounts recognized in the financial statements consist of:		
Prepaid benefit cost	\$ -	\$ -
Accrued benefit liability	(1,428,822)	(1,021,693)
Intangible asset		
Accumulated other comprehensive income	<u>(772,853)</u>	<u>(332,969)</u>
Net amount recognized	\$ <u>(2,201,675)</u>	\$ <u>(1,354,662)</u>
Components of net periodic benefit cost:		
Service cost — benefits earned during the period	\$ 329,282	\$ 185,483
Interest cost on projected benefit obligation	87,837	45,004
Expected return on plan assets		
Amortization of prior service (credit) cost	(14,013)	(14,013)
Amortization of (gains) losses	27,655	
Amortization of initial (asset) obligation		
Net periodic benefit cost (credit)	\$ <u>430,761</u>	\$ <u>216,474</u>
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	6.00 %	5.75 %
Rate of compensation increase	4.50 %	4.50 %
Expected Cash Flows:		
Expected employer contributions:		
2008	\$ 82,134	
Expected benefit payments:		
2008	\$ 82,134	
2009	96,170	
2010	109,602	
2011	120,750	
2012	127,690	
2013–2017	724,518	
Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost (credit) in 2008 are shown below:		
Net actuarial (gain) loss	\$ 79,561	
Prior service (credit) cost	<u>(14,013)</u>	
Total	\$ <u>65,548</u>	

A relatively small number of Board employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). These defined benefit plans are administered by the U.S. Office of Personnel Management, which determines the required employer contribution levels. The Board's contributions to these plans totaled \$316,000 and \$334,000 in 2007 and 2006, respectively. The Board has no liability for future payments to retirees under these programs and is not accountable for the assets of the plans.

Employees of the Board may also participate in the Federal Reserve System's Thrift Plan. Board contributions to members' accounts are based upon a fixed percentage of each member's basic contribution and were \$9,542,000 and \$8,964,000 in 2007 and 2006, respectively.

6. ACCUMULATED POSTRETIREMENT BENEFITS

The Board provides certain life insurance programs for its active employees and retirees. Activity for 2007 and 2006 is summarized in the following tables:

	2007	2006
Change in Benefit Obligation:		
Benefit obligation — beginning of year	\$ 8,111,829	\$ 8,273,831
Service cost	198,791	230,567
Interest cost	479,903	470,256
Plan participants' contributions		
Plan amendments		
Actuarial (gain)/loss	(533,208)	(603,500)
Benefits paid	<u>(284,846)</u>	<u>(259,325)</u>
Benefit obligation — end of year	<u>\$ 7,972,469</u>	<u>\$ 8,111,829</u>
Weighted-average assumptions used to determine benefit obligation as of December 31:		
Discount rate	6.25 %	6.00 %
Change in Plan Assets:		
Fair value of plan assets — beginning of year	\$ -	\$ -
Employer contribution	284,846	259,325
Plan participants' contributions		
Benefits paid	<u>(284,846)</u>	<u>(259,325)</u>
Fair value of plan assets — end of year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Funded Status at End of Year:		
Benefit obligations	\$ (7,972,469)	\$ (8,111,829)
Unrecognized net actuarial (gain)/loss		
Unrecognized prior service cost		
Amount recognized — end of year	<u>\$ (7,972,469)</u>	<u>\$ (8,111,829)</u>

	2007	2006
Amounts recognized in the financial statements consist of		
Liability:		
Accrued benefit cost	\$ (7,972,469)	\$ (8,111,829)
Accumulated other comprehensive income		
Net amount recognized	<u>\$ (7,972,469)</u>	<u>\$ (8,111,829)</u>
Amounts recognized in accumulated other comprehensive income consist of:		
Net actuarial loss (gain)	\$ 803,702	\$ 1,422,398
Prior service cost (credit)	(89,741)	(99,560)
Transition obligation (asset)		
Deferred curtailment (gain) loss		
	<u>\$ 713,961</u>	<u>\$ 1,322,838</u>
Components of net periodic benefit cost:		
Service cost — benefits earned during the period	\$ 198,791	\$ 230,567
Interest cost on projected benefit obligation	479,902	470,256
Expected return on plan assets		
Amortization of prior service (credit) cost	(9,818)	(9,818)
Amortization of (gains) losses	85,487	120,022
Amortization of initial (asset) obligation		
Net periodic benefit cost (credit)	<u>\$ 754,362</u>	<u>\$ 811,027</u>
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31:		
Discount rate	5.75 %	5.50 %
Expected Cash Flows —		
Expected employer contributions —		
2008	\$ 293,767	
Expected benefit payments:		
2008	\$ 293,767	
2009	326,227	
2010	352,683	
2011	368,728	
2012	384,026	
2013-2017	2,300,954	
Estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost (credit) in 2008 are shown below:		
Net actuarial (gain) loss	\$ 7,425	
Prior service (credit) cost	<u>(9,818)</u>	
Total	<u>\$ (2,393)</u>	

The above accumulated postretirement benefit obligation is related to the Board-sponsored life insurance programs. The Board has no liability for future payments to employees who continue coverage under the federally sponsored life and health programs upon retiring. Contributions for active employees

participating in federally sponsored health programs totaled \$10,311,000 and \$9,607,000 in 2007 and 2006, respectively.

7. ACCUMULATED POSTEMPLOYMENT BENEFITS

The Board provides certain postemployment benefits to eligible former or inactive employees and their dependents during the period subsequent to employment but prior to retirement. Postemployment costs were actuarially determined using a December 31 measurement date and discount rates of 5.75 percent as of December 31, 2007 and 2006. The accrued postemployment benefit costs recognized by the Board for the years ended December 31, 2007 and 2006, were \$3,055,000 and \$1,963,000, respectively.

8. ACCUMULATED OTHER COMPREHENSIVE INCOME

Following is a reconciliation of beginning and ending balances of accumulated other comprehensive income.

	Amount Related to Defined Benefit Retirement Plans	Amount Related to Postretirement Benefits Other than Pensions	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2006	\$ -	\$ -	\$ -
Adjustment to initially apply SFAS No. 158	<u>332,969</u>	<u>1,322,837</u>	<u>(1,655,806)</u>
Balance December 31, 2006	332,969	1,322,837	(1,655,806)
Change in funded status of benefit plans:			
Amortization of prior service costs	14,013	9,818	(23,831)
Amortization of net actuarial gain (loss)	(27,655)	(85,487)	113,142
Net actuarial (gain) loss arising during the year	<u>453,526</u>	<u>(533,207)</u>	<u>79,681</u>
Change in funded status of benefit plans — other comprehensive income gain (loss)	<u>439,884</u>	<u>(608,876)</u>	<u>168,992</u>
Balance at December 31, 2007	<u>\$ 772,853</u>	<u>\$ 713,961</u>	<u>\$ (1,486,814)</u>

Additional detail regarding the classification of accumulated other comprehensive income is included in notes 5 and 6.

9. COMMITMENTS AND CONTINGENCIES

Leases — The Board has entered into several operating leases to secure office, training and warehouse space. Minimum annual payments under the operating leases having an initial or remaining noncancelable lease term in excess of one year at December 31, 2007, are as follows:

2008	\$ 1,623,970
2009	1,961,223
2010	2,013,281
2011	1,944,142
After 2011	<u>9,118,887</u>
	<u>\$ 16,661,503</u>

Rental expenses under the operating leases were \$539,000 and \$193,000 in 2007 and 2006, respectively.

Deferred Leases — The Board's operating leases contain rent abatements and scheduled rent increases. According to accounting principles generally accepted in the United States of America, rent abatements and scheduled rent increases must be considered in determining the annual rent expense to be recognized. The deferred rent represents the difference between the actual lease payments and the rent expense recognized. The current balance of deferred rent is \$318,000 and \$8,000 in 2007 and 2006, respectively.

Commitments — The Board has entered into an agreement with the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, through the Federal Financial Institutions Examination Council (the "Council") to fund a portion of enhancements and maintenance fees for a central data repository project through 2013. The estimated total Board expense to support this effort is \$7.5 million.

In 2007, the Council began a rewrite of the Home Mortgage Disclosure Act processing system, for which the Board provides data processing services. The estimated total Board expense to support this effort is \$3.2 million through 2010.

Litigation — The Board is subject to contingent liabilities which include litigation cases. These contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. Based on information currently available to management, it is management's opinion that the expected outcome of these matters, individually or in the aggregate, will not have a materially adverse effect on the financial statements. Management believes the Board has substantial defenses and that the likelihood of an adverse judgment is remote.

10. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL

The Board is one of the five member agencies of the Council, and currently performs certain management functions for the Council. The five agencies which are represented on the Council are the Board, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision. The Board's financial statements do not include financial data for the Council. Activity related to the Board and Council for 2007 and 2006 is summarized in the following table:

	2007	2006
Council expenses charged to the Board:		
Assessments for operating expenses	\$ 108,163	\$ 109,760
Central Data Repository	1,167,449	740,003
Uniform Bank Performance Report	<u>192,026</u>	<u>204,617</u>
Total Council expenses charged to the Board	<u>\$1,467,638</u>	<u>\$1,054,380</u>
Board expenses charged to the Council:		
Data processing related services	\$4,457,647	\$3,429,499
Administrative services	<u>190,800</u>	<u>183,000</u>
Total Board expenses charged to the Council	<u>\$4,648,447</u>	<u>\$3,612,499</u>
Accounts receivable due from the Council	\$ 384,142	\$ 395,551
Accounts payable due to the Council	\$ 64,087	\$ 54,870

11. FEDERAL RESERVE BANKS

The Board performs certain functions for the Reserve Banks in conjunction with its responsibilities for the System, and the Reserve Banks provide certain administrative functions for the Board. Activity related to the Board and Reserve Banks for 2007 and 2006 is summarized in the following table:

	As of December 31,	
	2007	2006
Reserve Bank expenses charged to the Board:		
Data processing and communication	\$ 2,064,110	\$ 2,161,298
Contingency site	<u>1,152,166</u>	<u>1,087,429</u>
Total Reserve Bank expenses charged to the Board	<u>\$ 3,216,276</u>	<u>\$ 3,248,727</u>
Board expenses charged to the Reserve Banks:		
Assessments for currency costs	\$ 576,306,073	\$ 491,962,202
Assessments for operating expenses of the Board	296,124,700	301,013,500
Data processing	<u>704,840</u>	<u>731,999</u>
Total Board expenses charged to the Reserve Banks	<u>\$ 873,135,613</u>	<u>\$ 793,707,701</u>
Accounts receivable due from the Reserve Banks	\$ 1,270,582	\$ 854,142
Accounts payable due to the Reserve Banks	\$ 10	\$ 12,417

12. THE OFFICE OF EMPLOYEE BENEFITS OF THE FEDERAL RESERVE SYSTEM

OEB administers certain System benefit programs on behalf of the Board and the Reserve Banks, and costs associated with the OEB's activities are assessed to the Board and Reserve Banks. The Board was assessed \$2,866,676 and \$2,380,474 in 2007 and 2006, respectively.

* * * * *

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Governors of the Federal Reserve System:

We have audited the financial statements of the Board of Governors of the Federal Reserve System (the "Board") as of and for the year ended December 31, 2007, and have issued our report thereon dated March 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal controls. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

During our audit, we noted certain control deficiencies within the general computer control environment within the Board of Governors related to logical access controls, which affect several financial system platforms supporting the Board's financial statements. These deficiencies individually are not considered significant deficiencies, however, when considered collectively, aggregate to a significant deficiency. We have considered these matters in conjunction with our audit of the financial statements and noted no material misstatements or omissions in the Board's financial statements that were caused by these various control deficiencies. Management has taken steps to address these deficiencies by correcting the cause of a deficiency and/or by implementing additional compensating controls and processes. Due to the sensitive nature of these deficiencies, the technical details related to these deficiencies have been provided to Board of Governors' management in a separate, limited distribution communication.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

We have communicated to management, in a separate communication dated March 19, 2008, other control deficiencies involving the Board's internal control over financial reporting and other matters that we identified during our audit.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

DISTRIBUTION

This report is intended solely for the information and use of the Board, management, and others within the organization, the Office of Inspector General, and the United States Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte + Touche LLP

March 19, 2008

6



(b)(2)
@deloitte.com>
12/14/2007 05:47 PM

To (b)(2) @deloitte.com>
<bill.mitchell@frb.gov>, <Darrell.Pauley@frb.gov>
cc (b)(2) @deloitte.com>
bcc (b)(2) @deloitte.com>

Subject BOG Controls Status Report #9

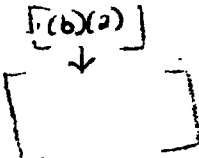
This message has been forwarded.

Bill & Darrell,

I've attached our status report. Due to the holidays and current stage of work, our next status report will be in January 2008. Please don't hesitate to contact me with any questions. Happy Holidays!

<<BOG Controls Status #9.doc>>

Thanks,



Deloitte & Touche LLP

Tel: (b)(2)
Fax: (b)(2)
(b)(2)@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #9.doc

(7)



02/11/2008 01:29 PM

[(b)(2)]
deloitte.com>

To [(b)(2)]@deloitte.com>,
<bill.mitchell@frb.gov>, <Darrell.Pauley@frb.gov>
cc [(b)(2)]@deloitte.com>,
bcc [(b)(2)]@deloitte.com>]

Subject BOG Controls Status Report #11

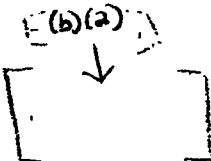
History: This message has been forwarded

Bill & Darrell,

I've attached our latest status report. In the report, you'll see that most of the controls work is complete. The pending items are listed in the beginning and within the table. Please don't hesitate to contact me with any questions.

<<BOG Controls Status #11.doc>>

Thanks,



Deloitte & Touche LLP

Tel: [(b)(2)]
Fax: [(b)(2)]
[(b)(2)]@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #11.doc

8



(b)(2)

@deloitte.com>

02/27/2008 09:32 PM

To <Darrell.Pauley@frb.gov>, <bill.mitchell@frb.gov>

cc (b)(2) @deloitte.com>

bcc @deloitte.com>

Subject Draft Internal Controls Report

History

This message has been forwarded

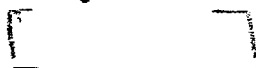
Darrell & Bill,

As a follow-up to our conversation today, I've attached a draft of the internal controls report for the FFIEC. I know I provided you a previous draft - this will be very similar - it just contains slightly updated verbiage. Please let us know if you have any questions.

<<Draft Internal Controls Report.doc>>

Thanks,

(b)(2)



Deloitte & Touche LLP

Tel: +1 703 251 1000
Main: +1 703 251 1000
Fax: +1
@deloitte.com
www.deloitte.com

1750 Tysons Boulevard, Suite 800
McLean, VA 22102-4219
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] Draft Internal Controls Report.doc

Robert L
McMillon/BOARD/FRS
03/06/2008 05:35 PM

To Bill Mitchell/BOARD/FRS@BOARD, Cynthia D
Gray/BOARD/FRS@BOARD
cc
bcc
Subject Fw: D&T IT Issues Workpaper Review Update

Bill/Cynthia,
Attached is the updated Word document per our meeting today.

Thanks
Bob



OIG Review of D&T February 2008 Mgt. Ltr. Deficiencies.doc

----- Forwarded by Robert L McMillon/BOARD/FRS on 03/06/2008 05:30 PM -----

Robert L
McMillon/BOARD/FRS
03/05/2008 05:38 PM

To Bill Mitchell/BOARD/FRS, Cynthia D Gray/BOARD/FRS
cc
Subject D&T IT Issues Workpaper Review

7.

(b)(5)

└

10

Cynthia D Gray/BOARD/FRS
03/06/2008 05:54 PM

To Bill Mitchell/BOARD/FRS@BOARD
cc Robert L McMillon/BOARD/FRS@BOARD
bcc
Subject Re: Fw: D&T IT Issues Workpaper Review Update

Bill

After discussion with Bob, minor changes were made to the document. Here is the revised document.



DIG Review of D&T February 2008 Mgt. Ltr. Deficiencies.doc

Robert L McMillon/BOARD/FRS

Robert L
McMillon/BOARD/FRS
03/06/2008 05:35 PM

To Bill Mitchell/BOARD/FRS@BOARD, Cynthia D
Gray/BOARD/FRS@BOARD
cc
Subject Fw: D&T IT Issues Workpaper Review Update

Bill/Cynthia,
Attached is the updated Word document per our meeting today.

Thanks
Bob



DIG Review of D&T February 2008 Mgt Ltr. Deficiencies.doc

— Forwarded by Robert L McMillon/BOARD/FRS on 03/06/2008 05:30 PM —

Robert L
McMillon/BOARD/FRS
03/05/2008 05:38 PM

To Bill Mitchell/BOARD/FRS, Cynthia D Gray/BOARD/FRS
cc
Subject D&T IT Issues Workpaper Review

(b)(5)

Internal FR


Workpaper
Prepared by: Annabelle Saez, 12/13/2007

Project:	2007 Financial Statement Audit CY 07		
Mission Area:	Management/Administration	Project Type:	Financial Audit

Section: A5.3.8

Program Name: General

Subject: Status Reports #8

Origination Doclink: 

Subsection:

Purpose: To document the status report as of 12/7/07

Source: Email from D&T

----- Forwarded by Bill Mitchell/BOARD/FRS on 12/10/2007 08:22 AM -----

F (b)(2)
@deloitte.com
12/07/2007 06:38 PM

To: (b)(2) @deloitte.com,
<bill.mitchell@frb.gov>, <Darrell.Pauley@frb.gov>
cc: @deloitte.com,
@deloitte.com
Subject: BOG Controls Status Report #8

Bill & Darrell,

I've attached our status report. As a good portion of our work has now been completed and reviewed, we have inserted some draft findings. We may add a couple more next week once our remaining initial procedures are complete. Please don't hesitate to contact me with any questions.


<<BOG Controls Status #8.doc>>

Thanks,

(b)(2)



Deloitte & Touche LLP

Tel: 
Fax: 
@deloitte.com

Internal FR

www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOD Controls Status #8.doc

Board of Governors
2007 Status #8
December 7, 2007

7-

(b)(2) + (b)(5)

Pages 3-5 withheld in full

Internal FR

Workpaper
Prepared by: Annabelle Saez 12/21/2007

Project:	2007 Financial Statement Audit CY 07		
Mission Area:	Management/Administration	Project Type:	Financial Audit

Section: A5.3.9

Program Name: General

Subject: Status Reports #9

Origination Doclink: []

Subsection:

Purpose: To document the status report as of 12/14/07

Source: Email from D&T

----- Original Message -----

(b)(2)
↓
From: []
Sent: 12/14/2007 05:44 PM
To: []
Cc: []
[]@deloitte.com> []
Subject: BOG Controls Status Report #9

[]@deloitte.com]
[]@deloitte.com>; Bill Mitchell; Darrell Pauley
[]@deloitte.com>; []
[]@deloitte.com>

Bill & Darrell,

I've attached our status report. Due to the holidays and current stage of work, our next status report will be in January 2008. Please don't hesitate to contact me with any questions. Happy Holidays!

<<BOG Controls Status #9.doc>>

Thanks,

(b)(2)
↓

Deloitte & Touche LLP

Tel: []
Fax: []
[]@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

Internal FR

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #9.doc

Board of Governors
2007 Status #9
December 14, 2007

Deloitte
b7

General Update

(b)(2) + (b)(5)

Pages 3-²6 withheld in full

Workpaper

Prepared by: Annabelle Saez 02/11/2008

Project:	2007 Financial Statement Audit CY 07		
Mission Area:	Management/Administration	Project Type:	Financial Audit

Section: A5.3.*11

Program Name: General

Subject: Status Reports #11

Origination Doclink: 

Subsection:

Purpose: To document the status report as of 2/11/08

Source: Email from D&T

Bill Mitchell/BOARD/FRS

02/12/2008 11:39 PM

To Cynthia D Gray/BOARD/FRS@BOARD, Annabelle
Saez/BOARD/FRS@BOARD, Silvia C
Vizcarra/BOARD/FRS@BOARD
cc Beth Coleman/BOARD/FRS@BOARD

Subject Fw: BOG Controls Status Report #11

Revised status report attached below [(b)(5)]

----- Forwarded by Bill Mitchell/BOARD/FRS on 02/12/2008 11:37 PM -----

[(b)(2)]

@deloitte.com>
02/12/2008 12:46 PM

To <Craig.J.Delaney@frb.gov>

cc <Darrell.Pauley@frb.gov>, <Marsha.Reidhill@frb.gov>,
<Craig.L.Hiserman@frb.gov>, <bill.mitchell@frb.gov>

Subject RE: Fw: BOG Controls Status Report #11

Revised version with new label for items #33 and #34 attached.

From: Craig.J.Delaney@frb.gov [mailto:Craig.J.Delaney@frb.gov]**Sent:** Tuesday, February 12, 2008 8:50 AM**To:** [(b)(2)]**Cc:** Darrell.Pauley@frb.gov; Marsha.Reidhill@frb.gov; Craig.L.Hiserman@frb.gov; bill.mitchell@frb.gov**Subject:** Re: Fw: BOG Controls Status Report #11

[(b)(2)]

[(b)(5)]

Internal FR

(b)(5)

Thank you,

Craig Delaney
Accounting Supervisor
Federal Reserve Board
(202) 452-2041

Darrell
Pauley/BO
ARD/FRS
02/12/2008
07:17 AM
cc
Subj Fw: BOG Controls Status Report #11
ect

To Marsha Reidhill/BOARD/FRS@BOARD, Craig L Hiserman/BOARD/FRS@BOARD, Craig J Delaney/BOARD/FRS@BOARD, Cynthia H Francis/BOARD/FRS@BOARD, Raymond Romero/BOARD/FRS@BOARD, Geary Cunningham/BOARD/FRS@BOARD, Maureen Hannan/BOARD/FRS@BOARD, H Fay Peters/BOARD/FRS@BOARD, Reginald V Roach/BOARD/FRS@BOARD, Jim Riesz/BOARD/FRS@BOARD, Tina M White/BOARD/FRS@BOARD, Don Spicer/BOARD/FRS@BOARD

New status report from D&T.

Darrell

----- Forwarded by Darrell Pauley/BOARD/FRS on 02/12/2008 07:15 AM -----
(b)(2) (b)(2)
@deloitte.com> To: " (b)(2) @deloitte.com>, <bill.mitchell@frb.gov>,
<Darrell.Pauley@frb.gov>
cc: @deloitte.com> @deloitte.com>
02/11/2008 01:26 PM @deloitte.com> @deloitte.com>
Subj BOG Controls Status Report #11
ect

Bill & Darrell,

I've attached our latest status report. In the report, you'll see that most of the controls work is complete. The pending items are listed in the beginning and within the table. Please don't hesitate to contact me with any questions.

<<BOG Controls Status #11.doc>>
Thanks,

(b)(2)

↓

Internal FR

(b)(2)
↓
Deloitte & Touche LLP

Tel: +
Fax: +
@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #11 v2.doc

Board of Governors
2007 Status #11
February 11, 2008

└

(b)(2) + (b)(5)

Pages 4-6 withheld in full

└



02/12/2008 11:39 PM

Saez/BOARD/FRS@BOARD, Silvia C
Vizcarra/BOARD/FRS@BOARD
cc Beth Coleman/BOARD/FRS@BOARD

bcc

Subject Fw: BOG Controls Status Report #11

History: This message has been replied to.

Revised status report attached below.

(b)(5)

— Forwarded by Bill Mitchell/BOARD/FRS on 02/12/2008 11:37 PM —



F (b)(2)
@deloitte.com
02/12/2008 12:46 PM

To <Craig.J.Delaney@frb.gov>
cc <Darrell.Pauley@frb.gov>, <Marsha.Reidhill@frb.gov>,
<Craig.L.Hiserman@frb.gov>, <bill.mitchell@frb.gov>
Subject RE: Fw: BOG Controls Status Report #11

Revised version with new label for items #33 and #34 attached.

From: Craig.J.Delaney@frb.gov [mailto:Craig.J.Delaney@frb.gov]

Sent: Tuesday, February 12, 2008 8:50 AM

To: (b)(2)

Cc: Darrell.Pauley@frb.gov; Marsha.Reidhill@frb.gov; Craig.L.Hiserman@frb.gov; bill.mitchell@frb.gov

Subject: Re: Fw: BOG Controls Status Report #11

(b)(2)

(b)(5)

Thank you,

Craig Delaney
Accounting Supervisor
Federal Reserve Board
(202) 452-2041

Darrell
Pauley/BO
ARD/FRS

02/12/2008

07:17 AM

To Marsha Reidhill/BOARD/FRS@BOARD, Craig L Hiserman/BOARD/FRS@BOARD, Craig J
Delaney/BOARD/FRS@BOARD, Cynthia H Francis/BOARD/FRS@BOARD, Raymond
Romero/BOARD/FRS@BOARD, Geary Cunningham/BOARD/FRS@BOARD, Maureen
Hannan/BOARD/FRS@BOARD, H Fay Peters/BOARD/FRS@BOARD, Reginald V Roach/BOARD/FRS@BOARD,
Jim Riesz/BOARD/FRS@BOARD, Tina M White/BOARD/FRS@BOARD, Don Spicer/BOARD/FRS@BOARD

cc
Subj Fw: BOG Controls Status Report #11
ect

Darrell

Forwarded by Darrell Pauley/BOARD/FRS on 02/12/2008 07:15 AM -----
To: (b)(2) [redacted]@deloitte.com>, <bill.mitchell@frb.gov>,
<Darrell.Pauley@frb.gov>
Cc: [redacted]@deloitte.com>, [redacted]@deloitte.com>, [redacted]@deloitte.com>
02/11/2008 01:26 PM
Subj: BOG Controls Status Report #11
ect

Bill & Darrell,

I've attached our latest status report. In the report, you'll see that most of the controls work is complete. The pending items are listed in the beginning and within the table. Please don't hesitate to contact me with any questions.

<<BOG Controls Status #11.doc>>

Thanks,

(b)(2) [redacted]
↓
[redacted]

Deloitte & Touche LLP

Tel: [redacted]
Fax: [redacted]
[redacted]@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #11 v2.doc



Bill Mitchell/BOARD/FRS
12/10/2007 08:26 AM

To Beth Coleman/BOARD/FRS@BOARD, Anthony
Castaldo/BOARD/FRS@BOARD
cc
bcc

Subject Fw: BOG Controls Status Report #8

History: This message has been replied to.

[(b)(5)]

— Forwarded by Bill Mitchell/BOARD/FRS on 12/10/2007 08:26 AM —



(b)(2)
@deloitte.com>
12/07/2007 06:38 PM

(b)(2)
To: @deloitte.com>,
<bill.mitchell@frb.gov>, <Darrell.Pauley@frb.gov>
cc: @deloitte.com>,
@deloitte.com>
Subject BOG Controls Status Report #8

Bill & Darrell,

I've attached our status report. As a good portion of our work has now been completed and reviewed, we have inserted some draft findings. We may add a couple more next week once our remaining initial procedures are complete. Please don't hesitate to contact me with any questions.

<<BOG Controls Status #8.doc>>
Thanks,

[(b)(2)]

[↓]

Deloitte & Touche LLP

Tel: []
Fax: []
@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on

it, is strictly prohibited. [v.E.1] BOG Controls Status #8.doc

(b)



Bill Mitchell/BOARD/FRS
03/13/2008 10:34 AM

To "Wiseman, Tamara J." <TWiseman@FDIC.gov>, Cynthia
Guin/BOARD/FRS@BOARD, [redacted]@deloitte.com, [redacted]@deloitte.com>, (b)(2)
"Libertini, Christin M." <CLibertini@FDIC.gov>, Craig L
Hiserman/BOARD/FRS@BOARD
cc Annabelle Saez/BOARD/FRS@BOARD, Beth
Coleman/BOARD/FRS@BOARD, Cynthia D
Gray/BOARD/FRS@BOARD, Laurie J
Arras/BOARD/FRS@BOARD

bcc

Subject Re: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion &
IC Report_FFIEF 2007

Tammy:

I'm trying to resolve the answer to one final question. I've asked Cynthia to hold off for a short period. I will let her know for sure within the half hour. D&T has finished their review and have no additional changes.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: "Wiseman, Tamara J." [TWiseman@FDIC.gov]
Sent: 03/13/2008 10:18 AM AST
To: Cynthia Guin; Bill Mitchell; [redacted]@deloitte.com>; [redacted]@deloitte.com>;
"Libertini, Christin M." <CLibertini@FDIC.gov>; Craig Hiserman
Cc: Annabelle Saez; Beth Coleman; Bill Mitchell; Cynthia Gray; Laurie Arras
Subject: RE: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion & IC
Report_FFIEF 2007

Are we good to go to the printers at this time???

-----Original Message-----

From: Cynthia.Guin@frb.gov [mailto:Cynthia.Guin@frb.gov]
Sent: Thursday, March 13, 2008 9:06 AM
To: bill.mitchell@frb.gov; [redacted]@deloitte.com; [redacted]@deloitte.com
Cc: Annabelle.Saez@frb.gov; beth.coleman@frb.gov; bill.mitchell@frb.gov;
cynthia.d.gray@frb.gov; Wiseman, Tamara J.; Laurie.J.Arras@frb.gov
Subject: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion & IC
Report_FFIEF 2007
Importance: High

Attached is the 6th proof of the report for your review and approval. I have replaced the second page of the Internal Control letter (pg 34). Thanks for the revised page.

Thanks,
Cynthia Guin

(See attached file: FFIEC-AR07_6th-proof_optimized.pdf)

Cynthia M. Guin
Graphics Consultant
Office of Board Members
Federal Reserve Board
202-452-3689

Mitchell/BOARD/FRS@BOARD

To RS Cynthia Guin/BOARD/FRS@BOARD

03/12/2008 06:31

cc PM Cynthia D Gray/BOARD/FRS@BOARD,
Annabelle Saez/BOARD/FRS@BOARD,
Bill Mitchell/BOARD/FRS@BOARD,
TWiseman@FDIC.gov, Beth
Coleman/BOARD/FRS@BOARD

Subject Fw: Opinion & IC Report_FFIEF 2007

Attached below are the pdf versions of D&T's opinion letter and the report on internal controls. Both are on the proper letterhead and are signed by the audit firm. However, in the report on internal controls, there is a typo on page 2. It's the same one that Craig mentioned to you earlier today. In the first paragraph of the second page, last sentence, it should read, "Board of Governors' management", with the apostrophe after Governors. When you import the file into the report, can you make that change? If not, please let me know first thing in the morning, and D&T will correct the typo, resign the letter, and send a revised pdf.

----- Forwarded by Bill Mitchell/BOARD/FRS on 03/12/2008 06:26 PM -----

(b)(2)
↓
[redacted]@deloitte
To .com> <bill.mitchell@frb.gov>

cc 03/12/2008 05:41 PM

(b)(2)
↓
[redacted]@deloitte.com> [redacted]

Subject

Opinion & IC Report_FFIEF 2007

Bill,

I am attaching the signed Opinion and Internal Control Report.

(b)(2)

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited. [v.E.1] (See attached file: Scan001.pdf) (See attached file: Scan001.pdf)

-
This message was secured in transit.

This message was secured by ZixCorp(R).

This message was secured in transit. rep-ZFRSSE



Bill Mitchell/BOARD/FRS
03/13/2008 10:50 AM

To "Wiseman, Tamara J." <TWiseman@FDIC.gov>, Cynthia
Guin/BOARD/FRS@BOARD, [REDACTED]
[REDACTED]@deloitte.com>, [REDACTED]@deloitte.com>,
"Libertini, Christin M." <CLibertini@FDIC.gov>, Craig L
Hiserman/BOARD/FRS@BOARD
cc Annabelle Saez/BOARD/FRS@BOARD, Beth
Coleman/BOARD/FRS@BOARD, Cynthia D
Gray/BOARD/FRS@BOARD, Laurie J
Arras/BOARD/FRS@BOARD

(b)(2)

bcc

Subject Re: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion &
IC Report_FFIEF 2007

Cynthia:

Go ahead and send it to the printer.

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: "Wiseman, Tamara J." [TWiseman@FDIC.gov]
Sent: 03/13/2008 10:18 AM AST
To: Cynthia Guin; Bill Mitchell; [REDACTED]@deloitte.com>; [REDACTED]@deloitte.com>;
"Libertini, Christin M." <CLibertini@FDIC.gov>; Craig Hiserman
Cc: Annabelle Saez; Beth Coleman; Bill Mitchell; Cynthia Gray; Laurie Arras
Subject: RE: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion & IC
Report_FFIEF 2007

Are we good to go to the printers at this time???

-----Original Message-----

From: Cynthia.Guin@frb.gov [mailto:Cynthia.Guin@frb.gov]
Sent: Thursday, March 13, 2008 9:06 AM
To: bill.mitchell@frb.gov; [REDACTED]@deloitte.com; [REDACTED]@deloitte.com
Cc: Annabelle.Saez@frb.gov; beth.coleman@frb.gov; bill.mitchell@frb.gov;
cynthia.d.gray@frb.gov; Wiseman, Tamara J.; Laurie.J.Arras@frb.gov
Subject: FFIEC Annual Report 2007, 6th proof Re: Fw: Opinion & IC
Report_FFIEF 2007
Importance: High

Attached is the 6th proof of the report for your review and approval. I
have replaced the second page of the Internal Control letter (pg 34).
Thanks for the revised page.

Thanks,
Cynthia Guin

(See attached file: FFIEC-AR07_6th-proof_optimized.pdf)

Cynthia M. Guin
Graphics Consultant
Office of Board Members
Federal Reserve Board
202-452-3689

Bill

To RS
Cynthia Guin/BOARD/FRS@BOARD

03/12/2008 06:31

cc PM
Cynthia D Gray/BOARD/FRS@BOARD,
Annabelle Saez/BOARD/FRS@BOARD,
Bill Mitchell/BOARD/FRS@BOARD,
TWiseman@FDIC.gov, Beth
Coleman/BOARD/FRS@BOARD

Subject Fw: Opinion & IC Report_FFIEF 2007

Attached below are the pdf versions of D&T's opinion letter and the report on internal controls. Both are on the proper letterhead and are signed by the audit firm. However, in the report on internal cotnrols, there is a typo on page 2. It's the same one that Craig menitoned to you earlier today. In the first paragraph of the second page, last sentence, it shouldr ead, "Board of Governors' management", with the apostrophe after Governors. When you import the file into the report, can you make that change? If not, please let me know first thing in the morning, and D&T will correct the typo, resign the letter, and send a revised pdf.

----- Forwarded by Bill Mitchell/BOARD/FRS on 03/12/2008 06:26 PM -----

(b)(2)
[
↓
]@deloitte

To .com> <bill.mitchell@frb.gov>

cc 03/12/2008 05:41 PM

(b)(2)
[
↓
]@deloitte.com>, [
]@deloitte.com>

Bill,

I am attaching the signed Opinion and Internal Control Report.

[(b)(2)]

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on it, is strictly prohibited. [v.E.1] (See attached file: Scan001.pdf) (See attached file: Scan001.pdf)

-
This message was secured in transit.

This message was secured by ZixCorp(R).

This message was secured in transit. rep-ZFRSSE



Bill Mitchell/BOARD/FRS
03/12/2008 06:34 PM

To Cynthia Guin/BOARD/FRS@BOARD
cc Cynthia D Gray/BOARD/FRS@BOARD, Annabelle
Saez/BOARD/FRS@BOARD, Bill
Mitchell/BOARD/FRS@BOARD, TWiseman@FDIC.gov,
Beth Coleman/BOARD/FRS@BOARD
bcc

Subject Fw: Opinion & IC Report_FFIEF 2007

Attached below are the pdf versions of D&T's opinion letter and the report on internal controls. Both are on the proper letterhead and are signed by the audit firm. However, in the report on internal controls, there is a typo on page 2. It's the same one that Craig mentioned to you earlier today. In the first paragraph of the second page, last sentence, it should read, "Board of Governors' management", with the apostrophe after Governors. When you import the file into the report, can you make that change? If not, please let me know first thing in the morning, and D&T will correct the typo, resign the letter, and send a revised pdf.

----- Forwarded by Bill Mitchell/BOARD/FRS on 03/12/2008 06:26 PM -----



E (b)(2)
@deloitte.com>
03/12/2008 05:41 PM

To <bill.mitchell@frb.gov>
cc E (b)(2) @deloitte.com>, E
@deloitte.com>
Subject Opinion & IC Report_FFIEF 2007

Bill,

I am attaching the signed Opinion and Internal Control Report.

(b)(2)

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] Scan001.pdf Scan002.pdf



Bill Mitchell/BOARD/FRS

03/07/2008 02:34 PM

To Beth Coleman/BOARD/FRS@BOARD

cc

bcc

Subject Internal Control Report

My two cents.....



Internal Control Report suggested changes Mar 7 2008.doc

20



Bill Mitchell/BOARD/FRS
12/10/2007 08:26 AM

To Beth Coleman/BOARD/FRS@BOARD, Anthony
Castaldo/BOARD/FRS@BOARD
cc
bcc

Subject Fw: BOG Controls Status Report #8

History: This message has been replied to.

[

(b)(5)

]

— Forwarded by Bill Mitchell/BOARD/FRS on 12/10/2007 08:26 AM —



(b)(2)
@deloitte.com
12/07/2007 06:38 PM

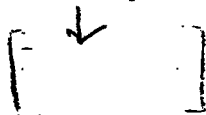
(b)(2)
To [bill.mitchell@frb.gov], <Darrell.Pauley@frb.gov>, @deloitte.com>
cc [@deloitte.com>
Subject BOG Controls Status Report #8

Bill & Darrell,

I've attached our status report. As a good portion of our work has now been completed and reviewed, we have inserted some draft findings. We may add a couple more next week once our remaining initial procedures are complete. Please don't hesitate to contact me with any questions.

<<BOG Controls Status #8.doc>>
Thanks,

(b)(2)



Deloitte & Touche LLP

Tel: []
Fax: []
@deloitte.com
www.deloitte.com

1750 Tysons Blvd. Suite 800
McLean, VA 22102
U.S.

This message (including any attachments) contains confidential information intended for a specific individual and purpose, and is protected by law. If you are not the intended recipient, you should delete this message.

Any disclosure, copying, or distribution of this message, or the taking of any action based on



it, is strictly prohibited. [v.E.1] BOG Controls Status #8.doc

FOIA #08-318

Documents withheld in full:

Description of Document	Document Disposition/Exemption
Appendix to 3/19/08 Management letter	Withhold 5-page doc. in full -- (b)(2)
Attachment to 12/14/07 email, Deloitte & Touche Status report #9	Withhold 4-page doc. in full -- (b)(2) & (b)(5)
D&T Status report #10	Withhold 5-page doc. in full -- (b)(2) & (b)(5)
2/8/08 E-mail	Withhold 2-page doc. in full -- (b)(5)
Attachment to 2/11/08 email, Deloitte & Touche Status report #11	Withhold 4-page doc. in full -- (b)(2) & (b)(5)
2/15/08 e-mail	Withhold 1-page doc. in full -- (b)(2) & (b)(5)
2/20/08 e-mail	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
2/21/08 e-mail	Withhold 2-page doc. in full -- (b)(5)
Draft Spreadsheet	Withhold 1-page doc. in full -- (b)(2) & (b)(5)
Draft Spreadsheet(2)	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
Attachment to 2/27/08 email	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
2/29/08 e-mail	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
Draft Deloitte and Touch Internal Controls Report	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
3/3/08 e-mail	Withhold 3-page doc. in full -- (b)(5)
Appendix to Draft Deloitte Management Letter	Withhold 5-page doc. in full -- (b)(2)
3/5/08 e-mail	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/5/08 e-mail	Withhold 7-page doc. in full -- (b)(2) & (b)(5)
3/5/08 e-mail	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
3/5/08 e-mail	Withhold 1-page doc. in full -- (b)(5)

Attachment to 3/5/08 e-mail	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/6/08 e-mail	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
3/7/08 e-mail	Withhold 1-page doc in full -- (b)(5)
Attachment to 3/6/08 e-mail	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/7/08 e-mail	Withhold 2-page doc. in full -- (b)(5)
3/7/08 e-mail	Withhold 1-page doc. in full -- (b)(5)
Attachment to 3/7/08 e-mail	Withhold 2-page doc. in full -- (b)(5)
Appendix to Draft Deloitte Management Letter	Withhold 5-page doc. in full -- (b)(2)
Appendix to Draft Deloitte Management Letter	Withhold 5-page doc. in full -- (b)(2) & (b)(5)
Restricted FR OIG spreadsheet	Withhold 9-page doc. in full -- (b)(2) & (b)(5)
3/12/08 e-mail	Withhold 1-page doc. in full -- (b)(2) & (b)(5)
3/12/08 e-mail	Withhold 1-page doc. in full -- (b)(5)
OIG work paper dated 3/11/08	Withhold 5-page doc. in full -- (b)(5)
Attachment to 3/11/08 Doc 35	Withhold 11-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/11/08 OIG work paper	Withhold 6-page doc. in full -- (b)(2) & (b)(5)
12/7/07 Deloitte Status Report # 8	Withhold 4 pages in full -- (b)(2) & (b)(5)
OIG work paper dated 2/1/08	Withhold 6-page doc. in full -- (b)(2) & (b)(5)
3/20/08 OIG work paper	Withhold 2-page doc. in full -- (b)(5)
Attachment to 3/20/08 OIG work paper	Withhold 1-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/20/08 OIG work paper	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
3/17/08 OIG workpaper	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/17/08 OIG work paper	Withhold 3-page doc. in full -- (b)(2) & (b)(5)

Attachment to 3/17/08 OIG work paper	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
Attachment to 3/17/08 OIG work paper	Withhold 3-page doc. in full -- (b)(2) & (b)(5)
2/6/08 e-mail	Withhold 1-page doc. in full -- (b)(5)
3/12/08 e-mail	Withhold 1-page doc. in full -- (b)(5)
3/13/08 e-mail	Withhold 1-page doc. in full -- (b)(5)
Attachment to 3/12/08 e-mail	Draft of Public Report -- Withhold 3-page doc. in full -- (b)(5)
3/11/08 e-mail	Withhold 2-page doc. in full -- (b)(5)
Draft Report	Withhold 2-page doc. in full -- (b)(5)
3/3/08 e-mail	Withhold 3-page doc. in full -- (b)(5)
3/3/08 e-mail	Withhold 3-page doc. in full -- (b)(5)
3/3/08 e-mail	Withhold 3-page doc. in full -- (b)(5)
2/26/08 e-mail	Withhold 1-page doc. in full -- (b)(2) & (b)(5)
2/21/2008 e-mail	Withhold 2-page doc. in full -- (b)(5)

Description of Document	Document Disposition/Exemption
FRB SOX Timeline	Withhold 1-page doc. in full -- (b)(5)
Chart of Deloitte and Touche Observations and IT comments	Withhold 4-page doc. in full -- (b)(5)
IT computer printout	Withhold 11-page doc. in full -- (b)(2)
Control Baseline Instructions and attached chart	Withhold 63-page doc. in full -- (b)(2) & (b)(5)
2007 Audit Conclusions of IT Controls on the Board's Financial Statement	Withhold 2-page doc. in full -- (b)(2) & (b)(5)
3/11/07 IT Plan of of Actions and Milestones -- FYO8	Withhold 5-page doc. in full -- (b)(2)

1/31/08 Incident Log	Withhold 4-page doc. in full – (b)(2)
2/13/08 email from	Withhold 1-page doc. in full – (b)(5)
2/14/08 email	Withhold 1-page doc. in full – (b)(2) & (b)(5)
2/15/08 email	Withhold 9-page doc. in full – (b)(2) & (b)(5)
2/15/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
2/19/08 email chain	Withhold 3-page doc. in full – (b)(2) & (b)(5)
2/19/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
12/7/07 – 2/19/08 email chain	Withhold 7-page doc. in full – (b)(2) & (b)(5)
2/19/08 email chain	Withhold 11-page doc. in full – (b)(2) & (b)(5)
2/20/08 email chain	Withhold 1-page doc. in full – (b)(2) & (b)(5)
2/20/08 email	Withhold 1-page doc. in full – (b)(2) & (b)(5)
10/11/07 – 2/20/08 email chain	Withhold 14-page doc. in full – (b)(2) & (b)(5)
1/30/08 – 2/21/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
2/21 – 2/22/08 email chain	Withhold 1-page doc. in full – (b)(2) & (b)(5)
2/21 – 2/22/08 email chain	Withhold 5-page doc. in full – (b)(2) & (b)(5)
2/25/08 email chain	Withhold 3-page doc. in full – (b)(2) & (b)(5)
2/25/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
2/26/08 email chain	Withhold 6-page doc. in full – (b)(2) & (b)(5)
2/26/08 email with attachment	Withhold 3-page doc. in full – (b)(5)
2/26/08 email	Withhold 1-page doc. in full – (b)(2) & (b)(5)
2/26/08 email	Withhold 1-page doc. in full – (b)(2) & (b)(5)
2/25 – 2/26/08 email chain	Withhold 3-page doc. in full – (b)(2) & (b)(5)
3/27/08 email	Withhold 5-page doc. in full – (b)(2) & (b)(5)
12/6/07 – 2/27/08 email chain	Withhold 18-page doc. in full – (b)(2) & (b)(5)

3/4/08 email	Withhold 1-page doc. in full – (b)(2) & (b)(5)
3/5-6/08 email chain and attachment	Withhold 10-page doc. in full – (b)(2) & (b)(5)
3/6/08 email chain	Withhold 2-page doc. in full – (b)(5)
3/14/08 IT Controls Implementation Plan	Withhold 2-page doc. in full – (b)(2) & (b)(5)
3/14 – 3/17/08 email chain	Withhold 9-page doc. in full – (b)(2) & (b)(5)
3/28/08 email chain	Withhold 2-page doc. in full – (b)(5)
4/3/08 IT Controls Implementation Status chart	Withhold 4-page doc. in full – (b)(2) & (b)(5)
4/3/08 Auditing Standards chart	Withhold 3-page doc. in full – (b)(2) & (b)(5)
4/15/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
4/17-18/08 email chain	Withhold 3-page doc. in full – (b)(2) & (b)(5)
4/22/08 email chain	Withhold 3-page doc. in full – (b)(2) & (b)(5)
4/29/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
4/30/08 Management Assessment	Withhold 2-page doc. in full – (b)(2) & (b)(5)
Minutes of an 4/30/08 meeting	Withhold 2-page doc. in full – (b)(2) & (b)(5)

Description of Document	Document Disposition/Exemption
2/9/08 email	Withhold 2-page doc. in full – (b)(5)
2/19/08 email chain	Withhold 4-page doc. in full – (b)(2) & (b)(5)
2/19/08 email and attachment	Withhold 9-page doc. in full – (b)(2) & (b)(5)
1/30 – 2/20/08 email chain	Withhold 2-page doc. in full – (b)(2) & (b)(5)
2/22/08 email	Withhold 4-page doc. in full – (b)(2) & (b)(5)
2/28/08 letter from Deloitte with attached draft	Withhold 8-page doc. in full – (b)(2) & (b)(5)
2/27-28/08 email chain	Withhold 2-page doc. in full – (b)(5)
3/3/08 email chain	Withhold 5-page doc. in full – (b)(5)
3/12-13/08 email chain	Withhold 32-page doc. in full – (b)(2) & (b)(5)

AMT:MJO

U:\FOIA\2008\08-0331.doc

bcc: Ms. Harris
Ms. Logan
Ms. Thro
Mr. O'Rourke
Board Records – MS 108

FOIA # 08-0331.doc

Notes: This request was processed in tandem with a substantially similar request, 08-0320, and the universe of responsive documents is the same for both requests (save for meeting minutes requested here). Responsive documents were obtained from Brian Madigan (MA). These documents were reviewed by Mr. Clouse (MA) and Mr. O'Rourke (Legal) for potentially exempt information. Mr. Clouse also reviewed the letters' descriptions of the bases for withholding responsive information.

(b)(5)

under
(b)(5)

The following page of processing notes is withheld in full



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 13, 2008

Mr. Scott Lanman
Bloomberg News
1399 New York Ave., N.W.
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

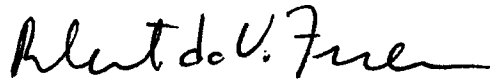
This is in reference to your email message dated and received by the Board's Freedom of Information office on May 6, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

[m]inutes and materials for [the]Board of Governors meeting on April 30, 2008, pertaining to 'The Implications of Interest on Reserves for Monetary Policy Implementation.'

Staff searched Board records and located the following documents that are responsive to your request: two distributions of five (total) background papers (with accompanying cover memoranda); a briefing outline with attached briefers' notes; two staff memoranda (with attachments) outlining potential policy options and procedures; and meeting minutes. The meeting minutes will be provided to you in their entirety. The Secretary has determined, however, that the remaining documents contain the following kinds of exempt information: trade secrets and commercial or financial information obtained from a person and privileged or confidential (reserve management practices of individually identified depository institutions); and inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency (deliberative staff analyses and recommendations). Such information will be withheld from you under authority of exemptions 4 and 5 of the Act, respectively, 5 U.S.C. §§ 552 (b)(4) and (b)(5). These documents have been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b). All of the withheld documents contain exemption 5 information, and 65 pages or portions of pages of the briefing outline and briefers' notes also contain exemption 4 material. No reasonably segregable nonexempt information was found with respect to these documents. Accordingly, 238 full pages will be withheld from you.

Your request for information, therefore, is granted in part and denied in part for the reasons stated above. If you believe you have a legal right to any information that is being withheld, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert deV. Frierson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert deV. Frierson
Deputy Secretary of the Board

Enclosure

2008-331



slanman@bloomberg.net on 05/06/2008 04:33:16 PM

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
2008 MAY -6 PM 4:38

OFFICE OF THE
SECRETARY
FREEDOM OF INFORMATION ACT

To: FOI.Requests@frb.gov

cc:

Subject: FOIA Request

Date: May 06, 2008

Name: Scott Lanman
Affiliation: Bloomberg News
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please call for pick up

Request: Minutes and materials for Board of Governors meeting on April 30, 2008, pertaining to "The Implications of Interest on Reserves for Monetary Policy Implementation."



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 6, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100331

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 05/06/2008 and received by the Board on 05/06/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to the Board of Governors meeting on April 30, 2008, regarding "The Implications of Interest on Reserves for Monetary Policy Implementation".

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin". The signature is written in a cursive style with a large, stylized "J" and "M".

Jeanne M. McLaughlin
Manager, Freedom of Information Office

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

June 17, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62977	Formal	Initial	News Media	05/06/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	11	0.10	1.10
Search Hour	Labor by Hour	1	0.00	0.00
Review Hour	Labor by Hour	4	0.00	0.00
Total Amount:				\$1.10
Fee Waived Amount:				\$1.10
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100331
Invoice No: 62977
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100331	Formal	News Media	Scott Lanman	05/06/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 05/16/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/16/2008.

The Law Requires the Board to Respond to This Request by: 06/04/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours – Time spent determining if material is exempt from disclosure

3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

Division	Person Assigned
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added

*O'Rourke***TIME REPORT (per person)**

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+	1	4	
Computer			

*for 08-320 as well.***DESCRIPTION**

the Board of Governors meeting on April 30, 2008, regarding "The Implications of Interest on Reserves for Monetary Policy Implementation."

NOTES**RECOMMENDED DISPOSITION**

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed:

M. J. O'Rourke

Date:

June 12, 2008

MONETARY POLICY – Implications of interest on reserves for monetary policy implementation.

**Discussed.
April 30, 2008.**

In a joint meeting of the Board and the Federal Open Market Committee (FOMC) today, Board members and Reserve Bank presidents participated in a discussion of the implications of paying interest on reserves for monetary policy implementation. The Financial Services Regulatory Relief Act of 2006 authorizes the Federal Reserve to reduce reserve requirements and to pay interest on reserves beginning in 2011.

Today, staff presented a summary of the work to date on alternative approaches to monetary policy implementation that used these new authorities. After the presentation, meeting participants considered the advantages and disadvantages of several of the alternative approaches. Their discussion included consideration of reducing the burden and complexity associated with the current system of reserve requirements and ensuring that the FOMC's interest rate targets could be reliably achieved. Meeting participants also noted that frameworks for monetary policy implementation used by other countries spanned a wide range and that the experiences of these countries would provide useful information for the Federal Reserve's consideration of alternative approaches.

At the conclusion of the discussion, meeting participants agreed that further study was required to narrow the range of options under consideration and that it would be important to consult closely with depository institutions and others in the design of a new system.

Participating in this discussion: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Mishkin.

Background: Staff memoranda, April 4, 11, 18, and 22, and handout titled "Implications of Interest on Reserves for Monetary Policy Implementation," April 30, 2008.

Implementation: None.

Minutes of the Federal Open Market Committee April 29-30, 2008

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, April 29, 2008 at 2:00 p.m. and continued on Wednesday, April 30, 2008 at 9:00 a.m.

PRESENT:

Mr. Bernanke, Chairman
Mr. Geithner, Vice Chairman
Mr. Fisher
Mr. Kohn
Mr. Kroszner
Mr. Mishkin
Ms. Pianalto
Mr. Plosser
Mr. Stern
Mr. Warsh

Ms. Cumming, Messrs. Evans, Lacker, and Lockhart, and Ms. Yellen, Alternate Members of the Federal Open Market Committee

Messrs. Bullard, Hoenig, and Rosengren, Presidents of the Federal Reserve Banks of St. Louis, Kansas City, and Boston, respectively

Mr. Lyon, First Vice President, Federal Reserve Bank of Minneapolis

Mr. Madigan, Secretary and Economist
Ms. Danker, Deputy Secretary
Mr. Skidmore, Assistant Secretary
Ms. Smith, Assistant Secretary
Mr. Alvarez, General Counsel
Mr. Baxter, Deputy General Counsel
Mr. Sheets, Economist
Mr. Stockton, Economist

Messrs. Connors, English, and Kamin, Ms. Mester, Messrs. Rosenblum, Slifman, Sniderman, and Wilcox, Associate Economists

Mr. Dudley, Manager, System Open Market Account

Ms. J. Johnson,¹ Secretary, Office of the Secretary, Board of Governors

Ms. Roseman,¹ Director, Division of Reserve Bank Operations and Payment Systems, Board of Governors

Mr. Struckmeyer, Deputy Staff Director, Office of Staff Director for Management, Board of Governors

Mr. Blanchard, Assistant to the Board, Office of Board Members, Board of Governors

Mr. Frierson,¹ Deputy Secretary, Office of the Secretary, Board of Governors

Ms. Bailey, Deputy Director, Division of Banking Supervision and Regulation, Board of Governors

Mr. Clouse, Deputy Director, Division of Monetary Affairs, Board of Governors

Messrs. Hammond¹ and Marquardt,¹ Deputy Directors, Division of Reserve Bank Operations and Payment Systems, Board of Governors

Ms. Edwards,¹ Associate Director, Division of Monetary Affairs, Board of Governors

Ms. Shanks,¹ Associate Secretary, Office of the Secretary, Board of Governors

Messrs. Reifschneider and Wascher, Associate Directors, Division of Research and Statistics, Board of Governors

Mr. Gagnon, Visiting Associate Director, Division of Monetary Affairs, Board of Governors

Ms. Martin,¹ Associate General Counsel, Legal Division, Board of Governors

Mr. Carpenter,¹ Assistant Director, Division of Monetary Affairs, Board of Governors

¹ Attended portion of the meeting relating to the implications of interest on reserves for monetary policy implementation.

Mr. Dale, Senior Adviser, Division of Monetary Affairs, Board of Governors

Mr. Oliner, Senior Adviser, Division of Research and Statistics, Board of Governors

Ms. Allison,¹ Senior Counsel, Legal Division, Board of Governors

Mr. Gross,¹ Special Assistant to the Board, Office of Board Members, Board of Governors

Ms. Weinbach, Adviser, Division of Monetary Affairs, Board of Governors

Mr. Small, Project Manager, Division of Monetary Affairs, Board of Governors

Mr. Luecke, Section Chief, Division of Monetary Affairs, Board of Governors

Ms. Beattie,¹ Assistant to the Secretary, Office of the Secretary, Board of Governors

Ms. Low, Open Market Secretariat Specialist, Division of Monetary Affairs, Board of Governors

Ms. Hughes,¹ Staff Assistant, Office of the Secretary, Board of Governors

Mr. Fuhrer, Executive Vice President, Federal Reserve Bank of Boston

Messrs. Hilton, McAndrews,¹ Rasche, Rudebusch, Steindel, Sullivan, and Weinberg, Senior Vice Presidents, Federal Reserve Banks of New York, New York, St. Louis, San Francisco, New York, Chicago, and Richmond, respectively

Messrs. Clark and Meyer,¹ Vice Presidents, Federal Reserve Banks of Kansas City and Philadelphia, respectively

Mr. Weber, Senior Research Officer, Federal Reserve Bank of Minneapolis

Mr. Roberds, Policy Adviser, Federal Reserve Bank of Atlanta

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets. There were no open market operations in foreign currencies for the System's account in the period since the previous meeting. The Manager also reported on developments in domestic financial markets and on System open market operations in government securities and federal agency obligations during the period since the previous meeting. By unanimous vote, the Committee ratified these transactions.

By unanimous vote, the Committee extended for one year beginning in mid-December 2008 the reciprocal currency ("swap") arrangements with the Bank of Canada and the Banco de Mexico. The arrangement with the Bank of Canada is in the amount of \$2 billion equivalent and that with the Banco de Mexico is in the amount of \$3 billion equivalent. Both arrangements are associated with the Federal Reserve's participation in the North American Framework Agreement of 1994. The vote to renew the System's participation in the swap arrangements maturing in December was taken at this meeting because of the provision that each party must provide six months' prior notice of an intention to terminate its participation.

In view of continuing strains in interbank and other financial markets, the Committee took up proposals to expand several of the liquidity arrangements that had been put in place in recent months. Chairman Bernanke indicated his intention to increase the overall size of the Term Auction Facility under delegated authority from the Board of Governors, and he proposed increases in the swap lines with the European Central Bank and Swiss National Bank to help address pressures in short-term dollar funding markets. Meeting participants discussed the possible costs and benefits of a proposed broadening of eligible collateral for the Term Securities Lending Facility (TSLF). On balance, the Committee agreed that expanding the range of eligible collateral for the TSLF might help to increase the effectiveness of the facility and so further promote the orderly functioning of financial markets.

By unanimous votes, the Committee approved the following three resolutions:

The Federal Open Market Committee directs the Federal Reserve Bank of New York to increase the amount available from the System Open Market Account under the existing reciprocal currency arrangement ("swap" arrangement) with the European Central Bank to an amount not to exceed \$50 billion. Within that

¹ Attended portion of the meeting relating to the implications of interest on reserves for monetary policy implementation.

aggregate limit, draws of up to \$25 billion are hereby authorized. The current swap arrangement shall be extended until January 30, 2009, unless further extended by the Federal Open Market Committee.

The Federal Open Market Committee directs the Federal Reserve Bank of New York to increase the amount available from the System Open Market Account under the existing reciprocal currency arrangement ("swap" arrangement) with the Swiss National Bank to an amount not to exceed \$12 billion. Within that aggregate limit, draws of up to \$6 billion are hereby authorized. The current swap arrangement shall be extended until January 30, 2009, unless further extended by the Federal Open Market Committee.

In connection with the Term Securities Lending Facility, the Federal Reserve Bank of New York may accept pledges of AAA-rated asset-backed securities (in addition to the other assets previously authorized by the FOMC) as collateral against loans of U.S. Government securities.

The information reviewed at the April meeting, which included the advance data on the national income and product accounts for the first quarter, indicated that economic growth had remained weak so far this year. Labor market conditions had deteriorated further, and manufacturing activity was soft. Housing activity had continued its sharp descent, and business spending on both structures and equipment had turned down. Consumer spending had grown very slowly, and household sentiment had tumbled further. Core consumer price inflation had slowed in recent months, but overall inflation remained elevated.

Labor demand continued to weaken in March. Private payroll employment fell in March at a rate similar to that in January and February. The reduction in jobs was again widespread, with losses registered at firms in the construction, manufacturing, and professional and business services sectors. Employment at firms in the nonbusiness services sector, which includes health care, continued to rise. Aggregate hours of private production or nonsupervisory workers moved up in March but posted a decline for the first quarter as a whole after having contracted slightly in the first two months of the year. The unemployment rate rose to 5.1 percent in March, significantly above its level a year ago, and the labor force participation rate was little changed.

Although industrial production rose in March, production over the first quarter as a whole was soft, having declined, on average, in January and February. Gains in manufacturing output of consumer and high-tech goods in March were partially offset by a sharp drop in production of motor vehicles and parts and by ongoing weakness in the output of construction-related industries. The output of utilities rebounded in March following a weather-related drop in February, and mining output moved up after exhibiting weakness earlier in the year. The factory utilization rate edged up in March but stayed well below its recent high in the third quarter of 2007.

Real consumer spending expanded slowly in the first quarter. Real outlays on durable goods, including automobiles, were estimated to have declined in March, but expenditures on nondurable goods were thought to have edged up, boosted by a sizable increase in real outlays for gasoline. For the quarter as a whole, however, real expenditures on both durable and nondurable goods declined. Real disposable personal income also grew slowly in the first quarter, restrained by rapidly rising prices for energy and food. The ratio of household wealth to disposable income appeared to have moved down again in the first quarter, damped by the appreciable net decline in broad equity prices over that period and by further reductions in house prices. Measures of consumer sentiment fell sharply in March and April; the April reading of consumer sentiment published in the Reuters/University of Michigan Survey of Consumers was near the low levels posted in the early 1990s.

Residential construction continued its rapid contraction in the first quarter. Single-family housing starts maintained their steep downward trajectory in March, and starts of multifamily homes declined to the lower portion of their recent range. Sales of new single-family homes declined in February to a very low rate and dropped further in March. Even though production cuts by homebuilders helped to reduce the level of inventories at the end of February, the slow pace of sales caused the ratio of unsold new homes to sales to increase further. Sales of existing homes remained weak, on average, in February and March, and the index of pending sales agreements in February suggested continued sluggish activity in coming months. The recent softening in residential housing demand was consistent with reports of tighter credit conditions for both prime and nonprime borrowers.

In the business sector, real spending on equipment and software contracted slightly in the first quarter after

having posted a small increase in the fourth quarter. Following declines in both shipments and orders of nondefense capital goods excluding aircraft in January and February, shipments increased in March, but orders were flat. The deteriorating outlook for sales, reduced credit availability, and downbeat readings on business sentiment all pointed to further weakness in capital spending in the near term. Real outlays for non-residential structures also were estimated to have declined in the first quarter. Indicators suggested that the demand for commercial properties had fallen off substantially from record levels last year, and commercial property prices appeared to be decelerating. Reduced credit availability and less-favorable lending terms had apparently weighed on activity in this sector.

Real investment in nonfarm inventories excluding motor vehicles was estimated to have bounced back to a moderate annual rate in the first quarter, but motor vehicle inventories continued to fall. Some of the drop in motor vehicle stocks was a result of the disruption to production from a labor dispute. The ratio of book-value inventories to sales in the manufacturing and trade sector (excluding motor vehicles) moved up a little, on average, in January and February. Still, outside of categories tied to housing and construction, firms did not appear to be burdened with excess stocks.

The U.S. international trade deficit widened in February. Imports rose sharply, more than offsetting continued robust growth of exports. Most major categories of non-oil imports increased in February, and imports of natural gas, automobiles, and consumer goods surged. Imports of services continued to rise at a robust pace. By contrast, oil imports moved down. Increases in exports in February were concentrated in agricultural goods, automobiles, and industrial supplies, particularly fuels. Exports of capital goods declined for the second consecutive month, with weakness evident across a wide range of products.

Real economic growth in the major advanced foreign economies was estimated to have slowed further in the first quarter and consumer and business sentiment was generally down. In Japan, business sentiment fell significantly and indicators of investment remained weak. In the euro area, growth was estimated to have remained subdued in the first quarter, with Germany and France faring better than Italy and Spain. Growth in the United Kingdom slowed in the first quarter, as credit conditions tightened. Available data for Canada indicated a continued substantial drag from exports in the first quarter, although domestic demand appeared relatively robust. In emerging market economies, eco-

nomie growth slowed some in the fourth quarter and was estimated to have held about steady in the first quarter. In emerging Asia, real economic growth was estimated to have picked up in the first quarter from a robust pace in the fourth quarter, led by brisk expansions in China and Singapore. Growth in other emerging Asian economies generally remained subdued. The pace of expansion in Latin America likely declined some in the first quarter, largely because the Mexican economy slowed in the wake of softer growth in the United States.

Headline inflation in the United States was elevated in March. Although the increase in food prices slowed in March relative to earlier in the year, energy prices rose sharply. Excluding these categories, core inflation rose at a relatively subdued rate again in March. The core personal consumption expenditures (PCE) price index increased at a somewhat more moderate rate in the first quarter than in the fourth quarter of 2007. Survey measures of households' expectations for year-ahead inflation rose further in early April, but survey measures of longer-term inflation expectations moved relatively little. Average hourly earnings increased in March at a somewhat slower pace than in January and February. This wage measure rose significantly less over the 12 months that ended in March than in the previous 12 months. The employment cost index for hourly compensation continued to rise at a moderate rate in the first quarter.

At its March 18 meeting, the Federal Open Market Committee (FOMC) lowered its target for the federal funds rate 75 basis points, to 2¼ percent. In addition, the Board of Governors approved a decrease of 75 basis points in the discount rate, to 2½ percent. The Committee's statement noted that recent information indicated that the outlook for economic activity had weakened further; growth in consumer spending had slowed, and labor markets had softened. It also indicated that financial markets remained under considerable stress, and that the tightening of credit conditions and the deepening of the housing contraction were likely to weigh on economic growth over the next few quarters. Inflation had been elevated, and some indicators of inflation expectations had risen, but the Committee expected inflation to moderate in coming quarters, reflecting a projected leveling-out of energy and other commodity prices and an easing of pressures on resource utilization. Still, the Committee noted that uncertainty about the inflation outlook had increased, and that it would be necessary to continue to monitor inflation developments carefully. The Committee said that its action, combined with those taken earlier, in-

cluding measures to foster market liquidity, should help to promote moderate growth over time and to mitigate the risks to economic activity. The Committee noted, however, that downside risks to growth remained, and indicated that it would act in a timely manner as needed to promote sustainable economic growth and price stability.

Conditions in U.S. financial markets improved somewhat, on balance, over the intermeeting period, but strains in some short-term funding markets increased. Pressures on bank balance sheets and capital positions appeared to mount further, reflecting additional losses on asset-backed securities and on business and household loans. Against this backdrop, term spreads in interbank funding markets and spreads on commercial paper issued by financial institutions widened significantly. Financial institutions continued to tap the Federal Reserve's credit programs. Primary credit borrowing picked up noticeably after March 16, when the Federal Reserve reduced the spread between the primary credit rate and the target federal funds rate to 25 basis points. Demand for funds from the Term Auction Facility stayed high over the period. In addition, the Primary Dealer Credit Facility drew substantial demand through late March, although the amount outstanding subsequently declined somewhat. Early in the period, historically low interest rates on Treasury bills and on general-collateral Treasury repurchase agreements indicated a considerable demand for safe-haven assets. However, Federal Reserve actions that increased the availability of Treasury securities to the public apparently helped to improve conditions in those markets. In five weekly auctions beginning on March 27, the Term Securities Lending Facility provided a substantial volume of Treasury securities in exchange for less-liquid assets. Yields on short-term Treasury securities and Treasury repurchase agreements moved higher, on balance, following these auctions; nonetheless, "haircuts" applied by lenders on non-Treasury collateral remained elevated, and in some cases increased somewhat, toward the end of the period.

In longer-term credit markets, yields on investment-grade corporate bonds rose, but their spreads relative to Treasury securities decreased a bit from recent multiyear highs. In contrast, yields on speculative-grade issues dropped, and their spreads relative to Treasury yields narrowed significantly. Gross bond issuance by nonfinancial firms was robust in March and the first half of April and included a small amount of issuance by speculative-grade firms. Supported by increases in business and residential real estate loans, commercial bank credit expanded briskly in March despite the re-

port of tighter lending conditions in the Senior Loan Officer Opinion Survey on Bank Lending Practices conducted in April. Part of the strength in commercial and industrial loans was apparently due to increased utilization of existing credit lines, the pricing of which reflects changes in lending policies only with a lag. Some banks surveyed in April reported that they had started to take actions to limit their exposure to home equity lines of credit, draws on which had grown rapidly in recent months. After having tightened considerably in March, conditions in the conforming segment of the residential mortgage market recovered somewhat. Spreads of rates on conforming residential mortgages over those on comparable-maturity Treasury securities decreased, and credit default swap premiums for the government-sponsored enterprises declined substantially. Broad stock price indexes increased markedly over the intermeeting period, mainly in response to earnings reports and announcements of recapitalizations from major financial institutions that evidently lessened investors' concerns about the possibility of severe difficulties materializing at those firms.

Conditions in the money markets of major foreign economies remained strained, particularly in the United Kingdom and the euro area. Term interbank funding spreads rose in these areas, despite steps taken by their central banks to help ease liquidity pressures. Yields on sovereign debt in the advanced foreign economies moved up in a range that was about in line with the increases in comparable Treasury yields in the United States. The trade-weighted foreign exchange value of the dollar against major currencies rose.

M2 expanded briskly again in March, as households continued to seek the relative liquidity and safety of liquid deposits and retail money market mutual funds. The increases in these components were also supported by declines in opportunity costs stemming from monetary policy easing.

Over the intermeeting period, the expected path of monetary policy over the next year as measured by money market futures rates moved up significantly on net, apparently because economic data releases and announcements by large financial firms imparted greater confidence among investors about the prospects for the economy's performance in coming quarters. Futures rates also moved up in response to both the Committee's decision to lower the target for the federal funds rate by 75 basis points at the March 18 meeting, which was a somewhat smaller reduction than market participants had expected, and the Committee's accompanying statement, which reportedly conveyed

more concern about inflation than had been anticipated. The subsequent release of the minutes of the March FOMC meeting elicited limited reaction. Consistent with the higher expected path for policy and easing of safe-haven demands, yields on nominal Treasury coupon securities rose substantially over the period, and the Treasury yield curve flattened. Measures of inflation compensation for the next five years derived from yields on inflation-indexed Treasury securities were quite volatile around the time of the March FOMC meeting and on balance increased somewhat over the intermeeting period, although they remained in the lower portion of their range over the past several months. Measures of longer-term inflation compensation declined, returning to around the middle of their recent elevated range.

In the forecast prepared for this meeting, the staff made little change to its projection for the growth of real gross domestic product (GDP) in 2008 and 2009. The available indicators of recent economic activity had come in close to the staff's expectations and had continued to suggest that a substantial softening in economic activity was under way. The staff projection pointed to a contraction of real GDP in the first half of 2008 followed by a modest rise in the second half of this year, aided in part by the fiscal stimulus package. The forecast showed real GDP expanding at a rate somewhat above its potential in 2009, reflecting the impetus from cumulative monetary policy easing, continued strength in net exports, a gradual lessening in financial market strains, and the waning drag from past increases in energy prices. Despite this pickup in the pace of activity, the trajectory of resource utilization anticipated through 2009 implied noticeable slack. The projection for core PCE price inflation in 2008 as a whole was unchanged; it was reduced a bit over the first half of the year to reflect the somewhat lower-than-expected readings of recent core PCE inflation and raised a bit over the second half of the year to incorporate the spillover from larger-than-anticipated increases in prices of crude oil and non-oil imports since the previous FOMC meeting. The forecast of headline PCE inflation in 2008 was revised up in light of the further run-up in energy prices and somewhat higher food price inflation; headline PCE inflation was expected to exceed core PCE price inflation by a considerable margin this year. In view of the projected slack in resource utilization in 2009 and flattening out of oil and other commodity prices, both core and headline PCE price inflation were projected to drop back from their 2008 levels, in line with the staff's previous forecasts.

In conjunction with the FOMC meeting in April, all meeting participants (Federal Reserve Board members and Reserve Bank presidents) provided annual projections for economic growth, the unemployment rate, and inflation for the period 2008 through 2010. The projections are described in the Summary of Economic Projections, which is attached as an addendum to these minutes.

In their discussion of the economic situation and outlook, FOMC participants noted that the data received since the March FOMC meeting, while pointing to continued weakness in economic activity, had been broadly consistent with their expectations. Conditions across a number of financial markets were judged to have improved over the intermeeting period, but financial markets remained fragile and strains in some markets had intensified. Although participants anticipated that further improvement in market conditions would occur only slowly and that some backsliding was possible, the generally better state of financial markets had caused participants to mark down the odds that economic activity could be severely disrupted by a further substantial deterioration in the financial environment. Economic activity was anticipated to be weakest over the next few months, with many participants judging that real GDP was likely to contract slightly in the first half of 2008. GDP growth was expected to begin to recover in the second half of this year, supported by accommodative monetary policy and fiscal stimulus, and to increase further in 2009 and 2010. Views varied about the likely pace and vigor of the recovery through 2009, although all participants projected GDP growth to be at or above trend in 2010. Incoming information on the inflation outlook since the March FOMC meeting had been mixed. Readings on core inflation had improved somewhat, but some of this improvement was thought likely to reflect transitory factors, and energy and other commodity prices had increased further since March. Total PCE inflation was projected to moderate from its current elevated level to between 1½ percent and 2 percent in 2010, although participants stressed that this expected moderation was dependent on food and energy prices flattening out and critically on inflation expectations remaining reasonably well anchored.

Conditions across a number of financial markets had improved since the previous FOMC meeting. Equity prices and yields on Treasury securities had increased, volatility in both equity and debt markets had ebbed somewhat, and a range of credit risk premiums had moved down. Participants noted that the better tone of financial markets had been helped by the apparent

willingness and ability of financial institutions to raise new capital. Investors' confidence had probably also been buoyed by corporate earnings reports for the first quarter, which suggested that profit growth outside of the financial sector remained solid, and also by the resolution of the difficulties of a major broker-dealer in mid-March. Moreover, the various liquidity facilities introduced by the Federal Reserve in recent months were thought to have bolstered market liquidity and aided a return to more orderly market functioning. But participants emphasized that financial markets remained under considerable stress, noted that the functioning of many markets remained impaired, and expressed concern that some of the recent recovery in markets could prove fragile. Strains in short-term funding markets had intensified over the intermeeting period, in part reflecting continuing pressures on the liquidity positions of financial institutions. Despite a narrowing of spreads on corporate bonds, credit conditions were seen as remaining tight. The Senior Loan Officer Opinion Survey on Bank Lending Practices conducted in April indicated that banks had tightened lending standards and pricing terms on loans to both businesses and households. Participants stressed that it could take some time for the financial system to return to a more normal footing, and a number of participants were of the view that financial headwinds would probably continue to restrain economic activity through much of next year. Even so, the likelihood that the functioning of the financial system would deteriorate substantially further with significant adverse implications for the economic outlook was judged by participants to have receded somewhat since the March FOMC meeting.

The housing market had continued to weaken since the previous meeting, and participants saw little indication of a bottoming out in either housing activity or prices. Housing starts and the demand for new homes had declined further, house prices in many parts of the country were falling faster than they had towards the end of 2007, and inventories of unsold homes remained quite elevated. A small number of participants reported tentative signs that housing activity in a few areas of the country might be beginning to pick up, and a narrowing of credit risk spreads on AAA indexes of sub-prime mortgages in recent weeks was also noted. Nonetheless, the outlook for the housing market remained bleak, with housing demand likely to be affected by restrictive conditions in mortgage markets, fears that house prices would fall further, and weakening labor markets. The possibility that house prices could decline by more than anticipated, and that the

effects of such a decline could be amplified through their impact on financial institutions and financial markets, remained a key source of downside risk to participants' projections for economic growth.

Growth in consumer spending appeared to have slowed to a crawl in recent months and consumer sentiment had fallen sharply. The pressure on households' real incomes from higher energy prices and the erosion of wealth resulting from continuing declines in house prices likely contributed to the deceleration in consumer outlays. Reports from contacts in the banking and financial services sectors indicated that the availability of both consumer credit and home equity lines had tightened considerably further in recent months and that delinquency rates on household credit had continued to drift upwards. Consumer sentiment and spending had also been held down by the softening in labor markets—nonfarm payroll employment had fallen for the third consecutive month in March and the unemployment rate had moved up. The restraint on spending emanating from weakness in labor markets was expected to increase over coming quarters, with participants projecting the unemployment rate to pick up further this year and to remain elevated in 2009.

Consumption spending was likely to be supported in the near term by the fiscal stimulus package, which was expected to boost spending temporarily in the middle of this year. Some participants suggested that the weak economic environment could increase the propensity of households to use their tax rebates to pay down existing debt and so might diminish the impact of the package. However, it was also noted that the tightening in credit availability might mean a significant number of households may be credit constrained and this might increase the proportion of the rebates that is spent. The timing and magnitude of the impact of the stimulus package on GDP was also seen as depending on the extent to which the boost to consumption spending is absorbed by a temporary run-down in firms' inventories or by an increase in imports rather than by an expansion in domestic output.

The outlook for business spending remained decidedly downbeat. Indicators of business sentiment were low, and reports from business contacts suggested that firms were scaling back their capital spending plans. Several participants reported that uncertainty about the economic outlook was leading firms to defer spending projects until prospects for economic activity became clearer. The tightening in the supply of business credit was also seen as holding back investment, with some firms apparently reluctant to reduce their liquidity posi-

tions in the current environment. Spending on non-residential construction projects continued to slow, although the extent of that slowing varied across the country. A few participants reported that the commercial real estate market in some areas remained relatively firm, supported by low vacancy rates.

The strength of U.S. exports remained a notable bright spot. Growth in exports, which had been supported by solid advances in foreign economies and by declines in the foreign exchange value of the dollar, had partially insulated the output and profits of U.S. companies, especially those in the manufacturing sector, from the effects of weakening domestic demand. Several participants voiced concern, however, that the pace of activity in the rest of the world could slow in coming quarters, suggesting that the impetus provided from net exports might well diminish.

The information received on the inflation outlook since the March FOMC meeting had been mixed. Recent readings on core inflation had improved somewhat, although participants noted that some of that improvement probably reflected transitory factors. Moreover, the increase in crude oil prices to record levels, together with rapid increases in food and import prices in recent months, was likely to put upward pressure on inflation over the next few quarters. Prices embedded in futures contracts continued to point to a leveling-off of energy and commodity prices. Although these futures contracts probably remained the best basis for projecting movements in commodity prices, participants emphasized the considerable uncertainty attending the likely path of commodity prices and cautioned that commodity prices in recent years had often advanced more quickly than had been implied by futures contracts. Several participants reported that business contacts had expressed growing concerns about the increase in their input costs and that there were signs that an increasing number of firms were seeking to pass on these higher costs to their customers in the form of higher prices. Other participants noted, however, that the extent of the pass-through of higher energy and food prices to core retail prices appeared relatively limited to date, and that profit margins in the nonfinancial sector remained reasonably high, suggesting that there was some scope for firms to absorb cost increases without raising prices. Available data and anecdotal reports indicated that gains in labor compensation remained moderate, and some participants suggested that wage growth was unlikely to pick up sharply in coming quarters if, as anticipated, labor markets remained relatively soft. However, several participants were of the view that wage inflation tended to lag in-

creases in prices and so may not provide a useful guide to emerging price pressures.

On balance, participants expected the recent increases in oil and food prices to continue to boost overall consumer price inflation in the near term; thereafter, total inflation was projected to moderate, with all participants expecting total PCE inflation of between 1½ percent and 2 percent by 2010. Participants stressed that the expected moderation in inflation was dependent on the continued stability of inflation expectations. A number of participants voiced concern that long-term inflation expectations could drift upwards if headline inflation remained elevated for a protracted period or if the recent substantial policy easing was misinterpreted by the public as suggesting that Committee members had a greater tolerance for inflation than previously thought. The possibility that inflation expectations could increase was viewed as a key upside risk to the inflation outlook. However, participants emphasized that appropriate monetary policy, combined with effective communication of the Committee's commitment to price stability, would mitigate this risk.

Participants stressed the difficulty of gauging the appropriate stance of policy in current circumstances. Some participants noted that the level of the federal funds target, especially when compared with the current rate of inflation, was relatively low by historical standards. Even taking account of current financial headwinds, such a low rate could suggest that policy was reasonably accommodative. However, other participants observed that the pronounced strains in banking and financial markets imparted much greater uncertainty to such assessments and meant that measures of the stance of policy based on the real federal funds rate were not likely to provide a reliable guide in the current environment. Several participants expressed the view that the easing in monetary policy since last fall had not as yet led to a loosening in overall financial conditions, but rather had prevented financial conditions from tightening as much as they otherwise would have in response to escalating strains in financial markets. This view suggested that the stimulus from past monetary policy easing would be felt mainly as conditions in financial markets improved.

In the Committee's discussion of monetary policy for the intermeeting period, most members judged that policy should be eased by 25 basis points at this meeting. Although prospects for economic activity had not deteriorated significantly since the March meeting, the outlook for growth and employment remained weak and slack in resource utilization was likely to increase.

An additional easing in policy would help to foster moderate growth over time without impeding a moderation in inflation. Moreover, although the likelihood that economic activity would be severely disrupted by a sharp deterioration in financial markets had apparently receded, most members thought that the risks to economic growth were still skewed to the downside. A reduction in interest rates would help to mitigate those risks. However, most members viewed the decision to reduce interest rates at this meeting as a close call. The substantial easing of monetary policy since last September, the ongoing steps taken by the Federal Reserve to provide liquidity and support market functioning, and the imminent fiscal stimulus would help to support economic activity. Moreover, although downside risks to growth remained, members were also concerned about the upside risks to the inflation outlook, given the continued increases in oil and commodity prices and the fact that some indicators suggested that inflation expectations had risen in recent months. Nonetheless, most members agreed that a further, modest easing in the stance of policy was appropriate to balance better the risks to achieving the Committee's dual objectives of maximum employment and price stability over the medium run.

The Committee agreed that the statement to be released after the meeting should take note of the substantial policy easing to date and the ongoing measures to foster market liquidity. In light of these significant policy actions, the risks to growth were now thought to be more closely balanced by the risks to inflation. Accordingly, the Committee felt that it was no longer appropriate for the statement to emphasize the downside risks to growth. Given these circumstances, future policy adjustments would depend on the extent to which economic and financial developments affected the medium-term outlook for growth and inflation. In that regard, several members noted that it was unlikely to be appropriate to ease policy in response to information suggesting that the economy was slowing further or even contracting slightly in the near term, unless economic and financial developments indicated a significant weakening of the economic outlook.

At the conclusion of the discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

"The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable

growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with reducing the federal funds rate to an average of around 2 percent."

The vote encompassed approval of the statement below to be released at 2:15 p.m.:

"The Federal Open Market Committee decided today to lower its target for the federal funds rate 25 basis points to 2 percent.

Recent information indicates that economic activity remains weak. Household and business spending has been subdued and labor markets have softened further. Financial markets remain under considerable stress, and tight credit conditions and the deepening housing contraction are likely to weigh on economic growth over the next few quarters.

Although readings on core inflation have improved somewhat, energy and other commodity prices have increased, and some indicators of inflation expectations have risen in recent months. The Committee expects inflation to moderate in coming quarters, reflecting a projected leveling-out of energy and other commodity prices and an easing of pressures on resource utilization. Still, uncertainty about the inflation outlook remains high. It will be necessary to continue to monitor inflation developments carefully.

The substantial easing of monetary policy to date, combined with ongoing measures to foster market liquidity, should help to promote moderate growth over time and to mitigate risks to economic activity. The Committee will continue to monitor economic and financial developments and will act as needed to promote sustainable economic growth and price stability.

Votes for this action: Messrs. Bernanke, Geithner, Kohn, Kroszner, and Mishkin, Ms. Pianalto, Messrs. Stern and Warsh.

Votes against this action: Messrs. Fisher and Plosser.

Messrs. Fisher and Plosser dissented because they preferred no change in the target federal funds rate at this meeting. Although the economy had been weak, it had evolved roughly as expected since the previous meeting. Stresses in financial markets also had continued,

but the Federal Reserve's liquidity facilities were helpful in that regard and the more worrisome development in their view was the outlook for inflation. Rising prices for food, energy, and other commodities; signs of higher inflation expectations; and a negative real federal funds rate raised substantial concerns about the prospects for inflation. Mr. Plosser cited the recent rapid growth of monetary aggregates as additional evidence that the economy had ample liquidity after the aggressive easing of policy to date. Mr. Fisher was concerned that an adverse feedback loop was developing by which lowering the funds rate had been pushing down the exchange value of the dollar, contributing to higher commodity and import prices, cutting real spending by businesses and households, and therefore ultimately impairing economic activity. To help prevent inflation expectations from becoming unhinged, both Messrs. Fisher and Plosser felt the Committee should put additional emphasis on its price stability goal at this point, and they believed that another reduction in the funds rate at this meeting could prove costly over the longer run.

In a joint session of the Federal Open Market Committee and the Board of Governors, meeting participants turned to a discussion of the implications of the payment of interest on reserves for monetary policy implementation. Following passage of the Financial Services Regulatory Relief Act of 2006, which will permit the Federal Reserve to reduce reserve requirements and to pay interest on reserves beginning in 2011, the staff had undertaken work to explore and evaluate alternative approaches to monetary policy implementation using these new authorities. After a staff presentation summarizing the work to date, policymakers discussed the potential advantages and disadvantages of several of the alternative approaches. Considerations included

reducing the burden and complexity associated with the current system of reserve requirements and ensuring that the Committee's interest rate targets could be reliably achieved. Participants noted that frameworks for monetary policy implementation employed in other countries span a wide range and that the experiences of these countries provided useful information for the Federal Reserve's consideration of alternative approaches. They agreed that further study was required to narrow the range of options under consideration and that it would be important to consult closely with depository institutions and others in the design of a new system.

It was agreed that the next meeting of the Committee would be held on Tuesday-Wednesday, June 24-25, 2008.

The meeting adjourned at 1:00 p.m.

Notation Votes

By notation vote completed on March 20, 2008, the Committee unanimously approved a resolution that added non-agency AAA-rated commercial-mortgage-backed securities to the list of collateral acceptable in connection with the Term Securities Lending Facility.

By notation vote completed on April 7, 2008, the Committee unanimously approved the minutes of the FOMC meeting held on March 18, 2008.

Brian F. Madigan
Secretary

2008-330 16



slanman@bloomberg.net on 05/06/2008 04:31:08 PM

GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

2008 MAY -6 PM 4:30

OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: May 06, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please call for pick up

Request: Chairman Bernanke's schedule for April 2008, with names of individuals and groups he held meetings or telephone conversations with, including names of members of the press and names of publications.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on May 6, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

"Chairman's Bernanke's schedule for April 2008, with names of individuals and groups he held meetings or telephone conversations with, including names of members of the press and names of publications."

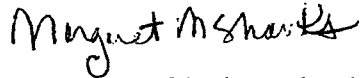
Staff searched Board records and located the substantive information you seek. We will provide you with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

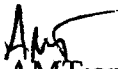
of the document being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Margaret M Shanks". The signature is fluid and cursive, with the first name "Margaret" written in a larger, more prominent script than the last name "Shanks".

Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure


AMT:amt

U:\FOIA\2008\08-0330.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-0330

Note: Calendar data for April 1-21 is being released concurrently with processing of this request in response to **FOIA # 08-304**. In response to this request, Rita Proctor, the Chairman's Assistant, provided data for April 22-30, 2008. The data was reviewed for potentially exempt information by Michelle Smith (BDM), David Skidmore (BDM), and Alison Thro (Legal). In addition, Alison Thro alerted Scott Alvarez (Legal) to the existence of the request and the fact that the request is being processed in a manner identical to recent similar requests for calendar data.

[REDACTED] (b)(5)

The calendar data is in the same form released in response to FOIA #s 08-304, 08-291, 08-225, 08-211, 08-155, 08-91, 07-434, 07-106, 07-165 and 7-0074.

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100330	Formal	News Media	Scott Lanman	05/06/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 05/16/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/16/2008.

The Law Requires the Board to Respond to This Request by: 06/04/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

Division **Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's schedule for April 2008

NOTES

SEE previous (in process) for Chairman Bernanke's March schedule.

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

Chairman Bernanke's Schedule
April 1-21, 2008

Tuesday, April 1, 2008

02:00 PM - 02:30 PM	Photo Op/Meeting w/Republican Leadership <i>Location:</i> H-204, U.S. Capitol
03:00 PM - 04:30 PM	Briefing w/Fed staff <i>Location:</i> Anteroom
04:30 PM - 05:30 PM	Conference Call <i>Location:</i> Chairman's Office

Wednesday, April 2, 2008

09:30 AM - 12:30 PM	Testimony: Joint Economic Committee <i>Location:</i> Room 106 -- Dirksen Senate Office Building
02:30 PM - 03:30 PM	Meeting w/ [REDACTED] <i>Location:</i> Chairman's Office
03:45 PM - 04:00 PM	Meeting w/Fed staff <i>Location:</i> Chairman's office
04:00 PM - 04:30 PM	Meeting w/Secy. Margaret Spellings, Sara Martinez Tucker, David Dunn and Hanna Skandera, Department of Education <i>Location:</i> Anteroom
05:00 PM - 06:00 PM	Briefing w/Fed staff <i>Location:</i> Anteroom

Thursday, April 3, 2008

10:00 AM - 12:00 PM	Testimony: Senate Banking, Housing and Urban Affairs Committee <i>Location:</i> Room G-50 -- Dirksen Building
02:30 PM - 03:00 PM	Telephone call w/Chairman Lazear, CEA
03:45 PM - 04:45 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office

Friday, April 4, 2008

09:00 AM - 09:15 AM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
09:30 AM - 10:00 AM	Telephone call w/Chairman Cox, SEC <i>Location:</i> Chairman's Office
10:30 AM - 11:00 AM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
11:30 AM - 12:00 PM	Meeting w/Jan Hatzius, Chief Economist, Goldman Sachs <i>Location:</i> Chairman's Office
01:30 PM - 02:00 PM	Call Secretary Paulson, Treasury

Monday, April 7, 2008

08:00 AM - 08:30 AM Telephone call from Masaaki Shirakawa, Deputy Governor, Bank of Japan

09:30 AM - 09:45 AM Telephone call w/Fed staff

10:00 AM - 10:30 AM Meeting w/Fed staff
Location: Chairman's Office

10:30 AM - 11:30 AM Meeting w/ [REDACTED]
Location: Chairman's Office

12:15 PM - 01:15 PM Lunch w/Secretary Condoleezza Rice
Location: State Department

02:00 PM - 02:30 PM Videotaping for Reserve Banks
Location: Special Library

04:30 PM - 05:00 PM Telephone interview w/ [REDACTED]
Location: Chairman's Office

Tuesday, April 8, 2008

10:00 AM - 10:30 AM Meeting w/David Hale, Global Economics
Location: Chairman's Office

02:45 PM - 03:15 PM Meeting w/Congressman Jeb Hensarling, Michael (Dee) Buchanan, & Russell Thurlow Vought
Location: Anteroom

04:30 PM - 05:30 PM Briefing w/Fed staff
Location: Anteroom

Wednesday, April 9, 2008

09:30 AM - 10:00 AM Press conference/Photo Op: JumpStart Program
Location: Board Room

11:00 AM - 11:30 AM Meeting w/Antonio Perez and Stephen Ciccone, Eastman Kodak Co.
Location: Chairman's Office

11:40 AM - 12:15 PM Conference Call
Location: Chairman's Office

02:00 PM - 03:00 PM Informal discussion w/CEOs of the Financial Services Forum
Location: Willard InterContinental Hotel

TRAVEL: FR Bank Richmond

06:00 PM - 08:30 PM Reception/Dinner: Boards of Directors: FR Bank of Richmond and the Baltimore & Charlotte Branches
Location: FR Bank of Richmond

Thursday, April 10, 2008

09:00 AM - 12:00 PM Meeting: Joint Boards of Directors: FR Bank of Richmond, Baltimore & Charlotte Branches
Location: FR Bank of Richmond

12:30 PM - 01:45 PM Luncheon/Speech: World Affairs Council of Greater Richmond
Location: Jepson Alumni Center, U. of Richmond

TRAVEL: Washington, D.C.

Thursday, April 10, 2008 (cont.)

04:00 PM - 04:45 PM Meeting w/staff
Location: Anteroom

06:00 PM - 08:00 PM Cocktails/Dinner: Brookings Institution
Location: Brookings Institution

Friday, April 11, 2008

07:30 AM - 08:30 AM Breakfast w/Governor Mervyn King, Bank of England
Location: Ante-Room @ Ambassador's Residence, British Embassy

09:00 AM - 09:30 AM Meeting w/Fed staff
Location: Chairman's Office

09:30 AM - 10:00 AM Meeting w/European Commission officials
Location: Anteroom
Attendees:
Joaquin Almunia, Commissioner
Gerassimos Thomas
Klaus Regling
Servaas Deroose
Nigel Nagarajan
Antonio de Lecea

10:30 AM - 10:45 AM Photo Op/w/Harrison Noh, National Poster Contest Winner
Location: Special Library

10:45 AM - 11:15 AM Meeting w/Australian Treasury officials
Location: Anteroom
Attendees:
Wayne Swan, Treasurer
Matthew Linden
Kenneth Henry
Christopher Legg
Amb. Dennis Richardson
Steve Morling

11:30 AM - 12:00 PM Meeting w/Russian Federation officials
Location: Anteroom
Attendees:
Aleksey Kudrin
Elvira Nabiullina
Sergey Ignatiev
Vadim Grishin
Aleksey Shishayev
Oksana Sergienko
Aleksey Fokin

12:30 PM - 01:45 PM G3 Luncheon
Location: Dining Room @ Treasury Department

02:00 PM - 06:15 PM G-7 Ministerial Meetings
Location: Cash Room @ Treasury Department

07:30 PM - 09:30 PM G7 Outreach Cocktails/Dinner
Location: Cash Room @ Treasury Department

Saturday, April 12, 2008

08:30 AM - 10:15 AM Informal discussion w/International Monetary & Financial Committee (IMFC) members
Location: HQ1 Meeting Hall A – IMF

10:30 AM - 02:00 PM Meetings: IMFC
Location: HQ2 Conference Hall 1 – IMF

02:00 PM - 03:30 PM Luncheon w/G-10 Governors
Location: Dining Room #1 – HQ1 – IMF

03:45 PM - 04:15 PM Meeting w/Guillermo Ortiz, Governor, Bank of Mexico
Location: IMF: US Office – Room 13318

04:30 PM - 05:00 PM Meeting w/Egyptian Delegation: Dr. Mahmoud Mohieldin, Dr. Farouk El-Okdah, Amb. Nabil Fahmy, Hisham Seif-Eldin or Seif Kandeel
Location: IMF: US Office – Room 13318

05:15 PM - 05:45 PM Meeting w/Masaaki Shirakawa, Governor, Bank of Japan
Location: IMF: US Office – Room 13318

06:00 PM - 06:30 PM Meeting w/Alistair Darling, Chancellor, United Kingdom
Location: IMF – US Office Room 13318

Monday, April 14, 2008

08:00 AM - 09:00 AM Meeting w/Fed staff
Location: Anteroom

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

12:30 PM - 01:30 PM Lunch w/RB staff
Location: DR-A

02:00 PM - 03:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

03:30 PM - 03:45 PM Courtesy visit w/Dr. Jassim Al-Mannai, Director General and Chairman and Yisr Burnieh, Arab Monetary Fund (AMF)
Location: Chairman's Office

04:10 PM Telephone call to Cong. Frank

04:30 PM - 05:00 PM Meeting w/H.E. Hamad Al-Sayari, Governor, Saudi Arabian Monetary Agency
Location: Chairman's Office

06:00 PM - 08:00 PM Reception/dinner: Orientation program for new FR Bank directors
Location: Reception: Cafeteria – Dinner: Dining Room E

Tuesday, April 15, 2008

10:15 AM - 11:00 AM Meeting w/Fed staff
Location: Chairman's Office

11:00 AM - 12:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

12:00 PM - 12:30 PM Meeting w/Richard Berner and Stephen Jen, Morgan Stanley
Location: Chairman's Office

12:45 PM - 01:45 PM Buffet Lunch w/New Reserve Bank Directors
Location: Dining Room E

Tuesday, April 15, 2008 (cont.)

01:45 PM - 02:15 PM Informal discussion w/New Federal Reserve Bank Directors
Location: Board Room

02:30 PM - 03:00 PM Meeting w/Fed staff
Location: Chairman's Office

03:00 PM - 04:00 PM Meeting w/Secretary Henry Paulson, Robert Steel, Neel Kashkari, Seth Wheeler
and Phillip Swagel
Location: Anteroom

04:00 PM - 04:45 PM Meeting w/Peter Hooper, Deutsche Bank and Michael Prell (consultant)
Location: Chairman's Office

Wednesday, April 16, 2008

09:30 AM - 01:00 PM Meeting w/Academic Consultants
Location: Board Room

01:00 PM - 02:00 PM Lunch w/Academic Consultants
Location: Dining Room F

02:30 PM - 03:15 PM Meeting w/Fed staff
Location: Chairman's Office

03:30 PM - 04:30 PM Meeting w [REDACTED]
Location: Chairman's Office

05:00 PM - 05:45 PM Meeting w/Lee Scott, CEO, Eduardo Wright, President, Wal-Mart Stores (+ 2)
Location: Anteroom

Thursday, April 17, 2008

08:00 AM - 09:00 AM Breakfast: Senator Jon Tester & Jason Rosenberg
Location: Dining Room A

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

03:00 PM - 03:30 PM Briefing w/Fed staff
Location: Chairman's office

04:00 PM - 04:30 PM Meeting w/Korean Financial Services Commission officials
Location: Anteroom
Attendees:
Kwang-Woo Jun
SaKon, II
Kyungjin, Song
Johgsig Ahn
Yong-Sik Joo
Joo Hyun Kim

Friday, April 18, 2008

07:30 AM - 08:30 AM Breakfast w/Gordon Brown, Prime Minister, United Kingdom
Location: Ambassador's Residence @ British Embassy

09:15 AM - 09:45 AM Meeting w/Fed staff
Location: Chairman's office

10:00 AM - 11:00 AM Meeting w [REDACTED]
Location: Chairman's Office

Friday, April 18, 2008 (cont'd)

11:30 AM Meeting w/Fed staff
Location: Chairman's Office

02:00 PM - 02:45 PM Meeting w/Fed staff
Location: Chairman's Office

03:00 PM - 03:15 PM Meeting w/Fed staff
Location: Chairman's Office

Monday, April 21, 2008

10:00 AM - 10:30 AM Meeting w/China Construction Bank officials
Location: Anteroom
Attendees:
Mr. Guo Shuqing, Chairman, China Construction Bank
Mr. Liu Honghua, Deputy Director of the Board of Directors
Mr. Chen Caihong, Secretary to the Board of Directors
Ms. Rong Jie, Manager of Foreign Affairs, Division on the Delegation
Mr. Zhang Guangying, Sr. Manager, Overseas Business Division
Mr. Li Dayong, Representative, China Construction Bank, NY Office

11:00 AM - 12:00 PM Meeting w/NAHB's Mortgage Roundtable (attendance list attached)
Location: Board Room

12:00 PM - 12:15 PM Meeting w/Fed staff
Location: Chairman's Office

02:00 PM - 02:05 PM Photo Op w/Katie Olson
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/Fed staff
Location: Special Library

MEETING

**NATIONAL ASSOCIATION OF HOME BUILDERS
Mortgage Roundtable
Monday, April 21, 2008
11:00 a.m. – 12 noon
Board Room**

NAHB OFFICERS	NAHB STAFF
<i>President:</i> Ms. Sandra J. Dunn B J Builders, Inc. Point Pleasant, WV	Mr. Gerald M. Howard Executive Vice President and Chief Executive Officer
<i>First Vice President:</i> Mr. John J. Robson Robson Companies Broken Arrow, OK	Mr. William P. Killmer Group Executive Vice President Advocacy
<i>Vice President / Treasurer:</i> Mr. Robert R. Jones Robert R. Jones Homes Bloomfield Hills, MI	Mr. David Seiders Chief Economist & Senior Staff Vice President Economics
<i>Vice President / Secretary:</i> Mr. Robert F. Nielsen Shelter Properties, Inc. Reno, NV	Mr. Joseph Stanton Senior Staff Vice President Government Affairs
<i>Immediate Past President:</i> Mr. Brian C. Catalde Paragon Communities, Inc. El Segundo, CA	Mr. David Crowe Senior Staff Vice President Regulatory and Housing Policy
<u>NAHB MORTGAGE ROUNDTABLE</u> Mr. David W. Curtis Executive Vice President Leon N. Weiner & Associates, Inc. Wilmington, DE	Mr. David Ledford Staff Vice President Housing Finance and Housing Policy
	Ms. Michelle Hamecs Assistant Staff Vice President Housing Finance

Chairman Bernanke's Schedule
April 22-30, 2008

Tuesday, April 22, 2008

08:30 AM - 09:00 AM	Conference Call <i>Location:</i> Chairman's Office
09:00 AM - 09:15 AM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
09:30 AM - 09:40 AM	Telephone call w [REDACTED] <i>Location:</i> Chairman's Office
10:30 AM - 11:15 AM	Meeting w/Siouxland Chamber of Commerce <i>Location:</i> Room B-339 -- Rayburn House Office Building
12:30 PM - 02:00 PM	Program/Luncheon: 25-Year Service Awardees <i>Location:</i> Atrium -- Dining Room E
03:00 PM - 03:15 PM	Meeting w/Steve Axilrod, Consultant <i>Location:</i> Chairman's Office

Wednesday, April 23, 2008

09:30 AM - 10:00 AM	Meeting w/Laurence Fink, Chairman & Chief Executive Officer, BlackRock <i>Location:</i> Chairman's Office
11:00 AM - 11:15 AM	Photo op w/delegation from the People's Bank of China <i>Location:</i> Board Room
12:30 PM - 02:00 PM	Lunch w [REDACTED] <i>Location:</i> [REDACTED]

Thursday, April 24, 2008

08:30 AM - 08:45 AM	Brief Welcome/Opening Remarks: Take Our Daughters and Sons to Work Day <i>Location:</i> Dining Room E
11:15 AM - 11:30 AM	Meeting w/Fed Gov. <i>Location:</i> Chairman's Office
12:30 PM - 01:30 PM	Lunch w/Senator Shelby, Governor Warsh & Bill Duhnke <i>Location:</i> Senate Dining Room -- S-110 U.S. Capitol
02:30 PM - 03:15 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office
03:30 PM - 04:30 PM	Briefing w/Fed staff <i>Location:</i> Anteroom
04:30 PM - 05:00 PM	Meeting w/Fed staff <i>Location:</i> Chairman's Office

Friday, April 25, 2008

07:30 AM - 08:00 AM Breakfast w/Secretary Paulson
Location: Treasury Department

09:00 AM - 10:00 AM Meeting w/Fed staff
Location: Special Library

10:00 AM - 11:30 AM Pre-FOMC briefing w/Fed staff
Location: Special Library

11:30 AM - 12:30 PM Pre-FOMC briefing w/Fed staff
Location: Special Library

02:45 PM - 03:15 PM Meeting w/Irene Rosenfeld, Chairman/CEO, Marc Firestone, Brian Folkerts, and
Timothy McLevish, Kraft Foods
Location: Anteroom

05:00 PM - 05:30 PM Meeting w/Fed staff
Location: Chairman's Office

Monday, April 28, 2008

09:30 AM - 09:35 AM Meeting w/Fed staff
Location: Chairman's Office

10:00 AM - 12:00 PM Pre-FOMC Board Meeting
Location: Board Room

01:00 PM - 02:00 PM Lunch w/RB Staff
Location: Dining Room A

Tuesday, April 29, 2008

09:45 AM - 10:00 AM Meeting w/Fed staff
Location: Chairman's Office

12:15 PM - 12:30 PM Meeting w/Fed staff
Location: Chairman's Office

02:00 PM - 05:30 PM FOMC Meeting
Location: Board Room

05:30 PM - 07:00 PM FOMC Reception/Dinner
Location: Cafeteria

Wednesday, April 30, 2008

09:00 AM - 10:00 AM FOMC Meeting
Location: Board Room

10:00 AM - 01:00 PM FOMC/Board meeting
Location: Board Room

01:00 PM - 02:00 PM FOMC Luncheon
Location: Board Room

02:45 PM - 03:00 PM Meeting w/Fed staff
Location: Chairman's Office

AMT:amt

U:\FOIA\2008\08-0351.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Roseman
Mr. Greg Evans
Ms. Brenda Richards
Mr. Larry Mize
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-0351

(b)(5)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 6, 2008

Mr. Jonathan Weil
Bloomberg News
4655 Pawnee Place
Boulder, CO 80303

Dear Mr. Weil:

This is in response to your e-mail message dated May 19, 2008, and received by the Board's Freedom of Information office on May 20. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

a copy of the Financial Accounting Manual for Federal Reserve Banks.

Staff searched Board records and located the document you seek. I have determined that this document contains information related solely to the internal personnel rules and practices of an agency (references to internal web addresses, detailed and dated staff contact information, staff computer logon identification numbers, and a non-public form). Such information will be withheld from you under authority of exemption 2 of the Act, 5 U.S.C. § 552(b)(2). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

The Federal Accounting Manual for Federal Reserve Banks is revised annually at the beginning of each year. You will be provided with the most recent revision, which became effective in January 2008. Any changes that are necessary to address new classes of transactions that arose after the effective date of the current revision are not reflected.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is

being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Jennifer J. Johnson
Secretary of the Board

Enclosure



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 20, 2008

Mr. Jonathan Weil
Bloomberg News
4655 Pawnee Place
Boulder, CO 80303

FOIA Request No. 2008100351

Dear Mr. Weil,

This will acknowledge receipt of your email dated 05/19/2008 and received by the Board on 05/20/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to the Financial Accounting Manual for Federal Reserve Banks.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$1000.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

2008-351



jweil6@bloomberg.net on 05/19/2008 07:14:32 PM

DEPT. OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

2008 MAY 20 AM 9:20

RECEIVED
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: May 19, 2008

Name: Jonathan Weil
Affiliation: Bloomberg News
Category of
Affiliation: News Media
Address1: 4655 Pawnee Place
Address2:
City, State: Boulder, CO
Zip: 80303
E-Mail: jweil6@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 80303
Telephone: 303-953-1748 (work/home not specified)
Fax:

Max. Fee: \$1,000.00
Fee Waiver:

Delivery: Please mail to above address

Request: Please provide me a copy of the Financial Accounting Manual for Federal Reserve Banks. This manual is referred to the Fed's 2007 audited annual financial statements.

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Jonathan Weil
Bloomberg News
4655 Pawnee Place
Boulder, CO 80303

June 06, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62953	Formal	Initial	News Media	05/19/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	161	0.10	16.10
Total Amount:				\$16.10
Fee Waived Amount:				\$16.10
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100351
Invoice No: 62953
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Transaction Type: Initial

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/30/2008.

The Law Requires the Board to Respond to This Request by: 06/18/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours – Time spent determining if material is exempt from disclosure

3. Nonbillable Hours – All other time spent on the request.

- ASSIGNMENTS -

<u>Division</u>	<u>Person Assigned</u>
LEGAL	To be added
LEGAL	To be added

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

the Financial Accounting Manual for Federal Reserve Banks

NOTES

_____ NO responsive records
 _____ Records not reasonably identified
 _____ Grant request in full

_____ Confirmed w/FR Bank (see Note:)

 Deny in full
 ✓ Deny in part

EXEMPTIONS:

2

Signed:

Alis Thro

Date:

6-6-08

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100351	Formal	News Media	Jonathan Weil	05/20/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 05/30/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 05/30/2008.

The Law Requires the Board to Respond to This Request by: 06/18/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

Division Person Assigned

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the Financial Accounting Manual for Federal Reserve Banks

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

Financial Accounting Manual for Federal Reserve Banks



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Division of Reserve Bank Operations and Payment Systems
Federal Reserve Bank Financial Accounting Section

INTRODUCTION

This Financial Accounting Manual (FAM) contains the accounting standards that should be followed by the Federal Reserve Banks.

The Board of Governors has delegated, within certain parameters, the authority to set accounting policy for the Reserve Banks to the director of the Division of Reserve Bank Operations and Payment Systems (RBOPS) and, by extension, to the division's Financial Accounting Section staff the responsibility to define, amend, and interpret FAM as prescribed by FRAM 1-001 and -1035. Although setting accounting policy and updating FAM are responsibilities of RBOPS Financial Accounting staff, Reserve Banks' accounting staffs also play significant roles in the development of accounting policies included in this manual. FAM is expected to help all Reserve Banks pursue uniform accounting policies conforming to the standards established. In some places examples of subsidiary accounts are given to permit an understanding of the scope of the broader balance sheet items. In these cases, unless otherwise noted, the maintenance of such accounts is discretionary with the Reserve Bank.

While the manual covers the receipt and disbursement of funds and specifies their location on the balance sheet, and is thus the controlling document on capitalization, rates of depreciation, correction of errors in expenses, entries to Profit and Loss, etc, it does not provide guidance for cost accounting. The Federal Reserve Planning and Control System Manual (PACS Manual) sets rules for cost accounting.

Federal Reserve Bank staff should consult with the RBOPS Financial Accounting Section when there are any financial accounting questions or issues for the Federal Reserve Banks that are not specifically covered in this manual.

FINANCIAL ACCOUNTING MANUAL
TABLE OF CONTENTS

INTRODUCTION	I
CHAPTER 1 Balance Sheet	
General	01
Submissions to BOGs and Publications	10- .50
Accruals	60-1.10
Prepayments	1.20
Operating Leases	1.24
Recovery of Disbursements for Others	1.25
Accounting for Rebates	1.30
Balance Sheet Accounts- General	2.00
Gold Certificates	2.10
Special Drawing Rights	2.20
Coin	2.30
Loans and Securities	2.40-2.95
Items in Process of Collection	3.10
Bank Premises	3.40-3.60
Other Assets	3.65-4.97
Interdistrict Settlement Account	5.00
Interoffice Account	5.10
Federal Reserve Notes	10.01-10.26
Deposits	10.30-11.30
Deferred Credit Items	11.40
Other Liabilities	11.50-11.95
Capital Paid In	12.01
Surplus	12.10
Earnings, Expenses and Dividends	12.20-12.65
CHAPTER 2 Collateral and Custodies	
General	20.01
Book-Entry vs. Definitive Custodies	20.02
Special Depositories, Treasury Tax and Loan Accounts	20.03
Classifications/Valuation of Holdings	20.04
Collateral for Treasury Tax and Loan Accounts (Definitive and Book Entry)	20.05
Collateral for Loans	20.10
Collateral for Overdrafts (Definitive and Book Entry)	20.15

Accountability to Treasury for U.S.	
Government Securities	20.20-20.50
Accountability for Other Securities	20.55
Accountability for Other Securities	
(Definitive only)	20.70
Other Custodies Held as Fiscal Agent	
of the Treasury	20.80
Custodies Held for Treasury, Agencies and	
Others	20.85-21.40
Collateral and Custody Items in Process	21.50
Memorandum Accounts	21.55

CHAPTER 3

Property and Equipment

General	30.01
Historical Information	30.05
Publication of Property and Equipment	
Information	30.06
Land	30.10
Land Improvements	30.15
Building	30.20
Building Machinery and Equipment	30.25
Construction	30.30
Examples of Classification of	
Capitalized Bank Premises Assets	30.40
Furniture and Equipment	30.45
Methods of Capitalization - Furniture	
And Equipment	30.46
Equipment	30.50
Pooled Asset Method	30.55
Pooled Asset Depreciation	30.56
Pooled Improvements or Betterments	30.57
Disposals and Trade-ins	
of Pooled Asset Items	30.58
Examples of Classification of Capitalized	
Furniture and Equipment Assets (Table)	30.60
Expenditures to Existing	
Buildings and Equipment	30.70
Capitalization Thresholds	30.71
Capitalization Thresholds (Table)	30.72
Depreciation	30.75
Depreciation Rate and Salvage Value	30.76
Maximum Useful Lives and Salvage	
Values (Table)	30.78
Capitalization of Leases	30.80
Leasehold Improvements	30.85

Amortization of Leasehold Improvements	30.86
Tenant Improvements	30.87
Disposals and Trade-ins	30.90
Asset Impairment	30.95
Other Real Estate	30.96
Real Estate Reporting Requirements	31.00

CHAPTER 4

Central Bank Unique Accounting

General	40.01
Participated Accounts	40.05
Interest Earnings and Expense	40.10
U.S. Government and Federal Agency Securities	40.20
U.S. Government Securities: Held Under Repurchase Agreements	40.25
U.S. Government Securities: Reverse Repurchase Agreements	40.30
Securities Lending	40.35
SOMA Participation	40.40
Investments Denominated in Foreign Currency	40.50
Foreign Exchange (F/X) Swap	40.60
Warehousing Agreement	40.65
Foreign Deposits	40.70
Euro Reverse Repurchase Agreements	40.75

CHAPTER 5

Federal Reserve Notes

General	50.01-50.05
Printing	50.10
Shipments	50.20-50.30
Issuance	50.40
Sale of Notes to the Public	50.43
Retirement	50.45
Redemptions	50.50-50.70
Notes Missing from New Packages of Currency	51.01
Notes Accountability Reporting	51.50-51.70
FR5 Resource Center	51.75
Forms	52.01- 52.32

CHAPTER 6

Reporting Requirements

General	60.01
Interdistrict Settlement	60.10
Effect of Holiday on Clearings	60.11
Interest on Federal Reserve Notes	60.20
Special year-end Procedures	60.25

Currency Held by Federal Reserve Banks	
FR 415.....	60.30
Earnings Report FR 95 Quarterly	60.50-60.51
Quarterly Profit and Loss Report	
FR 411.....	60.60-60.61
Charges Assessed and Waived for Deficiencies	
in Required Balances-Quarterly.....	60.70
Charge-Offs and Other Year-End Adjustments	60.80
Financial Results of Operations (FROP)	60.90
Annual Profit and Loss Report FR 657.....	60.91
Annual Expense Report FR 96	60.92
Earnings Report FR 95 Annual.....	60.93
Real Estate Reporting Requirements-	
Annual and Special	60.94
Small and Disadvantaged Business	
Procurement Information FR 1425	60.95
RBOPS Financial Accounting Report	
System (RFARS)	60.96
Reporting Requirements Summary (Table).....	60.99
Forms	61.01-61.62

CHAPTER 7	Maintenance of Deposit Accounts	
	General.....	70.01
	Reserve Analysis Adjustments	70.10
	Application of Adjustments	70.20-70.79
	Reporting Requirements	70.80
	Reserve Requirement-Related Adjustments	70.90

FINANCIAL ACCOUNTING MANUAL

Revision Set 45
January 2008

Revisions are effective as of January 1, 2008.

SUMMARY OF REVISIONS¹

Chapter 1

Paragraph 2.70 (Acceptances: Bought Outright and Held Under Repurchase Agreement) – Beginning in February 2007, activity related to tri-party repurchase agreements is allocated to each Reserve Bank.

Paragraph 4.20 (Deferred Charges) – This section is revised to incorporate the provisions of the Accounting Guidance for Internal Use Software Costs, which was developed by Board and Reserve Bank accounting staff. Key changes are:

- Improvements made to internally developed software are assigned separate and unique useful lives, if appropriate.
- Expenditures for bulk purchases of low-cost software licenses that are individually below the capitalization threshold should be capitalized as a single asset if the cost is \$100,000 or more and the license agreement is for a period longer than a year.

Chapter 3

Paragraph 30.50 (Equipment) – Expanded on the types of installation costs that should be capitalized.

Chapter 4

Paragraph 40.05 (Participated Accounts) – Expanded the list of participated accounts to include tri-party repurchase agreements.

Paragraph 40.25 (U.S. Government Securities: Held Under Repurchase Agreements) and 40.40 (SOMA Participation) – Beginning in February 2007, activity related to tri-party repurchase agreements is allocated to each Reserve Bank. Previously, the activity was reported only by FRBNY.

Paragraph 40.60 (Foreign Exchange (F/X) Swap) – Changes were made to better describe the nature of the swap transactions.

¹ Does not include minor clarifications and corrections of errors that do not change policy.

Paragraph 40.75 (Euro Reverse Repurchase Agreements) – In 2006, the FOMC approved the use of euro reverse repurchase agreements, and a new paragraph is added which describes the accounting for these new transactions.

Chapter 5

Paragraph 50.65 (Currency Destroyed by Treasury) – Clarified that when Board staff calculates the pro-rata amount of each Reserve Bank's currency destruction, it is based on each Bank's share of the **number of notes** comprising the System's net liabilities.

Chapter 6

Paragraph 60.20 (Interest on Federal Reserve Notes) – Added language to clarify the treatment of Accumulated Other Comprehensive Income (AOCI) as a component of each Reserve Bank's Surplus account.

Paragraph 60.51 (Income Report – Explanation of Items on FR 95) – Clarified that interest income generated from tri-party repurchase agreements is reported as the source of income, Other U.S. Government obligations.

Paragraph 60.94 (Real Estate Reporting Requirements – Annual and Special) – FR 612 in RFARS was modified to include the Reserve Banks' construction in progress balances.

Paragraph 60.95 (Small and Disadvantaged Business Procurement Information) – The discussion of documentation requirements for small business and disadvantaged business programs was updated to clarify the disadvantaged business program provisions.

CHAPTER 1

BALANCE SHEET

.01 - General. The Balance Sheet, form FR 34, shows in detail the assets, liabilities, and capital accounts of the Federal Reserve Banks and certain additional information such as U.S. Government deposits with special depositaries, collateral and custodies held, classifications of "Other deposits--Miscellaneous," and certain memorandum accounts.

The balance sheet is the basis for the weekly statement of condition which the Board of Governors is required by law to publish periodically. It also furnishes the Board of Governors with basic, original source material for statistical data, much of which is published, relating to the condition of Federal Reserve Banks.

Each Reserve Bank should set up such general ledger and subsidiary accounts as it requires for its own purposes and as such will enable it to prepare the balance sheet and to maintain satisfactory internal controls. This chapter provides general descriptions of the scope of the Balance Sheet accounts to promote uniformity of accounting treatment. It is not the intent of this Manual to redefine basic accounting principles. In those cases where the accounting treatment is unclear, Reserve Banks should contact the FRB Financial Accounting Section of the Board's RBOPS Division for an interpretation of the Manual. Transactions of the Reserve Bank must be recorded in the general ledger and reflected on the Balance Sheet; none of the principles or possible lack of specific instructions for any given transactions in this Manual should be interpreted as allowing otherwise. Proper accounting practice requires consistent application of accounting principles throughout the District (i.e. head office and Branches) from year to year. Where this Manual permits Reserve Banks to choose optional treatments for transactions, Reserve Banks should consistently apply the chosen option to all similar transactions in the future. In general, the provisions of this Manual address Reserve Bank accounting issues and should be applied from a District perspective (for example, the process for accruals required by .90 should be applied on a Districtwide basis rather than department or Branch basis).

.10 - Daily Preparation. A combined balance sheet for each Federal Reserve Bank should be prepared for each day that the Bank or any Branch is open for business (see 60.11 for standard holiday schedule). Special procedures are required for Wednesday and month-end balance sheets:

On the last day of the month the combined balance sheet and the individual balance sheets for each office should show on the reverse all the data for which provision has been made.

When Wednesday is not the first day of the month and is a holiday, or when the last day of the month is a holiday, the balance sheet for the preceding business day should reflect accruals of earnings, expenses, and dividends through the Wednesday holiday or the last day of the month. (See accrual instructions beginning with paragraph .70.)

At the end of the year no amount should be reported in undistributed net income (code TWIG) on the combined balance sheet. See paragraph 60.25 for additional discussion.

.15 - Adjustments to Prior Day Balances. While adjustments to prior day balances may be made before balance sheets are submitted, adjustments to prior day Treasury and Depository Institution account balances should be rare. The Manager of the FRB Financial Accounting section of the Board's RBOPS Division should be notified of all prior day adjustments to Treasury and Depository Institution accounts, when identified, in order to ensure that their implications are properly communicated to monetary projection and fiscal staff.

.20 - Daily Submission. Combined balance sheet data for each District should be transmitted to the Board daily via Connect Direct. Technical procedures for the transmission of FR 34 data may be found in Technical Memorandum No. 15. Data should be transmitted to reach the Board no later than 1:30 p.m. Eastern Time each business day.

.25 - Monthly Submission. A copy of the reverse side of the combined District balance sheet should be forwarded to the Accounting Section, Division of Reserve Bank Operations and Payment Systems after preparation each month (see .10). The reverse side of the individual office balance sheets should be included at year-end (see .50).

.30 - Confidential Daily Summary (L.6.1). The combined balance sheet data are consolidated daily and, together with figures from other sources, are used in preparing a confidential daily statement, which is furnished to the Board and various members of its staff, certain Treasury officials, and the Federal Reserve Banks.

.40 - Condition Statement of Federal Reserve Banks (H.4.1). Section 11(a) of the Federal Reserve Act provides that the Board of Governors shall publish once each week a

statement showing the condition of each Federal Reserve Bank and a consolidated statement for all Federal Reserve Banks. This section of the Act further provides that “ such statements should show in detail the assets and liabilities of the Banks, single and combined, and shall furnish full information regarding the character of the money held as reserve and the amount, nature, and maturities of the paper and other investments owned or held by Federal Reserve Banks.”

The Board's weekly statement, published each Thursday, is compiled from the Connect Direct transmission for each Wednesday. This publication is a computer-generated release.

.50 - Federal Reserve Bulletin/Annual Report. The Board publishes in the Federal Reserve Bulletin a statement showing the condition of Federal Reserve Banks as of each month-end, as well as year-end statements in the Annual Report of the Board of Governors of the Federal Reserve System. The month-end Connect Direct transmission is used for the preparation of the Bulletin tables. However, as of the last business day of the year, in addition to the District FR 34 Connect Direct transmission, a copy of each individual office's FR 34 should be mailed to the Accounting Section, Division of Reserve Bank Operations and Payment Systems.

In the case where holidays are involved at month-end or year-end, the reporting procedure should be as follows:

When the month end is a nonbusiness day, submission of the FR 34 should be made as of the close of business on the last business day, and should include accruals of earnings, expenses, and dividends for the remaining nonbusiness day or days in the month. The maturity distribution should be as of month-end.

.60 - Accruals. Under accrual accounting, the financial effects of transactions and other economic events are recorded in the periods in which they have their primary economic impact. Accordingly, accrual accounting recognizes revenues and expenses as they are earned or incurred, not as cash is received or paid.

Accruals should be made weekly at a minimum (see paragraph .80) unless otherwise specified. Prior to the end of the reporting period, Reserve Banks should ensure that all accruals are properly reflected in the underlying accounts. In most cases, the accrual should be based on a transaction or other economic event that has been completed (i.e. the goods/services have been received). Accruals for standard timing lags may be made by using a standard accrual made in the beginning of the year, and then reversed at year-end (“standing accrual”).

Paragraphs .70 - 1.00 provide general procedures for making accruals at different intervals. Due to their unique nature, detailed instructions have also been provided for making the following accruals: self-insured medical/dental expenses (paragraph 1.02), compensated absences (paragraph 1.04), and contingent liabilities (paragraph 1.06).

.70 - Accruals of Earnings. Calculate earnings on all types of earning assets for each calendar day on the basis of holdings of such assets at opening of business on such day or at close of business on the last preceding business day if the day in question is a Sunday or a holiday. Accrual of earnings on advances to depository institutions should be calculated at the interest rate in effect on the previous day. Other earnings are ordinarily credited when received or when services are rendered.

.80 - Accrual of Expenses Within the Month. Net expenses or, as an option, salaries and related expenses should be accrued in total along with estimates of compensation paid or received for check, automated clearing house, funds and securities transfer services provided or bought, as outlined in the following paragraphs, in order that expenses may be reflected consistently in published condition reports.

On each Wednesday, if accruals are made weekly, or on each day, the difference between total estimated net expenses and total net expenses recorded for the week or day should be debited (or credited) to a special expense account e.g., "Expenses accrued--estimated" and credited (or debited) to a special liability account, e.g., "Accrued expenses unpaid--estimated" (see 11.90). After these entries are made, the balances in these two accounts will represent the difference between estimated net expenses for the month-to-date and total net expenses for the month-to-date as recorded.

The **debit** balance in the "Expenses accrued--estimated" account should be included in the item "Operating expenses" on form FR 34; the **credit** balance in the "Accrued expenses unpaid--estimated" account should be reported under the caption "Other liabilities" on form FR 34. However, if net expenses for the month-to-date as recorded exceed the estimated net expenses for the month-to-date, "Expenses accrued--estimated" will have a **credit** balance and "Accrued expenses unpaid--estimated" will have a **debit** balance, in which case these accounts should **not** be reported on form FR 34. On the last day of the month these accounts should be closed against each other (see .90 for month-end accruals).

.90 - Accrual of Expense/Expenditure at Month-End and Year-End. Expenses incurred should be accrued as of the last day of the month and the year. Expenses are considered incurred if the service has been rendered or the product or material has been received. Non-incurred expenses should not be accrued. Types of transactions that normally give rise to accruals include receipt of goods or services; taxes; transportation costs; certain payroll costs, such as overtime charges; and costs associated with acquiring or improving physical assets, such as buildings and equipment. (Also see paragraphs 1.20 and 4.35 for additional clarification and examples.)

To ensure the proper recognition of expenses and liabilities at month-end and year-end, Reserve Banks are expected to maintain robust accrual processes to identify expenses timely and record them in the proper period. These processes may differ depending on the nature of the transaction as long as they effectively accrue significant expenses. For example, some transactions may be more efficiently accrued on a comprehensive basis than on a transaction basis. Examples of these may include automated accruals associated with purchase orders, purchasing cards, and personnel-related expenses. Other transactions, such as recurring monthly payments for utilities, may be more efficiently recorded on a cash basis if the monthly differences are minor and they are handled consistently month-to-month.

Although some transactions, particularly those acquisitions of goods and services outside the purchase order/purchasing card processes, may be difficult to identify, Reserve Banks must maintain an accrual process to consistently identify and accrue significant transactions in the appropriate period. Because of the importance of producing accurate year-end financial statements, additional procedures, such as subsequent payments testing, should be used to identify and accrue expenses incurred but not paid at year-end.

Amounts accrued should be debited to operating expenses and distributed to the appropriate subsidiary accounts or to the appropriate asset account, and credited to sundry items payable (see 11.70) or credited as offsets to items in prepaid accounts (see 1.20). For monthly accruals made for purchasing card transactions, the Bank may choose to offset the accrual for expenses to the current expense undistributed account rather than the individual PACS account. If the Bank makes significant capital purchases with purchasing cards, however, accruals for capital items should be debited to the relevant capital asset account. Each month the previous month-end accruals should be reversed and payments should be debited to current expense.

.95 - Accruals of Expenses for Employee Termination Plans (Involuntary/Voluntary).

If a Reserve Bank initiates an involuntary employee termination program, it must recognize the associated liability if it is probable and the amounts are estimable. The probability test has been met when all four of the following conditions exist and have been communicated to the affected employees (communication date): 1) the appropriate level of management has approved and committed the organization to involuntarily terminate employees, 2) the affected employees have been notified, 3) the terms of the benefits to be provided have been

communicated in sufficient detail to the affected employees, and 4) the period to complete the planned termination is not likely to change. If the plan requires an employee to work more than sixty days beyond notification in order to receive benefits, it may be necessary to accrue the liability over several periods.

Reserve Banks should note that if incremental termination benefits, in addition to the standard benefit program, are provided to employees as retention incentives, the accrual for the cost associated should not be included in the accrual for the standard benefit program -- it should be accrued evenly over the period from the communication date to the termination date.

If a Reserve Bank initiates a voluntary (early) termination program, it must estimate and recognize the liability for the termination benefits when the following conditions exist: 1) the appropriate level of management has approved and committed to a plan that allows employees to terminate employment, 2) employees have accepted the plan and it is unlikely that the election will be changed, and 3) the period to complete the termination is not likely to change.

Any incremental costs such as retention incentives associated with voluntary retirement programs, unlike the involuntary termination plans, should be accrued in total when the employee accepts the offer. If the election window for the program falls within a calendar year, the accrual may be made at the end of the window period; however, if the window crosses year-end, Reserve Banks should accrue only costs that are associated with employees who have indicated acceptance of the program.

Given the complexity involved with these programs related to the timing of expense accruals, Reserve Banks should contact Board FRB Financial Accounting staff for guidance when considering such plans.

1.00 - Accrual of Reimbursements at Month-End. Estimated reimbursements at the end of the month should be debited to reimbursable expenses and other items receivable, the purpose being to reflect a more accurate current expense figure. The accrual entries are reversed, and replaced with actual amounts in the following month when reimbursable amounts are determined.

1.01 – Accruals and prepayments for the consolidated health plans.

In January 2003, the Reserve Banks consolidated most of the active and retiree health plans with the Office of Employee Benefits (OEB) as the administrator. (For Districts that continue

to have locally managed self-insured health plans, see paragraph 1.02 for the accruals.)

Although the Reserve Banks share a common administrator and service providers, the benefits and costs are still recorded at the Bank level. These costs include those for active employee medical benefits, retiree medical benefits (FAS 106), and Long-Term-Disability (LTD)/self-insured workers compensation medical benefits (FAS 112). The following summarizes the payment flows and accounting instructions for these benefits:

Each month, in order to have sufficient funds to pay claims, OEB collects a monthly “premium” from the Reserve Banks by initiating a same day settlement (SDS) entry through the New York Reserve Bank. Reserve Banks record payments to the OEB by debiting the National Health Care Prepaid Expenses account (170-275) because this “premium” represents an advance payment to OEB.

Reserve Banks also accrue monthly expenses related to active employee medical benefits (including those incurred but not reported (IBNR) – see 1.02) to the SIP – National Health Care Accrued Liabilities account (240-125). Care should be taken to ensure that accruals for medical claims incurred but not paid do not include liabilities for post-retirement (FAS 106) and post-employment (FAS 112) benefits, which are accrued based on the actuarial valuation.

When Reserve Banks are notified by the OEB that payments have been made on their behalf, Reserve Banks debit as appropriate, the SIP – National Health Care Accrued Liabilities account (240-125) for active employee medical, retiree medical (FAS 106), and LTD/self-insured workers compensation medical (FAS 112) and credit the National Health Care Prepaid Expenses (170-275) account.

At year-end, each District will need to adjust its incurred but not paid liability associated with active medical claims based on actual claims paid.

1.02 Accruals for Self-Insured Medical/Dental Expenses. A liability must be recognized for the amount of medical/dental claims that have been incurred but not paid. A claim has been incurred when the event (e.g. medical treatment) that precipitates future payouts has occurred. The amount of this liability should reflect an estimate of the amount that will be paid, ultimately, by the Bank (net of stop-loss insurance, if the Bank maintains such coverage). It is not appropriate to maintain a "reserve" for claims that may be incurred in the future. Any funds related to the provision of self-insured medical/dental expenses that are held on deposit by claims administrators should be reflected separately as an asset of the Bank, rather than as an offset to the accrued self-insured medical/dental liability. A District is considered to be self-insured unless the insurance carrier bears 100% of the risk of loss due to shortfalls between claims and premiums.

As with most accruals, the liability reflected will be an estimate of the actual amounts of claims incurred but not paid. In order to maintain consistency among Reserve Bank estimates,

a standard approach to this estimate has been adopted. The year-end liability should be based on the prior year's experience adjusted for current trends in claims. Specifically, a Reserve Bank should determine the amount of claims paid in the current year that were incurred in the prior year (run-out claims). This amount should then be divided by the total claims paid in the prior year to establish a "subsequent claims ratio." This ratio should then be applied to the most recent 12 months of payments data available to obtain the amount of the liability.

As with most accruals, medical and dental expenses should be accrued weekly at a minimum (see .60). Generally, this liability would be increased by the accruals, decreased by claim payments, and periodically adjusted to maintain an appropriate balance based on the "subsequent claims ratio" and the most current 12 months payment history. Alternatively, a Reserve Bank may choose to charge claims payments directly to expense while periodically adjusting this liability to its desired level, as described above. In any case, the liability balance should be reviewed at the end of every quarter, at a minimum (more frequently if circumstances warrant). This review should re-estimate the liability balance by applying the "subsequent claims ratio" (see second bullet under "Subsequent Claims Ratio" discussion below) to the most recent 12 months of payments data. In the first, second, and third quarter, if the actual liability balance is significantly different from the amount re-estimated, the on-going weekly accruals should be adjusted accordingly. The liability balance at year-end should always be adjusted to reflect the amount calculated using the methodology outlined in the paragraph above.

Exceptional circumstances (e.g., a change in claims administrator or plan design changes) may exist that would lead to a material misstatement of this liability if additional adjustments were not made. In such situations, the FRB Financial Accounting Section of the Board's RBOPS Division should be contacted for approval of an appropriate alternative estimation methodology.

The following items provide further clarification of this estimation process:

Subsequent claims ratio:

- Care should be taken when making this computation to remove claims paid **that will be recovered from an insurance carrier due to a stop-loss policy** from both the numerator and denominator.

- Reserve Banks should modify this ratio at some point during the year when data for claims paid in the current year that were incurred in the prior year are available. This adjustment should be made as soon as practical, usually by the end of the second or third quarter. For example:

In 20X2, District Z anticipates that substantially all run-out claims relating to 20X1 will be paid by June 30, 20X2. The calculation of the estimated liability balance for the 4 quarters of 20X2 would be made as follows -

Actual liability at 12/31/X1 = $\frac{\text{Claims paid in X1 that relate to X0}}{\text{Total claims paid in X0}}$ x Claims paid Jan X1-Dec X1

Liability estimate at 3/31/X2 = Ratio calculated for 12/31/X1 (from above) x Claims paid Apr X1-Mar X2

Liability estimate at 6/30/X2 = $\frac{\text{Claims paid in X2 that relate to X1}^*}{\text{Total claims paid in X1}}$ x Claims paid Jul X1-Jun X2

Liability estimate at 9/30/X2 = Ratio calculated for 6/30/X2 (from above) x Claims paid Oct X1-Sep X2

Actual liability at 12/31/X2 = Ratio calculated for 6/30/X2 (from above) x Claims paid Jan X2-Dec X2

* If complete run-out claim information is not available until later in the year, Districts should continue using the previously calculated ratio until complete information is available.

- Some Reserve Banks have indicated that they may not be able to obtain reliable information regarding the amount of run-out claims. In that event, Reserve Banks should contact the FRB Financial Accounting Section staff for assistance.
- Some Reserve Banks maintain little to no "stop-loss" insurance. As a result they often experience more volatility in claims experience. It is conceivable that the "run-out" claims from a prior year may contain payments related to an unusual situation resulting in a ratio that is unreasonably high. Similarly, a Reserve Bank may be aware of an unusual situation that exists at year-end requiring an increase to the liability. Both cases should be treated as an exceptional circumstance and Board staff should be contacted.

Liability Estimate:

- Given that the ratio is based on an annual amount, the estimate should be computed by applying the ratio to the most recent 12 month payment history.
- Care should be taken when making this computation to remove claims **that will be recovered from an insurance carrier due to a stop-loss policy** from the 12 month payment history amount.

Special Considerations:

- Remember that medical payments/accruals for retirees and individuals on long-term disability are covered under FAS 106 and 112, respectively, and should be excluded from the aforementioned calculations.

1.04 - Accruals for Compensated Absences. Districts must accrue a liability for employees' compensation for future absences if a) the obligation is attributable to services already rendered, b) the obligation relates to rights that vest or accumulate, and c) payment of the compensation is probable and estimable. This requirement does not extend to sick pay benefits unless they vest (i.e. an employee is paid for unused sick days upon termination).

The purpose of this accrual is to recognize the liability to employees for vested compensated absences that would be due if employment were terminated or accumulated compensated absences.. This accrual should be calculated by multiplying total hours of pay due for qualifying compensated absences by actual salary rates. Average salary rates may be used if actual rates are unavailable or administratively burdensome to use.

In order to ensure the recognition of this liability while avoiding the burdensome requirements of distinguishing between salary and compensated absence expense on a weekly basis, this liability need not be continually adjusted to reflect individual accrual/usage of qualifying benefits. Rather, this liability and related expense should be adjusted periodically and at year-end, to reflect overall changes in the level of the liability. This liability should also be adjusted for significant changes in the liability that result from events such as merit increases, significant staff level changes, or policy changes. For example, when merit increases are granted to employees, an adjustment will be required to increase the liability. Districts that

grant merit increases on an employee's anniversary date should accrue the annual projected merit increase weekly over the year in which the increases are granted.

1.06 - Accruals for Contingent Liabilities. A loss contingency arises when an uncertain existing condition will be resolved by a future event that may result in the impairment of an asset or the incurrence of a liability. Consistent with FAS No. 5 Accounting for Contingencies, a loss contingency should be accrued if 1) it is probable that a future event will confirm the impairment of an asset or the incurrence of a liability and 2) the amount is reasonably estimable. Examples of contingent liabilities are pending or threatened litigation and conditional asset retirement obligations (refer to paragraph 30.05). Districts should periodically conduct a review to determine if contingent liabilities exist that may require accrual. At a minimum, these accruals should be made at the end of every calendar quarter. Approval to accrue contingent liabilities must be obtained from the FRB Financial Accounting section of the Board's RBOPS Division. Note: Information should be maintained on contingent liabilities that do not meet both tests required for establishing an accrual. This information may be required to be included in year-end footnote disclosures.

1.10 - Dividend Accruals. As required by the Federal Reserve Act, a bank becoming a member of the System must subscribe to stock in the Federal Reserve Bank in whose territory it is located. All stock issued to banks within a District is issued by and reflected upon the books of the head office. Semiannual dividends on the paid-in stock are paid by the issuing Reserve Bank on the last business day of June and December. These dividends are accrued daily (based on a 360-day year) at the rate of one-half of one percent per month and accumulate in this account from one payment date until the next. The total amount of the daily accrual is debited to Dividends Accrued, representing a deduction from current net earnings, and credited to Accrued Dividends Unpaid (see 11.50) as the liability for dividends due but unpaid.

The amount to be accrued daily should be obtained by dividing one-half of one percent of the Reserve Bank's paid-in capital stock from member banks by 30 days (representing the standard number of days in each month). Dividend accruals are computed on the total of such capital paid-in as of the opening of business that day (close of business previous day). No accrual should be made on the last day of months with 31 days, and extra accruals will be required on the last day of February. Accruals for a non-business day should be made on the succeeding business day except when a non-business day is a month-end or a Wednesday. In

these cases, the accruals should be included in the previous business day provided the non-business day(s) are of the same month. When the non-business days are in different months, the accrual for the non-business days should be split appropriately between the previous and subsequent days. In lieu of accruing dividends daily, accruals may be made as of each Wednesday and the last business day of the month (excluding the 31st day of any month).

Banks become members of the System at various times during an accrual period and others must occasionally subscribe to additional capital. In these instances the stock is issued, upon opening of business or proper authorization, and the bank's reserve account is charged for the amount of the dividends which have accrued on the stock (at the daily rate described earlier) from the last dividend payment date until the date the stock is issued. The corresponding credit is recorded to the accrued Dividends Unpaid account. At the end of the period, the member bank is paid a full six months' dividend. The effect of this procedure is to make all stock purchases effective as of the beginning of the dividend period for accounting purposes. A bank withdrawing from membership is paid upon actual cancellation of stock or at the effective date of stock cancellation (as explained in Regulation I) rather than at the regular dividend payment date. On the day dividends are credited to member bank reserve accounts, a corresponding summary debit is made to Accrued Dividends Unpaid that will eliminate the previously accrued account balance.

1.20 - Prepayments. Payments made in advance for services to be rendered over future periods will be recorded as deferred charges or prepaid expenses (see 4.20 and 4.35) and amortized as appropriate. Prepayments under \$25,000 should be charged directly to expense. Among the types of prepayments normally recorded as prepaids are rent, assessment for expenses of the Board of Governors, taxes on real estate, and the cost of printing and supplies. Special accounts are provided on the balance sheet for recording the prepayments of services as well as recording inventory items such as materials and supplies; paragraphs 4.30 and 4.35 should be consulted for specific instructions. In particular, the \$25,000 limitation is designed only to eliminate the need to amortize small amounts over many periods. All inventory type items purchased for future use should be recorded as a prepaid upon receipt, regardless of amount (see 4.30 and 4.35). Also, prepayments for equipment purchases should be recorded as either a deferred charge (if long-term) or prepaid expense until the associated equipment is received.

1.24 – Operating Leases. An operating lease is defined as a lease contract that allows the use of an asset, without conveying rights of ownership. Consistent with the requirements of FAS 13, the monthly income or expense recognized should be derived by dividing the total rent to be received or paid (including any rent escalations) equally over the non-cancelable lease term. For example, if a Reserve Bank enters into a lease agreement with a rent escalation clause, the Reserve Bank's monthly rental expense (or income) will be equal to the total rent that will be paid over the minimum lease term divided by the number of months in the minimum lease term. The difference between the rental expense (or income) and the actual rent payment will be recognized as a liability in the Sundry Items Payable account (or an asset in the deferred charges account) during the initial months of the lease and as an offset to the liability (or asset) as the payments escalate. For example, assume a Reserve Bank enters into a three-year lease for \$100 per month for the first two years and \$115 per month for the third year. The total rental payments over the 36-month life of the lease would be \$3,780 (\$1,200, \$1,200, and \$1,380). The monthly expense would be \$105 per month for all 36 months (\$3,780/36 months). Each month, for the first 24 months the \$5 difference between the expense recognized and the rent paid would be credited to the SIP account. Beginning with the first payment of the third year the \$10 difference between the rent paid and the expense recognized (\$115 - \$105) would be debited to the SIP account.

1.25 - Recovery of Disbursements for Others. Disbursements that are earmarked at the outset for recovery from other Reserve Banks, the Treasury, and others, should not be debited to expense but should be debited to a reimbursable ledger account pending receipt of payment. This account should not be used for disbursements related to items defined as recoveries in the PACS Manual.

1.30 – Accounting for Rebates. In the course of procuring goods or services, vendors may offer rebates of varying amounts to the Reserve Banks. In addition, Reserve Banks may receive rebates as a result of payment arrangements (based on volume of purchases, timing of payments, etc.) such as with P-cards. Rebates associated with a particular capital acquisition should reduce the acquisition cost recognized for that asset by the rebate amount. Similarly, rebates associated with particular expenses should be recorded as a reduction to that expense. Rebates associated with P-cards or similar arrangements where specific allocation is not practical should be recognized as a reduction to current expense as they are earned.

2.00 - Balance Sheet Accounts--General. The following paragraphs describe the general content of the accounts on FR 34. While the discussion is not to be regarded as an instruction for individual ledger accounts that may be maintained by a Reserve Bank, it does serve as an instruction regarding the scope of each FR 34 account. The more important accounts include a discussion of background information to aid in understanding.

2.10 - Gold Certificate Account (110-025). The Secretary of the Treasury is authorized to issue gold certificates to the Reserve Banks to monetize gold held by the U.S. Treasury. At any time, the U.S. Treasury may reacquire the gold certificates by demonetizing the gold.

The Treasury of the United States maintains an account with the Board of Governors entitled "Gold certificate fund--Board of Governors of the FR System." When the Treasury monetizes gold, it credits this account in return for deposit credit at the New York Reserve Bank. When demonetizing gold, Treasury decreases the account and authorizes New York to charge its deposit account. The offsetting entry in each case on New York's books is made to the Gold Certificate account and the U.S. Treasury – general account. New York accounting staff sends an advice of these entries to the Board. Also, whenever the official price of gold is changed, Treasury adjusts the account and, simultaneously, the deposit account.

The Board maintains the account in the exact amount as shown on Treasury's books at all times. The entries are made pursuant to advice from the New York Reserve Bank and Treasury. The amount of gold certificates on each Bank's balance sheet must agree with the total in the Board's records and is periodically confirmed by auditors. Monthly statements of the account are received from Treasury and confirmed by the Financial Accounting Section of the Reserve Bank Operations and Payment Systems Division.

The Board distributes substantially all of the total among Reserve Banks based on Federal Reserve note liabilities. The undistributed amount is allocated to the New York Reserve Bank as a cushion for sales by Treasury. By law, each Bank may pledge all or any part of its account with the Federal Reserve Agent as security for Federal Reserve notes. Prior to 1978, each Bank pledged a specific amount which was then earmarked in the Board's records on a separate ledger sheet, and thereafter was subject to and reduced only with prior approval from the Assistant Federal Reserve Agent. Beginning in 1978, each Bank's holdings were pledged automatically pursuant to a continuing agreement. The amount of gold certificates pledged with the Agent--currently the same as the balance sheet total at each Bank--is reported

on the Daily Statement of the Federal Reserve Agent, form FR 5 (see 52.20) and is also confirmed periodically.

The gold certificate account serves as the medium for effecting an annual settlement among the Reserve Banks for amounts accumulated in the Interdistrict Settlement account. Following such settlement, annually, each Bank's gold certificate account is restored relative to Federal Reserve note liabilities through a reallocation of securities in the System Open Market Account.

2.20 - Special Drawing Rights Certificate Account (120-025). Special Drawing Rights (SDRs) are issued by the International Monetary Fund (Fund) to its members in proportion to each member's quota in the Fund at the time of issuance. SDRs serve as a supplement to international monetary reserves and may be transferred from one national monetary authority to another. Under the law providing for U.S. participation in the SDR system, the Secretary of the Treasury is authorized to issue SDR certificates (broadly comparable with gold certificates) to the Federal Reserve Banks. The Banks are required to purchase them for the purpose of financing SDR acquisitions or for financing exchange stabilization operations.

The Treasury, when it wishes to monetize a specific amount of SDRs, authorizes and requests the New York Reserve Bank to credit a special account of the Secretary of the Treasury with the total amount of such monetization and to debit the Bank's SDR certificate account by a corresponding amount. The Board allocates the SDR certificate transactions among all 12 Federal Reserve Banks in proportion to Federal Reserve notes outstanding in each District at the end of the preceding year. Each of the other Federal Reserve Banks pays for its share of the SDR certificates through its Interdistrict Settlement account. Each of the eleven Banks, therefore, has an increase in one asset (SDR certificates) offset by a decline in another balance sheet asset. The New York Reserve Bank has an increase in its deposit liabilities (special account of the Secretary of the Treasury) matched by increases in two assets (SDR certificates--to the extent of its share in overall distribution effected by the Board--and Interdistrict Settlement account). In addition, pursuant to an agreement between the Federal Reserve and the U.S. Treasury made in the 1960s, whenever the SDR account reaches a level of surplus, the Treasury authorizes and requests the demonetization of SDRs. When this occurs, the New York Reserve Bank debits the special account of the Secretary of the Treasury with the total amount of such demonetization and credits the Bank's SDR account by a

corresponding amount. As in a monetization, the Board allocates these balances among all 12 Federal Reserve Banks.

The Division of Reserve Bank Operations and Payment Systems maintains an account for each Reserve Bank entitled "Special Drawing Rights certificate account." Amounts deposited with New York are distributed on the day of deposit rounded to the nearest million, and payment is made by direct entry to each Bank's Interdistrict Settlement account; i.e., New York's account is increased and accounts of other Reserve Banks are decreased. Entries in the opposite direction are made when Treasury reduces the total.

An electronic message is distributed to all Reserve Banks showing each Bank's share. Upon receipt of this message, each Bank other than New York, debits the SDR certificate account and credits the Interdistrict Settlement account on its books. New York credits the account by the amount distributed and debits the Interdistrict Settlement account.

Each Bank pledges the full amount in the Special Drawing Rights certificate account as collateral for Federal Reserve notes under a continuing pledge agreement.

2.30 - Coin (130-025). This account represents all United States coin held by the Reserve Banks except gold coin, coin in exhibits, and coin in petty cash funds.

For shipments of coin between Districts in which the shipment is not received on the same day the coin is shipped, the receiving District should establish a sub-account, defined as an in transit coin account, and follow the same accounting explained in 50.40 for shipments of notes between Districts.

2.40 - Loans (140-025,-050). Extensions of credit by Federal Reserve Banks are governed by Regulation A and the Operating Circular of each Bank. Loans to depository institutions are carried at face amount in a single account on the balance sheet. The interest is accrued on a daily basis and collected at maturity. Loans to depository institutions are pledged by each Reserve Bank as collateral for Federal Reserve notes. Loans should be periodically evaluated for collectibility and if a need for reserve is identified, contact the Financial Accounting Section of the Reserve Bank Operations and Payment Systems Division.

Another account is used for recording loans to others, the authority for which is covered in paragraphs 3 and 13 of Section 13 of the Federal Reserve Act. Loans to other than depository institutions were last made in 1936.

2.70 – Acceptances: Bought Outright and Held Under Repurchase Agreement (140-070,-075). The New York Reserve Bank, in carrying out the domestic policy directive adopted by the Federal Open Market Committee (FOMC), may be authorized to purchase or make repurchase agreements with dealers. Some repurchase agreements may be secured by bankers' acceptances and mature after a fixed period, usually one to seven days. Acceptances arise out of the shipment of goods between countries or within the United States or from the storage of goods within the United States pending marketing. All holdings of acceptances or repurchase agreements secured by acceptances are retained on the New York Bank's balance sheet and are not allocated to other Reserve Banks. When acceptances are purchased or sold, the net amount of the transaction is paid to or collected by the New York Bank from the dealer. Only the par value of this transaction is entered to this account. Other accounts that may be affected are interest accrued, premium on securities, discount on securities and, in the case of sales, profit and loss. The New York Reserve Bank has not engaged in transactions involving acceptances for several years. Currently account 140-075 is being used for reporting tri-party repurchase agreements pending the creation of a new account for these purposes. In 2007, the FOMC authorized the allocation of all activity related to tri-party repurchase agreements to each of the Reserve Banks. Prior to this change, the activity was reported only by FRBNY.

2.80 - Federal Agency Obligations: Bought Outright and Held Under Repurchase Agreement (140-100,-125). The New York Reserve Bank is authorized by the FOMC to purchase Federal Agency obligations for the System Open Market Account (SOMA) and to acquire such securities under repurchase agreements for its own account. By law, the securities must be either direct obligations of an agency of the United States, or fully guaranteed as to principal and interest by such agency.

On the day of settlement the New York Reserve Bank allocates a share of the transaction to each Reserve Bank, including the portion of interest accrued and the premium or discount. Profits and losses are allocated to each Bank according to holdings at the opening of business. (See 40.40 for further description of the allocation methodology.)

When these securities are purchased or sold, the net amount of the transaction is paid to or collected by the New York Reserve Bank from the dealer and only the par value is entered to this account. Other accounts that may be affected are interest accrued, premium on securities, discount on securities and, in the case of sales, profit and loss. For all domestic securities

transactions, premiums and discounts are recorded separately and amortized (accreted) on a straight-line basis. The securities are accounted for at amortized cost rather than fair value; therefore, no unrealized gains or losses are recognized. Federal agency obligations held under repurchase agreements are, however, accounted for consistent with the treatment of U.S. government securities held under repurchase agreements. (See paragraph 2.95).
(Note: The New York Reserve Bank has not held federal agency obligations outright since the end of 2003.)

2.90 - U.S. Government Securities Bought Outright: Bills, Notes, and Bonds (140-150,-175,-200). As is the case of acceptances and Federal agency obligations, purchases and sales of U.S. Government securities are conducted by the New York Reserve Bank under authorization and direction from the FOMC. The securities are bought from or sold to securities dealers and foreign and international accounts maintained at the New York Reserve Bank at market prices. Maturing securities may be exchanged with the Treasury for other securities or may be allowed to mature without exchange.

When securities are purchased or sold, the net amount of the transaction is paid to or collected by the New York Reserve Bank from the dealer and only the par value is entered to this account. Other accounts that may be affected are interest accrued, premium on securities, discount on securities and, in the case of sales, profit and loss. For all domestic securities transactions, premiums and discounts are recorded separately and amortized (accreted) on a straight-line basis. The securities are accounted for at amortized cost rather than fair value; therefore, no unrealized gains or losses are recognized.

On the day of settlement the New York Reserve Bank allocates a share of the transaction to each Reserve Bank, including the portion of interest accrued, and the premium or discount. Profits and losses are allocated to each Bank based on the holdings at the opening of business. (See 40.40 for further description of the allocation methodology.)

Holdings of U.S. Government securities are in book-entry form and are pledged as collateral to secure Federal Reserve notes. Specific securities are not allocated to the individual Reserve Banks and the amounts on each Bank's books reflect an undivided interest.

2.95 - U.S. Government Securities: Held Under Repurchase Agreement (140-225). The New York Reserve Bank is authorized by the FOMC to acquire U.S. Government securities under agreement with the dealer to repurchase the securities (securities purchased under

agreements to resell). The securities are allocated to other Reserve Banks. The repurchase agreements generally consist entirely of agreements through third-party custodial arrangements. (For a more detailed description, see 40.25.)

3.10 - Items in Process of Collection (150-025,-050,-100,-150). Consists of items, including but not limited to cash letters, return items, and automated clearing house files, deposited with the Federal Reserve for collection and, on the balance sheet date, have not yet been presented to the paying bank. The items are segregated on FR 34 according to the accounts described in the following paragraphs. Sufficient detail or subsidiary accounts should be maintained to identify the general nature of the transactions for float reporting purposes (see 11.40), including transportation delays and midweek/holiday closings.

Transit Items--Federal Reserve Banks (150-025). Represents amounts due from other Federal Reserve Banks and Branches. The preliminary total will include transfers of funds, ACH activity, securities transfers, etc., for which payment is expected on the same day through the Interdistrict Settlement account. The balance reported on the FR 34 is after application of settlement credits and will, therefore, represent the total of items forwarded to and still in process of collection with other Districts, including cash letters, ACH activity, securities, and electronic transfers. Wire transfers received too late to credit depository institutions should be debited to this account and credited to Deferred credit items -- Other items in process (150-100).

Transit Items--Depository Institutions (150-050). Represents the amount of items including cash letters, return items, etc., which have been dispatched for collection and will be settled with depository institutions located in own office territory. This account is charged when items are forwarded for payment. This account also includes: ACH credit transactions when the originating depository institution cannot be debited on the transaction date because of a holiday or mid-week closing; and deferred debit entries for depository institutions located and/or settled in another Reserve office using Same Day Settlement procedures. Cash letters reported not received by the cut-off hour by paying banks because of transportation delays should be reported in this account. Work that has been identified as lost (i.e. has remained in Transit Items for 3 business days) should not be included in this account, but should be transferred to an Adjustments, net account.

Other Items In Process (150-100). Represents the aggregate amount of items including Regional Check Processing Center (RCPC) items held overnight for processing or dispatch on the following day, exchanges for clearing houses, and return items held over for look-up. Only items for which credit has been passed or deferred to depositors are included. Also includes the redemption value of future due securities or coupons held pending maturity and for which the

Reserve Bank has elected to credit the deferred credit account and credit has been passed or will be passed to customer accounts on a pre-determined availability schedule, securities transfers where a depository institution has been credited but the Reserve Bank is unable to complete the transaction and debit ACH return items that have been held over. This account also includes open items between an RCPC and its main office.

Adjustments, net (150-150). The balance in this account represents the net amount (+ or -) of check related adjustments and any other adjustments relating to items that are debited to items in process of collection including differences that are temporarily held in abeyance pending final resolution. The account contains the net of both debit and credit adjustments to items originally recorded in an items in process of collection account such as unlocated differences in settlement, unlocated departmental differences, loose items, cash letters determined to be lost (see Transit Items--Depository Institutions (150-050)), missing bundles reported by drawee banks, items believed to be listed but not enclosed in outgoing cash letters, adjustment requests received from Banks containing insufficient information, errors on clearing house statements discovered too late to correct, and cash letter changes discovered too late for adjustments to be made to accounting charges. Also included are check truncation adjustment items where the adjustment arises from a difference occurring between a depository institution and a Reserve Bank. Treasury check truncation adjustment items and other government related adjustment items where the adjustment arises from a difference between a Reserve Bank and the Treasury Department or another government agency, which do not affect float should be held in Suspense Account--General pending resolution. Transactions involving items in process of collection that have been dispatched by the Federal Reserve office for which the office is unable to determine the destination distinction between other Federal Reserve Banks and depository institutions should also be included in this account. Petty differences or items below a certain threshold amount are entered to a difference account in Other assets or a current expense account (as described in paragraph 4.40), as are all other differences where it is probable that the difference will not be resolved or where it is decided that it is not feasible to conduct further research.

3.40 - Bank Premises--Land (160-025). The balance in this account represents the original cost of land (less any charge-offs); incidental expenses in connection with the purchase; cost of wrecking old buildings (less salvage); and paving, grading, or landscaping.

3.45 - Bank Premises--Buildings (including vaults - 160-050). Includes the total cost of buildings, including improvements and additions, that are owned by the Reserve Bank.

3.50 - Bank Premises--Machinery and Equipment (160-075). Includes machinery and equipment associated with building structures that are considered part of the building and will convey with the building when it is sold. Examples include air conditioning units, boilers, elevators, and heating or lighting equipment.

3.55 - Bank Premises--Construction Account (160-100). Includes any major construction or renovation. During construction, all costs of a new building, the purchase price of a building to be renovated, and all improvement and renovation costs are reported in this account. When the construction is completed, amounts to be capitalized should be transferred to the appropriate accounts under "Bank Premises." For detailed accounting procedures, see Chapter 3.

3.60 - Bank Premises--Depreciation (160-125). Depreciation is accrued monthly on each building and each unit of machinery and equipment. A more detailed description of capitalization and depreciation of Bank premise assets together with reporting requirements is contained in Chapter 3.

3.65 - Furniture and Equipment (170-025). This account contains furniture, furnishings, fixtures, office equipment, automotive equipment, and operating equipment such as computers, incinerators, and shredding machines required for specific operations.

3.66 - Furniture and Equipment--Depreciation(170-050). Depreciation is accrued monthly on furniture and equipment in accordance with the provisions contained in Chapter 3.

3.70 - Claims Account Closed Banks (170-075). Direct costs incurred in connection with the collection of paper of failed banks or other obligations, such as court costs of filing suits, collection fees paid attorneys, cost of recording mortgages, premiums paid on fire and other insurance policies covering property held under mortgage, etc., should be charged to this account. The amount of any overdraft not offset should be included.

3.85 - Foreign Currencies (170-100,-110). Represents participation in balances payable in foreign currencies and includes premiums, discounts, accrued interest on investments denominated in a foreign currency, as well as swap and warehousing arrangements. The accounts are opened and maintained, by the New York Reserve Bank, with foreign central banks and the Bank for International Settlements (BIS) as prescribed by the FOMC. Balances

result from market and off-market transactions for the purpose of stabilizing fluctuations in international flows and exchange values of various currencies and other needs as authorized by the FOMC. Foreign currency holdings are invested in so far as practicable, considering needs for minimum working balances. Each day, the foreign currency holdings and outstanding swap commitments are revalued at current market exchange rates. The net increase or decrease in value of balances payable in foreign currencies is transferred to profit and loss, with the exception of the change in value of swap and warehousing commitments, that may be reflected in exchange translation accounts on the books of the New York Bank, when appropriate. Each Federal Reserve Bank participates in the foreign currency accounts and in the profit or loss due to revaluation. The participation rate is based on the ratio of each Bank's capital paid-in and surplus to the total capital paid-in and surplus of all Federal Reserve Banks, as determined at the first of each year. If the distribution of a loss on the revaluation yields a negative Undistributed net income position, immediately contact the Accounting Section of the Division of Reserve Bank Operations and Payment Systems for authorization to temporarily debit the Surplus account to cover the deficiency (see 60.20, Interest on Federal Reserve Notes).

3.90 - Reimbursable Expenses and Other Items Receivable (170-125). Includes expenses that are reimbursable to the Bank and miscellaneous amounts that the Bank has advanced or paid on behalf of others. Individual ledger accounts are maintained as necessary to facilitate control. Each is based on actual amounts with the exception of an account holding expenses that are estimated at the end of each month that will be reimbursed in the future.

For the most part, the accounts will represent claims for fiscal agency work performed for the U.S. Treasury (e.g., public debt operations) and for Government departments and agencies. Other accounts consist of receivables due from employees such as loans or dining room charges and amounts due from others such as security deposits with airlines for the use of credit cards, losses incurred in the handling or transportation of currency that are expected to be recovered, or amounts due from Treasury for mutilated currency. Accounts may also be maintained for miscellaneous services rendered others and purchases of goods and services for other Reserve Banks or for other offices in own District.

Under ordinary circumstances, the amounts that are included in claims for expenses reimbursable or recoverable will represent a calculated part of items such as salaries, retirement contributions, furniture and equipment rentals, etc., that are paid initially by the Bank and

included in gross expenses. In some cases, however, expenditures by the Bank are earmarked at the outset for reimbursement or recovery. Such expenditures are not included in the Bank's expenses and are debited directly to one of the receivable ledger accounts herein pending receipt of payment.

An account covering estimated fiscal agency reimbursable expenses is carried for the purpose of reflecting a more accurate current expense figure. The unvouchered claims for the month are estimated at the end of the month and debited to this account and credited to the current expenses account. The balance is closed out when vouchers covering actual expenses are prepared.

3.93 - Allowance for Doubtful Treasury Reimbursement (170-130). This account is a contra-asset account to the Reimbursable Expenses and Other Items Receivable Account. At the time entries are made to the reimbursable account, an estimate is made of the amount of the reimbursable that will not be reimbursed due to lack of appropriated funds by the Treasury. The original offset to this account is a debit to the Capital account--Cost of Unreimbursed Treasury Services. When actual amounts are determined that will not be reimbursed, the Allowance account should be debited and the Reimbursable account should be credited. As a general rule, there should be little to no activity in this account as full costs of providing Treasury services will be passed to the Treasury. The account, however, will be maintained for contingency purposes.

3.94 - FDIC assumed indebtedness (170-140). This account represents depository institution discount window loans that have been subsequently assumed by the FDIC. Payment and maturity schedules are worked out with the FDIC on a case-by- case basis.

3.95 - Interest Accrued (170-150). This account represents interest accrued, but not yet collected, on earning assets. The accruals are based on holdings of such assets at the opening of business and are calculated and debited to the respective ledger accounts daily and credited to earnings. The principal ledger accounts are as follows:

Interest accrued on securities in System Open Market Account. Entries are made upon wire advice from the New York Reserve Bank. Interest accrued on securities is debited to the account beginning the day that a security is purchased and ending the day before the security is sold or matures. Daily accruals are computed on individual issues by dividing the amount of interest to be earned by the number of days to the payment date.

Interest accrued on loans. The daily accrual is based on the rate in effect on the previous day divided by 365 days. Accrual on a one-day loan is unnecessary.

4.00 - Premium on Securities (170-175). Premium on securities represents the unaccrued amount paid in excess of the face value of securities in the System Open Market Account. On the date of purchase, such excess is debited to this account and daily thereafter an equal portion of the premiums, computed on individual issues, is credited to the account. The daily amortization is determined by dividing the premiums paid by the number of days to the call date of the issue. When securities are sold, any applicable premium is credited to the account. All entries are made upon advice from New York.

4.10 - Overdrafts (170-200). This account is used to record depository institution overdrafts with the Reserve Bank, and is debited by the amount necessary to restore the deposit account to a zero balance.

4.20 - Deferred Charges (170-225). Deferred charges arise through long-term prepayments of expenses. Deferred charges \$25,000 or greater should be capitalized and amortized over the current and prospective periods that benefit from the expenditure. Deferred charges will include items such as multi-year maintenance or licensing agreements and costs of major improvements to leased space that should be amortized over the life of the contract or lease respectively (see Chapter 3 for further discussion of leasehold improvements). Once a prepayment has been properly recorded in the deferred charges account, it does not need to be reclassified as prepaid when the remaining amortization period falls below a year. Advance payments for vendor purchases held in this account pending delivery should not be amortized, but should be reversed when goods or services are received.

The deferred charges account should also be used to record charges for internal use software, which is defined as software acquired, internally developed, or significantly modified for use by the Reserve Banks in performing their operations. Internally developed software should be capitalized if the cost exceeds \$100,000 and externally-purchased software should be capitalized if the costs exceed \$25,000.¹ For internal use software acquired from a vendor with costs of \$100,000 or greater, contract or lease terms should also be reviewed to determine if the acquisition qualifies for accounting treatment as a capital lease (see 30.80). Standard desktop

¹ From 1992 until 1998, computer software purchased from vendors with an acquisition cost of \$50,000 or greater was capitalized in this account and amortized over its estimated useful life, not to exceed three years. From 1999 to 2004, Reserve Banks capitalized the costs for internal use software whether purchased externally or developed internally if the costs exceeded \$100,000 in this account. Beginning in 2005, to make the threshold consistent with other prepaid expenses, the capitalization threshold for externally-purchased software, such as license fees, was lowered from \$100,000 to \$25,000.

utility software, however, should be charged to current expense.² Expenditures for bulk purchases of a number of identical low-cost software licenses that are individually below the capitalization threshold should be capitalized as a single asset if the total cost is \$100,000 or more and the license agreement is for a period longer than a year.

Costs incurred during software development are capitalized or expensed depending on the stages of development (preliminary stage, development stage, and post-implementation stage). Costs incurred during the preliminary stage, such as evaluation of alternatives and prototype development, are expensed. Costs incurred in the development stage that are capitalized include:

- External costs of materials and services (for example, consulting fees and salary, retirement, and other benefit costs of employees directly associated with the product.)
- Costs associated with time spent specifically to oversee developers (programmers), if determinable.
- Expenditures related to system integration, which includes consultant fees and salary, retirement, and other benefit costs of employees directly associated with the integration effort. Integration costs must be analyzed to determine the allocation between hardware or software.
- Travel costs for staff, consultants, or vendors should be capitalized if they are directly related to the software development.

Costs incurred during the development stage related to general and administrative expense and end-user testing and training should be expensed. Post-implementation stage costs generally should be expensed, except the cost of prepaid maintenance contracts, provided that the costs meet the FAM thresholds for prepaid assets or deferred charges. Other non-capitalizable costs include process re-engineering costs, data conversion costs, and training costs.

When internal use software is purchased and the purchase price includes non-capitalizable items (e.g. training), the price must be allocated among capitalizable and noncapitalizable items based on fair value. The costs for web-site development are accounted for in the same manner as costs of internal use software.

² Desktop utility software is generally defined as software that is licensed per personal computer, rather than per server or per user. Examples of desktop utility software include Microsoft Word, Lotus Notes, and Norton anti-virus software.

Expenditures made to change existing software assets are considered either improvements or maintenance. Expenditures to existing software assets that meet the capitalization thresholds discussed above should be capitalized if the improvement provides additional capabilities and meets one of the following criteria:

- The quantity of output or operating efficiency of the asset is significantly increased.
- The quality of output is significantly increased.

Improvements should be recorded as separate assets with unique useful lives determined in accordance with the discussion of useful lives below. When the results of efforts to rewrite or improve the software are significant enough to be considered a replacement to the existing software and the expenditures meet the capitalization criteria, the costs should be capitalized. Because the former software asset is significantly altered, the net book value of the former software asset is expensed.

The costs of shared capitalized software projects (i.e., software developed by more than one Reserve Bank) should be transferred to the books of the Reserve Bank that owns the software. The Bank that owns the software should account for the entire software asset, including related amortization and disposal costs. Absent contracts or agreements that delineate ownership, the Reserve Bank that exercises control over the software is the Bank that owns the software.

The estimated useful life over which the costs will be amortized should reflect the circumstances for that specific asset. The maximum useful life that should be assigned to a software asset is generally 5 years. For perpetual license agreements, the deferred charge should be amortized over a reasonable period generally, not to exceed 5 years, based on the type and use of the software. In unusual situations, a request to establish a longer useful life must be submitted for Board staff approval. At a minimum, each Bank should assess the useful lives of software assets annually.

Categorization of some software development may not be as easily determined from the above guidance and may require more analysis with the product or support office, business area, and review by Board staff to determine whether the software costs should be capitalized or expensed. Also, Banks should review the “Accounting Guidance for Internal Use Software Costs” for additional information related to the appropriate accounting for these costs. When in

SOL, go to the following section: System/Accounting and Financial Management/RBOPS FRB Financial Accounting/Accounting Guidance.

(Note: The accounting treatment for software developed internally for external use (sale) should be determined in consultation with the FRB Financial Accounting Section of the Board's RBOPS Division.)

4.30 - Prepaid Expenses--Materials and Supplies (170-250). This account is used to record the cost of materials, forms and supplies such as remote-access tokens which are carried in the Bank's general stock for release over future periods as well as the spare parts inventory for the BPS-3000 currency processors. Items which are purchased for immediate delivery to the requesting department, such as weapons and ammunition for the police force, food for the cafeteria, currency and coin pouches for the money department, books and pamphlets for the library, public information displays, etc., should not be included unless the purchases are clearly for inventory. Items purchased for direct usage, however may be posted to this account when such posting and simultaneous withdrawal facilitates inventory control. Freight charges should be reflected in the cost of supplies purchased, whether for inventory or direct usage. When impracticable to distribute freight charges over a number of items, the cost may be applied to the largest item(s) of purchase. Freight charges billed separately, and that relate to items already in inventory, may be charged to expense. The treatment of freight charges billed separately must be consistent throughout the District (i.e., either all such charges must be charged to expense, or all such charges must continue to be capitalized).

Appropriate records should be maintained to assure that the cost of materials and supplies in actual inventory, along with materials and supplies that have been delivered to operating departments during a month, may be verified against the balance sheet. Separate subsidiary accounts should be maintained to record supplies issued during the month and the appropriate expense entries should be made by month-end. A physical inventory of materials and supplies should be conducted at least annually and any necessary adjusting entries made to expense. Items which become obsolete or which have only limited use over future periods, such as an unused supply of a monthly bulletin issued two months earlier, should be expensed unless the Reserve Bank feels that the demand for the item is likely to recur at a pace that justifies the continued recordkeeping. In the case of supplies that are sold out of inventory, the

offsetting entry should be made to cash, items in process of collection, or other designated payment medium.

Purchases for future consumption should be uniformly debited to this account and expensed by the last business day of the month based on the supplies actually used during the month, and the average cost of such supplies should always be used in calculating the expense charge. A possible method of determining average cost is as follows:

The average cost of each supply item should be calculated by dividing the total cost of the items on hand by the number of units on hand. Upon receipt of a new shipment, the cost of the items received should be added to the previous total cost of the items on hand, the units should be added to the existing quantity, and the new total cost should be divided by the new quantity to arrive at the new average cost. Supplies should be issued at the established average cost until the next shipment is received.

The salaries and related expenses which are incurred within the Bank on duplicating and printing forms, stationery, pamphlets, etc., or on making parts or other items of supply, may also be debited to the account and deferred to the month of actual usage, provided senior management has approved a policy for capitalizing such costs.

The following are illustrations of possible methods to account for different types of inventory transactions:

5,000 note pads, of which none was in stock on January 1, are purchased on January 10 for \$500 or 10 cents each and another 5,000 are purchased on January 25 for \$600 or 12 cents each. On January 31 it is determined that 8,000 pads were requisitioned from stock. A credit of \$880 is made against the prepaid account and a debit is made to expenses, based on the average cost of 11 cents for the 8,000 pads that were actually used. In February 10,000 pads are purchased for \$1,000, making an average cost of 10.17 cents to be applied against February requisitions.

A one year's stock of accounting forms is printed internally by a Reserve Bank which has a policy of capitalizing in-house jobs costing more than \$1,000. The cost of paper, previously debited to the prepaid account, amounts to \$2,000 and salaries and other expenses incurred in printing and binding amount to \$6,000. The \$2,000 for the stock paper is credited to the prepaid expense account and charged to expenses of the Printing and Duplicating activity when the items are withdrawn from supplies. The \$2,000 and the \$6,000 are subsequently debited to the prepaid account upon completion of the job and an offsetting credit is made to the contra expense account. The \$8,000 then would be the basis for determining the unit cost which will be used to charge expenses when the item is issued from stock.

The annual report of the Bank is printed in February. Two-thirds of the copies are distributed immediately and all but 100 of the remaining copies are distributed and expensed in succeeding months of the year. The 100 remaining copies are charged to expenses at the end of the year, since continued record keeping would serve no useful purpose.

Do not average or otherwise commingle costs for different publications or products that are designed for consumption over different years. For example, the cost of any remaining copies of a specific publication covering the period through 1977 should not be added to the cost of an updated version of that publication which is released beginning in 1980, but should be expensed promptly.

4.33 - Prepaid Expenses--Pension Costs (170-260). This account is used by the New York Reserve Bank to record the funded status of defined benefit retirement plans when the

plans are overfunded as required by FAS 158. The funded status is measured as the difference between the fair value of plan assets and the projected benefit obligation, as defined by FAS 87.

4.35 - Prepaid Expenses--Other (170-275). This account reflects all prepaid expenses not specifically covered by paragraphs 4.30 and 4.33. As noted in paragraph 1.20, all prepayments of \$25,000 or more are entered into this account or the deferred charges account (see 4.20) including assessments by the Board of Governors. Additionally, some inventory type items other than materials and supplies, such as airline tickets, are also recorded in this account when they are received with the offset to Sundry Items Payable and expensed when the travel is completed. At the Reserve Bank's option, items which will be consumed within the month may be expensed and not entered to this account. This account may also be used for various control purposes, such as recording travel advances to employees and salary advances prior to the date of regular salary payment. Individual ledger accounts should be maintained as necessary to permit effective control. Advance payments for vendor purchases held in this account pending delivery should not be amortized.

4.40 - Difference Account, Net (170-300). Differences are reported in the account to permit settlement between incoming and outgoing work processed in various areas. A difference is an out-of-balance condition resulting from the normal operation of a department where it is probable that the difference will not be resolved or where it is decided that it is not economically feasible to conduct further research. The account thus contains amounts that the Bank has determined to be either uncollectible, unpayable, or else not worth the effort of doing so. While their disposition is considered final, entries to this account are subject to reversal. The account contains both overages and shortages and is shown net on the asset side of FR 34. The balance in this account should be removed and applied to current expense monthly and at year-end regardless of the year in which the differences originated. At the option of any District, unresolved items in the Adjustments, net or Suspense accounts for which research is complete may be written off directly to Current expense, bypassing the Difference account, providing the General Auditor agrees that sufficient control and documentation exist to ensure a clear audit trail absent the Difference account entries. An expensed item that is resolved subsequently should be applied directly to expenses of the current period. General ledger accounts are maintained as necessary to permit effective control. The sources of differences are generally as follows:

Currency and Coin. Tellers verifying incoming deposits are sometimes unable to locate differences in the work. Also, institutions will report back any differences that they find in shipments from the Reserve Bank. Any difference identifiable as to depositing institution is applied back to the depositor and is not entered in this account. Differences that result from counterfeits identified during alternative currency processing should be charged to this account.

Other. Internal differences may occur in a variety of Reserve Bank settlement operations such as the balancing of paid savings bonds, cafeteria receipts, and postmaster's deposits. Any difference that will be resolved and reversed should be posted to a suspense account.

4.50 - Suspense Account--General (170-325). This account represents miscellaneous debit items that are temporarily held in abeyance pending disposition. In the case of differences, the suspense account contains amounts whose disposition has yet to be decided and which the Bank has reason to believe are collectable or payable. The suspense account is used to record other items about which there are questions or which for other reasons are being held pending functioning to the appropriate account. Examples are (1) savings bond redemptions that are received too late for a charge to the Treasury's account, (2) expense items that arrive too late in the day to be vouchered or that are being held for additional information, (3) other transactions that require additional information or verification before the charge can be made to the proper account, and (4) checks cashed for employees that have been returned due to non-sufficient funds, etc. The only check-related items to be held in this account are Treasury check truncation adjustment items, and other government related adjustment items, where an unlocated difference arises between a Reserve Bank and the Treasury Department, or another government agency, and a depository institution has been credited pending resolution of the difference. Treasury check truncation adjustment items where an unlocated difference occurs between a depository institution and a Reserve Bank that is float related should be held in the adjustments, net account under items in process of collection or deferred credit items as appropriate. Items that cannot be resolved should be cleared from this account by a credit and offset by a Difference account debit or may be debited directly to current expense as described in paragraph 4.40.

4.60 - Other Real Estate, net (170-350). Property purchased for future bank use is reported in this account pending final approval of the site for construction. Upon final approval of the site, the property is transferred to the Bank premises accounts. Bank-owned property which has been vacated pending disposition should be transferred to this account and carried at net realizable value (also see 30.96).

4.70 - Currency and Coin Exhibits (170-375). Represents the cost of currency and coin contained in exhibits or acquired for display purposes. (Exhibits borrowed from other Reserve

Banks or from the Treasury are reported as a custody item.) The exhibits are acquired pursuant to the following guidelines:

There is no objection to the maintenance of currency and coin exhibits by the Reserve Banks, or to their retaining individual silver dollars or other pieces of coin and currency for actual use in such exhibits.

Duplicate pieces of currency and coin that are in excess of exhibit needs should not be held for "trading" purposes, but instead should be returned to the Treasury.

There is no objection to the Reserve Banks' using the currency and coin received in the ordinary course of business to fill out their exhibits, or to their purchasing individual items from dealers or others for this purpose.

It is inappropriate for the Reserve Banks to bid on miscellaneous collections of currency and coin offered for sale by executors of estates or others, and also inappropriate for them to trade or sell currency and coin to collectors and dealers.

In those instances where Reserve Banks receive permanent donations of exhibits, this account should reflect an estimate of the fair market value of the exhibit at the time of the donation. The offset should go to the profit and loss account.

4.80 - Old Currency Series (170-400). This account contains old currency issues held pending forwarding to the Treasury for redemption as mutilated currency as follows:

- Treasury notes of 1890 Silver certificates, large size
- Federal Reserve notes, large size
- United States notes, large and small size
- National Bank notes, large and small size
- Federal Reserve Bank notes, large and small size
- Gold certificates large and small issued prior to January 30, 1934

4.90 - Miscellaneous Cash Items (170-425). The account consists of petty cash funds, the deposit with the System's Benefits Office for the account of long term disability payments, such items as Canadian and foreign currency and coin that are held pending shipment or exchange, and government coupons due at a future date for which credit has been passed inadvertently. U.S. Government-sponsored agency securities and coupons which are being processed by the Reserve Bank or are in transit to the New York Reserve Bank for collection should be reported in this account along with interest payments on book-entry U.S. Government sponsored agency securities that were processed too late in the day to meet the deadline for wiring the New York Reserve Bank. Amounts paid by New York should be carried in the unclassified account to the extent that the Bank has not collected from the individual agency. (See 11.20.)

4.95 - Suspense Account--Pricing (170-450). In ordinary circumstances, this account will include the net of debit and credit items that have been reversed out of an institution's account because of error or other questions. The items are held in this account pending resolution. Those that cannot be resolved and charged back to an institution should be removed

from this account and from the earnings account to which they were originally entered. Except where there are indications of unreasonable or repetitive exceptions to the billings by the Reserve Bank, some questioned items may not be worth the effort of searching. When such items are credited to the institution's account, they should be debited to the earnings account.

4.97 - Accrued Service Income (170-475). The purpose of this account is to allow for the recognition of income from services in the month in which it is earned and income from explicitly priced float in the month incurred. Accruals may be made daily but should not be less than weekly, on Wednesday or the preceding business day before Wednesday if Wednesday is a holiday, and at the end of the month. The accruals may be on any suitable basis including projections made from the previous month's experience. Accruals within the month are a means for achieving an orderly growth in earnings. The month-end accrual should be used to adjust the month's earnings to an amount reasonably close to what will actually be realized from the services rendered during the month, unless, of course, the daily or weekly accruals are designed to automatically achieve such results. To avoid duplications in the combined earnings of all Banks, the amounts owed or due from other Reserve Banks should be taken into account in the accrual process.

In order to isolate amounts owed or due from other Reserve Banks, subsidiary accounts should be set up within this general ledger account to include accrued service income due from depository institutions, accrued service income due from other Reserve Banks, and accrued service income due to other Reserve Banks. Thus, the net balance in the general ledger account will be the net amount of income expected to be received for services.

5.00 - Interdistrict Settlement Account (180-025). The cumulative net amount owed or due from other Federal Reserve Banks as a consequence of the daily settlement procedure is reported in this account with a credit balance indicated by a minus sign. The daily settlement between Districts is conducted by the centralized Integrated Accounting System (IAS), which captures the data needed to conduct settlement. Once settlement has been effected, IAS posts the appropriate entries directly to each Reserve Bank's accounts.

Included in this process are the monthly Federal Reserve note clearings and the annual settlement through the gold certificate account of the cumulative interdistrict settlement position.

5.10 - Branches or head office--interoffice account (190-025). This account is provided for reporting a net debit or credit balance due between the head office and Branches as a result of the cumulative effect of daily settlements. This account is consolidated on the District's balance sheet. At management's discretion, an office may use only the asset or liability account for the net entries (see 11.95).

10.01 - Federal Reserve Notes Outstanding (210-025). Represents the net amount of Federal Reserve notes that are outstanding from the Federal Reserve Agent to the Bank. The account consists of the cumulative net issues of the present size currency minus the amount that has been returned for destruction and credit. Currency of the present size (approximately 2.61 inches by 6.14 inches) was issued beginning in July 1929; the outstanding large-size Federal Reserve notes, which were issued from 1914-1929 were removed from Reserve Bank liabilities in 1961 pursuant to the Old Series Currency Adjustment Act and absorbed into the Public Debt.

Eleven denominations of Federal Reserve notes make up the outstanding amount. Seven denominations--\$1, \$2, \$5, \$10, \$20, \$50, and \$100--are being issued to the Banks currently. Issuance of larger denominations of \$500, \$1,000, \$5,000 and \$10,000 was discontinued in July 1969 and the notes are returned for destruction whenever they are received by Reserve Banks from circulation.

Federal Reserve notes are a first and paramount lien on all of the assets of the issuing Reserve Bank. Certain of these assets are also set aside as a specific pledge with the Federal Reserve Agent in order to meet a requirement in Section 16 of the Federal Reserve Act that the notes that are in circulation outside Reserve Banks be fully collateralized. The collateral must consist of legally specified assets, alone or in any combination: (1) gold certificates, (2) U.S. Government and agency obligations, (3) special drawing rights certificates, (4) certain other assets, chiefly loans under Section 13 and foreign currencies acquired under Section 14, and (5) any other asset of a Federal Reserve Bank. The notes are also obligations of the United States Government but the liability of the Government would arise only in the event of the liquidation of the Reserve Banks and then only to the extent that collateral and remaining assets of the Banks were less than the full amount of notes in circulation.

Federal Reserve notes are printed by the Bureau of Engraving and Printing as ordered by the Board of Governors. They are held in the vaults of the Bureau until the Board directs that they be shipped to (1) a Federal Reserve Agent, the Board's representative at the Reserve

Bank, or (2) upon authorization from the Agent, to the Reserve Bank cash department. Notes held by the Agent are not monetized--i.e., they are not reported on the balance sheet. They are kept in separate vaults and their status is no different in this respect than if they were still in vaults at the Bureau of Engraving and Printing. There is no advantage in keeping stocks of agent cash at Reserve Banks and in practice all notes are shipped from Bureau of Engraving and Printing facilities in Washington, D.C. or Ft. Worth, Texas, to the cash departments. They are issued to the Reserve Bank on the day of shipment, at which time Federal Reserve Notes Outstanding account is credited and Federal Reserve Notes Held by Bank and Branches account is debited. The reverse occurs when notes are canceled and destroyed, as explained in Chapter 5.

10.25 - Federal Reserve Notes--Held by Bank and Branches (210-050). This account consists of all present size currency held by the Bank, including currency held in off-site locations, regardless of the Bank of issue. All present size currency is handled and processed for balance sheet reporting purposes as Federal Reserve notes even though small amounts of silver certificates or United States notes may be present. The latter are determined by formula when credit is being taken for unfit currency that is destroyed, and appropriate adjustment is made to the U.S. Treasury general account. Also included is canceled currency held pending destruction and currency destroyed in "late shift" work on the balance sheet date.

10.26 - Federal Reserve Notes--In Transit (210-075). This account is used to record issued notes in transit to or from the Bank, such as new currency that has left the Bureau of Engraving and Printing facilities in Washington D.C. or Ft. Worth, Texas, but has not yet been received by the Reserve Bank (including shipments to other Federal Reserve facilities), or for currency that has been shipped from one Reserve Bank to another (Fed-to-Fed shipment), but has not been received.

10.30 - Deposits: Depository Institutions (220-025). Section 19 of the Federal Reserve Act provides for the establishment of reserve requirements for all depository institutions, including commercial banks, savings banks, savings and loan associations, credit unions, and industrial banks that have transaction accounts or nonpersonal time deposits. Reserve requirements also apply to Edge Corporations, U.S. agencies, and branches of foreign banks. The balances that are maintained by all such institutions with the Reserve Bank, including

amounts in pass-through arrangements, are reported in this account. The account also includes clearing accounts and balances that may be maintained with the Reserve Bank.

10.40 - Due to Other FR Banks--Collected Funds (220-075). Amounts which are owed to another Federal Reserve Bank and which, in ordinary circumstances, would have been paid in the day's Interdistrict Settlement are reported in this account. For example, where the Reserve Bank office to which the funds are owed is closed and cannot accept credits through the Settlement account, where Same Day Settlement transactions cannot be sent because the receiving office closed before the sending office, or where due to unusual circumstances the sending office cannot transmit its Goldwire. A separate subsidiary account should be maintained for Same Day Settlement transactions. The balance in this account should equal the amount that would have been reported on the Goldwire had the office participated in the Interdistrict Settlement.

10.50 - U.S. Treasury--General Account (220-100). As part of its function as Fiscal Agent for the United States Treasury, and as provided by Section 13 of the Federal Reserve Act, each of the Reserve Banks maintains a deposit account for the Treasury. Deposits in this account include funds realized on the sale of government securities or savings bonds, Federal tax receipts, payments for goods or services rendered by the Government, and payments of Reserve Bank earnings. The account is used by Treasury to make interest payments and redemption payments on government obligations and to pay government checks and other items drawn on the account. Prior to closing each day's books, the balance in this account is consolidated at the New York Reserve Bank.

10.60 - Foreign Deposits (220-125,-130). Foreign central banks and governments maintain deposit accounts with Reserve Banks for international settlement and other purposes. The accounts are opened with the New York Reserve Bank. The portion of the balances estimated to be in excess of what is needed for current transactions are participated among the Reserve Banks on the basis of each Bank's capital and surplus ratio.

10.70 - U.S. Treasury -- Special Account (220-140). This account is used by the New York Reserve Bank at the direction of the Treasury for certain Treasury deposits that require segregation from both the general account and the account used for exchange stabilization transactions (see 11.10).

11.80 - Officers' and Certified Checks (220-150). The balance in this account represents the total of all unpaid checks issued by the Federal Reserve Bank, with exception of noncurrent checks which are periodically written off and charged to the Profit and Loss account.

11.01 - International Organizations (220-175). This account consists of balances of international organizations, such as the International Monetary Fund, Bank for Reconstruction and Development, Inter-American Development Bank, Asian Development Bank, International Development Bank and International Finance Corporation. The law provides that any Reserve Bank which is requested to do so by such organizations should act as its depository or as its fiscal agent, and requires the Board of Governors to supervise and direct the carrying out of these functions.

11.10 - Secretary of Treasury Special Account (220-200). This account is carried on the books of the New York Reserve Bank and is used by the Treasury for exchange stabilization transactions.

11.20 - Government-Sponsored Agency Accounts (220-225); Less Unclassified Charges (220-250); Net (220-275). Government-sponsored agencies such as the Federal National Mortgage Association maintain redemption accounts with the New York Reserve Bank to cover maturing coupons and securities that are received by Reserve Banks for payment. Balances are maintained by the agencies to cover the amounts that are due on any given payment date. Payments on definitive obligations by Reserve Banks other than the New York Reserve Bank are carried in the miscellaneous cash items account pending charge to the New York Reserve Bank. Payments by the New York Reserve Bank are entered directly to the unclassified account. When the paid coupons and securities are verified according to the respective agency, the New York Reserve Bank credits the unclassified account and charges the appropriate agency account.

11.25 - FRB as Fiscal Agent (220-325). This account is used by the New York Reserve Bank to accommodate rare situations in which the Federal Reserve, to fulfill legal requirements, must hold funds for eventual distribution on behalf of the Treasury in a "non-Treasury" deposit account.

11.30 - Miscellaneous Deposits (220-400). A wide range of miscellaneous deposit accounts are carried on the books of the Reserve Banks. The deposits arise from depository

responsibilities assigned to the Reserve Banks by law--such as accounts opened by the Federal Deposit Insurance Corporation to cover closed banks and checking accounts opened by government agencies. Deposits also arise from work in process at the Reserve Banks, such as payments received from employee subscriptions to savings bonds, funds received for the account of new depository institutions which have not as yet opened for business, and interest paid on securities held pending redemption in federal estate tax cases. Deposit accounts are also carried for purposes that are peculiar to only one or a few Reserve Banks. The Board of Governors, for example, maintains a general fund account at Richmond to cover general disbursements and another to cover payroll charges, and the Federal Reserve Employee Benefits Office maintains accounts with the New York Reserve Bank. The individual accounts and balances comprising this account should be detailed on the Reverse of the form 34. The individual account descriptions should be adequate to identify the different types of accounts maintained under this heading. For example, Due to Treasury--Interest on FR notes is a sufficient description, rather than Miscellaneous Deposit account 1, etc.

11.40 - Deferred Credit Items (230-025,-050,-075,-100,-125,-150). These accounts are the counterpart of items in process and arise from the fact that Reserve Banks do not give immediate credit for all checks or other items deposited with them for collection or, in some cases, are unable to pass credit on the due date for items that the Reserve Bank has already collected. Where possible, credit is deferred according to a schedule that allows time for the items to be collected. The difference between the asset accounts and these accounts represents the net of checks or other items that, although not yet collected, have already been credited in accordance with a specified time schedule to the accounts of the institutions that deposited them. This difference, called "float", measures on a System basis the net amount of Federal Reserve credit generated by the collection process by providing credit on items deposited with the Federal Reserve for collection prior to actual collection. Sufficient detail or subsidiary accounts should be maintained, as in items in process of collection (3.10), to identify the general nature of the transactions for float reporting purposes (e.g., cash letters, ACH, noncash, etc.).

The amounts are carried in the following accounts:

Other Offices Own District (230-025). Represents cash letters or other items received by one office in a District from another office or from depository institutions for collection for

which credit is deferred and which will be settled with another Reserve office located in the same District. On a combined report for the District, the amount is closed to the asset account for items in process of collection.

Other Federal Reserve Banks (230-050). Represents cash letters or other items which are received from other Districts or their depository institutions for which the other District will process the credit to the depository institution based on notification from the depository institution. Those items received directly from depository institutions in other Districts for which the other District would have no notice (such as Same Day Settlement items) should be recorded in the Depository Institutions account below.

U.S. Treasury -- General Account (230-075). Consists of items received for deposit to the Treasury's account on which credit is deferred, such as items in payment for federal taxes, marketable securities, savings bonds, and checks deposited by various federal agencies to the Treasury's account.

Depository Institutions(230-100). Represents cash letters and other items received from institutions in own territory or which have been dispatched by them to another Federal Reserve office for collection and ACH items which cannot be credited because the depository institution is closed, all of which will be settled with institutions within a Reserve office's own territory. Deferred credit entries for depository institutions located and/or settled in another Reserve office using Same Day Settlement procedures should be included in this account.

Other Items in Process (230-125). Represents credit items held over by the Federal Reserve office. This account includes, but is not limited to, electronic transfers where one depository institution has been charged but the Federal Reserve office cannot complete the transaction by passing credit to a depository institution, credit ACH return items which have been held over, and any prefunded credit ACH items.

Adjustments, net (230-150). Includes the net amount of adjustments (+ or -) that are made to items originally credited to any deferred credit items account prior to the date that the original entries are removed and credited on an immediate basis. Adjustments to deferred Treasury items processed via CASH Link should be reflected in the Deferred Credit Items: U.S. Treasury General Account above.

11.50 - Accrued Dividends Unpaid (240-025). This account represents the liability for dividends accrued to date on Reserve Bank capital paid-in from member banks that have not

been paid (as described in paragraph 1.10). Dividends accrued daily at the rate of one-half of one percent per month and charged to the Dividends Accrued Since January 1 account (330-175) are credited to Accrued Dividends Unpaid as a liability for dividends that are due but are unpaid.

11.60 - Unearned Discount (240-050). This account includes unearned discount on acceptances and, although rare, the discount on any loans under paragraph 3 of Section 13 of the Federal Reserve Act. Pending the creation of a new account, this account also includes the contract value of reverse repurchase agreements. As a practical matter, reverse repurchase agreements constitute the entire balance in this account.

11.65 - Discount on Securities (240-075). Discount on securities represents the amount paid under the face value for securities in the System Open Market Account. The face value is recorded in the asset account for securities. On the date of purchase the amount of the discount is credited to this account. The daily accrual is determined by dividing the discount by the number of days to the maturity date of the issue. When securities are sold, any remaining unamortized discount is debited to this account. All entries are made upon advice from New York.

11.70 - Sundry Items Payable (240-125). The account covers numerous items to be disbursed at a later date, such as amounts deducted from salaries for federal and state income taxes, United Fund, insurance, etc. The account also includes specific items which are due but have not yet been paid, staff salaries accrued at the close of the month, taxes on real estate, transportation charges, equipment purchases, lease payment obligations under capital leases, active employee medical liabilities and interest payable accrued for reverse repurchase agreements. Amounts charged to this account for equipment purchases or services must be for items received or services rendered and for which the Reserve Bank has a firm obligation outstanding (see .90). Obligations under operating leases are accrued as service is provided, whereas capital lease obligations are recorded at the inception of the lease. A separate subsidiary account should be established to record obligations under capital leases.

11.80 - Suspense Account--General (240-150). This account represents miscellaneous items for which credit has been received but processing or information is necessary before final disposition is effected. Some of the more common types are (1) overages in government deposits awaiting receipt of an additional certificate of deposit, (2) savings bonds missing from

stock, and (3) overages reported in card bond shipments to Bureau of Public Debt. The only check-related items to be held in this account are Treasury check truncation adjustments where an unlocated difference arises between a Reserve Bank and the Treasury Department and a depository institution has been debited pending resolution of the difference. Similarly, funds transfers received too late in the day for crediting the account of a government agency should be included in this account until the agency can be credited. Items that cannot be resolved should be cleared from this account and credited to either the difference account or a current expense account (see paragraph 4.40). Items relating to items in process of collection and deferred credit items should not be included in this account.

11.85 - Earnings Credits Due to Depository Institutions (240-175). Earnings credits have been authorized by the Board on clearing balances that are maintained by depository institutions with Reserve Banks. The credits can be used only to offset charges an institution incurs in its use of System services. This account represents a liability, the balance of which consists of amounts earned by depository institutions for application against future billings. At a minimum, this account is credited on the last day of each month to reflect earnings credits which have been earned during the month and the offsetting entry is made to cost of earnings credits (see 12.35). Earnings credits are earned at the time balances are held, even though the specific liability is not determined until the account position is finalized. The Reserve Bank may maintain separate subsidiary accounts to record the accrual and to record earnings credits that are eligible for use against charges for use of Federal Reserve services. When earnings credits are used or expire unused, the account is debited. The amount of used credits is credited to income from services and expired amounts to cost of earnings credits. Earnings credits are deemed expired if, during the 52 week period after they have been granted, they have not been applied to billings or if an institution having unused credits is liquidated.

11.87 - Exchange translation liability (240-190). Used by the New York Reserve Bank to record unrealized profits or losses from the daily revaluation of foreign exchange contracts.

11.90 - Accrued Expenses Unpaid--Estimated (240-200). Daily or at least each Wednesday this account is credited by the difference, if any, between actual expenses incurred up to that point in the month and estimated expenses for the same period. A contra-account is maintained in current expenses, and the purpose is to reflect in weekly condition statements a

reasonably accurate amount reflecting expenses to date. The account is debited at month end, thus leaving a zero balance (see .60 and .80).

11.92 - Accumulated Postretirement Benefit Obligation (240-300). This account is used to recognize the funded status of defined benefit retirement plans, and other postretirement benefit plans, when the plan(s) are in an underfunded position, indicating a net obligation. The funded status is measured as the difference between the fair value of plan assets and the benefit obligation, as defined by FAS 87, 106, and 158. Included in this account will be balances related to (1) the nonqualified retirement Benefits Equalization Plan (BEP), (2) the Supplemental Employee Retirement Program (SERP), and (3) postretirement medical and life insurance benefit plan. Entries related to these plans are based on actuarial valuations and actual payments made by the OEB on behalf of the Reserve Banks. Monthly benefits payments made by the OEB on behalf of each Reserve Bank will offset the recorded liability for these plans. The offset to the monthly and annual accruals for the BEP and SERP plans are offset to the net periodic pension cost (330-060) or Accumulated Other Comprehensive Income (AOCI) (a sub-account of 320-025, Surplus), as required.³ The offset to the monthly and annual accruals for postretirement medical and life insurance are posted to the Operating Expense account (330-050) or AOCI, as required (see paragraph 12.33).

This account is also used to record the liabilities for the long-term disability or workers compensation plan obligations in accordance with FAS 112, Employers' Accounting for Postemployment Benefits. Entries for these plans are based on actuarial valuations and actual benefit payments made by the OEB on behalf of the Reserve Banks; the payments will offset the recorded liability for these plans. At year-end, each Reserve Bank will have to adjust the recorded obligations for the postemployment benefit plans, and the offset is posted to the Operating Expense account (330-050).

The liability associated with the Thrift Benefits Equalization Plan (Thrift BEP) is also recorded in this account. The Thrift BEP entries are made using information provided by the OEB at year-end based on the Plan account balance (not actuarially determined). Monthly payments made by the OEB on behalf of each Reserve Bank will offset the Thrift BEP liability.

³ The accounting treatment will be determined annually and will be based on the materiality of the obligation to the overall balance sheet.

At year-end, each Reserve Bank may have to adjust the recorded obligation for the Thrift BEP, and the offset is posted to the Operating Expense account (330-050).

Significant reductions in staff or changes in pension or medical plan benefits may require the recognition of additional gains or losses. As a practical matter, Reserve Banks should coordinate with Board and OEB staff when they anticipate substantial changes to staffing or the plan benefits.

Note that the liabilities for active medical expenses are not reflected in this account. (See paragraph 1.02)

11.95 - Branches or head office--interoffice account (240-825). This account is provided for reporting a net credit balance due between the head office and Branches as a result of the cumulative effect of daily settlements. This account is consolidated on the District balance sheet. At management's discretion, an office may use only the asset or liability account for the net entries (See 5.10).

12.01 - Capital Paid-In (310-025). Represents the outstanding paid-in value of capital stock issued to member banks as required by law. The par value of shares is one hundred dollars and the paid-in value is fifty dollars. A member bank is required to subscribe to the capital stock of its Reserve Bank in an amount equal to 6 percent of its capital and surplus. Half of the subscription is paid in and the other half is subject to call. (The shares do not carry the power through voting to control the management of the Reserve Bank as does ordinary stock in private banks and corporations.) Changes in a member bank's stock or surplus may require an adjustment in its holdings of the Reserve Bank's capital stock as outlined in Regulation I. The stock may not be transferred, nor may the owning bank hypothecate its shares.

12.10 - Surplus (320-025). The balance of this account represents the portion of net income that is retained by the Bank. At the end of each year surplus should be credited (or debited) with whatever amount is necessary to equate the balance in the account with the amount of paid-in capital. Other than at the end of the year, no changes in surplus should be made without specific approval by the Board of Governors. Should the year-end Capital Paid-In balance require adjustment between December 31 and year-end closing, this account must be re-equated to the adjusted paid-in capital amount during the closing process (See Section 60.25 - Special Year-End Procedures).

Accumulated Other Comprehensive Income (AOCI) is treated as a component of each Reserve Bank's Surplus account and the Bank should establish the necessary accounts to separately identify and record transactions related to AOCI. The balance of AOCI should be included with the Bank's surplus balance in computing the amount necessary to equate surplus with the amount of paid-in capital, as discussed in the preceding paragraph.

The purpose of surplus is to provide additional capital and to help lessen the possibility of Reserve Banks' having to call on member banks for additional capital. Various changes have taken place over the years in the level of surplus (see 12.60). The present level was established in 1964. Previously, it was two times the balance of the paid-in capital.

12.20 - Current Income (330-025). Includes income from all sources for the year to date. The income is derived from assets such as securities, loans and foreign currencies, from services rendered to depository institutions and others, from charges that are imposed for deficient reserves and overdrafts, and from other accounts. Significant income items should be accrued as described in paragraph 4.97 when earned. Other income is ordinarily credited when received.

Individual ledger accounts are maintained for control purposes and to facilitate verification of income according to source. In the case of income from services, the ledger should be supported by subsidiary accounts in the same detail as the schedule of priced services. These subsidiary accounts must be posted currently and, together with any accrual accounts that the Bank elects to maintain separately, add to the total in the ledger at the close of business each day.

A subsidiary account may also be established for each priced service to record variances between accrued service income and the amount actually charged depository institutions due to absorption of differences. The use of this account should facilitate reconciliation of the general ledger with internal cost/revenue reports.

The income from services is the gross amount and will therefore include charges for services that are collected by the Reserve Bank against earnings credits on clearing balances. See paragraph 11.85 for the entry to earnings credits.

12.30 - Operating Expenses (330-050). The balance of this control account represents combined year-to-date actual and estimated net expenses, as follows:

Accrued Expenses Estimated. This account and its contra-account in other liabilities provide for the accrual of net expenses on an estimated basis.

Operating Expense. The balance of this account represents year-to-date recorded expense.

Expenses Reimbursed. This is a credit balance consisting of actual reimbursements.

Expenses Estimated to be Reimbursable. This account and its contra-account in other assets provide the means for estimating reimbursements at the end of the month.

12.33 - System Net Periodic Pension Cost (330-060). This account is used by the New York Reserve Bank to record the net periodic pension cost for the Federal Reserve System computed in accordance with the provisions of Financial Accounting Standards Board Standard No. 87. This account is also used by each Reserve Bank to record net pension costs associated with the nonqualified retirement (BEP) and the Supplemental Retirement Program (SERP) accruals. The Employee Benefits Office (OEB) will provide information necessary to process entries to this account. Entries should be made at least monthly.

12.35 - Cost of Earnings Credits (330-075). The amount in this account represents year-to-date earnings credits granted to depository institutions whether used or unused. During the year, the balance in this account will be decreased only when unused earnings credits expire. At the end of each month and at year-end, earnings credits that have been earned by depository institutions but have not yet been granted by the Reserve Bank should be accrued in this account.

12.40 - Profit and Loss (330-100). During the year this account is used for recording income and losses which are not current in nature or are not applicable to current earnings or current expenses. The balance represents the net total of miscellaneous entries, such as the following:

- Profit or loss on sales of foreign exchange.
- Profit or loss due to revaluation of foreign currency holdings and outstanding swap commitments.
- Discount on foreign currency.
- Loss on counterfeits (only with approval of the FRB Financial Accounting Section of the Board's RBOPS Division).
- Interest expense incurred for reverse repurchase agreements.
- Profit or loss on sales of securities held in System Open Market Account.
- Charge-offs on bank premises.
- Recoveries of amounts previously charged off as losses.
- Profit or loss on sale of other real estate (that was originally acquired for potential Bank use).
- Recoveries and unrealized losses on the value of other real estate held for sale (that was originally acquired for potential Bank use).
- Losses (that are not expected to be recovered) or recoveries related to the handling or transportation of money that do not relate to daily bank operations.
- Losses absorbed under the loss sharing agreement.

Reimbursement from Treasury for purchases of uncut sheets of FR notes.
Profit or loss on sale of works of art.

For further discussion of the profit and loss account, see paragraphs 60.60 and 60.61.

12.43 - Cost of Unreimbursed Treasury Services (330-110). This account is used to record the cost of services provided to the U.S. Treasury for which recovery is not anticipated. At the time entries are made to the reimbursable account, an estimate is made of the amount of the claim that is not expected to be received. The offsetting account would be the contra-asset account, Allowance for Doubtful Treasury Reimbursement or Reimbursable expenses for direct write-offs. Near the end of each year, adjusting entries may be required in order for the balance in this account to equal the cost of services provided to the Treasury during the year for which the Treasury has informed the Federal Reserve reimbursement will not be made or which the Federal Reserve has determined is unlikely. This account will be closed out at the end of each year. Commencing in 2001, it is anticipated that costs in this account will be generated primarily from District or Special projects that have not been approved by the Bureau of Public Debt or the Financial Management Service of the U.S. Treasury.

12.45 - Assessments by Board of Governors (330-125,-150).

Board Expenditures (330-125). Section 10 of the Federal Reserve Act authorizes the Board to levy semi-annually upon the Reserve Banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses for the half of the year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year. The Board is also authorized to leave on deposit in the Reserve Banks the proceeds of such assessments. Pursuant to this authority, the Board maintains accounts with the Federal Reserve Bank of Richmond and at the time of each assessment requests credit for one-half of the amount to its General Fund account at Richmond. The remaining half is called at the beginning of the second following month; i.e., the first business day in March and September.

Banks other than Richmond remit through the Interdistrict Settlement Account. Each Bank debits prepaid expenses for its own payment and thereafter prorates one-third of the amount monthly to the FR 34 account.

F.R. Currency Costs (330-150). Section 16 of the Federal Reserve Act requires that all expenses in executing the laws relating to the procurement of Federal Reserve notes, including

expenses incidental to their issue and retirement, be paid by the Reserve Banks and included in the Board's assessment against the Banks. The costs, monthly for printing and quarterly for shipping and Treasury's issuance and retirement expenses, are paid by the Board and levied against the Reserve Banks on the basis of each Bank's share of the number of notes comprising the System's net liability for Federal Reserve notes on December 31st of the previous year. Also included in the assessments are costs for purchases of aluminum pallets and shipping pouches and seals whenever such supplies are required.

Separate accounts should be maintained for (1) cost of printing, (2) cost of shipping (including the periodic assessment for pouches and seals), (3) retirement costs, and (4) research and development costs for F.R. currency.

12.50 - Dividends Accrued Since January 1 (330-175). The balance of this account represents the year-to-date accumulated dividends on outstanding capital stock paid-in from member banks. The balance is increased each day throughout the year and at year-end, it is closed out as part of the distribution of net earnings. The amount added to the account each day is computed on the total Reserve Bank capital paid-in from member banks as of the opening of business that day (close of business previous day) as described in paragraph 1.10 (Accrued Dividends).

12.60 - Interest Paid on Federal Reserve Notes (330-200). Under authority of Section 16 of the Federal Reserve Act, the Board has determined that the Reserve Banks will pay to the U.S. Treasury, as interest on Federal Reserve notes, all net earnings after providing for dividends and the amount necessary to equate surplus with paid-in capital. This concept originated in 1947. As a result of operations essential to Government financing during the war, and operations required by the needs of business and the public for credit and currency, earnings of the twelve Federal Reserve Banks were at relatively high levels. It was expected that net earnings of the Federal Reserve Banks for 1947, after payment of the statutory dividends to member banks, would aggregate more than \$60,000,000. In view of these facts and the fact that at the end of 1946 the surplus of each Federal Reserve Bank was equal to its subscribed capital, the Board decided to invoke the authority, granted to it under Section 16 of the Federal Reserve Act, to levy an interest charge on Federal Reserve notes issued by the Federal Reserve Banks. The purpose of this interest charge was to pay into the Treasury approximately 90 percent of the net earnings of the Federal Reserve Banks for 1947.

The authority to levy an interest charge on Federal Reserve notes not covered by gold certificates had not been used previously, chiefly because of the existence, prior to 1933, of so-called franchise tax provisions of the law that had a similar effect; that is, of transferring excess earnings of the Reserve Banks to the Treasury. Under these provisions, which were repealed in 1933, each Federal Reserve Bank was required to pay a franchise tax to the government equal to 90 percent of its net earnings after it had accumulated a surplus equal to its subscribed capital. To the end of 1932 the Federal Reserve Banks had paid franchise taxes to the United States Treasury amounting to \$149 million. At that time the Federal Reserve had accumulated surplus accounts of \$278 million, as compared with subscribed capital aggregating \$302 million. In the amendment of the Federal Reserve Act, contained in the Banking Act of 1933, providing for the establishment of the Federal Deposit Insurance Corporation, Congress required each Federal Reserve Bank to pay an amount equal to one-half of its surplus on January 1, 1933, as a subscription to the capital stock of the FDIC on which no dividends would be paid. These stock subscriptions amounted to \$139 million and reduced the surplus of the Federal Reserve Banks to an equivalent figure, or considerably less than one-half of their subscribed capital. Congress, therefore, eliminated the franchise tax in order to permit the Federal Reserve Banks to restore their surplus accounts from future earnings. Net earnings for the next ten years were relatively small, and at the end of 1944 the combined surplus accounts of the Federal Reserve Banks were less than 75 percent of their subscribed capital. During the next two years, however, net earnings increased substantially, due primarily to large holdings of Government securities accumulated through open market operations. This made possible transfers to surplus accounts that increased the combined surplus of the Federal Reserve Banks to \$439,823,000 at the end of 1946, as compared with subscribed capital of \$373,660,000.

Under the circumstances, the Board concluded that it would be appropriate for the Federal Reserve Banks to pay to the Treasury the bulk of their net earnings after providing for necessary expenses and the statutory dividend. In effect, this involved paying currently to the Treasury funds which, under existing law, would otherwise come to it only in the event of liquidation of the Federal Reserve Banks. The Federal Reserve Act still provides that, in case of liquidation of the Federal Reserve Banks, any surplus remaining after the payment of all claims shall be paid to the Treasury. By invoking its authority under Section 16 of the Federal

Reserve Act, the Board was able to accomplish the same results as were accomplished by the payments of franchise tax, i.e., the transfer of excess earnings to the Government.

The Reserve Banks currently remit payment to the U.S. Treasury on a weekly basis. The amount consists of all net earnings after dividends and amounts necessary to equate surplus with paid-in capital. (See 60.20 for computation and reporting of interest payments.)

12.65 - Transferred To or From Surplus (330-225). The purpose of this account is to hold the amount which will equate surplus to capital paid-in as of December 31 of each year. The amount remains in this account until the closing of the books in January of each year.

The account is also used when a Reserve Bank has to “borrow” from Surplus due to sustained losses, which cause Undistributed Net Income to fall to a deficit position. The “borrowed” amount should be removed from the account, at a minimum, on each Wednesday until the entire amount has been removed. (See 60.20).

(THIS PAGE INTENTIONALLY LEFT BLANK)

ASSETS		LIABILITIES	
GOLD CERTIFICATE ACCOUNT	110-025	FEDERAL RESERVE NOTES:	
		Outstanding (Received from Agent, net)	210-025
SPECIAL DRAWING RIGHTS certificate account	120-025	Less—Held by Bank and branches	210-050
		—In transit	210-075
COIN	130-025	Federal Reserve notes, net	210-100
LOANS AND SECURITIES:		DEPOSITS:	
Loans to depository institutions	140-025	Depository institutions	220-025
Loans to others	140-050	Due to other F.R. Banks—collected funds	220-075
Acceptances		U.S. Treasury—general account	220-100
Bought outright	140-070*	Foreign	220-125
Held under repurchase agreement	140-075	Foreign (gross \$)	220-130*
		Other deposits:	
Federal agency obligations:		U.S. Treasury—Special Account	220-140*
Bought outright	140-100	Officers' and certified checks	220-150
Held under repurchase agreement	140-125*	International organizations	220-175
		Secy. of Treasury special account	220-200*
U.S. Govt. securities bought outright:		Govt.-sponsored agency accounts	220-225*
Bills	140-150	Less unclassified charges	220-250*
Notes	140-175	Net	220-275*
Bonds	140-200	FRB as Fiscal Agent	220-325*
		Miscellaneous	220-400
U.S. Govt. sec. held under repurchase agreement	140-225*	Total other deposits	220-450
		Total deposits	220-500
Total U.S. Government securities	140-275	DEFERRED CREDIT ITEMS:	
Total loans and securities	140-800	Other offices—Own District	230-025
ITEMS IN PROCESS OF COLLECTION:		Other Federal Reserve Banks	230-050
Transit items—		U.S.-Treasury—general account	230-075
Federal Reserve Banks	150-025	Depository institutions	230-100
Depository institutions	150-050	Other items in process	230-125
		Adjustments, net	230-150
Other items in process	150-100	Total deferred credit items	230-500
Adjustments, net	150-150	OTHER LIABILITIES:	
		Accrued dividends unpaid	240-025
Total items in process of collection	150-900	Unearned discount	240-050
BANK PREMISES:		Discount on securities	240-075
Land	160-025	Sundry items payable	240-125
Buildings (including vaults)	160-050	Suspense account—general	240-150
Building machinery and equipment	160-075	Earnings credit due to depository inst.	240-175
Construction account	160-100	Exchange translation liability	240-190
Total bank premises	160-110	Accrued expenses unpaid—estimated	240-200
Less depreciation	160-125	Accumulated Postretirement Benefit Obligation	240-300
Bank premises, net	160-150	Total other liabilities	240-800
OTHER ASSETS:		Branches or head office—interoffice acct.	240-825
Furniture and equipment	170-025	TOTAL LIABILITIES	250-025
Less depreciation	170-050		
Furniture and equipment, net	170-060	CAPITAL ACCOUNTS	
Claims account closed banks	170-075	CAPITAL PAID IN	310-025
Foreign currencies	170-100	SURPLUS	320-025
(gross \$)	170-110*	INCOME, EXPENSES, AND DIVIDENDS:	
Reimbursable exp. and other items receivable	170-125	Current income	330-025
Less allowance for doubtful reimbursement	170-130	Operating expenses (deduct)	330-050
Reimbursable expenses, net	170-135	Net periodic pension costs	330-060
FDIC assumed indebtedness	170-140	Cost of earnings credits (deduct)	330-075
Interest accrued	170-150	Current net income	330-090
Premium on securities	170-175	Profit and loss, net	330-100
Overdrafts	170-200	Cost of unreimbursed Treasury services	330-110
Deferred charges	170-225	Assess. by Bd. of Gov. (deduct)	
Prepaid expenses:		Board expenditures	330-125
Materials and supplies	170-250	F.R. currency costs	330-150
Pension costs	170-260*		
Other	170-275	Net income available for distribution	330-160
		Deduct:	
Difference account, net	170-300	Dividends accrued since January 1	330-175
Suspense account—general	170-325		
Other real estate, net	170-350	Interest paid on Federal Reserve notes	330-200
Currency and coin exhibits	170-375		
Old currency series	170-400	Transferred to or from surplus	330-225
Miscellaneous cash items	170-425		
Suspense account—pricing	170-450	Undistributed net income	330-275
Accrued service income	170-475	TOTAL CAPITAL ACCOUNTS	340-025
Total other assets	170-800	TOTAL LIABILITIES & CAPITAL ACCTS:	350-025
Interdistrict settlement account	180-025	Maturity distribution of loans: 15 days or less	615-020
		16-90 days	615-025
Branches or head office—interoffice account	190-025	Over 90 days	615-030
		Total loans	615-035
TOTAL ASSETS	190-050	Maturity distribution of acceptances: 15 days or less	615-040*
		16-90 days	615-045*
		Over 90 days	615-050*
		Total Acceptances	615-055*

*Reported by New York only

CHAPTER 2

COLLATERAL AND CUSTODIES

20.01 - General. The preceding chapter discusses the daily reporting of the assets and liabilities of Federal Reserve Banks. Chapter 2 is concerned with the accounts covering securities and other valuables, which are to be reported at the end of each month on the back of the FR 34. Federal Reserve Banks act as custodians for securities and other valuables pledged by depository institutions as collateral for borrowings from Reserve Banks and securities pledged as collateral to the Federal government. As fiscal agents, the Banks also act as custodians for securities pledged by nondepository institutions, including securities that are held for Government departments and officials in a fiduciary capacity. As the issuing and/or paying agents for the U.S. Government and certain Government-sponsored agencies, the Reserve Banks are accountable for unissued stock and for retired or paid securities, held pending shipment or destruction. The Reserve Banks also hold gold and other valuables, in accordance with safekeeping agreements with the Treasury, foreign central banks, and other institutions. The objective in reporting the various collateral and custody items on the reverse of the FR34 is to assure adequate disclosure for purposes of verification and control. For purposes of this chapter, "book entry" securities refer to Fedwire book entry securities only.

20.02 - Book Entry vs. Definitive Custodies. Two amount columns are provided on the reverse of form FR 34: one titled "Definitive" and the other titled "Book Entry." All book entry securities should be reported in the Book Entry column and all definitive securities and other custodies, including custody receipts, should be reported in the Definitive column. Custodies in book entry form that are held for the reporting office by another Federal Reserve office should also be shown in the Book Entry column, and included on the line for "Held by other offices in own District" or "Held by other FR Banks," as the case may be.

20.03 - Special Depositories, Treasury Tax and Loan Accounts. As fiscal agents the Reserve Banks maintain records for certain balances in the Treasury's deposit accounts at commercial banks and thrift institutions. For example, when qualified depositories that hold investments of Treasury balances receive payment for Federal taxes, the depositories hold the funds until the Treasury withdraws or calls the balances held at the depositories. The depositories are classified as either A, B, or C for purposes of calls, with C class being the

largest. When investments mature or calls are made, the funds are remitted through the reserve accounts of depository institutions. The balance reported in this item should represent the aggregate of the individual demand deposit accounts, as well as open-ended note accounts.

20.04 - Classification/Valuation of Holdings.

Classification: To properly reflect the location, purpose and accountability for custodies recorded on the books of the Federal Reserve Banks, the various collateral and custody accounts are subdivided into four categories: *Held in Own Vaults*, *Held by Other Offices in Own District*, *Held by Other Federal Reserve Banks*, and *Held by Depository Institutions*. In general, all book-entry securities (except securities issued by international organizations) should be classified as “*Held In Own Vaults*. ” For book-entry securities issued by international organizations, all Federal Reserve Banks (except the Federal Reserve Bank of New York) should classify their holdings of these securities as “*Held By Other FRBs*. ” The Federal Reserve Bank of New York, however, should classify their holdings of these securities as “*Held In Own Vaults*. ” The Federal Reserve Bank of New York should then classify the roll-up of all the other Reserve Banks’ holdings of these securities as “*Custodies Held For Other F.R. Banks*” (See FAM 21.10).

The following characteristics should be considered to determine the proper classifications for custodies on both Office and District level FR-34s. The descriptions below focus on definitive holdings, however, except for the reference to trust receipts, the same principles apply to book-entry securities. The classifications of “*Held by DI’s*” and “*Held by Other Offices in Own District*” only apply to definitive securities and should never be used for book entry securities:

Location of Physical Security

All custodies held by an Office must appear on that Office's FR-34 Reverse as *Held in Own Vaults*. Trust receipts held by an Office that represent custodies held outside the System are classified as *Held by Depository Institutions*.

Collateral Function

Custodies are recorded on the books of the Federal Reserve System for one of two purposes: collateral to protect the System or a government entity against certain risks; or as a safekeeping service. Custody items held as collateral should be reflected in the appropriate function (Loans, TT&L, etc.); if the same custody

is used to collateralize differing transactions during the day, it should be reflected on the FR-34 Reverse under the function it serves at end-of-day and should be recorded and carefully monitored in departmental records to reflect the purpose served intraday. Other security holdings are reflected in the appropriate *Custodies Held for...* accounts.

Location of Applicable Function

The Federal Reserve System has a wide variety of both decentralized and consolidated processes at the District and Office levels. In order to reflect proper accountability on the FR-34 Reverse, Offices which have functional units that may require collateral must reflect all of this associated collateral on their FR-34 Reverse regardless of where that collateral is located. To distinguish between physical accountability and functional accountability, Offices should reflect these custodies as *Held by other offices in own District* or *Held by other Federal Reserve Banks*. Trust receipts held by other Offices or FRBs are treated the same as other custodies in these accounts; only the office which has physical possession of the trust receipts is required to distinguish on the FR-34 Reverse whether the security is physically held in a Federal Reserve vault or at a depository institution.

The following are examples of proper classification on each office's FR34 reverse and on the combined District's FR34 reverse:

Example #1: Loan Function is centralized at the Head Office; safekeeping functions are decentralized.

Collateral for Loans:	FR34 Head Office	FR34 Branch 1	FR34 Branch 2	FR34 District Combined
Held in own vaults	200	100	200	500
Held by other offices in own District	380	---	---	N/A
Held by other FR Banks	25	---	---	25
Held by depository institutions	150	50	30	230

Example #2: Function is decentralized in all offices; Custody safekeeping is entirely centralized at Branch 1 except for trust receipts entirely held at Branch 2. (each office has 200 TT&L collateral)

Collateral for TT&L	FR34 Head Office	FR34 Branch 1	FR34 Branch 2	FR34 District Combined
Held in own vaults	---	500 ¹	---	500
Held by other offices in own District	200	30	130	N/A
Held by other FR Banks	---	---	---	---
Held by depository institutions	---	---	100 ²	100
1/ Head Office=200; Branch 1=170; Branch 2=130 2/ Branch 1=30 Branch 2=70				

Valuation: Definitive collateral that will be redeemed at par at maturity and all book entry collateral should be reported at par value. Holdings of definitive collateral whose par value may increase (as in the case of certain collateralized mortgage obligations or CMOs) or decrease (as in the case of mortgage-backed securities) should be reported at the current outstanding principal value.

20.05 - Collateral for Treasury Tax and Loan Accounts (Definitive and Book Entry).

Pursuant 31 CFR 203, the funds held in Treasury Tax and Loan accounts, except for amounts covered by FDIC insurance, are secured by the pledge of collateral. The collateral must be of a type deemed acceptable by the Treasury Department as covered in the Code of Federal Regulations. Holdings of collateral should be subdivided and reported as described in paragraph 20.04.

20.10 - Collateral for Loans (Definitive and Book Entry). All loans made by the Reserve Banks are secured by collateral, except for a rare circumstance under the law that a loan to an individual, partnership or corporation may be secured by an endorsement satisfactory to the Reserve Bank. Where feasible to minimize unnecessary bookkeeping, a Reserve Bank should carry securities in this account even though the owning bank is not currently borrowing. Holdings should be subdivided and reported as described in paragraph 20.04.

20.15 - Collateral for Overdrafts (Definitive and Book Entry). Reserve Banks may, in certain situations, require a depository institution to pledge collateral in the event the institution's deposit account becomes overdrawn during the day or is overdrawn at the close of the business day. Any such collateral pledged for overdrafts is to be subdivided and reported as described in paragraph 20.04.

20.20 - Accountability to Treasury for U.S. Government Securities: Marketable Securities (Definitive only). Reserve Banks no longer process these items. Items sent to Reserve Banks in error should be forwarded to the Treasury's Bureau of Public Debt and reported as Collateral and Custody Items in Process (see 21.50) until shipped to the Bureau of Public Debt.

20.40 - Accountability to Treasury for U.S. Government Securities: Non-marketable securities (Definitive only).

Savings Bonds Un-issued On Hand – Report the face value of savings bonds (all series), retirement plan bonds, and individual retirement plan bonds that fall into the following categories: Un-issued stock; spoiled bonds; issued bonds not reported to the Treasury (for example, sales and issues on reissue such as bonds issued for claims to replace valid issued bonds that were lost, stolen, or destroyed); un-issued stock claims (bonds lost, stolen, or destroyed before being issued); canceled sales for which the original bond is not in-house; and bond shipments awaiting delivery to issuing agents.

The Pittsburgh Branch of Federal Reserve Bank of Cleveland is the only office that reports a balance in this account. The balance in this account represents the National Warehouse stock on hand and the portion of stock consigned to the Pittsburgh Branch, as a consignment agent.

20.45 Accountability to Treasury for U.S. Government Securities— On Consignment: Non-marketable Securities (Definitive only).

Savings Bonds on Consignment with Issuing Agents - Report the face value of savings bonds (all series), retirement plan bonds, and individual retirement plan bonds consigned to all issuing agents (this excludes stock consigned to the Pittsburgh Branch). Bonds that are lost, stolen, or destroyed, should be included until the Treasury Department has notified the Reserve Bank that credit is allowed. Only the Pittsburgh Branch should report this account.

20.50 Savings bonds issued -- book entry. This account includes book-entry savings bonds held in safekeeping for trustees of qualified employees' savings and thrift plans. (Cleveland Reserve Bank, only)

20.55 - Accountability for Other Securities (Definitive only). This account should be reported by the New York Reserve Bank only.

U.S. Government Agencies - This account includes the total accountability for bearer and registered (designated and undesignated) securities of U.S. Government agencies.

Unissued - Report the par value of the general and reserve stock of bearer and registered (designated and undesignated) U.S. Government agency securities, including spoiled and mutilated securities.

Retired - Report the par value of all bearer and registered U.S. Government agency securities retired before maturity as a result of processing servicing transactions; such as, interdistrict transfers, conversions to book-entry, denominational exchanges, and registered exchanges for bearer.

Canceled Redeemed - Report the par value of all matured bearer and registered U.S. Government agency securities for which the depositors have been paid.

20.70 - Accountability for Other Securities (Definitive only).

International Organizations - This account includes the total accountability for bearer and registered (designated and undesignated) securities issued by international organizations; such as, the International Bank for Reconstruction and Development. This account should be reported by the New York Reserve Bank only.

Unissued - Report the par value of the general and reserve stock of bearer and registered (designated and undesignated) securities issued by international organizations, including spoiled and mutilated securities.

Retired - Report the par value of all bearer and registered securities issued by international organizations that have been retired before maturity as a result of processing servicing transactions; such as, denominational exchanges and transfers of ownership.

Canceled Redeemed - Report the par value of all matured bearer and registered securities issued by international organizations for which the depositor has been paid and the issuer has been charged.

20.80 - Other Custodies Held as Fiscal Agent of the Treasury. This account includes gold held for the Exchange Stabilization Fund or any other holdings of gold as agent of the Treasury, as shown below. Custodies besides gold include collateral acquired under the loan guarantee program pursuant to the Defense Production Act of 1950, as amended. "Special custody account: Other" *ordinarily* will be used only by the Federal Reserve Bank of New York under specific instructions.

Gold - Held in own vaults

Held by other Federal Reserve Banks

Other

Gold that a Reserve Bank owns should be reported in Currency and Coin Exhibits (170-375, see section 4.70).

20.85 - Custodies Held for Commodity Credit Corporation. This includes all custodies held for the Corporation. Where Branches do not act as custodians for the Commodity Credit Corporation but hold such custodies for the account of the head office, the Branches should show them as "Custodies held for other offices in own District." The head office would report the custodies according to the proper classification.

20.90 - Custodies Held for U.S. Treasury. Custodies held for the Treasury are subdivided according to the captions below. Under the special gold custody account for display purposes, there should be reported gold coins and gold certificates held as specimen under special authority from the Treasury Department.

Special gold custody account:

For display purposes gold certificates

Other gold bars

20.95 - Custodies Held for Other Government Departments, Agencies and Officials (Definitive and Book Entry). This account includes custodies held for the Directors and Commissioner of Internal Revenue; Judges and Clerks, U.S. District Courts (includes CRIS

holdings); Public Housing Administration; General Services Administration; Federal Deposit Insurance Corporation; Immigration and Naturalization Service; Secretary of the Treasury; U.S. Treasury (as security for Government deposits in other than Treasury Tax and Loan Account); withheld food coupons pending review by the Department of Agriculture, State Treasuries; and others. Holdings should be subdivided and reported as described in 20.04.

21.05 - Custodies Held for Other Offices in Own District (Definitive only). Custodies held by head office for Branches and by Branches for head office and other Branches are reported in this account. No amount will appear opposite this caption on the combined form FR 34, inasmuch as it would represent a duplication of amounts reported elsewhere under the appropriate classification by the office for whose account the custodies are held.

21.06 - Custodies Held for System Open Market Account. Includes all securities held in custody for the System Open Market Account. Securities loaned or undelivered should not be included. This account should be reported by the New York Reserve Bank only.

21.10 - Custodies Held for Other Federal Reserve Banks (Book Entry only). Items included represent custodies held for other Federal Reserve Banks (but not for other offices in own District). The Federal Reserve Bank of New York should include in this account those securities issued by international organizations, which can officially be held only by the New York Reserve Bank but which may, de facto, be held in book entry safekeeping by other Reserve Banks. Thus, this category would include the roll-up of all the other Reserve Banks' holdings of international securities.

21.15 - Custodies Held for Depository Institutions (Book Entry only). The account covers ordinary safekeeping of regular and "strippable" securities, including the corpus from any stripped security and pledges by depository institutions to various municipalities, county, state, and other officials (other than U.S.) generally referred to as "pledged" securities or "joint safekeeping." Also included are securities issued by international organizations that can officially be held only by the Federal Reserve Bank of New York but that are, de facto, held by other Reserve Banks. Holdings should be subdivided and reported as described in 20.04.

21.25 - Custodies Held for Foreign Correspondents (Definitive and Book Entry). All safekeeping items for foreign central banks and governments, including the Bank for International Settlements, are reported by the New York Reserve Bank only, according to the following captions:

Acceptances
Securities
Earmarked gold--Held in own vaults

21.28 - Foreign Debt Collateral (Definitive and Book Entry). Includes collateral held by the Reserve Bank as collateral agent, as well as trust receipts representing collateral held by other custodians, in accordance with various Foreign Debt agreements. Collateral denominated in foreign currencies should be converted to dollars upon receipt; no further revaluation for fluctuations in exchange rates is necessary. Holdings should be subdivided as shown. This account should be reported by the New York Reserve Bank only.

Held in own vaults
Held by others

21.30 - Custodies Held for International Organizations (Definitive and Book Entry). All safekeeping items held for International Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund and other international organizations, are reported by the New York Reserve Bank only, as follows:

Internat'l. Bank for Recon. & Dev. - securities
Internat'l. Finance Corp. - securities
Internat'l. Monetary Fund - securities
 - gold
Internat'l. Dev. Assn. - securities
Inter-American Dev. Bank - securities
Asian Dev. Bank - securities

21.40 - Miscellaneous Custody Items (Definitive and Book Entry). This account includes ordinary safekeeping other than such safekeeping referenced earlier in this chapter. It also includes any collateral from dealers held by a Reserve Bank in connection with loans of securities from the System Open Market Account and prepaid postage provided by others for use in the provision of services such as RDS postage provided by the Treasury.

21.50 - Collateral and Custody Items in Process (Definitive and Book Entry). This account includes the total accountability for definitive and book-entry securities that are being held pending ultimate disposition. Report the par value of all securities for which processing or delivery has not been completed. For example: Treasury securities erroneously submitted to the Reserve Bank and awaiting return to the customer for forwarding to Treasury; book-entries held pending transfer to the Treasury on original issue or release of registered securities; municipal or corporate securities held pending deposit to or delivery from safekeeping; unopened "said-to-contain" envelopes for noncash; and outgoing security and coupon shipments

held by registered mail personnel. Savings bonds received for redemption, exchange, or reissue and paid savings stamps should not be reported.

21.55 - Memorandum Accounts (Definitive only). Report the following items at the end of each month.

Food Coupons Pending Verification - Report the face amount of all unprocessed food stamps and verified food stamps that have not been transferred to the destruction team.

Food Coupons Pending Destruction - Report the face amount of all food stamps that have been transferred to the destruction team and are being held pending destruction.

Noncash Collection Items:

Securities and Coupons on Hand - Report the face amount of all municipal and corporate coupons and bonds as well as bankers acceptances, both past and future due, that are being prepared for delivery to paying agents or for return to depositors.

U.S. Government and Agency Coupons:

Unclassified or Redeemed - Report the face amount of all Treasury and Government agency coupons, held pending shipment, for which the depositor has been paid and the Treasury or the agency has been charged.

Suspense or Holdover - Report the face amount of all Treasury and Government agency coupons that have not been paid or are not yet eligible to be paid.

Miscellaneous Cash Items - Report the face amount of all agency coupons held pending shipment, payable through accounts maintained at FRB New York for which the depositor has been paid and the miscellaneous cash items account (the Government sponsored agency accounts - unclassified at New York) has been charged.

International Coupons:

Redeemed - Report the face amount of all coupons issued by international organizations, held pending shipment, for which the depositor has been paid and the international organizations have been charged.

Suspense or Holdover - Report the face amount of all coupons issued by international organizations that have not been paid or that are not yet eligible to be paid.

Coupons Detached from Safekeeping Holdings - Report the face value of all corporate and municipal coupons that have been detached from securities held in safekeeping and are

being prepared for or being held pending shipment. At each Reserve Bank's option, two sub-accounts may be maintained internally: unverified coupons and verified coupons.

Coupons Clipped from Unissued Agency Stock - Report the face value of all coupons that have been detached from unissued U.S. Government agency and international organizations stock that are being prepared for or being held pending shipment. At the Reserve Bank's option, two sub-accounts may be maintained internally: unverified coupons and verified coupons. Holdings in this account should be reported by the New York Reserve Bank only.

(THIS PAGE INTENTIONALLY LEFT BLANK)

CHAPTER 3

PROPERTY AND EQUIPMENT

30.01 - General. This chapter discusses property and equipment accounts. These accounts consist of the five accounts listed in the Bank Premises section of the FR 34 balance sheet, the Furniture and Equipment account and its related allowance for depreciation account, and the Other Real Estate account listed in the Other Assets section of the FR-34. This chapter also gives instructions concerning leasehold improvements and software which are discussed in Deferred Charges (see also paragraph 4.20).

Property and equipment, also referred to as fixed assets, are used in the production and distribution of services by all Federal Reserve Banks. Fixed assets have three primary characteristics:

1. Acquired and held for use in operations, (i.e., not held for sale).
2. Long-term in nature (greater than 1 year) and
3. Possess physical substance.

Generally Accepted Accounting Principles (GAAP) generally require fixed assets to be recorded at their cost, including all normal expenditures to bring the asset to a location and condition for its intended use.

The capitalized cost of an asset is written off periodically, or depreciated, in a manner that is systematic and rational after consideration of any salvage values (see paragraph 30.75). Allocating the cost of a long-lived asset over the accounting periods which the asset is used matches its cost with revenue generated throughout its useful life. The Federal Reserve System uses the straight-line method for depreciating fixed assets.

Most assets should be capitalized using the individual asset method. An alternate method of capitalization, the pooled method, must be used when capitalizing Furniture/Furnishings/Fixtures. The pooled method may be used, at the Reserve Bank's option, when Board FRB Financial Accounting staff has approved capitalizing a bulk purchase of low-cost equipment. The pooled asset method is described in paragraphs 30.46 and 30.55-30.58. All other paragraphs relate to individual asset accounting. The useful lives and capitalization thresholds discussed in the following paragraphs reflect minimum accounting requirements for Reserve Banks. Based on local experience or practice, Reserve Banks may establish policies

authorizing shorter useful lives or lower capitalization thresholds. Such policies must be in writing, applied consistently within the District, and provided as information to the FRB Financial Accounting Section of the Board's RBOPS Division.

30.05 Historical Information. The accounting rules for capitalizing and depreciating property and equipment have remained the same over the years with only minor departures for special circumstances. Prior to 1922, for example, several offices were authorized to charge larger amounts of depreciation against earnings because of inflated construction costs during and after World War I, and in 1922 FRB-Minneapolis was authorized to write off \$500,000 to reduce the book value of its quarters to the approximate market value.

Beginning in 1995, the Federal Reserve Banks began recognizing impairment losses consistent with Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of" (FAS 121), which was superseded by FAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets in August 2001. Accordingly, write-downs of property and equipment will occur periodically as a result of adjusting assets to their estimated fair values (see 30.95).

Accounting for Asset Retirement Obligations (FAS 143), as interpreted by FIN 47, requires recording an asset and related liability for conditional asset retirement obligations, such as the legal requirement to remediate environmental hazards in land and buildings (for example, asbestos). Application of these standards can be complex, and Reserve Bank staff must consult with the FRB Financial Accounting Section of the Board's RBOPS Division prior to making any accounting entries.

30.06 - Publication of Property and Equipment Information. Property and equipment information is published weekly, monthly and annually in various publications as described in paragraphs .40 and .50. A detailed table showing costs and net book values, by office, for land, buildings, building machinery and equipment, construction and other real estate also appears in the Board's Annual Report.

30.10 - Land. This account includes all expenditures to acquire a site (such as purchase price, closing costs, and attorney/recording fees), and costs to prepare a site for construction (such as the removal of existing structures, draining, filling, and clearing).¹ The account should

¹ Accounting for any environmental remediation costs must be determined in consultation with FRB Financial Accounting Section of the Board's RBOPS Division.

be debited when property is purchased for immediate Bank use or when a property that was previously carried in Other Real Estate is approved for construction. Land is carried on the Reserve Bank's books at cost and is not depreciated.

If the property includes a building or other structure which is intended to be used for banking purposes, the portion to be charged to Land should be based on the assigned value in the purchase document or, in the absence of such specific information, on the appraised value. When appraised values are used and are different from the purchase price, the cost should be distributed on a pro-rata basis in the same proportion as the value of Land, Building, and Building Machinery and Equipment bears to total appraised value.

If the purchased property includes a building or other structure, which is to be razed, the entire purchase price should be allocated to the account. The cost of removing such structures should be charged to the account and the proceeds from the sale of salvaged materials should be credited. Incidental costs of demolishing the building (such as liability insurance, measures taken to maintain adjacent property during operation, reinforcement of walls of adjacent buildings, other repairs made for safety, and reconnection or construction of sewers) should also be included in this account.

30.15 - Land Improvements. The Land Improvements account is used to record costs incurred for capital land improvements which have limited lives (e.g., sidewalks, fountains, and fences). Land improvements that cost \$100,000 or more must be capitalized. The Land Improvements account is reported as a sub-account to Land. The allowance for depreciation for land improvements is reported as a sub-account to the bank premises allowance for depreciation.

The cost of each improvement should be recorded in a subsidiary ledger within the Land Improvements sub-account and depreciated over its own unique estimated useful life. Depreciation is recorded by debiting depreciation expense and crediting Accumulated Depreciation for Land Improvements. The maximum useful life for land improvements is 20 years.

30.20 - Building. This account is used to record costs of acquiring or constructing a building to be used by the Bank. The cost of a building should include all expenditures related directly to its acquisition or construction. Generally, all costs incurred beginning with excavation through completion of construction, are considered part of the building costs. The

cost of the building should not include the cost of land, land improvements, or fixed machinery and equipment.

This account should be charged when a building is purchased for immediate Bank use or when the Construction account is closed upon completion of a project. Thereafter, only major alterations, renovations and improvements may be added to the capitalized cost of the building.² Building improvements must be capitalized if the cost is \$100,000 or more, and if the improvements meet the capitalization criteria defined in section 30.70.

Such major improvements should be recorded and depreciated individually in the Bank's subsidiary records. The account should be credited only when the building or major improvement is sold, demolished, or otherwise retired, such as by transfer to the Other Real Estate account.

Projects such as repairing, painting or refurbishing should be charged to expense unless they meet the capitalization tests for improvements as defined in section 30.70. The maximum useful life of a building is 50 years. Improvements should be assigned unique useful lives, not to exceed 50 years.

30.25 - Building Machinery and Equipment. This account comprises stand-alone or supplemental equipment with a shorter expected life than the building but that would remain as part of a building upon its sale or abandonment by the Reserve Bank. The account should be debited when a building is purchased or when the Construction account is closed out upon completion of a project. The account should be credited when the equipment is disposed of, or when the building to which it pertains is sold or transferred to the Other Real Estate account. Subsequent purchases or capitalizable improvements to building machinery and equipment will be recorded by increasing the Building Machinery and Equipment asset account (see section 30.70). Building machinery must be capitalized if the cost is \$50,000 or more and meets the capitalization criteria defined in section 30.70.

When property is purchased for immediate use, the estimated amount of machinery and equipment that is included in the building should also be included in this account. If the purchased property includes building machinery and equipment which is to be dismantled, the proportionate cost allocable to such machinery and equipment should be charged to the asset

² Accounting for any environmental remediation costs, such as asbestos abatement should be determined in consultation with FRB Financial Accounting Section of the Board's RBOPS Division.

account Land. If the building or other structures are to be held for future Bank use, no allocation will be necessary since the entire cost of the property will be charged to Other Real Estate. The maximum useful life of building machinery and equipment is 20 years. Improvements may be assigned unique useful lives, not to exceed 20 years.

30.30 - Construction Account. This account is used to accumulate all capitalizable costs relating to a building or renovation project, and is closed out following completion of the project. This account should be charged for all costs of a new building, the purchase price of a building to be held for future use pending renovation, and all renovation and improvement costs. Receipts from the sale for such items as scrap or recoveries of building costs for such items as change orders and insurance should be deducted from the amount of the project to be capitalized.

Upon completion of a given project, amounts that were accumulated in this account should be analyzed and capitalized in accordance with the provisions contained in this chapter. Construction projects should be capitalized in a timely fashion (i.e. when the project is substantially complete) and, if necessary, in portions. Resolution of punch list items and billing disputes should not delay capitalization unless their nature is so significant that the asset(s) are rendered virtually unusable until resolution. Reserve Banks may capitalize and depreciate salaries of employees directly engaged in construction projects if they are performing functions that an outside contractor or consultant would be retained to perform if the internal staff were not available or did not have the necessary expertise. Personnel costs associated with management oversight should not be capitalized if they are of an administrative nature. See 30.40 for examples of capitalized items.

As costs are incurred, they should be analyzed for propriety as capital costs related to the project. Expense items should not be carried in this account except as necessary when commingled with other costs. When such expense items are finally determined, they should normally be applied to the current year's expenses. Similarly, costs related to building and construction projects, such as consulting fees and survey costs, that have not been and are not likely to be approved by the Board in the near future should be expensed when incurred, rather than included in this account.

30.40 - Examples of Classification of Capitalized Bank Premises Assets. The following are examples of disbursements, which are to be capitalized as land, land improvements, building,

and machinery and equipment. The list is intended to suggest the scope of the Bank Premises accounts and is not exhaustive.

LAND	
Amount paid to vendor Back taxes (not paid before acquisition) 1/ Clearing Commissions (real estate) Cost of options and appraisals Demolition Earth work Environmental remediation 2/ Internal Revenue stamps Legal expenses Outdoor landscaping - new building or significant redesign of the land	Permits Recording deed and lease Relocation costs (paid to or for tenants requested to vacate) Site drainage Soil treatment Subsurface exploration Title examination Unexpired leases Utility relocations
LAND IMPROVEMENTS	
Built-in concrete benches and planters Fences and gates Flag poles Fountains, pools, and monuments Irrigation systems	Other site improvements (retaining walls, stationary bollards) Parking lots Plazas and patios Sidewalks, curbs, pavers, and handrails Site lighting
BUILDING	
All permanent and demountable partitions (except freestanding) Architects and consultants fees Book and record vaults Brick, marble, limestone and granite cut stone work foundation Builders' risk and other insurance Built-in fire protection equipment (e.g. sprinkler systems) Built-in loading dock equipment Built-in maintenance systems Built-in shooting range equipment Built-in window treatments Built-in window washing equipment Casework (built-in furniture) Ceiling and support systems Cement or metal floors and stairs Damp proofing and water proofing Ducts, conduits, cables, wiring and power points for building machinery and equipment Electrical wiring Elevator shafts Environmental remediation 2/ Excavation Finished hardware Fire and storm doors Floor and roof construction (incl structural and raised) Foundation systems (piles, walls, piers, and footings) Fuel connections	Hoist Indoor built-in artwork Indoor built-in landscaping 3/ Licenses and permits Lighting fixtures Mail chutes and conveyors Mill work and dimension lumber Moving stairs and walks Parking garages/structures Permanent flooring (including initial installation of carpeting in building) Plastering Plumbing Reinforced concrete work Rolled steel doors Sanitation/sewer lines Sheet metal work Sky lights Structural steel work Temporary construction fencing Temporary utilities and facilities during construction Restroom and bath accessories Vapor barriers and insulation Vaults including racks and files, doors and day gates Walls and wall systems (incl studs) Windows
BUILDING MACHINERY AND EQUIPMENT 4/ (Excluding the Ducts, Cables, Wiring, Conduits and Power Points)	
Heating and Air Conditioning Equipment	
Boilers Commissioning (testing of all HVAC equipment) Compressors and fans	Cooling towers, chillers, and water tanks Environmental control consoles Heating, ventilating and air handling equipment Pumps
Electrical and Mechanical Equipment	
Dynamos and stationary electric motors Electrical panels and transformers Non-portable uninterrupted power sources (UPS) Non-portable power-distribution units (PDU)	Elevators Pumps Switchgear and generators
Kitchen and Dining Room Equipment	
Built-in dishwashers Built-in hoods and vents Built-in stoves and ovens Built-in grilles	Built-in, walk-in freezers and refrigerators Steam tables and serving line equipment Built-in dispensing equipment Built-in ice makers Built-in pizza ovens
Other Equipment	
Audio/visual equipment Cash residue equipment Surveillance and protection equipment (excluding TV cameras and monitors)	Parking equipment Retractable bollards and moveable gates
1/ Amounts paid after acquisition should be expensed. 2/ Reserve Banks must consult with the FRB Financial Accounting Section of the Board's RBOPS Division to determine if capitalization is appropriate. 3/ When landscaping involves the roof of a secure wing and the roof of the space below plaza ground level these landscape costs should be prorated between building and land improvements. 4/ Initial installation costs of equipment may be recorded as a building cost if not readily identifiable in billing of construction costs.	

30.45 - Furniture and equipment. Furniture and equipment includes computing equipment, automotive equipment, furniture/furnishings/fixtures, operating equipment, and artwork.

30.46 - Methods of Capitalization - Furniture and Equipment. Two accounting methods are followed in capitalizing and depreciating these assets--the “individual asset” method (as is used for all other asset categories) and the “pooled asset” method.

Assets, regardless of cost, classified as Furniture/Furnishings/Fixtures must be capitalized and depreciated using the pooled asset method. In addition to purchased furniture, a Reserve Bank may, at its option, capitalize and depreciate salaries and the outside cost of materials that are consumed in the construction of furniture and equipment by Reserve Bank personnel. These costs are also capitalized and depreciated using the pooled asset method.

Equipment with a cost of \$5,000 or more must be capitalized using the individual asset method. Equipment with a purchase cost below \$5,000 should be expensed. Bulk purchases of equipment that individually costs less than \$5,000 but represent significant capital outlays may be capitalized at the option of the Reserve Bank, following discussion with and approval by Board FRB Financial Accounting staff.

The pooled asset method of capitalizing, depreciating, and handling improvements is discussed in paragraphs 30.55-30.58. All other paragraphs in this chapter relate to the individual asset accounting method. Maximum useful lives for furniture and equipment asset groupings under both the individual asset and pooled asset method are found in table 30.78.

30.50 - Equipment. Equipment (with the exception of those items that are pooled) should be capitalized on an individual item basis and recorded within the appropriate asset account. This account should be charged for the full acquisition cost of items and care should be taken to ensure asset and liability accounts are properly reflected at the time the asset is received. Full acquisition cost includes all expenditures necessary to bring the asset to a location and condition in which it is usable for the purpose intended. Included in the acquisition cost, therefore, would be such items as follows:

- installation costs
- assembly
- freight
- warehousing

- insurance
- taxes

Installation costs should include external costs of services such as consultants who are contracted to work on the installation project, and salary and related benefits of staff and travel expenses incurred by staff or consultants who are directly involved with the installation project. Integration costs that are related to the installation of equipment should also be capitalized. Capitalized installation costs of equipment should include the cost of initial programming if 1) the cost is included in and is indistinguishable from the price of the purchased equipment, and 2) the programming is an integral part of the equipment and is not the type that could be performed in-house, and 3) there is no readily determinable fair value for the software. Internal use computer software with an acquisition cost of \$100,000 or greater should be capitalized as a deferred charge (see paragraph 4.20 for further information).

Full acquisition cost should also include trade-in allowances (i.e., the amount capitalized when an asset is traded-in for a new asset should equal the cash outlay for the new asset plus the lesser of 1) the net book value of the asset traded-in or 2) the allowance provided for the trade-in). Further information on trade-ins is found in paragraph 30.90.

30.55 - Pooled Asset Method. The pooled asset method is used to account for furniture, furnishings, and fixtures. Pooling allows small dollar/large quantity assets to be appropriately reflected on the financial statements without imposing the unnecessary administrative burden of tracking each asset individually. Under the pooled asset accounting concept, no individual item has a recorded and separately identifiable book value. Rather, it is the group (pool) account that carries a book value. Accordingly, as will be noted from the following instructions, once a pool account has been established, the amount in the pool account remains unchanged for as long as the pool account remains in existence (until it is fully depreciated).

All purchases handled under the pooled asset method are to be capitalized into pooled accounts at full acquisition cost, including, where applicable, such items as outside installation costs, furniture assembly, freight charges, warehousing, insurance, and taxes. Each calendar year will be considered as a separate pool and all purchases made within a given calendar year will be considered a part of that pool account.

If a Reserve Bank has been granted approval to capitalize a particular bulk purchase of low-cost equipment, that purchase will be handled similarly to pooled assets, in that the items will not be individually tracked or have separately identifiable book values.

30.56 - Pooled Asset Depreciation. Depreciation will be calculated monthly on the gross amount of each pool account, using the "straight-line method." Depreciation on each furniture pool account will begin in the first month following the end of the pool year (calendar year). Guidelines on useful lives of pooled assets are found in table 30.78. Depreciation will continue until the allowance for depreciation equals the amount of the pool account, at which time the pool account will be credited and the related allowance for depreciation will be debited for the amount of the pool account (effectively removing these accounts from the balance sheet).

30.57 - Pooled Improvements (or Betterments). The costs paid to an outside vendor for significant improvements or betterments made to furniture, furnishings, and fixtures will be capitalized. When such expenditures are made, the amount will be added or capitalized in the appropriate pooled asset account for the year in which the expenditures are made. Such capitalized improvement or betterment costs will be treated as a purchase made during the year and will be depreciated, along with the other purchased assets in the pool, over the life of that particular pool account.

30.58 - Disposals and Trade-ins of Pooled Asset Items. The following is the treatment to be used when any item carried in a pooled asset account is (a) sold, the salvage received from the sale should be credited against the appropriate current year pool; (b) traded in on a new item which also is to be carried in a pooled asset account, the appropriate pooled asset account for the current year is to be debited with the net purchase price (full acquisition cost less trade-in) of the new asset. If the new item (for which the pooled item was traded in) will not be pooled, it should be expensed at the net purchase price; (c) lost, stolen or junked, with no salvage or trade-in value received, no entries are to be made for Balance Sheet accounting and reporting purposes.

30.60 - Examples of Classification of Capitalized Furniture and Equipment Assets. The following are examples of expenditures that are to be capitalized as furniture and equipment. The list is intended to suggest the scope of the furniture and equipment accounts, and is not exhaustive.

FURNITURE AND EQUIPMENT	
<p>Equipment: Computing Equipment: (if > \$5,000 or bulk purchased with approval) Computers Desktops and laptops Network routers switches wireless equipment Peripheral equipment associated initial stockage of telephones (capitalized after 1/1/1985) CBX/PBX telephone systems check reader/sorters collators consoles (not consoles described in 30.41) disc drives fax machines file and printer servers magnetic tape terminals mass storage units (network attached storage (NAS)) optical character readers printers remote job entry terminals removable disc packs scanners storage area network (SAN) tape drives / tape back-up systems terminal controllers visual display terminals Security intrusion detection/prevention systems PKI, identity, and authentication systems Servers portable uninterrupted power sources (UPS) Telecommunications Systems (e.g. Private Branch Exchange (PBX)), Automated Call Distribution (ACD) video conferencing equipment</p>	<p>Operating Equipment: <u>Operating Equipment:</u> Includes incinerators, built-in and operationally dedicated material handling and conveying systems, operationally dedicated high-density filing systems, lobby exhibits (incl. A/V, lighting, built-in displays), mechanical devices such as folding machines, photocopiers, coin and currency counting and sorting machines, including high-speed equipment, currency shredding equipment, fork lift trucks, internal currency and coin transport systems, TV surveillance cameras and monitors.</p> <p><u>Building Maintenance Equipment:</u> Includes vacuum cleaner, waxing machines, sanding machines, portable trash compactors, etc.</p> <p><u>Shop Equipment:</u> Includes drill presses, lathes, electric saws, etc.</p> <p><u>Kitchen and Dining Facilities Equipment:</u> Includes refrigerators (other than built-in, walk-in refrigerators and freezers), cash registers, microwaves, vending machines etc.</p> <p><u>Medical Services Equipment:</u> Includes sterilizers, sunlamps, scales, hospital beds, stretchers, etc.</p> <p><u>Audio-visual Equipment:</u> Includes video equipment, cameras, projectors and screens, sound systems, speakers etc.</p> <p><u>Protection Equipment:</u> Biometric devices, access control devices, MAG locks, magnetometers, x-ray machines etc.</p>
<p>Automotive Equipment: Automobiles Tractors Trucks</p>	<p>Artwork: Includes moveable original works of art created by professional artists. Includes paintings, outdoor artwork (statuary), statues and graphics. Does not include framed poster art.</p>
<p>Furniture, Furnishings and Fixtures: <u>Furniture:</u> Includes desks, chairs, credenzas, book cases, cabinets, tables, lamps, files (except operationally dedicated high-density filing systems), lockers, stools, initial stockage of cafeteria tableware and dishes, etc. <u>Furnishings and Fixtures:</u> Includes carpet tiles, window treatments, freestanding partitions and cubicle components (such as shelves, work surfaces, cabinets, and file drawers).</p>	

30.70 - Expenditures to Existing Buildings and Equipment. Expenditures to existing buildings and equipment consist of the cost of additions, improvements and major replacements to an asset (see descriptions below). These expenditures should be analyzed to determine if they should be capitalized or charged to expense in the current accounting period. Expenditures to

existing assets that meet the capitalization threshold of the Reserve Bank for similar assets are considered capitalizable if at least one of the following criteria is met:

1. The useful life of the existing asset is increased by more than one year.
2. The quantity of output or operating efficiency of the asset is significantly increased.
3. The quality of output is significantly increased.

Repairs and maintenance costs incurred to maintain an asset at its current level of operation are not capitalizable and should be charged to expense.

The cost incurred for any asset (other than PCs) that does not meet the criteria described above or the capitalization threshold of the Reserve Bank for similar assets, and the outside cost of normal repairs and maintenance required to maintain those assets in proper condition should be expensed in the period incurred.

ADDITIONS:

Additions are increases to, or extensions of, an existing building. Additions that meet one or more of the criteria described above should be recorded in a separate subsidiary account of the Buildings account and generally depreciated over the remaining life of the principal asset. If the addition is considered to have an independent service life of its own, depreciation is accrued over the new service life.

IMPROVEMENTS:

Improvements (or betterments) represent major modifications of an existing asset such as major renovations to an existing building or overhaul to equipment that will significantly increase its efficiency. Demolition costs resulting from the improvements of internal structures such as walls or flooring are also considered part of the improvement.

Improvements made to buildings or equipment that meet one or more of the criteria described above should be recorded separately in the appropriate subsidiary account. These improvements should be depreciated over the remaining life of the principal asset. If the improvement is made to a building and is considered to have an independent service life of its own, depreciation is taken over its own service life. When conducting floor renovations, Reserve Banks should look to their historical renovation trends to determine if the renovation should be given a unique useful life. For example, if the Reserve Bank has a history of renovating floors every ten years, a useful life of ten years would most likely be assigned to a current renovation. However, if floor renovations are rare, or no particular trend emerges in the frequency of the renovation, a Reserve Bank may consider assigning the remaining useful life of the building as the useful life of its current renovation. Improvements that replace assets with a

separately distinguishable book value should be treated as a replacement (see replacement requirements below). See paragraphs 30.85-30.87 for the appropriate treatment of leasehold and tenant improvements.

The cost of improvements made to equipment that meets one of the criteria described above should be debited to the appropriate asset account. The depreciation rate for the asset should be recalculated based on the new estimated useful life, net book value, and salvage value of the asset. The revised depreciation charges should begin in the first month following final payment, or when the asset is placed in service, whichever occurs first.

The accounting for costs associated with improvements made to computer equipment should be capitalized if the improvement meets the \$5,000 capitalization threshold of individual assets and the improvements are tangible. To illustrate, assume that a two-year old computer is initially purchased for \$1,000,000 and the expected useful life is set at six years. At the end of four years, an improvement is made for \$300,000 which is considered tangible and is expected to extend the useful life two years beyond the original useful life period (four years from the time of the improvement) and increase the salvage value \$30,000. Initially, the computer was being depreciated at \$150,000 per year to a salvage value of \$100,000. After the improvement, it would be depreciated at \$142,500 per year to a salvage value of \$130,000. An equipment improvement that can function independently of the underlying asset (for example, a storage array added to a server that can be moved to another server if needed) should be capitalized as a separate asset with a unique useful life. If the improvement cannot function independently of the underlying asset, the costs associated with the improvement should be depreciated over the remaining useful life of the original underlying asset.

REPLACEMENTS:

A replacement is a substitution of an existing asset by a new asset. Replacements should be capitalized if they meet one of the criteria discussed above. Replacements should be accounted for under the substitution approach which requires the net book value of the old asset to be calculated and removed from the books. The net book value of the old asset is charged to current expense. The new asset should be depreciated over its own useful life.

30.71 – Capitalization Thresholds. For an outlay to be capitalized, it should be material in value. For purposes of recognizing long-term physical assets, materiality is defined as equal to or greater than established capitalization thresholds. Table 30.72 provides the capitalization thresholds for the types of assets described in this chapter. The thresholds stated in the table represent the lower limit above which these transactions must be capitalized. A Reserve Bank has the option to implement more stringent (lower) thresholds if it deems such a policy preferable. If a more stringent threshold is used, the Reserve Bank must consistently apply the

threshold throughout the District (i.e., the head office and Branches must all use the same capitalization thresholds for all asset classes.) Such policy must be documented and provided as information to the FRB Financial Accounting Section of the Board's RBOPS Division.

Table 30.72 – Capitalization Thresholds.

ASSET CLASSIFICATION	CAPITALIZATION THRESHOLDS (Individual Assets)
Land	All acquisitions
Land Improvements	\$100,000
Building and Improvements	\$100,000
Building Machinery & Equipment	\$50,000
Equipment and Improvements	\$5,000
Furniture, Furnishings, and Fixtures	All using the pooled asset method (see 30.46).
Externally-Purchased Software	\$25,000
Internally-Developed or Significantly Modified Software	\$100,000
Leasehold Improvements	\$25,000
Tenant Improvements	\$25,000

30.75 - Depreciation. Depreciation is defined as the accounting process of allocating the cost of tangible assets to current expense in a systematic and rational manner in those periods expected to benefit from the use of the asset. Depreciation is an occupancy or usage cost and, therefore, should begin when a building is occupied, when an improvement is complete, or the month following the date equipment is placed into production. When constructing a building, if it is occupied prior to the closing of the Construction account, depreciation should be estimated as closely as possible and applied to current expense effective in the month in which at least 50 percent of the Reserve Bank's staff is operating from the new quarters. Any adjustments for over or under estimates of depreciation, as may be determined when the Construction account is closed and final figures for Building and Building Machinery and Equipment are capitalized, should be adjusted to current expense in the current month.

For all assets reported on the balance sheet, depreciation is recorded by debiting current expense and crediting the related allowance for depreciation on the balance sheet. Thus, the amount of accumulated depreciation reported on the balance sheet represents the sum of the

individual depreciation charges accrued on each asset recorded in the subsidiary accounts of the Bank.

Assets are depreciated on a straight-line basis. The depreciable basis of an asset is its acquisition cost less its estimated salvage value. The formula for calculating the straight-line method of depreciation is as follows:

$$\text{Cost less Salvage Value/Estimated Useful Life (in months)} = \text{Monthly Depreciation Charge}$$

Depreciation should continue until the asset is fully depreciated or disposed of. At the end of an asset's estimated useful life, the asset's net book value should equal its salvage value and depreciation should be discontinued. The asset and related allowance for depreciation should not be removed from the balance sheet until the asset is retired/disposed of, even if the net book value of the asset is zero.

Appropriate subsidiary records, reflecting the original acquisition cost, the cost of any improvements, and allowance for depreciation balance should be maintained in all cases. Land, artwork, and assets held for sale or future use are not depreciated.

30.76 - Depreciation Rate and Salvage Value. Table 30.78 provides information for establishing useful lives and salvage values for the types of assets described within this chapter. Similar assets, within an asset category, that have the same useful lives may be grouped for depreciation purposes, as long as memorandum records are maintained detailing the original charges to the account by piece of equipment. It should be noted that Table 30.78 provides parameters within which the Reserve Bank may determine the appropriate depreciation schedule for assets. It should not be viewed as an indication of rates that are automatically to be assigned to new or used equipment. If a Reserve Bank has a special case where the documented useful life or salvage value of an asset exceeds the guidelines set forth, a request, with substantiating documentation, should be sent to the Manager of the FRB Financial Accounting Section of the Board's RBOPS Division for review and approval. A Reserve Bank may utilize a lesser useful life or salvage value than the guidelines listed without Board notification with the exception of the bank building (excluding improvements).

The depreciation rate should be based on the expected unique useful life to the Reserve Bank, taking into account such factors as probable technological obsolescence and projected capacity limitations consistent with the Bank's long-range procurement plans, industry information, and improvements. The salvage value assigned to an asset should reflect the Reserve Bank's expected recovery upon sale or trade-in of the asset. Assessments of the useful life and salvage value of all assets, excluding building but including Building Improvements, and Building Machinery and Equipment should be reviewed annually, at a minimum. Should the Reserve Bank note a change in the expected remaining useful life or salvage value of the asset,

the depreciation rate should be adjusted prospectively such that the remaining net book value is depreciated to the estimated salvage value over the expected remaining useful life of the asset.

Table 30.78 - Maximum Useful Lives and Salvage Values.

ASSET CLASSIFICATION	MAXIMUM USEFUL LIFE (Individual Asset)*	ESTIMATED LIFE (Individual Asset)*	MAX. EST. USEFUL LIFE (POOLED)	MAXIMUM EST. SALVAGE VALUE
Land Improvements	20 years		N/A	0
Building and Improvements	Building -50 years Improvements - Unique life or remaining life of building		N/A	0
Building Machinery & Equip.	20 years		N/A	0
Equipment: Computing equip. (other than PCs)	As determined by Reserve Bank - see 30.76		N/A	(See 30.76)
Processing and office equipment	6 years			10 percent
PCs	3 years for standard technology; 4 years for state-of-the-art technology.			0
Automotive Equipment (including vans & minivans)	3 years		N/A	20 percent
Furniture, Furnishings and Fixtures	N/A		10 years	0
Software	5 Years		N/A	0
Leasehold and Tenant Improvements	Shorter of the unique life of the improvement or the remaining life of the lease		N/A	0

* The Division of Reserve Bank Operations and Payment Systems has assigned specific maximum estimated useful lives to the following assets:

Ten (10) year useful life, zero salvage value: Unisys check processing equipment.

Fifteen (15) year useful life: 1) High speed currency equipment, currency disintegrators and incinerators, and high density filing systems. 2) Offset printing presses.

Twenty (20) year estimated useful life: (1) Uninterruptable power systems. (2) Materials handling systems. (See 30.46)

Note: Peripheral equipment that is expected to have the same useful life as a mainframe computer should be depreciated over the life of the mainframe. However, if the useful life of such equipment is projected to be different from that of the computer, the equipment may be depreciated over a different period provided the equipment is not dedicated to, or an integral part of, the mainframe.

30.80 - Capitalized Lease. A lease that is entered into that transfers substantially all the benefits and risks of ownership of property to the Reserve Bank should be accounted for as the acquisition of an asset and the incurrence of an obligation.

The Financial Accounting Standards Board (FASB) Statement No. 13 establishes that leases which meet any one of the following four criteria at the inception of the lease should be classified as a capital lease:

- 1) The lease transfers ownership of the property to the lessee by the end of the lease term.
- 2) The lease contains a bargain purchase option. This is a provision that allows the lessee to purchase the leased property for a price sufficiently lower than the expected fair value of the property and the exercise of which appears reasonably assured.
- 3) The lease term is equal to 75 percent or more of the estimated economic life of the leased property. The estimated economic life is the estimated remaining period during which the property is expected to be economically usable for the purpose for which it was intended at the inception of the lease. This criterion should not be used if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property.
- 4) The present value of lease payments equals or exceeds 90 percent of the excess of fair value of the leased property over any related investment tax credit retained by the lessor. This criterion should not be used if the beginning of the lease term falls within the last 25 percent of the total estimated economic life of the leased property.

To justify the additional time and expense of capitalizing a lease, the materiality test to apply is that the leased asset value equals or exceeds \$100,000. If the lease has been determined to meet any one of the four criteria above and has passed the materiality test, the transaction should be treated as the acquisition of a capital asset. If the lease meets either criterion 1 or 2 listed above, the asset should be depreciated as any similar capital asset would be, otherwise, the asset should be depreciated over the lease term. The amount capitalized should be equal to the lesser of the current fair market value of the asset or the present value of the lease payments and the payment called for by the bargain purchase option (if any). The present value of the lease

payments should be calculated using the current Treasury borrowing rate for a term comparable to the lease term unless the interest rate implicit in the lease, as computed by the lessor, is both readily determinable and less than the current Treasury borrowing rate. At the time of capitalization, a liability in the *Sundry Items Payable* account (see paragraph 11.70) should be recorded for the capitalized value of the lease. Additionally, a portion of each lease payment should be treated as interest expense at the time each payment is made such that a constant periodic rate of interest is in effect over the life of the lease. The interest rate used should be the same as that used in determining the present value of the lease payments.

In order to maintain proper accountability for capitalized leases, separate subsidiary accounts under the appropriate asset and liability categories should be established. Potential capital leases with lease payments over the lease term in excess of \$500,000 along with the proposed accounting treatment should be sent to the FRB Financial Accounting Section of the Board's RBOPS Division for review.

For the purposes of this paragraph, the lease term is defined as the fixed non-cancelable term of the lease. The lease term should include any periods covered by bargain renewal options but should not include standard renewal periods. The lease term should also include the entire period up to the time a bargain purchase option becomes exercisable. See paragraph 30.86 for an example of how to determine the lease term or "known life of the lease."

Leases that do not meet any one of the four criteria listed above are accounted for as operating leases (see paragraph 1.24).

30.85 - Leasehold Improvements. Expenditures made in connection with the renovation or alteration of a major nature to space rented for Bank use should be capitalized. A leasehold improvement must be capitalized if the cost is \$25,000 or more. The cost of minor repairs and maintenance involved in the upkeep of leased quarters should be charged to current expense. The term "renovations and alterations" as used here is intended to include the construction of any new building for Bank use on leased property where the title to the building passes to the owner of the land either upon completion of construction or termination of the lease agreement.

When the renovation or alteration of leased quarters is begun, a special subsidiary account entitled Deferred Charges--Leasehold Construction should be opened and the entire cost of the project should be charged thereto. Upon completion of the renovations or alterations, the account should be closed out and the total cost of the project transferred to Deferred Charges--Leaseholds. Both accounts are reported on FR 34 as deferred charges.

30.86 - Amortization of Leasehold Improvements. The amount charged to the Deferred Charges--Leasehold account should be amortized to current expense as rent over the known life of the lease. For purpose of this amortization, the "known life" of a lease is that period of time during which the Bank actually agrees to rent the property including periods covered by bargain

renewal options but not including standard renewal periods. For example, if a Bank enters into an agreement to lease property for 5 years with a bargain renewal period after 2 years, the known life would be 7 years and the cost of the improvements would be amortized over that period. If, however, the 5 year rental period was followed up by a standard (rather than bargain) renewal period of 2 years, the known life and period of amortization would be 5 years. If either lease in the examples given above contained a cancellation clause that did not impose a significant penalty after a three-year period, rendering it essentially cancellable, the known life would be three years.

30.87 - Tenant Improvements. Significant expenditures associated with tenant improvements that are unique to the needs of the lessee should be accumulated in a subsidiary construction account until completion of the project. The expenditures should then be capitalized in one or more subsidiary accounts under the appropriate Bank premises asset. A tenant improvement must be capitalized if the cost is \$25,000 or more. The reporting requirements are the same as the leasehold improvement instructions in paragraph 30.85. The amount charged to Bank premises as tenant improvements should be amortized to current expense as depreciation normally over the shorter of the useful life assigned to the asset class to which the improvement is capitalized, or the known life of the basic lease, but not longer than the original lease plus any renewal options. In the event that a tenant leaves before the expiration of the lease, any remaining unamortized amount should be charged to current expense as a loss on disposal of fixed assets.

30.90 - Disposals and Trade-ins. When disposing of assets (either voluntarily or involuntarily) the gross asset value and the related accumulated depreciation should be deducted from the appropriate asset account and from the allowance for depreciation account. Any difference between the net book value (gross asset value less accumulated depreciation) and the proceeds from a sale should be debited or credited to current expense. When an asset is traded in, if the net book value exceeds the trade-in allowance, that difference should be debited to current expense (i.e., the amount capitalized when an asset is traded in for a new asset should equal the cash outlay for the new asset plus the lesser of 1) the net book value of the asset traded-in or 2) the allowance provided for the trade in). When such an item is scrapped before it is fully depreciated, the remaining net book value will be debited to current expense. In the event equipment is sold by one Reserve Bank to another, any net difference between book value and selling price should be recorded as an increase or decrease to current expense on the books of the selling office. Any transfer of assets between offices of the same District should be made at book value. The receiving office should record the asset on a cost basis equal to the net book value.

30.95 - Asset Impairment. Consistent with FAS 144, assets should not be carried on the books at amounts significantly in excess of their fair values. Whenever major events or changes in operating circumstances indicate that the carrying amount of an asset may not be recoverable, an evaluation of the recorded carrying value of the associated asset should be performed to determine if a write-down due to impairment is needed. The following tests should be applied when such events or changes in circumstances occur or on an annual basis in the absence of such events or changes to determine if asset impairment is appropriate:

- A significant decrease in the fair value of an asset held for disposal.³
- A significant change in the extent or manner in which an asset is used or a significant physical change in an asset.
- A significant adverse change in legal factors or in the business climate that could affect the value of an asset or an adverse action or assessment by a regulator.
- An accumulation of costs significantly in excess of the amount originally expected to acquire or construct an asset where these costs are not anticipated to be recoverable in the future.
- A current period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with an asset used for the purpose of producing revenue.
- A current expectation that it is “more likely than not” that the asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

Impairment in value (whether partial or total) should be judged permanent and material before a write-down can occur. At the time an asset is judged to be materially and permanently impaired, a loss should be recognized. As a general rule, the loss associated with the impairment of Land, Building (in-service date prior to 1996), and Building Machinery and Equipment (BM&E), should be charged to Profit & Loss. The loss associated with impairments of Land Improvements, Building Improvements (in-service date after 1995), and Furniture and Equipment should be charged to Current Expense.⁴ The offset should be recognized by reducing the book value of the asset through a credit to the asset account if the asset is held for use. The reduction in book value for impaired assets held for disposal should be credited to an asset

³This does not include assets that have been in production (and depreciated accordingly) and that will continue to be used throughout their useful life for the asset's intended purpose.

⁴ FAM allows Reserve Banks to treat an addition (improvement/renovation) to a building as an independent asset and be depreciated using its own unique useful life if the addition is considered to have an independent service life of its own (see paragraph 30.70- Additions). Such an asset is referred as specialized improvement and the loss associated with the impairment of a specialized improvement is normally charged to expense. FAM was revised in 1996 to allow for specialized improvements.

valuation account. The valuation account may be adjusted for subsequent revisions in estimates of fair value less costs to sell, provided that the carrying amount of the asset does not exceed its original carrying value (prior to any impairment recognition). At the time the write-down is made, the useful life and salvage value of the impaired asset should be evaluated and adjusted accordingly.

All write-downs of impaired assets must be approved by the FRB Financial Accounting Section of the Board's RBOPS Division. Information such as the description of the asset, whether the asset will be written down or written-off, the reason for the impairment, and the proposed entries to account for the asset impairment should be provided along with the request for approval. The fair value of assets considered for impairment should be determined in accordance with FAS 157, Fair Value Measurements. A fair value measurement assumes that an asset is exchanged in an orderly transaction between market participants, and assumes the highest and best use of the asset. In determining the amount of an impairment, the fair value is not to be reduced for transaction costs such as incremental direct costs to sell the asset. For more detailed step-by-step instructions and guidance associated with asset impairment following FAS 144, refer also to the "FRB Accounting for Costs Associated with Restructuring 2003-2004" memo that can be found in the SOL: [REDACTED]

When in SOL, go to the following section: System/Accounting and Financial Management/RBOPS FRB Financial Accounting/Accounting Guidance.

30.96 - Other Real Estate. This account should be debited upon acquisition of real estate to be held for future Bank use or when Bank property is vacated pending disposition. All costs associated with the purchase of real estate should be capitalized. Generally, buildings carried in this account should not be depreciated. When the site is approved for construction, Other real estate should be transferred to the appropriate Bank premises accounts (in most cases, Land).

In some cases, other real estate will include buildings with tenants. Income and expenses involved in operating buildings purchased after 1976 should be functioned through current expenses. If the real estate contains a building that will eventually be razed, depreciation should be discontinued upon acquisition.

The carrying amount of other real estate that is held for sale should not exceed its fair value. The carrying value of other real estate held for sale should be evaluated by the end of the calendar year, at a minimum, to determine if adjustments are necessary (see 30.95). This does not necessarily require an annual formal appraisal; however, valuation methodologies should be consistent.

31.00 – Real Estate Reporting Requirements. Paragraph 60.94 provides instructions for the preparation and submission of required accounting reports FR 612 and FR 892.

(THIS PAGE INTENTIONALLY LEFT BLANK)

CHAPTER 4

CENTRAL BANK UNIQUE ACCOUNTING

40.01 – General. The Federal Reserve Bank of New York (FRBNY) has been authorized by the FOMC to execute open-market transactions on behalf of the Reserve Banks. This chapter summarizes the unique and specific accounting policies followed by the FRBNY.

40.05 – Participated Accounts. The following accounts are those in which each Reserve Bank participates or has an undivided interest.

- Federal agency obligations bought outright
- U.S. Government securities bought outright
- Foreign Currencies
- Interest Accrued and Interest Payable -- includes fee income and interest accrued on securities lending
- Interest Income and Interest Expense
- Premium and Discount on securities
- Foreign deposits
- Reverse Repurchase Agreements
- Tri-party Repurchase Agreements

40.10 - Interest Earnings and Expense. Interest on securities is accrued daily. Because, as a general rule, SOMA securities are purchased before noon each day and sold before noon on the day of settlement, the majority of the daily interest earnings recognized pertains to the day of purchase rather than the day of sale. Accordingly, interest accruals and the amortization of premiums and discounts are recognized beginning on the day that a security is purchased and ending the day before the security matures or is sold.

40.20 - U.S. Government and Federal Agency Securities. These securities are held in the System Open Market Account (SOMA) at the FRBNY. Premiums and discounts are recorded separately and amortized (accreted) on a straight-line basis. Earnings are accrued daily to the interest accrued account (see 40.10). All realized gains and losses are determined by the specific identification method within fungible classifications. These assets and related income and the associated gains and losses are

allocated to each Reserve Bank based on the Bank's designated share of the SOMA portfolio (see 40.40).

40.25 - U.S. Government Securities: Held Under Repurchase Agreements. The FRBNY is authorized by the FOMC to acquire U.S. Government securities under agreement with a dealer to repurchase the securities at an established point in time (securities purchased under agreements to resell). The FRBNY may engage in tri-party purchases of securities under agreements to resell ("tri-party agreements"). Tri-party agreements are conducted with two custodial banks that manage the clearing and settlement of collateral. Acceptable collateral under tri-party agreements is determined by the FOMC. The tri-party agreements are accounted for as financing transactions with the associated interest income accrued over the life of the agreements. The repurchase agreements generally consist entirely of agreements through third-party custodial arrangements.

40.30 - U.S. Government Securities: Reverse Repurchase Agreements (temporarily 240-050). In December 2002, the FRBNY replaced matched sale-purchase transactions with securities sold under agreements to repurchase. Securities sold under agreements to repurchase, unlike matched-sale purchase transactions, which were accounted for as separate sale and purchase transactions at an agreed upon rate at the commencement of the transaction, are treated as secured borrowing transactions with the associated interest expense recognized over the term of the transaction, generally overnight. The par values of securities that are sold under agreements to repurchase are deducted from the SOMA portfolio balance when calculating assets available for collateral for Federal Reserve notes. The contract amounts of securities sold under agreements to repurchase are temporarily being transmitted to the Board in the Unearned Discount account (see 11.60).

40.35 – Securities Lending. The FRBNY, on behalf of the Reserve Banks, may lend U.S. government securities held in the SOMA to securities dealers and to banks participating in U.S. government clearing arrangements. These securities-lending transactions are fully collateralized by other U.S. government securities and the collateral taken is in excess of the market value of the securities loaned. The FRBNY charges the participating dealer or bank a fee for borrowing securities.

40.40 - SOMA Participation. All domestic securities activity, with the exception of acceptances is allocated to each Reserve Bank on daily basis. Prior to February 2007, when the FOMC's authorization specified that activity related to tri-party repurchase agreements would be participated to all other Banks, the activity was reported only by

FRBNY. The allocation includes the portion of interest accrued and premium or discount. Gains and losses are allocated to each Bank based on holdings at the opening of business. Allocation is made on the basis of percentages that are derived from an annual settlement of interdistrict clearings and equalization of gold certificate holdings as explained below. The percentages that are used for allocating the account prescribed by the FOMC are calculated as follows:

In April of each year the Board and the Markets Group at the Federal Reserve Bank of New York calculate the average daily balance on each Bank's Interdistrict Settlement account during the preceding 12 months. The average daily settlement account balance (plus or minus) is applied to each Bank's gold certificate account total.

A calculation is then made of the amount each Bank should have in its gold certificate account to equal the System average of gold certificates to Federal Reserve notes outstanding. In this calculation, an amount is set aside in FRBNY's account to accommodate future gold sales by the U.S. Treasury..

The adjustment that would be required in each Bank's gold certificate total is applied by the FRBNY against each Bank's holdings in the System Open Market Account. Thus, a desired decrease in a Bank's gold certificate account is achieved by increasing the Bank's holdings of securities.

The resulting percentage of each Bank's participation in the System Account is used, until the next reallocation, as the basis for allocating the daily SOMA transactions.

The following is a simplified illustration of the procedure that is performed each April: Assume that Reserve Bank A has gold certificates balance of 105, securities of 2,000, outstanding Federal Reserve notes of 2,000, and during the 12 months ending in March, its ISA settlement account averaged -5. The gold certificate total of all Banks combined is 10 percent of the combined Federal Reserve notes.

1. The ISA settlement account will be adjusted by debiting it for 5
2. The offset to the above ISA entry is to credit the gold certificate account for 5.
3. The gold certificate account will be adjusted to equal ten percent of the outstanding notes total ($2,000 \times 10\% = 200$), increasing the gold account by 100 ($200 - 100 = 100$).
4. The offset to the final change to gold account (100) is deducted from the SOMA securities account ($2,000 - 100 = 1,900$).

Balance	Gold		ISA		SOMA	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
before the annual adj.	105			10	2,000	
1. ISA			5			
2. Gold		5				
3. Gold	100					
4. Securities						100
Balance after adj.	200		-	5	1,900	

40.50 - Investments Denominated in Foreign Currency (170-100,-110). The FRBNY, on behalf of the Reserve Banks, holds foreign currency deposits and foreign government debt instruments denominated in foreign currencies with foreign central banks and the Bank for International Settlements (BIS). Balances result from market and off-market transactions for the purpose of stabilizing fluctuations in international flows and exchange values of various currencies and other needs specified by the FOMC. Foreign currency holdings are invested in so far as practicable, considering needs for

minimum working balances. This account includes the amortization of premiums and discounts and the accrual of interest. Each Reserve Bank is allocated a share of the foreign-currency-denominated assets, realized and unrealized gains and losses, and interest on the basis of its designated share of the total portfolio. Each Reserve Bank's share of the portfolio is determined based on the ratio of its capital and surplus to the total capital and surplus of all Federal Reserve Banks, as determined at the first of each year (see 3.85).

Investments denominated in foreign currencies are limited, by FOMC policy, to an average maturity of no more than eighteen months (calculated using the Macaulay duration) and are accounted for at cost on a settlement-date basis, adjusted for amortization of premiums and accretion of discounts using the straight line method. These investments are guaranteed as to principal and interest by the foreign governments, or are contracts with the foreign central banks or the BIS. Foreign-currency-denominated assets of the Reserve Banks are revalued daily at current market exchange rates in U.S. dollars, with any unrealized exchange gains or losses recognized in profit and loss. Interest income is recorded on the accrual basis. Gains and losses resulting from sales of securities are determined using the weighted average cost method.

40.60 - Foreign Exchange (F/X) Swap. This is a renewable, short-term reciprocal currency arrangement generally for up to one year, between two parties, the FRBNY, on behalf of the Reserve Banks, and an authorized foreign central bank, which mutually agree to exchange their currencies up to a prearranged maximum amount and for an agreed-upon period of time. These arrangements give the Federal Reserve temporary access to the foreign currencies that it needs to support its international operations, and gives the authorized foreign central bank temporary access to dollars.

The FRBNY will generally invest the foreign currency received under an F/X swap arrangement in interest-bearing instruments, and the interest income on these holdings is accrued and included in interest income on investments denominated in foreign currencies. Drawings under the F/X swap are structured so that the party initiating the transaction (drawer) bears the exchange rate risk upon maturity. Each day the swap commitments are revalued at current exchange rates and unrealized gains and losses on revaluation of the resulting foreign currency holdings are participated among the Reserve Banks with the offset to the exchange translation liability account on the books of the FRBNY.

40.65 - Warehousing Agreement. The FOMC has an agreement to "warehouse" foreign currencies for the U.S. Treasury and the Exchange Stabilization Fund (ESF). This is an arrangement under which the FOMC agrees to exchange, at the request of the

Treasury, U.S. dollars for foreign currencies held by the Treasury or ESF for a limited period of time. The purpose of the warehousing facility is to supplement the U.S. dollar resources of the Treasury and ESF for financing purchases of foreign currencies and related international operations. In general, this transaction is similar to the F/X swap; however, the parties are the Federal Reserve and the Treasury.

40.70 – Foreign Deposits. These deposits consist of non-interest bearing accounts held with the FRBNY by foreign central banks and governments for international settlement and other purposes. The portion of the balances estimated to be in excess of what is needed for current transactions is participated among the Reserve Banks on the basis of each Bank's capital and surplus. As a practical matter, foreign deposits are commonly invested overnight in reverse repurchase agreements conducted by the desk at the FRBNY.

40.75 – Euro Reverse Repurchase Agreements. The FRBNY, on behalf of the Reserve Banks, may enter into euro reverse repurchase agreements, under which foreign currencies are sold under agreements to repurchase. The maximum duration of a euro reverse repurchase agreement is 30 days, and SOMA pays interest at a specified interest rate. These transactions are treated as financing transactions where the currency received is treated as a liability and interest payable is accrued on a daily basis. Each Reserve Bank is allocated a share of the liability for euro reverse repurchase agreements, as well as the related accrued interest and interest expense, based on the foreign currencies allocation ratio (see 3.85).

(THIS PAGE INTENTIONALLY LEFT BLANK)

CHAPTER 5

FEDERAL RESERVE NOTES

50.01 - General. This chapter discusses special accounting and reporting procedures applicable to Federal Reserve notes. The Federal Reserve Act requires that Federal Reserve notes be issued to a Reserve Bank through the Federal Reserve Agent, or through an Assistant Federal Reserve Agent appointed by the Agent, upon pledge of adequate collateral security by the Bank. Until 1977 the local assistant agents held stocks of unissued notes as a source of supply for the cash departments and issued the notes to the Banks upon receipt of application for specific amounts. The procedure was changed beginning in 1978 and the local stocks were discontinued along with the need for the Reserve Banks to apply for specific amounts or to earmark specific collateral. As part of the new procedure the Federal Reserve Agents designated a member of the Board of Governors' staff in Washington as Assistant Federal Reserve Agent to control the issuance of notes and to monitor the adequacy of collateral that is pledged by each Bank under a continuing agreement. The agreement, executed by each Bank and Agent, results in the pledge of specified assets that the Bank may own at any time plus whatever amount may be required out of the Bank's other eligible assets, including its participation in U.S. Government and agency securities held in the System Open Market Account. The specified assets consist of the Bank's gold and SDR certificates, loans under Section 13 of the Federal Reserve Act, and assets acquired under the provisions of Section 14. In December 1990, the Board revised procedures for collateralizing FR notes, whereby assets denominated in foreign currencies that have been acquired under the provisions of Section 14 of the Federal Reserve Act may be pledged as collateral by the FR Agent or Assistant FR Agent in instances where other eligible assets are insufficient to secure Federal Reserve notes fully. In December 1999, the Federal Reserve Act was amended to broaden the range of discount window loans that may be used as collateral for Federal Reserve notes to include all loans to depository institutions. In October 2003, the Federal Reserve Act was further amended to allow all assets of the Federal Reserve Banks to be eligible as collateral for Federal Reserve notes and to specify that collateral is not required for currency held off-site on behalf of Federal Reserve Banks. A statement showing the amount of notes outstanding to each Bank, the notes requiring collateralization, and the various assets pledged as System collateral security is published weekly in the Board's H.4.1 release, and monthly in the Federal Reserve Bulletin.

50.05 - Denominations. Seven denominations of Federal Reserve notes are issued currently. Before 1963 the issuance was limited to denominations of \$5 and up. The \$1 notes were authorized in 1963 as a replacement for \$1 silver certificates that were being discontinued because of the need for silver coinage; \$2's were authorized at the same time but were not printed and issued until 1976. Larger denominations (\$500, \$1,000, \$5,000, and \$10,000) were first authorized primarily for interbank transactions by an amendment to the Federal Reserve Act in 1918. With demand for them shrinking, printing of these denominations was discontinued in 1946. The remaining inventories were delivered to Treasury for destruction in 1969 when it was determined that transactions for which the notes had previously been used could be met by other means, such as checks or \$100 notes. Currently, circulating large denomination notes received in the normal course of business are destroyed.

50.10 - Printing. The Director of the Bureau of Engraving and Printing, under the direction of the Secretary of the Treasury, is responsible for the printing of Federal Reserve notes. Each year the Board places a printing order with the Director of the Bureau of Engraving and Printing based on the estimated need for new currency and inventory requirements. Thereafter, the Bureau of Engraving and Printing prepares a printing schedule, a copy of which is distributed to each Bank, and delivers the notes daily to a special vault pending shipment.

50.20 - Shipments. The Board's Division of Reserve Bank Operations and Payment Systems arranges for the shipments of Federal Reserve notes from the Bureau of Engraving and Printing to Federal Reserve offices in amounts sufficient to maintain inventories at agreed upon levels. The notes are shipped from the Bureau in the most economical quantities that can be arranged, considering the following: the facilities and the rates of the carrier, the capacity of the Federal Reserve offices to handle the shipments, the amount of insurance that can be provided, the printing schedule and availability of new notes at the Bureau, and unusual circumstances that sometimes warrant special shipments (such as armored carrier and airline strikes or the servicing of Reserve Banks moving into new buildings).

50.30 - Application for Notes. The law requires that a Federal Reserve Bank make application to the Federal Reserve Agent for the notes required by the Bank. Unless otherwise instructed, the Reserve Bank may make such application on a continuing basis as set forth in the screen at 52.01.

50.40 - Issuance. The notes are issued by the Assistant Federal Reserve Agent, normally on the day of shipment from Washington or Ft. Worth. When the Assistant Agent issues notes to the Bank through shipment from the Washington or Ft. Worth

facility, the automated Currency Ordering System (COS) indicates the denomination, dollar amount, District of issuance, and receiving office. The shipments should be taken into Bank cash on the date shown in the COS, which is normally the day the shipment will be received. The notes should be credited to the account on FR 34 for Federal Reserve notes outstanding with the offset being reflected in Federal Reserve notes on hand or in transit. Amounts that are in transit at the close of business--i.e., have not been delivered by the courier--should be carried in a general ledger account entitled "Federal Reserve notes in transit."

Federal Reserve notes outstanding should be reflected only on the books of the head office and must agree with the records of the Assistant Federal Reserve Agent. The head office, normally the Cash Department, should originate the credit to Federal Reserve notes outstanding for shipments to the Branches based on the date shown in the COS. The contra entry should be made to the usual clearing account on the Bank's books such as the Interoffice account or the account due from Branch, depending on internal accounting procedure. The Branch should include the shipment as Federal Reserve notes on hand (or in transit) on the same day and enter the credit to the head office, again following the usual payments procedure between offices within the District.

For shipments of notes between Districts, only the receiving office should use the in transit account when notes are not received the day they are shipped. The sending office should debit due from receiver and credit notes held on the day shipped. The receiving office should debit either notes held or in transit and credit ISA due to sender on the shipment date. Currently Same Day Settlement is not used for Fed to Fed cash shipments.

The fact that a shipment may be taken in and pouches not opened until the following day should not affect the general ledger entries. In the event of error in the contents of the pouches or, in exigent circumstances, the return by the courier of a shipment to BEP or Ft. Worth, or rerouting to another Federal Reserve office, adjusting entries may be necessary. These situations, though, are unusual and the Assistant Federal Reserve Agent should keep the Reserve Bank fully informed.

50.43 - Sales of Notes by the Bureau of Engraving and Printing. Under a program initiated in 1981, the Department of the Treasury's Bureau of Engraving and Printing purchases Federal Reserve notes from Reserve Banks for sale to the public. The currency is sold in uncut sheets of 16 and 32 notes, over-the-counter and by mail to meet demands for souvenirs of visits to the Bureau and for paper money collections. When purchasing the notes, the Bureau authorizes the Reserve Banks to charge the Treasury's general account for the face value of the notes plus the cost of printing. The authorization is

contained in a modified Letter of Advice of Shipment (), an example of which is contained in paragraph 52.03.

On the release date contained in the letter of advice, the Reserve Bank debits the Treasury's account for the total, credits the face value of the notes to F.R. notes outstanding and credits the amount received for printing costs to the profit and loss account. (See paragraph 60.61.)

50.45 - Retirement. Any Federal Reserve Bank may retire its Federal Reserve notes by returning them to the Federal Reserve Agent. The amount of notes that are retired should be debited on the balance sheet to Federal Reserve notes outstanding and removed from the amount of notes on hand. The notes may be reissued to the Bank as determined by the Assistant Agent in Washington. However, it is not the practice to retire notes.

50.50 - Redemption. The law requires that unfit Federal Reserve notes be canceled, destroyed, and accounted for under procedures prescribed and at locations designated by the Secretary of the Treasury and that the credit for the unfit notes be apportioned among the Federal Reserve Banks as determined by the Board of Governors.

All of the present size unfit currency in the \$1-\$100 denominations are to be regarded for initial accounting purposes as Federal Reserve notes. No sort is made of the Bank of issue. The amount of silver certificates and United States notes that are included in unfit currency are identified by formulae after the currency has been destroyed. After deducting such amounts and charging Treasury, redemption credit for the Federal Reserve notes is allocated among the Reserve Banks on the basis of percentages derived from the application of the following formula:

A Federal Reserve Bank's share of unfit notes in the \$1-\$100 denominations delivered for destruction shall be the result of the division of (a) the net amount of the denomination outside the Bank at the beginning of the year by (b) the amount of the denomination outside all Federal Reserve Banks at the beginning of the year.

Unfit notes should be debited to Federal Reserve notes outstanding on the day the notes are destroyed. Branches should arrange for prompt advice to the head office of amounts that they process in order that reduction may be made currently on the head office books. Thus, all unfit currency processed within a particular District should be charged initially against that District's outstanding notes effective on the accounting day of destruction.

50.60 - Large Denomination Notes. The large denominations, consisting of \$500-\$10,000 Federal Reserve notes, are sorted by Bank of issue and are eventually charged to the issuing Bank for debiting against Reserve notes outstanding. However, to minimize

the number of accounting advices and facilitate control over amounts outstanding, all such notes delivered for verification and destruction by a Reserve Bank should be charged initially against that Bank's outstanding notes. The Division of Reserve Bank Operations and Payment Systems will thereafter arrange for settlements between Reserve Banks. Such settlements will normally be scheduled in June and December. The Cash Departments will be informed of the settlement at least a week in advance and should enter data on the "Large note clearing" screen (52.05) in the FR5 system by the deadline indicated in the notification message sent by Board staff via electronic mail. If there were no large denomination notes redeemed during the period, zeroes should be entered in the total columns on the screen. Board staff will notify Reserve Banks via electronic mail (52.04) to make entries to the Interdistrict Settlement account and to Federal Reserve notes outstanding to adjust for the allocation. Reserve Bank staff should retrieve the entries to be made on their Bank's books from the ISA adjustment screen in the FR5 system (52.10).

50.65 - Currency Destroyed by Treasury. Unfit and mutilated currency processed by the Treasury in Washington is functioned through the books of the Richmond Federal Reserve Bank. On the day of redemption, Treasury will advise Richmond by wire of the amount for each denomination, including the Bank of issue for \$500-\$10,000 notes. Richmond will credit the Treasury's General Account for the total and debit notes outstanding. The Federal Reserve Banks are responsible for reimbursement to the Treasury for retirement of FR currency. Each quarter the Treasury forwards to the Board a voucher, indicating the actual cost for services performed relative to the retirement of Federal Reserve currency during the previous quarter. Board staff calculates the pro rata amount of each Reserve Bank's assessment based on the Bank's share of the number of notes comprising the System's net liability for Federal Reserve notes outstanding on December 31 of the previous year (52.12). Reserve Bank assessment entries will be processed via Same Day Settlement by FRB Richmond according to information reported on the CULDO wire (52.13).

50.70 - Monthly Note Allocations. The amount of the unfit \$1-\$100 denominations charged against outstanding Federal Reserve notes during a month will be reallocated by the Division of Reserve Bank Operations and Payment Systems in the following month, using percentages prescribed by Treasury for determining silver certificates and United States notes and the formula adopted by the Board for allocating Federal Reserve note redemption credit.

Cash Departments should provide the Division with the total amount of each denomination, \$1-\$100, charged off against outstanding Federal Reserve notes during the

month, no later than the fifth business day of the following month. Reserve Bank Cash Department staff and a Bank Officer are responsible for entering and certifying the data, respectively, on the "Monthly Notes Redeemed" screen in the FR5 system (52.30). Data reported must agree with the total of the daily amounts reported destroyed by the cash departments for that month. Following the verification, the Division will combine the reports and subtract out the Treasury currency portion. The resulting totals for each denomination will be allocated to the Reserve Banks and an electronic mail advice (52.15) will be sent to each Reserve Bank instructing them to retrieve the entries to be made to their books from the "ISA adjustment" screen in the FR5 system (52.11). Each Reserve Bank will make entries to the Interdistrict Settlement Account and to Federal Reserve notes outstanding to adjust for the allocation. Richmond will also charge Treasury's General Account for the amount of Treasury currency.

51.01 - Notes Missing from New Packages of Currency. New currency is delivered by the Bureau of Engraving and Printing in 4000-note packages. Losses resulting from notes missing from these packages are borne by the Bureau. When the Bureau reaches a determination regarding missing currency, the Bureau will forward a check payable to the Reserve Bank covering the amount. The letter of advice accompanying the check will be addressed to the Vice President in charge of the money department at the Reserve Bank and will include a listing of the serial numbers and denominations of the notes. The Bureau will send copies of the letter to (1) the Assistant Federal Reserve Agent in Washington and (2) the Deputy Assistant Commissioner, Banking and Cash Management, Financial Management Service. The Assistant Federal Reserve Agent in Washington and the Reserve Bank will make entries on their respective records depending on the circumstances, as outlined below. In each case the offsetting entry will be reflected in the charge against Treasury's General Account for the Bureau's check.

Deficient packages shipped to depository institutions: For notes that were reported missing in the new packages received by depository institutions, the Reserve Bank will credit the institution and debit Profit and loss. A credit will then be made to Profit and loss.

Deficient packages held by Bank: For deficient packages that are in Reserve Bank cash, the Reserve Bank will credit Federal Reserve Notes: Held by Bank and Branches and debit Profit and loss. A credit will then be made to Profit and loss.

Deficient packages held by Agent: For notes that are missing in packages held by the Assistant Federal Reserve Agent, the packages will be issued to the Reserve Bank at the face value as if all notes were present. Upon receipt of such packages, the Reserve Bank will credit Federal Reserve Notes: Held by Bank and Branches by the amount of the shortage and debit Profit and loss. A credit will then be made to Profit and loss.

Notes missing from inventory at Bureau of Engraving and Printing. For all unissued notes (in either note or sheet form) which the Bureau determines to be missing from its inventories, the Assistant Federal Reserve Agent will issue the notes as shown on the Bureau's letter of advice. The Reserve Bank will credit Federal Reserve notes outstanding and debit Profit and loss, followed by a credit to Profit and loss.

51.50 - Statements of the Federal Reserve Agent. Section 16 of the Federal Reserve Act requires that each Federal Reserve Agent make daily reports to the Board of Governors on issues and withdrawals of Federal Reserve notes; in addition, the Board requires a monthly report in considerable detail. The reports are prepared by the Assistant Federal Reserve Agent in Washington. The daily report, conforming to FR 5 (52.20), should show the amount of Federal Reserve notes received from the Treasury, on hand, and outstanding, and the classification of collateral security held against Federal Reserve notes. The Assistant Agent should communicate to each Bank daily, for verification by the Bank against its balance sheet, the amount of Federal Reserve notes outstanding as shown on the FR 5 database. The District balance for Federal Reserve notes outstanding is computer-generated upon acceptance of all head office and Branch data. A copy of the notes outstanding screen from the FR 5 system is shown at 52.21.

The monthly report, conforming to FR 44 (see 52.25), should show by denomination the cumulative data for issues of notes, notes on hand, notes returned for destruction and credit, and amount outstanding at the end of the month. The amounts reported should agree where applicable with data reported on form FR 5. One copy of the report should be sent by the Assistant Federal Reserve Agent to the Department of the Treasury, Financial Management Service, Division of Government Accounts and Reports, Washington, D. C. 20226.

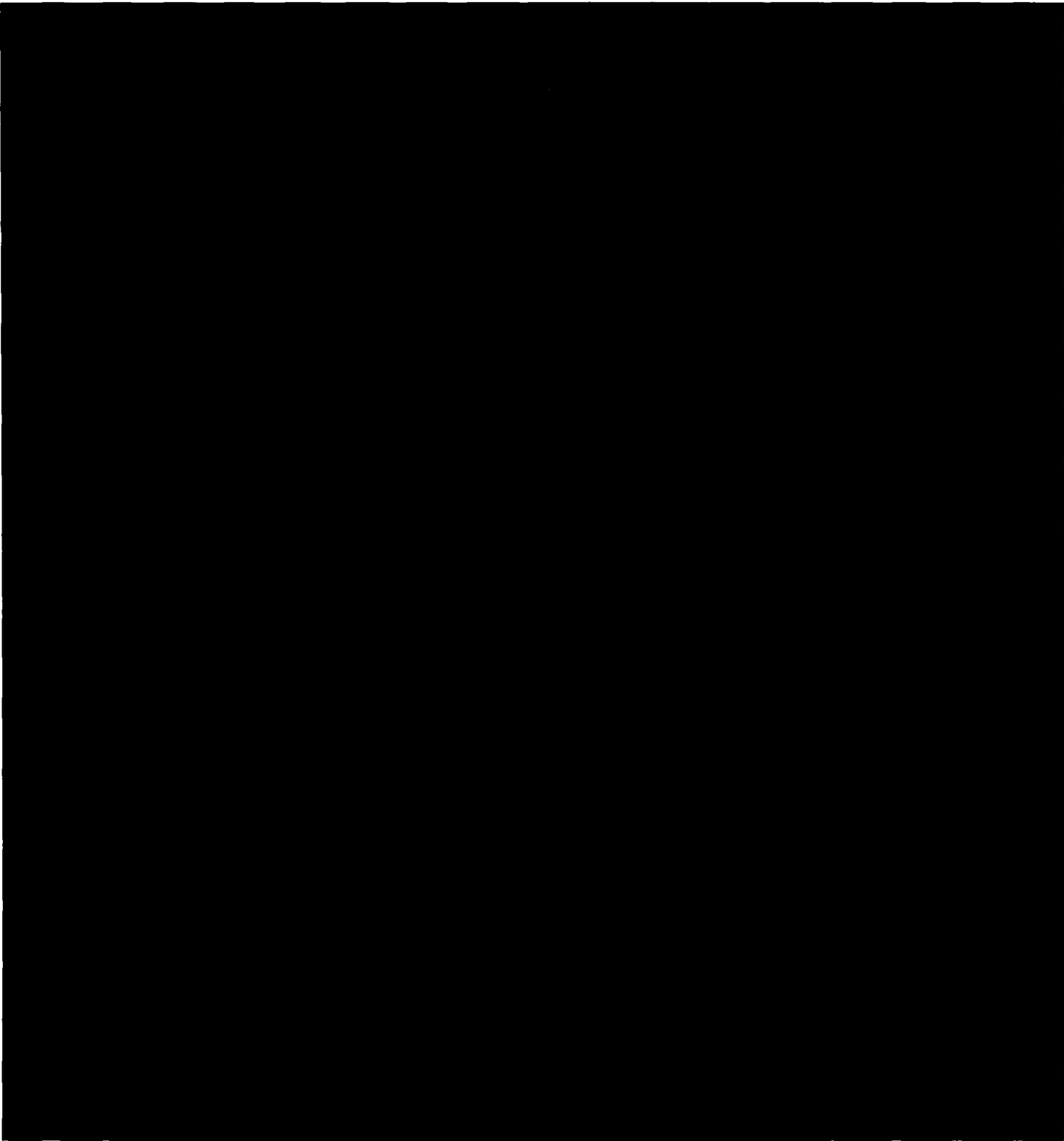
51.65 - Reports to the Assistant Federal Reserve Agent. The Assistant Agent in Washington receives information daily from Board Divisions, from Treasury and from the Reserve Banks. The data from the Reserve Banks include the amount of unfit notes redeemed for the day by denomination and office, and must be received by the Board by 10:00 p.m. EST daily (see 52.27). Other reported information is covered by instructions from the Assistant Agent. These include a report by the Division of Reserve Bank Operations and Payment Systems of changes in the gold and SDR certificate accounts, a report by New York of changes in holdings of securities in the System Open Market Account, and letters of advice of purchases of uncut sheets of notes by the Bureau of Engraving and Printing and of purchases of notes by the U.S. Treasurer.

51.70 - Accountability Records. Under an agreement with and at the request of the Treasury, the Division of Reserve Bank Operations and Payment Systems maintains the official accounts for Federal Reserve notes that are held in Washington by the BEP, at

Federal Reserve offices, by Federal Reserve Agents and that are outstanding to the Reserve Banks. Records with respect to notes printed and delivered to vaults at BEP are derived from advices received from the Production Division of the Bureau; records on currency released to Federal Reserve Agents or the Banks from shipment advices; and records on currency destroyed from FR 5 database as reported by each cash department followed by a certified monthly summary (see 52.30). The monthly summary should be reported by each Office by the fifth business day of the month following the end of the report period to permit early verification and subsequent certification by the Division to the Treasury. The Division also uses these records as a basis for certifying Federal Reserve note accounts to the Audit Departments at Reserve Banks and others.

51.75 – FR5 Resource Center. An FR5 System website has been developed and is now in production. The website can be accessed by entering the user's Board mainframe User ID and password. The FR5 User Guide and answers to frequently asked questions are features of the site. The URL for the site follows, and may be viewed also at 52.32, the welcome screen.





Bonnie Abbott
08/25/99 10:24 AM

To: RBOPS ISA Adjustments
cc:
Subject: Large Note Clearing for December 1998-May 1999

TO THE MANAGER OF THE ACCOUNTING DEPARTMENT AT EACH FEDERAL
RESERVE BANK

BOSTON - S.DHINGRA, M.GILLENS	CHICAGO - D.DAVIDSON, L.KARIOTIS T. GIANOPOULOS, R. IONESCU
NEW YORK - J.MARRACCINO, J.LUCKIE	ST. LOUIS - B.WHITMAN, A. ADAMS
PHILADELPHIA - S.SIKNKEWICZ, S. KRAMMER, S. TAYLOR, R. CRIMI	MINNEAPOLIS - D.LOWELL, L.BLUHM
CLEVELAND - J.PFLUMM, D.STANLEY J.BRONISH	KANSAS CITY - S.PARKER, R. BERRY C. BUYCKS, L. DAVIDSON
RICHMOND - S.HARIPRAS, C.ADAMS	DALLAS - C.DAVIS, R. SHAHA
ATLANTA - P. BLACKWELL, B.BROWN, B. YAMAATO	SAN FRANCISCO - K.NYGAARD A.YOUNG

THIS NOTICE IS TO INFORM YOU THAT THE ALLOCATION OF REDEMPTION CREDIT
FOR UNFIT \$500 - \$10,000 NOTES DESTROYED DURING December 1998-May 1999
IS SCHEDULED FOR Tuesday, June 29, 1999.

AS YOU ARE AWARE, ADJUSTING ENTRIES MAY BE FOUND ON THE ISA
ADJUSTMENTS SCREEN IN THE FR5 SYSTEM. STAFF MAY ACCESS THE ISA
ADJUSTMENTS INQUIRY SCREEN BY CHOOSING OPTION 07 ON THE MAIN FRNOTES
MENU. THE ADJUSTMENTS SUB MENU WILL APPEAR. TO VIEW THE ISA
ADJUSTMENTS RESULTING FROM THE LARGE NOTE CLEARING, TYPE IN 2 IN THE
SOURCE FIELD. THE MOST CURRENT DATA WILL APPEAR. VERIFY THAT THE
DATE IS June 29, 1999. THE LARGE NOTE CLEARING ADJUSTMENTS WILL
APPEAR ON THE SCREEN.

IF YOU HAVE QUESTIONS REGARDING THE CLEARING, PLEASE CONTACT [REDACTED]
[REDACTED]

BONNIE ABBOTT - BOARD

DATE: 1999/07/29

TIME: 15:24:21

LARGE NOTE CLEARING ENTRY

(LARGE NOTES REDEEMED BY DISTRICT OF ISSUANCE)

ACTION: I (I=INQUIRE, A=ADD, C=CHANGE)
DISTRICT: 00 CERTIFIED?: (Y OR N)
6-MONTHS ENDING: 000000 (CCYYMM -- MONTH = 05 OR 11)
DISTRICT OF ISSUANCE \$500 \$1,000 \$5,000 \$10,000
01 BOSTON
02 NEW YORK
03 PHILADELPHIA
04 CLEVELAND
05 RICHMOND
06 ATLANTA
07 CHICAGO
08 ST. LOUIS
09 MINNEAPOLIS
10 KANSAS CITY
11 DALLAS
12 SAN FRANCISCO
DISTRICT TOTAL

ENTERED: / / CERTIFY: / /
F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEV

DATE: 1999/07/29 TIME: 15:24:56
ISA ADJUSTMENTS FOR LARGE NOTE CLEARING

AS-OF DATE: 19990629

-----DISTRICT----- NOTES OUTSTANDING ADJUSTMENTS-----ISA ADJUSTMENTS--

1	BOSTON	3,500	DR	3,500.00	CR
2	NEW YORK	2,000	CR	2,000.00	DR
3	PHILADELPHIA	3,000	DR	3,000.00	CR
4	CLEVELAND	2,500	CR	2,500.00	DR
5	RICHMOND	18,500	CR	18,500.00	DR
6	ATLANTA	27,000	CR	27,000.00	DR
7	CHICAGO	36,000	DR	36,000.00	CR
8	ST. LOUIS	8,500	CR	8,500.00	DR
9	MINNEAPOLIS	3,000	DR	3,000.00	CR
10	KANSAS CITY	9,000	DR	9,000.00	CR
11	DALLAS	5,000	CR	5,000.00	DR
12	SAN FRANCISCO	9,000	DR	9,000.00	CR
	TOTALS	0		0.00	

RECORDS RETRIEVED

ENTER=PROCESS PF3=EXIT

F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEV

DATE: 2001/02/28 TIME: 08:21:33

ISA ADJUSTMENTS FOR SMALL NOTE CLEARING

AS-OF DATE: 20010222

-----DISTRICT-----NOTES OUTSTANDING ADJUSTMENTS-----ISA ADJUSTMENTS-----

1	BOSTON	244,721,354	DR	244,721,354.00	CR
2	NEW YORK	934,786,114	DR	934,786,114.00	CR
3	PHILADELPHIA	50,985,308	DR	50,985,308.00	CR
4	CLEVELAND	212,773,532	DR	212,773,532.00	CR
5	RICHMOND	210,525,219	CR	210,233,558.00	DR
6	ATLANTA	516,873,814	CR	516,873,814.00	DR
7	CHICAGO	291,487,363	DR	291,487,363.00	CR
8	ST. LOUIS	68,470,332	DR	68,470,332.00	CR
9	MINNEAPOLIS	48,843,112	CR	48,843,112.00	DR
10	KANSAS CITY	67,902,569	DR	67,902,569.00	CR
11	DALLAS	431,397,395	CR	431,397,395.00	DR
12	SAN FRANCISCO	663,778,693	CR	663,778,693.00	DR
	TREASURY	291,661	DR		
	TOTALS	0		0.00	

RECORDS RETRIEVED

ENTER=PROCESS PF3=EXIT

F1=HELP	F2=SPLIT	F3=END	F4=RETURN	F5=RFIND	F6=RCHANGE
F7=UP	F8=DOWN	F9=SWAP	F10=LEFT	F11=RIGHT	F12=RETRIEVE

Date: 02/28/2001 Time: 08:20:20 AM

Proration of Assessment to Cover Expenses of the Bureau of Engraving and Printing
 Department of the Treasury of the United States in Connection with Retirement of
 Federal Reserve Currency, July 1, 1998 through September 30, 1998

Federal Reserve Bank	Federal Reserve Note Net Liability December 31, 1997 (in thousands)	Percentage of total for each Bank	Pro rata amount
Boston	22,984,461	5.0243	\$30,745.97
New York	179,315,981	39.1974	\$239,868.30
Philadelphia	13,969,525	3.0537	\$18,686.82
Cleveland	28,440,707	6.2170	\$38,044.71
Richmond	32,458,918	7.0953	\$43,419.81
Atlanta	30,390,342	6.6432	\$40,652.71
Chicago	40,530,543	8.8597	\$54,217.10
St. Louis	16,422,379	3.5898	\$21,967.97
Minneapolis	4,791,554	1.0474	\$6,409.59
Kansas City	13,540,863	2.9600	\$18,113.41
Dallas	20,006,652	4.3733	\$26,762.60
San Francisco	54,616,842	11.9389	\$73,060.13
Total	457,468,768	100.0000	\$611,949.11

Manager
 FRB Financial Accounting Section
 Division of Reserve Bank Operations and Payment Systems
 09-Nov-98

TELEGRAM

FEDERAL RESERVE COMMUNICATIONS SYSTEM

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM WASHINGTON

DECEMBER 1, 1998

TO ALL FEDERAL RESERVE BANKS

ATTENTION: ACCOUNTING AND CASH OFFICERS

CULDO - Retirement of FR Notes for JULY 1, 1998 through
SEPTEMBER 30, 1998.

***This wire is for information only. FRB Richmond
will process the entries SDS for all FR Banks on DECEMBER 2,
1998.***

	TOTAL
BOSTON	\$30,746.00
NEW YORK	239,868.00
PHILADELPHIA	18,687.00
CLEVELAND	38,045.00
RICHMOND	43,420.00
ATLANTA	40,653.00
CHICAGO	54,217.00
ST. LOUIS	21,968.00
MINNEAPOLIS	6,409.00
KANSAS CITY	18,114.00
DALLAS	26,762.00
SAN FRANCISCO	73,060.11
	<u>\$611,949.11</u>

SANTOLLA

ATTN: [REDACTED]
FR BANK OF NEW YORK

ATTN: JAN MILLER-ACCTG DEPT
FRB MINNEAPOLIS

ATTN: J. GODFREY
FR BANK OF ATLANTA

ATTN: KEITH WEBSTER
FRB SAN FRANCISCO

ATTN: FR BANK OF BOSTON
SUSAN TAYLOR

Bonnie Abbott

07/12/99 12:24 PM

To: RBOPS ISA Adjustments
cc: RBOPS FRB Financial Accounting
Subject: SMALL NOTE CLEARING FOR June

SUBJECT: SMALL NOTE CLEARING

TO THE MANAGER OF THE ACCOUNTING DEPARTMENT AT EACH FEDERAL RESERVE BANK

BOSTON - S.DHINGRA, M.GILLENS

CHICAGO - D.DAVIDSON, L.KARIOTIS

NEW YORK - J.MARRACCINO, J.LUCKIE

ST. LOUIS - B.WHITMAN, A. ADAMS

PHILADELPHIA - S.SIENKIEWICZ,
S. KRAMMER, S. TAYLOR, R. CRIMI

MINNEAPOLIS - L.BLUHM, B. HUNTER
C. SANDVIK

CLEVELAND - J.PFLUM, D.STANLEY
J.BRONISH

KANSAS CITY - S.PARKER

RICHMOND - S.HARIPRAS, C.ADAMS

DALLAS - C.DAVIS, R. SHAHA

ATLANTA - P. BLACKWELL, B.BROWN,
B. YAMAATO

SAN FRANCISCO - K.HYGAARD
A.YOUNG

THIS NOTICE IS TO INFORM YOU THAT THE ALLOCATION OF REDEMPTION CREDIT FOR UNFIT \$1 - \$100 NOTES DESTROYED IN JUNE IS SCHEDULED FOR Thursday, July 22, 1999. AS YOU ARE AWARE, ADJUSTING ENTRIES MAY BE FOUND ON THE ISA ADJUSTMENTS SCREEN IN THE FR5 SYSTEM. STAFF MAY ACCESS THE ISA ADJUSTMENTS INQUIRY SCREEN BY CHOOSING OPTION 07 ON THE MAIN FRNOTES MENU. THE ADJUSTMENTS SUB MENU WILL APPEAR. TO VIEW THE ISA ADJUSTMENTS RESULTING FROM THE SMALL NOTE CLEARING, TYPE IN 1 IN THE SOURCE FIELD. THE MOST CURRENT DATA WILL APPEAR. VERIFY THAT THE DATE IS July 22, 1999. THE SMALL NOTE CLEARING ADJUSTMENTS WILL APPEAR ON THE SCREEN.

IF YOU HAVE QUESTIONS REGARDING THE CLEARING,

ALSO, PLEASE ADVISE ME IF YOU KNOW OF ANYONE WHO SHOULD BE ADDED TO OR DELETED FROM THIS MAILING LIST. I'M IN THE PROCESS OF UPDATING MY LIST IN CONNECTION WITH THE UPDATE TO THE FR5 LIST AND I WELCOME YOUR FEEDBACK.

THANKS.

DAILY STATEMENT OF FEDERAL RESERVE AGENT (FR5)
ON (MM/DD/YYYY) _____
FEDERAL RESERVE BANK OF _____

FR Notes outstanding to Bank at opening of business	\$ _____
Plus notes issued	_____
Minus notes cancelled	_____
Returned to Agent	_____
Note clearing adjustment	_____
Equals notes outstanding at close of business	_____
Less notes held by Bank and branches	_____
Equals FR notes, net	_____

COLLATERAL SECURITY

Gold certificates	_____
SDR certificates	_____
U.S. government securities	_____*
Eligible loans	_____
FDIC assumed indebtedness	_____
Foreign currencies	_____
Total collateral	_____**
Notes held by Agent	_____

* U.S. government securities are the following line items from the FR34.
 Federal agency obligations: bought outright and held under repurchase
 agreement; U.S. government securities (bills, notes and bonds):bought
 outright and held under repurchase agreement.

** Federal Reserve notes are collateralized on an aggregate basis, rather
 than District by District. Therefore, a single District may or may not
 have adequate security to collateralize its own Federal Reserve notes.

DATE: 1999/07/29 TIME: 15:29:09
NOTES OUTSTANDING INQUIRY

DISTRICT:
AS-OF DATE: 19990728 (CCYYMMDD)

NOTES OUTSTANDING OOB
+ CURRENCY SHIPMENTS
+ NOTES REISSUED
- NOTES REDEEMED
- NOTES RETURNED
- NOTES REDEEMED ADJUSTMENT

NOTES OUTSTANDING COB

ENTER=PROCESS	PF3=EXIT				
F1=HELP	F2=SPLIT	F3=END	F4=RETURN	F5=RFIND	F6=RCHANGE
F7=UP	F8=DOWN	F9=SWAP	F10=LEFT	F11=RIGHT	F12=RETRIEV

FR44
(REV 5/1991)

SYSTEM TOTALS
(IN DOLLARS)
END OF MONTH JULY 1999

10:06 TUESDAY JUL 10, 1999

FEDERAL RESERVE NOTES	\$1	\$2	\$5	\$10	\$20	\$50
NOTES ISSUED:						
(1) 1928-1985 SERIES	38,218,668,132	851,768,000	78,003,879,600	168,681,566,288	330,546,244,948	63,688,488,000
(2) 1988 SERIES	28,534,467,100	2,504,000	38,488,968,000	41,058,848,000	165,218,916,228	43,648,888,000
(3) 1990 SERIES	17,472,000	0	67,288,000	19,183,048,000	87,384,328,000	48,488,428,000
(4) 1993 SERIES	4,618,936,881	0	3,688,488,000	12,438,728,000	76,829,128,000	39,961,648,000
(5) 1995 SERIES	17,499,338,000	311,872,000	18,897,128,000	25,618,888,000	54,259,528,000	192,888,000
(6) 1996 SERIES	74,358,000	0	0	22,248,000	87,361,281,348	64,989,284,000
(7)						
(8) NOTES REISSUED	1,198,833,476	753,376,148	3,938,389,138	9,888,447,000	13,988,311,868	3,351,772,000
(9) TOTAL ISSUES	98,146,856,789	1,919,512,148	134,985,948,818	276,779,733,288	816,699,714,368	254,238,239,000
(10) NOTES RETURNED:	1,867,137,476	444,712,148	3,638,489,138	8,864,487,000	13,144,551,868	3,351,772,000
(11) NOTES REDEEMED TO DATE:	79,334,573,482	242,449,348	128,898,236,495	247,176,823,848	444,596,561,888	169,956,895,000
(12) NOTES OUTSTANDING:	9,744,345,751	1,232,358,668	11,257,383,165	28,739,223,248	158,958,688,788	82,921,571,000
(13) NOTES HELD BY AGENT:	0	0	0	0	0	0

FEDERAL RESERVE NOTES	\$100	\$500	\$1,000	\$5,000	\$10,000	TOTAL
NOTES ISSUED:						
(1) 1928-1985 SERIES	147,883,618,000	1,289,368,000	2,837,796,000	114,128,000	191,728,000	822,459,128,000
(2) 1988 SERIES	112,188,888,000	0	0	0	0	429,189,287,000
(3) 1990 SERIES	167,845,898,688	0	0	0	0	314,983,558,000
(4) 1993 SERIES	72,416,888,000	0	0	0	0	289,854,816,000
(5) 1995 SERIES	168,888,000	0	0	0	0	118,938,722,000
(6) 1996 SERIES	381,598,488,000	0	0	0	0	534,845,478,000
(7)						
(8) NOTES REISSUED	7,475,338,888	574,252,588	1,826,954,000	188,968,000	416,888,000	42,688,635,000
(9) TOTAL ISSUES	888,679,247,488	1,863,612,588	3,864,758,000	215,888,000	687,728,000	2,471,191,614,000
(10) NOTES RETURNED:	7,475,338,888	574,252,588	1,826,954,000	188,968,000	416,888,000	40,184,575,000
(11) NOTES REDEEMED TO DATE:	419,443,225,688	1,145,925,588	1,871,872,000	112,418,000	188,368,000	1,684,157,732,000
(12) NOTES OUTSTANDING:	461,768,683,888	143,434,588	1,66,724,000	1,718,000	3,368,000	746,929,386,000
(13) NOTES HELD BY AGENT:	0	0	0	0	0	0

DATE: 1999/07/29 TIME: 15:30:32
DAILY NOTES REDEEMED

ACTION: I (I=INQUIRE, A=ADD, C=CHANGE)

OFFICE: 0000

AS-OF DATE: 19990729 (CCYYMMDD)

DENOMINATION	NUMBER OF NOTES	AMOUNT OF NOTES
\$1		
\$2		
\$5		
\$10		
\$20		
\$50		
\$100		
\$500		
\$1,000		
\$5,000		
\$10,000		
TOTAL		

ENTERED: / /
ENTER=PROCESS PF3=EXIT

REVISED: / /

F1=HELP	F2=SPLIT	F3=END	F4=RETURN	F5=RFIND	F6=RCHANGE
F7=UP	F8=DOWN	F9=SWAP	F10=LEFT	F11=RIGHT	F12=RETRIEV

DATE: 1999/07/29 TIME: 15:30:54
MONTHLY NOTES REDEEMED

ACTION I (I=INQUIRE, A=ADD, C=CHANGE)
OFFICE: 0000
AS-OF DATE: 199906 (CCYYMM) CERTIFIED? (Y OR N)

DENOMINATION AMOUNT OF MONTHLY NOTES REDEEMED

\$1
\$2
\$5
\$10
\$20
\$50
\$100
\$500
\$1,000
\$5,000
\$10,000
TOTAL

ENTERED: / / CERTIFY: / /
ENTER PROCESS PF3=EXIT
F1=HELP F2=SPLIT F3=END F4=RETURN F5=RFIND F6=RCHANGE
F7=UP F8=DOWN F9=SWAP F10=LEFT F11=RIGHT F12=RETRIEV



Welcome to the FR5 System Website

Please Login

Mainframe User ID:

Mainframe Password:

CHAPTER 6

REPORTING REQUIREMENTS

60.01 - General. This chapter contains instructions for reports arranged according to the frequency of each report. Payments of Reserve Bank earnings to Treasury and monthly reports of currency holdings by Reserve Banks are covered in paragraphs 60.20-30. Quarterly reports of earnings and of profit and loss entries and penalties for deficiencies in required balances are covered in paragraphs 60.50-70 and the annual reports, which are mainly for publication, begin with paragraph 60.80. A summary of all reporting requirements is contained in Table 60.99.

60.10 - Interdistrict Settlement. The daily settlement between Districts will be conducted by the centralized IAS system, which captures the data needed to conduct settlement. Once settlement has been effected, the IAS system will post the appropriate entries directly to each Reserve Bank's records.

60.11 - Effect of Holiday on Clearings. The Federal Reserve System observes the following holidays:

- New Year's Day -- January 1
- Martin Luther King's Birthday -- Third Monday in January
- Washington's Birthday -- Third Monday in February
- Memorial Day -- Last Monday in May
- Independence Day -- July 4
- Labor Day -- First Monday in September
- Columbus Day -- Second Monday in October
- Veterans' Day -- November 11
- Thanksgiving Day -- Fourth Thursday in November
- Christmas Day -- December 25

No settlement will take place on the above standard holidays. For holidays falling on Saturday, Federal Reserve Banks and Branches will be open the preceding Friday. For holidays falling on Sunday, all Federal Reserve offices will be closed the following Monday. When a Federal Reserve Bank or Branch closes for a non-standard holiday or unexpectedly, such as in the event of a local disaster, and is unable to participate in the clearing, the debits/credits for that office should be included with the debits/credits for the following business day and reported on the balance sheet in the line item "Due to other F.R. Banks – collected funds" (220-075).

60.20 - Interest on Federal Reserve Notes. The Board of Governors, under authority of Section 16 of the Federal Reserve Act, has established the following described rate of interest on the outstanding Federal Reserve notes of each Bank less the amount of gold certificates pledged with the Federal Reserve Agent:

The interest rate on Federal Reserve notes not covered by gold certificates pledged with the Federal Reserve Agent as collateral security for such notes shall be the result of the division of (a) the net earnings of the Federal Reserve Bank after provision for dividends on its outstanding Capital Paid In

and for adjustments necessary to equate the amount of its Surplus with the amount of its Capital Paid In, by (b) the daily average amount of Outstanding Federal Reserve Notes of the Bank after deducting the daily average amount of gold certificates pledged with the Federal Reserve Agent as collateral security for such notes.

The payment should be made each Wednesday or on the next business day if Wednesday is a holiday. The amount of payment should be equal to undistributed net earnings shown on the FR 34 for the previous Wednesday (or the previous Thursday if the previous Wednesday was a holiday), except for a Wednesday falling within the last week of the year, after equating Surplus with Capital Paid-In.¹ In the event that a Reserve Bank is unable to equate Surplus with Capital Paid-In because Surplus exceeds Capital Paid-In, the Reserve Bank should limit the actual payment to the amount of the prior Wednesday's Undistributed Net Income (330-275). See paragraph 60.25 below for computation of payment at the end of the year.

Special care should be taken to determine whether a loss on the revaluation of foreign currency assets or other circumstances have caused undistributed net income to fall to a level below that of the calculated interest payment. If so, and undistributed net income is positive, transfer to Treasury only that amount that will bring undistributed net income to zero. If undistributed net income is zero or negative, no interest payment to Treasury should be made (see also paragraph 3.85). In either case, Board FRB Financial Accounting staff should be contacted. The distribution of a loss on the revaluation of foreign currency assets may result in the need to debit the Surplus account to cover the deficiency. If this is the case, surplus should be restored before making any Treasury payments. Also, surplus should be restored as of Wednesday and undistributed net income should be zero if surplus is not fully restored.

NOTE: Wednesday FR 34 figures for undistributed net income should be used even though more precise data may be available when the interest payment is computed.

60.25 - Special Year-end Procedures. The income, expense, and other capital accounts on the year-end FR 34 should include all amounts applicable to the year up to and including December 31, based on the best data available to the Reserve Bank at the time the books are posted. The net income on the FR 34 for December 31 should be fully distributed, with surplus being adjusted to the level of paid-in capital and remaining net income credited to Other deposits pending payment to the Treasury on the first Wednesday in January, or on the business day following if the Bank is closed on that particular Wednesday.

¹ See paragraph 12.10 in Chapter I for the definition of the Surplus Account. In 2006, the Reserve Banks adopted FAS 158, which required creating AOCI as a component of the Surplus Account.

NOTE: An account to record the surplus entry is included on the FR 34 in the space following interest paid on FR notes, identified as "Transferred to surplus" or "Transferred from surplus," as appropriate.

On the January year-end closing date designated by the Board, the previous year's income and expenses and other capital accounts data should be removed from the balance sheet. The amounts removed should be final data for the year as determined by the Reserve Bank and should agree dollar for dollar with the results for the year, which are reported elsewhere, such as in the annual PACS reports and the reports on income from services.

In some instances, adjustments to year-end balances may be discovered subsequent to December 31 but prior to the removal of the previous year's income and expenses and other capital accounts data from the balance sheet due to the availability of additional information. Such adjusting entries should be functioned to December 31 balances during the closing process when they serve to more accurately and completely reflect the financial condition of the Reserve Bank. Communication of these adjustments should be made to the Accounting Section of the Division of Reserve Bank Operations and Payment Systems through submission of the Adjusted Trial Balance reports (ATB). As a practical matter, the annual year-end accounting instructions (that include the Financial Results of Operations (FROP), ATB, and financial statement shell including footnotes) are sent to the Banks in the fourth quarter of each year to provide additional detailed reporting instructions.

60.30 - Currency Held by Federal Reserve Banks. Form FR 415 showing each type of paper money and coin held by the Reserve Bank at the end of the month is included at 61.01. The report combined for the District is due at the Board no later than the 6th business day of the following month. The data is used for calculating currency in circulation and must agree with the appropriate FR 34 accounts and figures reported to the U.S. Treasury on form TFS 4133.

60.50 - Income Report--General. In general, Federal Reserve receipts are derived as described below:

Revenues

Receipts based on fee schedules or price structures established for priced services as defined in the Monetary Control Act or as prescribed by the Board of Governors, and receipts for services incidentally related to priced services where the dollar amount of such receipts is material. For FR 95 reporting purposes, this revenue should be classified as income from services.

Income

Receipts representing interest on loans to depository institutions or others, penalties on reserve account deficiencies or overdrafts in reserve or clearing accounts, interest from System Open Market Account and foreign currency holdings, and other receipts specifically identified in 60.51 other than income from services.

Reimbursements

Receipts representing recoupment of expenses incurred in performing prescribed activities as Fiscal Agent for the U. S. Treasury and other Federal agencies.

Recoveries

All receipts other than those defined above as Revenue, Income and Reimbursements, including receipts that are not material in amount received in connection with services incidentally related to priced services.

Form FR 95 (61.10) is a report of income classified by source of earnings. Consolidated reports for each District are to be submitted for each of the first three quarters of the year. Quarterly reports should reach the Division by the 20th of the month following the report period and should reflect earnings only for that quarter (see 60.93). All amounts should be shown in whole dollars and the column should be balanced to the total. If an error is found in the amount of income reported for the current year, the necessary correcting entries should be made to the accounts in which the error occurred.

The following procedure should be used in accruing earnings on assets:

1. Calculate earnings on all types of earning assets for each calendar day on the basis of holdings of such assets at opening of business on such day or at close of business on the last preceding business day if the day in question is a Sunday or a holiday. (Regarding advances to member banks, accrual of earnings based on holdings at the opening of business should be calculated at the interest rate in effect on the previous day.) Earnings in nominal amounts may be credited when received except that all earnings, regardless of amount, should be accrued on the last day of the year.
2. Make entry of such accruals on books of the Federal Reserve Bank, either daily or as of each Wednesday, and on the last day of the month, provided that:
 - a. If Wednesday is a holiday, entries made for Tuesday shall include accruals for one day's earnings on Tuesday's opening balance and one day's earnings on Tuesday's closing balance, except when January 1 falls on a Wednesday.
 - b. If the last day of the month is a nonbusiness day, entries made for the last business day shall include accruals for any day or days thereafter during the calendar month on which the Federal Reserve Bank will be closed. For example, should the 29th day of the month fall on a Friday, entries for accrual of earnings on Friday the 29th would include one day's earnings on the opening balance on that day, and two days' earnings on the closing balance of the 29th, assuming a 31 day month.
3. If the first day of the month is not a business day, entries of accruals on the first business day shall include accruals for the day or days prior thereto within the calendar month on which the Federal Reserve Bank was closed. If entry of accruals is not made daily, the entry made on the first Wednesday of the month should include, accruals for any prior day or days within that calendar month.
4. In any calculation of average rates of earnings on assets, use holdings as at beginning of business rather than at close of business for each day included in the period under consideration in computing average daily holdings.

Premium on securities should be amortized into earnings at a uniform rate sufficient to exhaust the premium on the maturity date (call date if subject to call before maturity) of the securities. Discount on securities should be accumulated into earnings at a uniform rate sufficient to eliminate the discount on the maturity date of the securities.

60.51 - Income Report--Explanation of Items on FR 95.

Loans

Earnings on loans to depository institutions, and earnings from any other loans which, though rare, may include Federal Intermediate Credit Banks, other Federal Reserve Banks, and individuals, partnerships, or corporations.

Acceptances

Discount earned on acceptances, including earnings on acceptances held under repurchase agreement.

U.S. Government obligations--System account

Interest earned, plus discount amortized and less premium accreted, on U.S. Government and Agency obligations held in System Open Market Account. Discount earned on Treasury bills held in System Open Market Account.

Other U.S. Government obligations

Earnings on U.S. Government and Agency obligations held in Bank's own portfolio. This line item also includes interest income earned on repurchase agreements.²

Other securities

Interest earnings on bills, notes, revenue bonds and warrants issued by any state, county, district, political subdivision or municipality in the continental United States, including irrigation, drainage, and reclamation districts, plus discount amortized and less premium accreted.

Foreign currencies

Participation in interest received on deposit balances with foreign banks, discount earned on acceptances payable in foreign currencies, and other earnings from assets denominated in foreign currencies.

Income from services

Amounts collected under Section 11A of the Federal Reserve Act for services to depository institutions.

Deficiencies in required balances

Charges assessed depository institutions on the amount of their deficiencies in required balances.

Overnight Overdraft charges

Charges assessed depository institutions for overnight overdrafts in accounts maintained with the Reserve Bank.

² Prior to February 2007, when the FOMC's authorization specified that activity related to tri-party repurchase agreements would be participated to all other Banks, the activity was reported only by FRBNY.

Daylight Overdraft charges

Charges assessed depository institutions for intra-day (daylight) overdrafts in accounts maintained with the Reserve Bank.

Funds Settlement Fees

Earnings associated with the funds settlement component of the book-entry transfer of U.S. Treasury securities.

Examination Fees

Charges assessed foreign banks, Branches, and representative offices for costs associated with examinations.

All other

Other earnings that do not come within the above definitions should be reported in this classification. Amounts reported in this category should be broken down into specific categories in a footnote to the Income Report.

60.60 - Debits and Credits to Profit and Loss Account. A quarterly profit and loss statement, form FR 411 (61.15), should be forwarded to the Division by the 15th of the month following the report period. A brief description of the profit and loss account is given in connection with the discussion of the Balance Sheet in Chapter 1.

The profit and loss account is intended primarily to cover items for which no provision is made in current income or expenses (see 60.61). These include realized gains and losses on sales of securities and on foreign currencies, profit or loss on the sale of real estate (originally acquired for potential Bank use), the write-off of stale officers' and certified checks, losses that are sustained in the handling or transportation of currency, recoveries and unrealized losses on the value of other real estate (originally acquired for potential Bank use) held for sale, and gains or losses on the sale of works of art. The account should not normally be used to adjust prior year income or expenses except for the correction of prior year accounting errors when the amount would seriously distort income or expenses of the current year. Entries to the account for prior year items may be made only with the prior approval of the Accounting Section of the Division of Reserve Bank Operations and Payment Systems.

The profit and loss account should not include dividends and rebates on insurance policies or any additional premium payments on worker's compensation or other insurance regardless of the year for which the refunds or additional payments apply. Such amounts should be entered to current year income or expenses. Other items from the previous year which should normally be applied to current year income or expenses rather than profit and loss are receipts from vending machines, refunds from courier contracts, adjustments for the difference between accounts payable and the actual

billings, and adjustments for the difference between accrued income from services and actual billings.

The profit and loss account should also exclude losses arising from the ongoing operations of the Reserve Banks. Any such losses should be charged to current expense.

Captions of entries on form FR 411 should clearly identify their nature. For example: "Loss of money mailed to First National Bank of City on September 22--\$30,000" is informative and clearly identifies the nature of the entry. "Loss on shipments of money and securities--\$30,000" would not be sufficiently informative.

Branch items, if any, should be combined with those of the head office. The total amounts reported on form FR 411 for the four quarters should agree with the corresponding amount shown on the December 31 before-closing form FR 34.

60.61 - Profit and Loss Report--Explanation of Entries.

Profit (loss) on sale of Bank premise assets or other real estate

The difference between net book value and the proceeds from the sale of Bank premise assets and other real estate (formerly used in bank operations).

Recoveries and unrealized losses on the value of other real estate held for sale

The difference between net book value and net realizable value of other real estate (formerly used in bank operations) held for sale. See 30.96.

Profit (loss) on sale of "Other assets acquired account closed banks"

Book profit or loss resulting from the sale (or other final disposal) of "Other assets acquired account closed banks." When an allowance for estimated losses on such property is carried, the entire difference between gross carrying value of the particular asset and the proceeds received, if disposition results in a loss, may be charged to the allowance unless such a charge would result in a debit balance therein, in which case the excess should be charged to "Profit and loss." If disposition results in a profit, the excess should be credited to "Profit and loss."

Losses (not expected to be recovered) on shipments of money

Recoveries of losses on shipments of money

Other recoveries

Other recoveries of amounts previously charged to profit and loss.

Losses covered by Loss Sharing Agreement

Rewards, advances, and expenses absorbed or prorated under the Loss Sharing Agreement.

Reimbursement from Treasury for purchases of uncut sheets of Federal Reserve notes

Errors found in work of prior years

Errors involving significant amounts reported in income or expenses prior to the current year. Correction of errors of lesser amounts should be made in the appropriate income or expense account. (The correction of errors between years through "Profit and loss" should be limited to items involving significant amounts and must have prior approval from the Accounting Section of the Division of Reserve Bank Operations and Payment Systems.)

Interest Expense

Interest expense for reverse repurchase agreements undertaken by the System Open Market Desk.

Profit or loss on foreign exchange transactions (net)

Participation in foreign exchange profits and losses, including revaluations of foreign currency holdings and outstanding swap commitments at current market exchange rates.

Discount on foreign currency

Loss on counterfeits (Only with approval of FRB Financial Accounting Section of the Board's RBOPS Division.)

Profit or loss on sales of United States Government securities held in System Open Market Account (net)

Profit or loss on the sale of works of art

60.70 - Charges Assessed and Waived for Deficiencies in Required Balances-Quarterly. Following the close of each calendar quarter, a report of charges applied to depository institution accounts for deficiencies in required balances (reserve or clearing) should be submitted to the FRB Financial Accounting Section of the Board's RBOPS Division on FR 1217, a copy of which is shown at 61.20. The report should be submitted by the 25th of the month and will serve as an advice of actions taken by Reserve Banks on waiver of penalties under delegated authority. A statement should be attached to the report describing the circumstances of each special waiver.

60.80 - Charge-Offs and Other Year-End Adjustments. A statement showing for the current year estimated income, expenses, and additions to and proposed deductions from income should be forwarded to the FRB Financial Accounting Section of the Board's RBOPS Division not later than December 15 of each year. If December 15 falls on a weekend, the report will be due to the Division the following Monday.

The statement may be submitted on FR 657 (61.25) with the word "estimated" typed and underscored across the top. A principal purpose of the statement is to inform the Board of large or unusual deductions in advance of the closing entries. Accordingly, the detail of additions and deductions on reverse of the estimated FR 657 may be omitted and an explanation given only with respect to a large or unusual item which was not covered in the quarterly FR 411 statements.

60.90 - Financial Results of Operation. A condensed statement showing income, expenses, and distribution of net earnings for the preceding calendar year as reported on the December 31 FR 34 (see 60.25) should be dispatched to reach the Accounting Section of the Division of Reserve Bank Operations and Payment Systems by 1:00 p.m. on the third business day of the year in the following form unless otherwise requested:

Code

EARL - Earnings from loans
EDGE - Earnings from acceptances
ESPY - Earnings from U.S. Government securities--System account
EPPA - Earnings from other U.S. Government securities
EFAC - Earnings on foreign currencies
ELSE - Income from services
ETCH - All other income
EACH - Total current income
EVER - Operating expenses
EPER - System net periodic pension cost
ETER - Cost of earnings credits
EARN - Current net income
EBID - Net additions or deductions
ERID - Cost of Unreimbursed Treasury services
ENID - Assessments for expenditures of Board of Governors
EGON - Assessments for cost of F. R. currency
EAST - Net income before payments to U.S. Treasury
EYRE - Dividends paid
EWES - Interest on Federal Reserve notes
EVEN - Transferred to surplus
TOME - Paid-in capital December 31
TORK - Surplus December 31

60.91 - Profit and Loss Statement. Annual profit and loss information, normally reported on form FR 657 (61.25), should be included in the annual Adjusted Trial Balance spreadsheets (ATB) and reported to the Division of Reserve Bank Operations and Payment Systems on the designated January closing date. The amounts in this section of the ATB should agree with the final data that is removed from the balance sheet (see 60.25). A detailed statement of additions to and deductions from current net earnings should be shown on the ATB according to annual instructions sent with the ATBs. These items should reflect (1) the amounts for the head office and Branches combined, and (2) the net for each category except that recoveries of losses on shipments of money should be listed under "Additions," and losses on shipments of money should be listed under "Deductions."

60.92 - Expense Report. Annual expense information is normally reported on form FR 96 (see 61.30), classified by object of expense. This information should be reported annually in even dollars, for head office and Branches combined, on the ATB spreadsheets and forwarded to the Division by the designated January closing date or other date as specified in special instructions from the Board. This early report is for use in preparation of the statement of income and expenses of the Federal Reserve Banks in the Board's Annual Report (and at times the February Bulletin). The amount reported for net expenses should agree with the same item reported in annual Profit and Loss information (FR 657) on the ATB.

60.93 - Income Report-Annual. An annual report of income classified by source (normally reported on FR 95 - see 61.10) should be included in ATB spreadsheets and forwarded to the Division on the designated January closing date. The information should be combined for the District.

60.94 – Real Estate Reporting Requirements-Annual and Special. This section provides instructions for the preparation and submission of accounting reports FR 612 and FR 892.

Book Value of Bank Premises or Other Real Estate:

Form FR 612 (61.60) is a summary of changes in the book value of Bank premises and other real estate and should be submitted to the FRB Financial Accounting Section of the Board's RBOPS Division by January 20 of each year for the year ending the previous December 31. The annual FR 612 is the primary source of data for completion of the Annual Report table, Acquisition Costs and Net Book Value of Premises of the Federal Reserve Banks and Branches (See 60.90). An FR 612 report should also be submitted whenever property is purchased or sold. Instructions covering the preparation of the various parts of these forms that are not self-explanatory are included below (See 30.40).

VAULTS

Vaults refer only to vaults for the storage of money, securities and other valuables. The amount reported should include the actual construction cost of the vault itself, and the cost of items such as the following: vault door linings, and fixed equipment inside the vault such as safes, partitions, chests, compartments, and shelves. Do not include ordinary office equipment and other free-standing equipment such as file cabinets and mechanical storage retrieval equipment which are located within the vault.

DEPRECIATION ALLOWANCE

"Special Depreciation" should be used to report credits to depreciation other than those made as a result of the normal monthly recording of depreciation. An example would be a charge-off made to recognize the impairment of an asset.

(Note: The FR 612, which is reported through RFARS, was modified in 2007 to include construction in progress balances. See illustration 61.60.)

Bank-owned Property Leased to Outside Tenants--Outside Space Rented for Bank Use:

Form FR 892 (61.61) is dual purpose because it is used to report either the lease of Bank-owned property to outside tenants or the rental of outside space for Bank use. Each office should submit an annual report, indicating lease or rental agreements in effect on December 31. A report should be submitted whether or not the office is leasing or renting space. If there are no leases in effect at the end of the calendar year, this should be indicated in the body of the report. Form FR 892 should reach the Division by

January 20th. In addition, a report should be submitted whenever a change occurs in a lease or rental agreement.

The reporting form is designed to accommodate information concerning several leases or rental agreements. In submitting the data, each lease or agreement should be shown on a separate line of the report. If an office is both leasing Bank-owned property and renting outside space, separate reports should be submitted covering each type of transaction, rather than combining them on the same report.

Following are specific instructions concerning the data to be reported under the various columns of this report.

Location--For outside space, show the street address, city and state. For Bank-owned space, indicate the floor location.

Terms of Lease--Indicate whether the lease is on a month-to-month, annual, or other basis.

Effective Date--Show the date upon which the lease agreement became effective.

Expiration Date--In the case of continuing leases, indicate the date the current lease expires and any optional renewal periods, if applicable. In all cases, when a lease is terminated, report the actual date of termination.

Rental Cost/Income--Show the amount of rental cost or income, in whole dollars, and indicate whether the amount is monthly or annually and whether the amount is per square foot or total cost. (Do not include amortization of leasehold improvements in the rent figure.)

Number of Square Feet--Report the number of usable square feet of space being rented.

Use of Space--For outside space rented for Bank use, indicate the use of space. For Bank-owned property leased to outside tenants, indicate the name of the tenant.

Comments--Any supplemental information that might be useful to the Board, such as additional amounts to be paid over and above rental charge, and special conditions of lease agreements. Such information need be furnished only for leases executed, terminated, or amended.

60.95 - Small and Disadvantaged Business (S&DB) Procurement Information.

Until May 1999 when the Board issued S-letter 2593, which rescinded S-2492, each Federal Reserve Bank was required to submit an annual form FR 1425, a report of total contract dollars attributed to acquisitions from small and disadvantaged businesses and the proportion of contract dollars assigned to such businesses. The Reserve Banks' are still required to maintain records suitable to provide ad hoc reports to the Board.; however, the submission of an annual Form FR 1425 by February of each year is no longer required.

Summary Information should be captured as follows:

Total Contract Awards -- All contracts awarded and commitment dollars for the year, except for those awarded for personal services. The full liability of all purchase orders and contracts should be reported in the year in which they are executed, including the liability associated with all years of a multi-year contract. For any blanket or retainer

type contracts that have an "open-ended" or "not-to-be-exceeded" dollar value, actual expenditures rather than commitment dollars should be reported.

Small Business Awards -- Contract awards, commitment dollars, and purchase orders to firms qualifying as a small business concern under the Small Business Act of 1953, as amended. Further, "small business" means a small business concern under Section 3 of the Small Business Act (15 U.S.C. Section 632) and the regulation promulgated thereto defining size standards for government procurement purposes, by SIC industry (13 C.F.R. Section 121.601 Et. S.E.Q.)

Disadvantaged Business Awards³ -- Contract awards to firms that qualify as economically disadvantaged (minority) business concerns eligible for assistance under Section 8(a) of the Small Business Act. "Small Disadvantaged Business" is small as defined above, and in addition meets the criteria stated in section 8(A) of the Small Business Act; that is a business that is: 1) at least 51% owned, and 2) managed and operated on a daily basis, by one or more socially and economically disadvantaged individuals. Such individuals are defined as those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities. African Americans, Hispanic Americans, Native Americans, and Asian Pacific Americans are among those considered socially disadvantaged. Women-owned businesses should not be reported in this category unless they are a small disadvantaged business as defined above.

Supplemental Information should be captured as follows, if applicable:

Set Asides -- All contracts under \$10,000 and any contracts over \$10,000 for which proposals or bids were restricted to small and disadvantaged businesses. For proposals or bids to be restricted to small and disadvantaged businesses means that the list of vendors to which the proposal or bid is sent must be comprised of small and disadvantaged businesses only. If large businesses competitively bid on an item under or over \$10,000 that is subsequently awarded to a small and disadvantaged business, the dollar value of this award should be reported as either a small business award or a disadvantaged business award.

60.96 – RBOPS Financial Accounting Reports System (RFARS). Commencing in 2001, Reserve Banks are required to submit certain Financial Accounting reports to the Board via web technology (see 61.62). The initial reports in the system include the following:

³ The Reserve Banks may, in appropriate circumstances and with advice from its General Counsel, institute a disadvantaged business program, so long as that program does not include provisions that would be unlawful if included in a disadvantaged business program of a federal agency.

FR 415 – Currency Held by Federal Reserve Banks (monthly)

FR 95 – Income Report (quarterly)

FR 411 – Debits and Credits to Profit and Loss Account (quarterly)

FR 1217 – Charges Assessed and Waived for Deficiencies in Required Balances (quarterly)

FR 612 – Book Value of Bank Premises and Other Real Estate (annually, and as property is purchased/sold).

The URL for the website is:



Table 60.99 REPORTING REQUIREMENTS:

ALL DISTRICTS

Daily	Monthly (3)	Quarterly (3)	Semi-Annually	Annually (3)	Special
FR 34-Front*	FR 34-Back FR 415 (2)	FR 95 (2) FR 411 (2) FR 1217(2)	Large Notes Redeemed (FR5)*	FR 95 (1) FR 96 (1) FR 657** (1) FROP Wire*** ATB	

ALL OFFICES

Daily	Monthly	Quarterly	Semi-Annually	Annually	Special
FR 5*	Monthly Notes Redeemed (FR5)*			FR 34-Front FR 34-Back FR 612 (2) FR 892****	FR 612 - When property is purchased or sold (2) FR 892 - Upon changes to lease/rental agreements

All reports are to be filed in hard copy unless otherwise indicated.

* Submitted electronically

** Estimated and final.

*** Financial Results of Operations (EARL Wire)

**** Submit Report, whether or not space is leased or rented, to the Building Planning Section of the Division of Reserve Bank Operations and Payment Systems.

- (1) Submitted via ATB. (Applies to the final FR 657 only.)
- (2) Submitted via RFARS.
- (3) If the reporting date falls on a weekend or holiday, the report is due the next business day.

(THIS PAGE INTENTIONALLY LEFT BLANK)

CURRENCY HELD BY FEDERAL RESERVE BANKS

FEDERAL RESERVE BANK OF _____ (including branches)

For end of month _____
(MM,YYYY)

Currency Held	Amount (cents omitted)
Federal Reserve notes [Sum of items 210-050 and 210-075 on FR 34]	\$
Coin dollars [Breakdown of item 130-025 on FR 34]	
Fractional coin [Breakdown of item 130-025 on FR 34]	
Old currency series:	
National bank notes [Breakdown of total shown on FR 34 item 170-400]	
Federal Reserve Bank notes [Breakdown of total shown on FR 34 item 170-400]	
Federal Reserve notes [Breakdown of total shown on FR 34 item 170-400]	
United States notes [Breakdown of total shown on FR 34 item 170-400]	
Silver certificates [Breakdown of total shown on FR 34 item 170-400]	
Gold certificates [Breakdown of total shown on FR 34 item 170-400]	
Total Currency Held	

Note: Items reported on this form must agree with form FR 34 for same period.

Prepared by _____

Telephone number (including area code) _____

Accounting Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System

INCOME REPORT

FEDERAL RESERVE BANK OF _____

For period _____ through _____
(MM,DD,YYYY) (MM,DD,YYYY)

Item No.	Source of Income	Amount (cents omitted)
1.	Loans	\$
2.	Acceptances	
3.	U.S. Government obligations—System account	
4.	Other U.S. Government obligations	
5.	Other securities	
6.	Foreign currencies	
7.	Income from services	
8.	Penalties on deficiencies in required balances	
9.	Overnight overdraft charges	
10.	Daylight overdraft charges	
11.	Funds settlement fees	
12.	Examination fees	
13.	All other (specify below)	
14.	Total income	

Prepared by _____

Telephone number (including area code) _____

Accounting Section
 Division of Reserve Bank Operations and Payment Systems
 Board of Governors of the Federal Reserve System

CREDITS TO PROFIT AND LOSS

	Total for quarter
TOTAL	

DEBITS TO PROFIT AND LOSS

	Total for quarter
TOTAL	
Net debit (-) or credit	

Telephone number (including area code)

Accounting Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System

**CHARGES ASSESSED AND WAIVED FOR DEFICIENCIES
IN REQUIRED BALANCES**
(Regulation D—Section 204.7)

FEDERAL RESERVE BANK OF _____ (including branches)

For the quarter ended _____
(MM,YYYY)

Penalties	Number of Institutions That Were Deficient/ Assessment Reversals	Number of Deficiencies	Amount of Penalties
Assessed (incl. waiver reversals)			
Assessment Reversals—Deduct			
Net Assessments¹			
Waived:			
Because of small size			
Infrequent deficiency			
Special			
Waiver reversals—Deduct			
Net Waived			

1. Should agree with Item 8 on FR 95 for the months covered by the Report.

Note: Data should be reported according to the quarter in which the penalty was actually assessed or waived. A description of each special waiver, stating the amount of the waiver, or alternatively a copy of the correspondence which would explain the waiver, should be attached to this report.

Prepared by _____

Telephone number (including area code) _____

Accounting Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System

PROFIT AND LOSS STATEMENT

FEDERAL RESERVE BANK OF _____ (including branches)

For the year _____
(YYYY)

Item	Amount
Total income	\$
Operating expenses
Net periodic pension cost
Cost of earnings credits
Current net income
Additions to current net income (itemize on reverse)
Deductions from current net income (itemize on reverse)
Net additions (+) or deductions (-)
Cost or unreimbursed Treasury services
Assessment by the Board:
Board expenditures
Federal Reserve currency costs
Net income before payment to U.S. Treasury
Dividends paid
U.S. Treasury (interest on Federal Reserve notes)
Transferred to surplus
Surplus, January 1
Surplus, December 31

Prepared by _____

Telephone number (including area code) _____

Accounting Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System

Details of Additions to and Deductions from Current Net Earnings	Amount
Additions:	
Profit (net) on U.S. Government securities sold	\$
Recoveries of losses on shipments of money and securities	
Profit on mutilated and on foreign currency and coin	
Profit (net) on foreign currency transactions	
Other additions to current net income (specify):	
Total additions	
Deductions:	
Loss (net) on U.S. Government securities sold	
Losses on shipments of money and securities	
Losses on cash and noncash items	
Losses on counterfeits	
Loss (net) on foreign currency transactions	
Other deductions from current net income (specify):	
Total deductions	

EXPENSE REPORT

FEDERAL RESERVE BANK OF _____ (including all offices)

For the year _____
(yyy)

Object of Expense	Amount (cents omitted)
Personnel Expenses:	
Salaries—Officers	\$
Salaries—Employees	
Other Personnel Expenses	
Retirement and Other Benefits	
Materials, Forms and Supplies Expenses	
Equipment Expenses:	
Equipment Purchases	
Equipment Rentals	
Equipment Depreciation	
Equipment Repairs and Maintenance	
Software	
Shipping Expenses:	
Postage	
Other Shipping Expenses	
Travel Expenses	
Communications Expenses	
Building Expenses:	
Building Insurance	
Taxes on Real Estate	
Property Depreciation	
Utilities	
Rent	
Other Building Expenses	
Other:	
Fees	
Other	
Recoveries	
Contra Expense	
Shared Cost Distributed	
Shared Cost Received	
Installation Support Costs Distributed	
Installation Support Costs Received	
Total Expenses	
Reimbursements	
Net Expense	

Note: The Net Expense figure should agree with the amount shown on FR 657. The amounts by object should be consistent with amounts that will be reflected in the annual PACS Report.

Prepared by _____

Telephone number (including area code) _____

Accounting Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System

OTHER REAL ESTATE (FR 612) Federal Reserve Bank of New York Board

Reason for submitting report: ☐ Annual Report

☐ Lease of Real Estate

☐ Real Estate

Enter the date

i.e. 12/31/2001 should be entered if submitting an annual report for 2001.

Asset Account and Item	Beginning of Year	Additions	Deductions	End of Period
A. LAND:				
A1. Land	\$0.00	\$0.00	\$0.00	\$
A2. Land improvements	0.00	0.00	0.00	
A3. Total Cost				
B. BUILDING:				
B1. Building	0.00	0.00	0.00	
B2. Vaults	0.00	0.00	0.00	
B3. Total Cost				
C. BUILDING MACHINERY AND EQUIPMENT:				
C1. BM&E Total Cost	0.00	0.00	0.00	
D. TOTAL COST (Items A.3, B.3, and C.1)				
E. DEPRECIATION ALLOWANCES:				
	Beginning of Year	Debits	Credits	End of Period
E1. On Land Improvements				
Credit - Normal Depreciation	0.00	0.00	0.00	
Credit - "Special" Depreciation	0.00	0.00	0.00	
Debits	0.00	0.00	0.00	
E2. On Building				
Credit - Normal Depreciation	0.00	0.00	0.00	
Credit - "Special" Depreciation	0.00	0.00	0.00	
Debits	0.00	0.00	0.00	
E3. On Fixed Machinery and Equipment				
Credit - Normal Depreciation	0.00	0.00	0.00	
Credit - "Special" Depreciation	0.00	0.00	0.00	
Debits	0.00	0.00	0.00	
4. Total Depreciation				

F. NET BOOK VALUE OF ASSETS (Item D minus E)

Other	Beginning of Year	Additions	Deductions	End of Period
G1. Construction in Progress	\$0.00	\$0.00	\$0.00	\$

Calculate Submit Reset

BANK-OWNED PROPERTY LEASED TO OUTSIDE TENANTS—OUTSIDE SPACE RENTED FOR BANKS USE¹

FEDERAL RESERVE BANK OR BRANCH _____

For the period ended _____
(MM,DD,YYYY)

Location	Terms of Lease	Effective Date	Expiration Date	Rental Cost/ Income ²	Number of Square Feet	Use of Space
TOTAL						

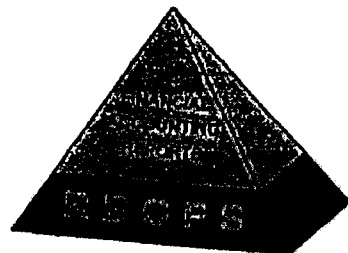
Comments:

1. Indicate, by crossing out the appropriate words, which type of information is covered by this report.
2. Indicate, by crossing out the appropriate word, which type of information is reported in this column.

Prepared by

Telephone number (including area code)

Building Planning Section
Division of Reserve Bank Operations and Payment Systems
Board of Governors of the Federal Reserve System



RBOPS FINANCIAL ACCOUNTING REPORTS SYSTEM

User ID:

Logon

Reset

Maintained by RBOPS Information Systems, Board of Governors
Last Modified: January 22, 2001



CHAPTER 7

MAINTENANCE OF DEPOSIT ACCOUNTS

70.01 - General. The computation and maintenance of reserves is governed by Regulation D. This chapter contains the accounting principles to be followed in applying analysis adjustments to deposit accounts -- either reserve balances or clearing balances. It also covers the reporting of charges assessed and waived on reserve deficiencies.

Deposit analysis adjustments--also generally referred to as as-of adjustments--are memorandum items that are applied to the cumulative position of a depository institution to correct the impact of errors or to recover float incurred by the institution. The adjustments are undertaken administratively and are of three types. One category consists of those that stem from Reserve Bank involvement in the underlying transactions, the second concerns adjustments for errors made by the institutions, and the third arises from Federal Reserve float. Adjustments in the first category are based on the principle that depository institutions should not gain or lose in their reserve or clearing balance position as a result of accounting or administrative errors or delays in processing transactions by Federal Reserve offices¹. Adjustments in the second category are undertaken out of a sense of equity as a service to depository institutions since the Reserve Bank, as bank of account, is often in the best position to correct the impact of transaction errors. The third type of adjustment arises from an institution's election of the float-payment alternative whereby a debit as-of adjustment is used to pay for float incurred by that institution. Whether a particular transaction qualifies for analysis adjustment depends on the underlying situation in light of these principles and the discussion in the following paragraphs.

70.10 - Examples of Deposit Analysis Adjustments. Analysis adjustments are issued to correct errors associated with a wide variety of transactions, for example, entries posted to the wrong reserve accounts, delays in posting entries, and erroneous entries originated by depository institutions. If an error is detected and corrected on the day that it occurs, no as-of adjustment is necessary. The following examples serve to illustrate the general nature of analysis adjustments and to indicate the action a Reserve Bank would ordinarily take in the particular circumstances.

¹ Under very rare circumstances, a reserve requirement-related as-of adjustment might also be warranted in conjunction with adjustments in the first category. See paragraph 70.90 Reserve Requirement-Related Deposit Analysis Adjustments.

Example A:

An incoming cash letter from Depository A is assigned the account number of Depository B and consequently credited to Depository B's account in error. Upon discovering the error, the Reserve Bank processes correcting entries and functions a decrease adjustment to Depository B's account and an increase adjustment to Depository A's account. Assuming a \$5 million entry, which went unnoticed for two days, each adjustment would amount to \$10 million.

Example B:

A one-day deferred cash letter of \$300,000 received from Depository A is assigned a two-day deferment. When the error is discovered, an increase adjustment of \$300,000 is granted to Depository A's account.

Example C:

The Reserve Bank charges Depository A's account for an outgoing cash letter that is scheduled to arrive at Depository A in time for processing on the current day. The following day Depository A tells the Reserve Bank that it did not receive the letter in time to meet its processing schedule. If investigation supports the depository institution's contention, an increase adjustment for one day is granted if the cash letter amount equals or exceeds \$250,000.

Example D:

Depository A, in settlement of cash letters received from its correspondents, instructs the Reserve Bank to charge its deposit account and credit the accounts of Depositories B, C, and D. Depository A discovers a day later that the credit to Depository C should have gone to Depository E. Assuming a \$300,000 entry, an increase adjustment of \$300,000 is applied to Depository E's account and a decrease adjustment to Depository C's account in addition to the reversing entry on the second day.

Example E:

Depository A, which has elected the as-of adjustment float payment option, incurs \$500,000 of interterritory float in week 1. In week 2, the Reserve Bank notifies Depository A of the amount of the float and in week 3 applies a debit as-of adjustment to the deposit account of Depository A.

Example F:

Upon notification of a cash shipment of \$30,000, the Reserve Bank credits Depository A for \$30,000. If the cash shipment is not received on a timely basis by the Reserve Bank, a debit as-of adjustment should be applied to Depository A's account.

70.20 - Equitable Application of Deposit Analysis Adjustments Related to Federal Reserve Transactions. To the extent possible, analysis adjustments necessary because of errors or delays in transactions processed by the Reserve Bank or for which the Reserve Bank is a party to the transaction, assuming timely notification, should be applied in a manner that does not adversely affect the institutions involved. Both the increase and decrease sides of an adjustment must be applied when two or more institutions are involved. The adjustments should not be set aside for several days awaiting instructions from an institution on the details of application, and the Reserve Bank should notify its customers promptly of sizable adjustment amounts that may influence the manner in which they manage their deposit accounts.

As a practical matter, some adjustments are not of sufficient size to affect a reserve or clearing balance position and in some cases the application of smaller amounts to an institution's position may actually require additional accounting by the institution

with no apparent benefit. Reserve Bank staff should routinely apply as of adjustments for transactions that equal \$25,000 or greater and the aggregate amount is \$250,000 or more (e.g., if there is a \$25,000 adjustment for eleven days, it would be \$275,000 in the aggregate). The minimum dollar thresholds do not apply to other types of as-of adjustments or when requested by the depository institution on a case by case basis. The depository institution should notify the Reserve Bank within 45 calendar days from the date of the error. Calculation of the appropriate adjustment should be based on the time elapsed between the occurrence of the error and the notification of the Reserve Bank by the depository institution, not to exceed 45 days, plus the time elapsed in researching and processing the adjusting entry. Similar notification to other Reserve Banks of errors identified internally should occur within 45 days with a comparable limitation on the aggregate size of the adjustment.

Adjustments necessary because of errors or delays in work processed by the Reserve Bank generally should be applied to the maintenance period immediately following the period in which the correction is made and the institution notified, and the as-of adjustments is approved. Adjustments may be apportioned over multiple future reserve periods at the discretion of the Reserve Bank. When determining whether an adjustment should be applied in the next maintenance period or apportioned over the next and/or multiple future periods, the Reserve Bank should consider the institution's ability to offset the effect of the adjustment. In addition, the Reserve Bank may also consider the timing and size of the adjustment. Once a schedule of apportionment over several future periods has been established, the Reserve Bank should not deviate from the schedule to assist the institution in meeting unexpected deposit drains or other transactions affecting the reserve position.

Many depository institutions face low levels of required reserve or clearing balances that make it difficult to fully utilize as-of adjustments arising from Federal Reserve errors. To ensure that these depository institutions do not lose as a result of a Federal Reserve error by receiving as-of adjustments that cannot be reasonably offset, the Reserve Bank should offer the depository institution the option of explicit charges (see paragraph 70.75) or direct compensation (see paragraph 70.77).

As-of adjustments should not be made to periods prior to the period in which the error occurred. In some cases, however, adjustments for transactions involving prior reserve periods should be applied to the period affected by the transaction rather than to the next or future reserve periods. The test in these situations is whether such adjustments, if applied to the affected reserve periods, would reduce excess balances or eliminate deficiencies in account balances subject to charge. Prior period as-ofs should be

made to eliminate any excess or deficiency directly attributable to the Federal Reserve error, with any remaining excess or deficiency applied in the next maintenance period. Assume, for example, that Depository A was deficient by an aggregate \$200,000 in maintenance period #2 and the Reserve Bank discovers on Thursday of period #3 that it failed to credit \$50,000 on the second Friday of period #2 to Depository A's account. Assume further that \$80,000 of the deficiency in period #2 may be offset in period #3. In this case the aggregate increase adjustment amounts to \$300,000 (\$50,000 times six days), and the Reserve Bank would therefore apply \$200,000 to period #2 (to eliminate the reserve deficiency) and \$100,000 to period #4, in addition to crediting Depository A's account for \$50,000 on Thursday of period #3 to correct for the error in posting.

70.30 - Application of Deposit Analysis Adjustments Involving Another District.

In the case of adjustments for errors or delays by a Reserve Bank in processing work affecting the account of an institution in another District, the Reserve Bank should provide the institution's Reserve Bank with the adjustment amount so that it may be applied to the institution's reserve or clearing balance position. However, as in the case of adjustments to the Reserve Bank's own respondents, some amounts are not of significant size to warrant the additional bookkeeping. In the absence of a request from an institution, the Reserve Bank may limit such adjustments to situations in which the amount of the original transaction is \$25,000 per transaction and \$250,000 in the aggregate. Requests for adjustments which cross District lines should be approved by an officer or designated manager of the Reserve Bank initiating the request, and any letter or telegraphic request should contain that officer's or manager's name and title.

70.35 - Deposit Analysis Adjustments Involving Non-Standard Holidays and Voluntary Closings. As-of adjustments are used in situations where a Reserve Bank is closed while a depository institution remains open (non-standard holiday) or when a depository institution is closed when the Reserve Bank is open (voluntary closing). The appropriate use of as-of adjustments in these cases is described below:

Non-Standard Holiday: As-of adjustments are used to prevent depository institutions' reserve or clearing balances from being affected by a delay in crediting when a Reserve Office is closed in observance of a non-standard holiday. For example, the New Orleans office used to close for Mardi Gras (non-standard holiday), although it now remains open. When non-standard holidays occur, the as-of adjustments should be applied to the maintenance period of the holiday or to the next maintenance period if the closure occurs on the last Tuesday or Wednesday of the maintenance period. Immediately after notifying the depository institutions involved, operating areas should notify the department responsible for formally issuing adjustments whenever the

operating area decides to issue adjustments in excess of \$100 million on any given day. Check float created for this reason should be adjusted through normal float-related as-ofs, and ACH float from this source should be adjusted through the use of pricing as-of adjustments.

Voluntary Closing: Depository institutions may request that check and ACH charges be deferred for business days in which they elect to be closed when the Reserve Banks remain open. If the Reserve Bank agrees, as-of adjustments are utilized to recover related float. Check and ACH float from voluntary closings should be adjusted through pricing as-of adjustments. These adjustments should be applied to the next maintenance period. (See 70.75).

70.40 - Deposit Analysis Adjustments to Correct for Errors of Record. Reserve Banks should no longer issue as-of adjustments for errors of record, which result from erroneous payments, with the exception of those associated with “improper transfers.” Controls to prevent the misrouting of funds transfers and other types of errors of record are sufficient; therefore, as-of adjustments due to errors of record should be very infrequent.

70.50 - Deposit Analysis Adjustments to Correct for Errors in Reports of Deposits. A depository institution at times may make an inadvertent error when reporting data on its Report of Deposits (FR 2900). When the corrected data are transmitted, the revision might alter the institution's reserve balance requirement for the current maintenance period or an already completed maintenance period.

As-of adjustments are granted when the deposit revision alters the depository institution's reserve balance requirement so that the institution is not penalized for failing to meet the new required reserve balance or for holding excess reserves in the maintenance period(s) affected by the error. This policy also ensures that the depository institution meets all of its requirements over the longer run. As-of adjustments made to receive or provide compensation are applied to future maintenance periods and are accompanied by exactly offsetting as-of adjustments applied to the periods being revised. If the data revisions affect the reserve balance requirement for the current or future maintenance periods, the depository institution is expected to manage its reserve position in the relevant maintenance period. No as-of adjustments should be granted for these revisions.

For revisions that apply to maintenance periods that are already completed, the size of the matching as-of adjustments depends on a number of factors including: whether the original reserve position in the revised maintenance period was excess or deficient, whether the revision was up or down, the size of the revision relative to the

original excess position and, in the case of a deficient original position, whether or not a penalty has been assessed. In some cases, the revision to required reserves will affect the depository's final position; in other cases it will not.

The Reserve Position Before Revision Was Positive or Zero

If the revising depository institution was not originally deficient in the affected maintenance period and required reserves are revised downward, then a future period credit as-of equal in magnitude to the revision to required reserves is applied along with an exactly matching prior period debit as-of. This provides full credit for the reduction to required reserves in a prior period; it leaves the original excess position for that period unchanged.

When required reserves are revised upward, then a future period debit as-of equal to the upward revision in required reserves net of any excess held in the affected maintenance period is applied. The netting procedure ensures that any excess reserves the depository held in the upward revised period are applied toward meeting the increase in required reserves. To the extent this is done, however, the excess position in the affected period must be revised down from its original level so that the same excess reserves would not be available in the event of a subsequent upward revision to the same maintenance period. The application of a prior period credit as-of having exactly the same size as the future period debit as-of eliminates the potential for any such multiple use of excess reserves.

Since an upward revision to the required reserves of a maintenance period originally in an excess reserve position reduces the depository's final position, additional adjustments may be required. Frequently, a reduced final position lowers the clearing balance held on which earnings credits may be paid, requiring adjustments to the depository's accumulated earnings credits. In some cases, a reduced final position may lead to a reduction in carryovers, which necessitates the recalculation of the following period's final position. If this recalculation leads to a deficiency subject to penalty (or increases an existing deficiency) in the following period, its effect must be offset with a credit as-of, matched by a future period debit adjustment.

The Reserve Position Before Revision Was Deficient

When a depository institution revises a maintenance period for which reserve balances fell short of the original reserve balance requirement, then the

appropriate Reserve Bank response depends upon whether the deficiency charge was assessed or not.

- *A Charge for the Original Deficiency Already Has Been Assessed When the Revision is Made*
In the case of a revision to a deficient maintenance period for which a charge has been assessed, matching future and prior period as-ofs exactly equal to the revision to the required reserve balance is applied. If the required reserve balance is revised upward, a future period debit as-of and a matching prior period credit as-of are applied; if the revision is downward, a future period credit as-of is applied, matched by a prior debit as-of. In both cases, the original deficiency is preserved.
- *The Original Deficiency Has Not Been Assessed*
When a deficiency charge has been waived or is still pending and the required reserve balance is revised downward a future period credit as-of, net of the deficiency, is applied. A debit as-of for the same amount would be applied to the period being revised. If the downward revision is less than or equal to the deficiency, no as-ofs would be issued. If the charge is pending, the original amount subject to charge is reduced by the downward revision to the required reserve balance before being assessed. (If a deficiency that was originally carried forward is reduced, it is necessary to recalculate the following period's final position; any resulting increase is offset with a debit as-of for that period and a matching credit as-of applied to a future period.) An upward revision to the required reserve balance in the case of a pending or a waived charge results in a future period debit as-of equal to the entire deficient amount—the original deficiency plus the further deficiency.

The Reserve Bank should always process revisions to required reserves reflecting reporting errors regardless of whether they involve over or under reserving. The revisions to require reserves, and the calculation of resulting as-of adjustments, should be made to the period(s) of error up to a maximum of six months prior to the date of initial discovery of the error. There may also be circumstances when a waiver of charges is appropriate to deal with small errors or problems if the Reserve Bank feels such relief is appropriate in view of the institution's past record of reserve maintenance. The provisions of this paragraph are summarized in the chart on the next page.

SUMMARY				
Original Excess Position (ER)	Revision to Required Reserve Balance (RRB)	Penalty Action (if relevant)	As-of Applied to Period of Error ₁	Memo: Impact of Revision on the Final Excess Position
Positive or Zero	Up	--	CR = Δ RRB-ER	declines by Δ RRB (with lower limit of zero)
	Down	--	DR = Δ RRB	unchanged
Negative	Up	assessed	CR = Δ RRB	unchanged
	Down	assessed	DR = Δ RRB	unchanged
	Up	Waived or pending	CR = entire deficient amount	rises to zero
	Down	Waived or pending	DR = Δ RRB net of deficiency ₂	rises by Δ RRB (with upper limit of zero)
Note: DR = debit as-of CR = credit as-of 1. An equal as-of but of the opposite sign is applied to a future maintenance period. 2. If the charge is pending, the original amount subject to charge is reduced by the downward revision before being assessed.				

70.60 - Deposit Analysis Adjustments to Correct for Errors of Omission.

Although some transactions may fail to reach the books of the Reserve Bank due to apparent oversight or error by a depository institution, as-of adjustments for errors of omission are inappropriate and should not be issued by Reserve Banks, with the exception of “unusual circumstances”(see 70.70).

70.70 - Deposit Analysis Adjustments Due to Unusual Events. It is recognized that certain events entirely out of the control of the Reserve Bank and its institutions can occur, such as widespread power failures, computer failures, and natural disasters. Adjustments may be appropriate to correct for the delays in work processed by the Reserve Bank in these circumstances. Such adjustments and waivers of charges are determined pursuant to guidelines developed by each Reserve Bank in response to the circumstances of the particular situation and after consultation with Board staff. These adjustments are still subject to normal rules regarding approvals, documentation, application, and coordination with other Reserve offices.

70.75 - Deposit Analysis Adjustments for Float Payment. As part of the implementation of pricing for float, depository institutions are allowed the option of paying for certain check and ACH float with a pricing as-of adjustment or an explicit billing charge to their account. A three-part procedure is to be followed for these

institutions. For example, float incurred in week 1 will be determined during week 2, and the corresponding adjustment applied on Thursday in week 3. During week 2, the institution should be notified of the amount of the adjustment that will be applied.

In an exceptional case, where an as-of for float incurred in week 1 is too large for an institution to reasonably accommodate in week 3, part of the adjustment may be deferred to week 4, or week 5 if they are the first week of the next maintenance period. Such as-ofs may not be deferred beyond week 5. All float payment as-of adjustments should be applied regardless of size, including adjustments that are below the minimum transaction amount of \$25,000 and below the minimum aggregate amount of \$250,000 threshold.

Float payment as-of adjustments that are in dispute must be processed in weeks 3 or 4 pending resolution of the disputed charge. If the dispute is resolved in favor of the depository institution, a reversing as-of adjustment in the amount of the previous adjustment should be applied only on Thursday of the next or future maintenance period.

As-of adjustments to correct for errors in float pricing should always be applied to current or future rather than prior reserve periods. Retroactive application of float payment as-of adjustments is not allowed in any situation.

70.77 - Other Deposit Analysis Adjustments.

Reapplication of Deposit Analysis Adjustments - Once a schedule for application of as-of adjustments has been set, no deviations to the schedule should be allowed. In no case should a Reserve Bank grant requests by depository institutions to reapply previously agreed upon deposit analysis adjustments from one period to another.

Movement of Excess Balances - Reserve Banks should not accommodate requests from depository institutions to shift excess balances from one maintenance period to another through the issuance of deposit analysis adjustments.

Deficiency Charges - Regulation D provides for the use of as-of adjustments in lieu of monetary charges in certain situations. When this alternative is followed, the depository institution involved should be informed that the debit adjustment is a charge action. In addition, an offsetting credit as-of adjustment should be applied to the earlier deficit period to eliminate the deficiency.

IAS Same Day Settlement (SDS) - Many adjusting entries are sent via the IAS SDS module with as-of and float code information corresponding to the circumstances of the adjustment. As-of adjustments that should be classified with SDS float codes are those that result from SDS entries processed by the sending Reserve office when the receiving Reserve office is closed. These are also referred to as SDS holdover. This type of entry should be held overnight in the CHIP account of the sending Reserve office and

automatically sent to the receiving Reserve office on the next business day with the associated as-of. The receiving office should report an identical amount in the “Nonparticipations” line of the Lagged Float Matrix for the same day (see the Introduction of the Lagged Float Reporting System manual).

Normal rules regarding approvals, documentation, application, and coordination with other Reserve offices apply.

Enforcement of Third-Party Deadline - As-of adjustments may be used to discourage funds transfer customers from violating the rules specified in the Funds Transfer Operating Circular regarding the third-party deadline. Such violations may include sending third party funds transfers during the settlement period. In these cases offsetting debit and credit as-ofs may be processed without the consent of the originating bank.

Direct Compensation in Lieu of Deposit Analysis Adjustments - In some situations a credit as-of adjustment may be due to a depository institution that cannot make use of the adjustment because of a low or zero reserve and/or clearing balance requirement. When this situation arises, the Reserve Bank may pay monetary compensation to the depository institution. This procedure is available in only two cases: 1) Reserve Bank errors when the total as-of adjustment exceeds 14 weeks of required balances for the institution and when monetary compensation is the only reasonable way to rectify a Reserve Bank error, and 2) situations where the Reserve Bank is required to pay direct compensation in accordance with section 210.32 of Regulation J in regard to Fedwire damages. The amount of the monetary compensation should be determined by applying the average federal funds rate in effect when the error occurred to the amount of the as-of adjustment. In the case of errors caused by another District, the Reserve Bank responsible for the error must reimburse the paying Reserve Bank for the cost of the direct compensation.

70.78 - Notification Procedures for Deposit Analysis Adjustments. The System's Open Market Desk, in its implementation of the monetary policy of the Federal Open Market Committee, requires accurate and timely information on the factors affecting reserves of depository institutions. The Monetary Projections Staff of the New York Reserve Bank is responsible for providing the Desk with daily projections of these factors. Deposit analysis adjustments affect these projections, and it is essential that information concerning these adjustments be received as early as possible.

Therefore, the Monetary Projections Staff of the Federal Reserve Bank of New York should be given telephone or e-mail [REDACTED] notification when the total amount of as-of adjustments to be processed on a given day and applied to

the current maintenance period aggregate to a net amount of \$100 million or more in any Federal Reserve District. When determining whether the net \$100 million threshold has been reached, Reserve Banks should sum all float and nonfloat as-of adjustments processed on a given day that will be applied to the current or multiple future maintenance periods. Those as-of adjustments that apply solely to the next maintenance period need not be reported to the Monetary Projections staff since they will be reported on the Markstat M transmission. Do not include prior period adjustments or float pricing as-of adjustments. Reserve Banks should be prepared to report the nature of the as-of adjustment (float or non-float), the dollar amount, and, when known, the period to which the as-of adjustment will be applied (current or future). Reserve Banks may establish a separate reporting cut-off of \$50 million per office.

Notification should be made as early in the day as possible. Revisions received by 9:00 a.m. Eastern time are the most helpful; however, information on as-of adjustments received before 9:30 a.m. should also be provided to the Monetary Projections Staff because the Trading Desk may enter the market more than one time. A Reserve Bank should notify the Monetary Projections Staff as soon as it is aware of as-of adjustments that will have a significant impact on reserves.

70.79 - Control of Deposit Analysis Adjustments. Reserve Banks should establish record systems for all as-of adjustments to insure that all float-related adjustments are correctly accounted for on Board reports and that all required offsetting adjustments are accomplished. The records should be in sufficient detail to facilitate an audit trail for the use of Bank auditors and Board Examination staff in verifying the accuracy and completeness of the data.

70.80 – Requirements for the Reporting of Charges for Deficiencies in Required Balances. Paragraph 60.70 provides instructions for the preparation and submission of the required Regulation D report FR 1217.

70.90 - Reserve Requirement-Related Deposit Analysis Adjustments. Analysis adjustments that correct for the impact of Federal Reserve errors on depository institution's required reserves are considered regulatory in nature and should only be issued if circumstances meet the following requirements prior to issuance:

The situation must be caused by a major malfunction of Federal Reserve systems or procedures and the Federal Reserve must be the ultimate counterparty in the transaction.

A senior officer of the affected institution must request the as-of adjustment in writing and must submit documentation showing higher reservable liabilities without, or prior to, the Reserve Bank taking action.

A recommendation should be submitted by the Reserve Bank to the Director of the Division of Bank Operations and Payment Systems, or delegate, for review, in light of the impact on the money stock and on the implementation of monetary policy and; concurrence, generally in writing, that reserve requirement related as-ofs are warranted. A copy should be sent to the Subcommittee on Credit, Reserves and Risk management (SCRRM) for informational purposes.

If all of the above requirements are met, the as-of adjustment(s) should reflect the amount of the error and each affected depository institution's reserve requirement ratio. When multiple Districts are involved, SCRRM will advise the Director of the Division of Reserve Bank Operations and Payment Systems, or delegate, and Reserve Banks of the situation, in writing. After assessing the situation, the Director, or delegate, in conjunction with SCRRM, will confer on whether or not to issue reserve-requirement as-of adjustments. The Director will make the final decision and issue a written directive to the Reserve Banks.

These reserve requirement-related as-of adjustments should be computed by applying the depository institution's marginal reserve requirement against the aggregate amount of the as-of adjustment issued to offset the effect of the error on reserve/clearing positions.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 9, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on June 4, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

"Chairman's Bernanke's schedule for May 2008, including meetings, conference calls, lunches, etc., and the names of individuals and groups who participated."

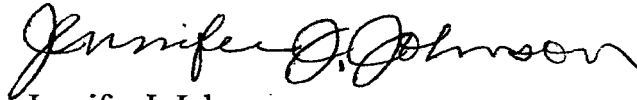
Staff searched Board records and located the substantive information you seek. We will provide you with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

separate cover. If you believe you have a legal right to any information that is being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson". The signature is fluid and cursive, with the first name "Jennifer" being more prominent and the last name "Johnson" following in a similar style.

Jennifer J. Johnson
Secretary of the Board

Enclosure

AMT
AMT:amt

U:\FOIA\2008\08-0382.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-0382

Note: Calendar data for May 2008 was provided by Rita Proctor, the Chairman's Assistant. The data was reviewed for potentially exempt information by Michelle Smith (BDM) and Alison Thro (Legal). The responsive information consists of a list of all entries from the Chairman's official calendar (that is, the version circulated to Michelle Smith and Division Directors), supplemented by additional details from the Chairman's personal calendar. [

[

] (b)(5)

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100382	Formal	News Media	Scott Lanman	06/04/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/14/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/14/2008.

The Law Requires the Board to Respond to This Request by: 07/02/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's schedule for May 2008

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 5, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100382

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 06/04/2008 and received by the Board on 06/04/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to Chairman Bernanke's schedule for May 2008.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in cursive script, reading "Jeanne M. McLaughlin".

Jeanne M. McLaughlin
Manager, Freedom of Information Office

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

July 11, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63001	Formal	Initial	News Media	06/04/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	6	0.10	0.60
Total Amount:				\$0.60
Fee Waived Amount:				\$0.60
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100382
Invoice No: 63001
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100382	Formal	News Media	Scott Lanman	06/04/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/14/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/14/2008.

The Law Requires the Board to Respond to This Request by: 07/02/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's schedule for May 2008

NOTES**RECOMMENDED DISPOSITION**☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part**EXEMPTIONS:***cf*Signed: Alan TisoDate: July 7-08

Chairman's Schedule

Thursday, May 1, 2008

08:00 AM - 09:00 AM Breakfast w/Federal Advisory Council
Location: Algonquin Room – Four Seasons Hotel

01:30 PM - 02:30 PM Meeting w/Fed staff
Location: Chairman's Office

03:00 PM - 05:00 PM Meeting w/PWG
Location: Room 3327 – Treasury Department

Friday, May 2, 2008

07:30 AM - 08:15 AM Breakfast w/Secretary Paulson
Location: Dining Room A

09:00 AM - 09:30 AM Meeting w/Fed staff
Location: Chairman's Office

10:00 AM - 12:00 PM Meeting w/Federal Advisory Council
Location: Board Room

12:45 PM - 01:45 PM Lunch w/Francois Fillon, Prime Minister of France, Christine Lagarde, Minister of Finance et al
Location: Ambassador's Residence @ French Embassy

02:15 PM - 03:15 PM Open Board Meeting
Location: Board Room

Monday, May 5, 2008

TRAVEL: Washington, DC to New York, NY

06:00-9:15 PM Reception/Dinner/Remarks: Columbia Business School's 32nd Annual Dinner – Distinguished Leadership in Government Award
Location: Waldorf-Astoria Hotel, New York, NY

Tuesday, May 6, 2008

TRAVEL: New York, NY to Washington, DC

10:30 AM - 11:00 AM Meeting w/Fed staff
Location: Chairman's Office

11:15 AM - 11:40 AM Meeting w/Fed staff
Location: Chairman's Office

02:30 PM Telephone call from Martin Feldstein

03:00 PM - 04:00 PM Meeting w/Fed staff
Location: Anteroom

04:15 PM Telephone call from Senator Lindsey Graham

Wednesday, May 7, 2008

08:00 AM - 09:00 AM Breakfast w/Senator Robert Casey and Nathan Steinwald
Location: dining room A

10:00 AM - 11:00 AM Meeting w/Dave O'Reilly, Chairman/CEO, Lisa Barry, SVP and Richard Hohlt, Policy Consultant w/Chevron
Location: Anteroom

11:15 AM - 12:00 PM Meeting w/Fed staff
Location: Anteroom

Wednesday, May 7, 2008 (cont.)

TRAVEL: Washington, DC to Cleveland, OH

05:45 PM Reception/Dinner: Board of Directors – FRBank Cleveland
Location: FRBank of Cleveland

Thursday, May 8, 2008

FRBank of Cleveland – Meeting/Luncheon w/Board of Directors

TRAVEL: Cleveland, OH to Washington, DC

Friday, May 9, 2008

07:30 AM - 08:15 AM Breakfast w/Secretary Paulson
Location: Treasury Department

09:00 AM - 09:45 AM Meeting w/Sheila Bair, Chairman, FDIC
Location: Chairman's Office

10:00 AM - 11:00 AM Meeting w/National People's Action
Location: Board Room

11:15 AM - 11:30 AM Meeting w/Fed staff
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting w/Fed staff
Location: Special Library

01:30 PM - 02:00 PM Meeting w/Kohlberg Kravis Roberts & Co. and Akin Gump Strauss Hauer & Feld
LLP
Location: Anteroom

Attendees:

Kohlberg Kravis Roberts & Co.

David James Sorkin, Member, General Counsel

Scott Charles Nuttall, Member

Sir Deryck Charles Maughan, Managing Director, Chairman of KKR Asia

Jonathan Reisin Levin, Principal

Tagar Olson, Principal

Akin Gump Strauss Hauer & Feld LLP

Kenneth Brian Mehlman, Partner

03:00 PM - 03:30 PM Briefing w/Fed staff
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/National Association for Business Economics
Location: Board Room

05:00 PM - 05:30 PM Meeting w/Fed Governors
Location: Chairman's Office

Monday, May 12, 2008

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

11:30 AM - 12:30 PM Conference Call
Location: Chairman's Office

02:00 PM Telephone call from Martin Feldstein, NBER

Tuesday, May 13, 2008

08:20 AM - 09:00 AM

Speech (via satellite): FRBank Atlanta's Annual Financial Markets Conference,
Sea Island, Georgia
Location: Brookings Studio

03:45 PM - 04:15 PM

Meeting w/Hong Kong delegation
Location: Anteroom

Attendees:

Mr. Ka Keung Ceajer Chan, Secretary for Financial Services
and the Treasury

Ms. Hok Ling Wong, Administrative Assistant to Secretary
or Financial Services and the Treasury

Mr. Kwok Wah Tam, Press Secretary to Secretary for
Financial Services and the Treasury

Ms. Margaret Fong, Hong Kong Commissioner for Economic and
Trade Affairs, USA

Mr. Eddie Mak, Director-General of Hong Kong Economic and
Trade Office in Washington, DC.

Wednesday, May 14, 2008

10:30 AM - 11:30 AM

Briefing w/Fed staff
Location: Anteroom

TRAVEL:

Washington, DC to Chicago, IL

Thursday, May 15, 2008

08:30 AM

REMARKS: FRB Chicago's Annual Bank Structure Conference {local time}
Location: InterContinental Hotel, Chicago, IL

TRAVEL:

Chicago, IL to Washington, DC

02:30 PM - 03:30 PM

Meeting w/ [REDACTED]
Location: Chairman's Office

03:30 PM - 03:50 PM

Meeting w/Fed staff
Location: Chairman's Office

03:50 PM - 04:20 PM

Meeting w/Fed staff
Location: Chairman's Office

Friday, May 16, 2008

07:30 AM - 08:15 AM

Breakfast w/Secretary Paulson
Location: Dining Room A

11:00 AM - 11:45 AM

Meeting w/Vikram Pandit CEO, Citi; and Michael Helfer, General
Counsel/Corporate Secretary to Citigroup
Location: Chairman's Office

02:30 PM

Phone call from RB President
Location: Chairman's Office

Sunday, May 18, 2008

06:00 PM

Conference Call

Monday, May 19, 2008

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

12:30 PM - 12:45 PM Welcome Remarks: Fed Challenge
Location: Board Room

01:45 PM - 02:15 PM Meeting w/Ellen Hughes-Cromwick and Emily Morris, Ford Motor Company
Location: Chairman's Office

02:45 PM - 04:00 PM Meeting at Treasury
Location: Small Conference Room

Tuesday, May 20, 2008

12:00 PM - 01:30 PM Luncheon meeting w/Business Roundtable
Location: St. Regis Hotel

03:00 PM - 03:30 PM Meeting w/[REDACTED]
Location: Chairman's Office

Wednesday, May 21, 2008

10:30 AM - 11:30 AM First Meeting of the Asset Managers' Committee on Best Practices
Location: Board Room

12:30 PM - 01:30 PM Luncheon: John Quincy Adams Society
Location: Room 1300 Longworth House Office Building

02:00 PM - 02:30 PM Phone interview w/[REDACTED]
Location: Chairman's Office

04:00 PM - 04:30 PM Meeting w/Christopher Rupkey, Bank of Tokyo-Mitsubishi
Location: Chairman's Office

04:35 PM Telephone call to Chairman Cox, SEC

05:15 PM Telephone call from Alan Mullaly, CEO, Ford Motor Company

Thursday, May 22, 2008

08:00 AM - 08:45 AM Breakfast w/Secretary Paulson
Location: Treasury Department

09:00 AM - 10:00 AM Meeting w/House Republican Theme Team
Location: Room HC-9 - U.S. Capitol

11:00 AM - 11:30 AM Meeting w/Deven Sharma, President, Vickie Tillman, EVP, Standard and Poors and Cindy Braddon, VP, McGraw Hill Companies
Location: Anteroom

11:45 AM - 12:45 PM Conference Call
Location: Chairman's Office

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

03:00 PM - 03:30 PM Briefing w/Fed staff
Location: Chairman's office

Friday, May 23, 2008

10:00 AM - 11:00 AM

Meeting w/Housing Policy Executive Council [See attached attendance list]
Location: Board Room

11:30 AM - 12:00 PM

Meeting w/Greek Delegation
Location: Anteroom

Attendees:

George Alogoskoufis, Minister of the Economy and Finance
Amb. Alexandros MALLIAS, Amb. of Greece to the US
Ambassador Ioannis ECONOMIDES, Diplomatic Advisor to the Minister
Ms. Ioulia ARMAGOU, Economic Counselor, Ministry of Finance
Mr. Charalampos DIMITRIOU, Legal Advisor to the Minister
Mr. Iakovos CHARALAMPIDIS, Minister's Press Counselor
Mr. Nikolaos APOSTOLOPOULOS, Official Photographer
Mr. Dimitrios AMPERIADIS, ERT Greek Public TV Cameraman

Tuesday, May 27, 2008

09:30 AM - 10:00 AM

Photo Op/Meeting: Delegation from the Czech Republic
Location: Anteroom

Delegation:

His Excellency Vaclav KLAUS, President of the Czech Republic
Petr KOLAR, Ambassador, Embassy of the Czech Republic
Petr KAVAN, First Secretary, Embassy of the Czech Republic
Zuzana FIGEROVA, Head of the President's Administrative Office
Jiri BRODSKY, Head of the President's Foreign Department
Michaela DVORAKOVA, Analyst, President's Office
Jaroslav KURFURST, Deputy Chief of Mission, Embassy of the Czech Republic

10:30 AM - 11:15 AM

Meeting w/Board staff
Location: Chairman's Office

Wednesday, May 28, 2008

11:00 AM - 12:00 PM

Closed Board Meeting
Location: Board Room

02:00 PM - 03:00 PM

Photo Op/Meeting: National Association of Home Builders (NAHB)
Location: Board Room

06:00 PM - 08:00 PM

Reception/Dinner: Conference of Chairmen
Location: Cafeteria

Thursday, May 29, 2008

10:00 AM - 11:00 AM

Meeting w/ [REDACTED]
Location: Chairman's Office

01:00 PM - 01:30 PM

Luncheon: Conference of Chairmen
Location: Board Room

01:30 PM - 02:00 PM

Informal remarks/Q&A: Conference of Chairmen
Location: Board Room

02:25 PM - 03:25 PM

Keynote Address (via videoconference) before the Risk Transfer Mechanisms and
Financial Stability Workshop, Basel, Switzerland
Location: Special Library

04:30 PM - 05:00 PM

Meeting w/Fed Governor
Location: Chairman's Office

Friday, May 30, 2008

10:00 AM - 11:00 AM

Briefing w/Fed staff
Location: Anteroom

**Housing Policy Executive Council
Friday, May 23, 2008
10:00-11:00 a.m. -- Board Room**

Name	Title	Affiliation
Mr. Rick Aneshansel	Executive Vice President and COO	US Bank Home Mortgage
Mr. Dan Arrigoni	President and CEO	US Bank Home Mortgage
Mr. James Baron	Executive Vice President and Consumer Lending Director	Huntington Bank
Honorable Harry Stephen Bartlett	President and CEO	The Financial Services Roundtable
Mr. Paul Bognanno	Vice Chairman	The Radian Group, Inc.
Mr. Brad Bruns	Executive Vice President Managing Director of Capital Markets	Citi
Ms. Deborah Burke	Director of Government Relations	US Bank
Mr. Joseph Cartellone	President and CEO	National City Mortgage Company
Mr. Ryan Caruso	Government Affairs Assistant	Housing Policy Council
Mr. Eric Todd Chamberlain	President, Mortgage Lending	Regions Bank
The Honorable John H. Dalton	President	Housing Policy Council
Gary R. Esposito	Managing Director	HSBC North America
Mr. John A. Frobose	President of Lending Solutions	Assurant
Mr. Frederick Geissinger	President	American General Financial Services/AIG
Mr. Robert Griffith	Executive Vice President	Bank of America
Mr. Michael J. Heid	Co-President	Wells Fargo Home Mortgage
Mr. David Katkov	President and COO	The PMI Group
Mr. Paul Leonard	Vice President	Housing Policy Council
Mr. William Longbrake	Vice Chairman	Washington Mutual
Mr. Frank Madden	Executive Vice President	GMAC
Mr. Peter Francis Makowiecki	President and CEO	First Horizon Home Loans
Mr. Gene Edward Mergelmeyer	Chairman and CEO	Assurant
Mr. Francis Pinckney	Executive Vice President	HSBC North America
Mr. Daniel Francis Racher	Executive Vice President	BB&T
Mr. Robert S. Reynolds	Executive Vice President	SunTrust Mortgage
Mr. Pablo Sanchez, Jr.	Director, Retail Lending	Chase Home Loans
Mr. David Schneider	President	Washington Mutual
Ms. Faith Schwartz	Executive Director	HOPE NOW Alliance
Mr. Carl Sneed	Executive Vice President of Lending Solutions	State Farm Bank
Mr. Paul Hayden Swan	President	Nationwide Mortgage
Mr. Jeffrey Guy Tennyson	Executive Vice President, EquiFirst	Barclays
Mr. Richard M. Whiting	Executive Director	The Financial Services Roundtable

2008-382



slanman@bloomberg.net on 06/04/2008 05:51:34 PM

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Jun 04, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please fax to above number

Request: Chairman Bernanke's schedule for May 2008 including meetings, conference calls, lunches, etc., and the names of individuals and groups who participated.

2008-39915



slanman@bloomberg.net on 06/16/2008 11:48:11 AM

OFFICE OF THE
FEDERAL RESERVE SYSTEM

2008 JUN 16 AM 11:59

UNITED STATES SECRETARY
FREEDOM OF INFORMATION ACT

To: FOI.Requests@frb.gov

cc:

Subject: FOIA Request

Date: Jun 16, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$2,000.00

Fee Waiver:

Delivery: Please call for pick up

Request: In addition to Bloomberg's other outstanding FOIA requests relating to the Bear Stearns Cos. transaction, we are requesting any and all additional documents or materials that are being released to any other individual or organization in response to FOIA requests relating to Bear Stearns, the Primary Dealer Credit Facility, the Term Securities Lending Facility, Term Auction Facility and any events, meetings or negotiations surrounding these programs.



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

April 8, 2008

The Honorable Christopher J. Dodd
Chairman
Committee on Banking, Housing, and
Urban Affairs
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Pursuant to the requirements of 12 U.S.C. § 248(r)(2) of the Federal Reserve Act, enclosed is the record of the action of the Board of Governors of the Federal Reserve System on March 14, 2008, under the second paragraph of 12 U.S.C. § 343, to approve an extension of credit for Bear Stearns Companies, Inc., and other primary securities dealers. This record includes written findings documenting the unanimous determinations under section 248(r)(2)(a)(ii) by the available members of the Board that such action was required without the vote of five members of the Board.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer J. Johnson".

Jennifer J. Johnson
Secretary of the Board

Enclosure

Identical letter also sent to:

Chairman Barney Frank, House Committee on Financial Services.

(08-5913)

bcc: R. Ashton

**RECORD OF DETERMINATIONS UNDER 12 U.S.C. § 248(r)(2)
REGARDING APPROVAL OF EXTENSION OF CREDIT IN UNUSUAL AND
EXIGENT CIRCUMSTANCES BY VOTE OF LESS THAN FIVE BOARD
MEMBERS**

On Friday morning, March 14, 2008, all members of the Board of Governors then available, Chairman Bernanke, Vice Chairman Kohn, Governors Warsh and Kroszner, voted unanimously pursuant to the second paragraph of 12 U.S.C. § 343 to authorize the Federal Reserve Bank of New York, given the unusual and exigent circumstances, to extend credit to JP Morgan Chase & Co., to provide financing on a non-recourse basis to The Bear Stearns Companies, Inc. (Bear Stearns) and, if the Reserve Bank in consultation with the Chairman determines it appropriate, to other primary securities dealers, where the Reserve Bank finds that adequate credit accommodations are not available to the borrower from other banking institutions. The second paragraph of 12 U.S.C. § 343 provides that such action be taken by vote of not less than five members of the Board. Under 12 U.S.C. § 248(r)(2), the Board may take action under the second paragraph of section 343 on the vote of less than five members if the available members then in office unanimously approve the action and if certain conditions are met, including a condition that the available members of the Board make certain determinations specified in section 248(r)(2)(A)(ii) relating to the need for action before the unavailable members whose votes are required can be contacted.

In connection with this action approving the extension of credit, the available Board members unanimously made the determinations required by section 248(r)(2)(A)(ii).

1. The Board members determined that unusual and exigent circumstances existed and that Bear Stearns, and possibly other primary securities dealers, were unable to secure adequate credit accommodations from other sources. The available evidence indicated rapidly-changing developments over the previous few days resulting in a significant freezing up of liquidity in the term funding market for private label residential mortgage-backed securities and in similar markets. These markets serve as an important source of overnight financing for Bear Stearns and for the other primary securities dealers. Bear Stearns reported to the Federal Reserve System that it could not obtain necessary funding to meet its obligations during the day from alternate sources and, without Federal Reserve credit, would likely not be able to operate through the business day, thereby creating significant stress on the repo and related markets.
2. The Board members determined that the action on the extension of credit was necessary to prevent, correct, or mitigate serious harm to the economy or the stability of the financial system of the United States. The available evidence indicated that the unexpected inability of Bear Stearns to continue operations would likely cause serious disruptions in credit markets essential to the efficient functioning of the economy.

3. The Board members determined that despite the use of all means available, including all available telephonic, telegraphic, and other electronic means, the other member of the Board was not able to participate in the Board's action. The only member of the Board in office not available at the time of the Board's action was Governor Frederic Mishkin, who was in transit by airplane from Helsinki, Finland to the United States from 6:20 am EST to 5 pm EST on March 14. While he had been contacted and provided summary information, communications with him on this matter were not feasible at the time the Board was required to act, which was in the moments before the markets opened at 9:30 am on March 14.

4. The Board members determined that action on the extension of credit was required before the other member of the Board required to vote on the matter could return and/or participate by any available means, including by telephone, telegraph, and other electronic means. Governor Mishkin would not return to the United States until the evening of March 14. The available evidence indicated that immediate action was needed before the markets opened to allow Bear Stearns to meet its obligations on March 14. The immediate and unexpected inability of Bear Stearns to conduct its operations would likely have had serious disruptions in credit markets essential to the efficient functioning of the economy.

Pursuant to section 248(r)(2)(B), these written findings will be included in the record of the Board's action approving the extension of credit. Copies have been provided to Governor Mishkin as required by law. He has indicated his concurrence with the Board's findings and its actions.

Board of Governors
of the
Federal Reserve System
Freedom of Information Office

No LTR
2008-399

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

October 10, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63135	Formal	Initial	News Media	06/16/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	3	0.10	0.30
Total Amount:				\$0.30
Fee Waived Amount:				\$0.30
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100399
Invoice No: 63135
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 15, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Request No. 2008100399

Dear Mr. Lanman:

On June 16, 2008 the Board of Governors (Board) received your request dated June 16, 2008, pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552 for records pertaining to all additional documents that are being released to other individuals or organizations in response to FOIA requests relating to Bear Stearns, the Primary Dealer Credit Facility, the Term Securities Lending Facility, Term Auction Facility and any events, meetings or negotiations surrounding these programs.

Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until July 29, 2008, in order to consult with another agency or with two or more components of the Board having a substantial interest in the determination of the request.

If a determination can be made before July 29, 2008, we will respond to you promptly. It is our policy to process FOIA requests as quickly as possible while ensuring that we disclose the requested information to the fullest extent of the law.

Sincerely,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager
Freedom of Information Office



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

June 16, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100399

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 06/16/2008 and received by the Board on 06/16/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to all additional documents that are being released to other individuals or organizations in response to FOIA requests relating to Bear Stearns, the Primary Dealer Credit Facility, the Term Securities Lending Facility, Term Auction Facility and any events, meetings or negotiations surrounding these programs. *Securities*

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$2000.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in cursive script, reading "Jeanne M. McLaughlin", is positioned above the printed name.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

399



Alison M Thro/BOARD/FRS

09/30/2008 11:49 AM

To Denise Harris/BOARD/FRS@BOARD

cc

bcc

Subject FOIA # 08-399

Denise – We can handle FOIA # 08-399 as a "no letter response." Please send the requester a copy of the document that is being released in response to FOIA 08-232 & -252. Thank you! –Alison

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100399	Formal	News Media	Scott Lanman	06/16/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 06/26/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 06/26/2008.

The Law Requires the Board to Respond to This Request by: 07/15/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

any and all additional documents or materials being released to other individuals or organizations in response to FOIA request relating to Bear Stearns, the Primary Dealer Credit Facility, the Term Securities Lending Facility, Term Auction Facility and any events, meetings or negotiations surrounding these programs

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

2008-414

19



slanman@bloomberg.net on 07/08/2008 03:39:14 PM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: Jul 08, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please fax to above number

Request: Chairman Bernanke's daybook/schedule for June 2008, including all meetings and names of attendees and their organizations.

2008 JUL -8 PM 4:46
FEDERAL RESERVE SYSTEM
INFORMATION OFC



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 25, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on July 8, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

Chairman Bernanke's daybook/schedule for June 2008, including all meetings and names of attendees and their organizations.

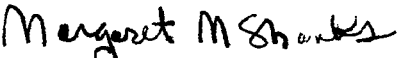
Staff searched Board records and located the substantive information you seek. We will provide you with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

AMT
AMT:amt

U:\FOIA\2008\08-0414.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Ms. Logan
Board Records – MS 108

FOIA # 08-0414

Note: Rita Proctor, the Chairman's Assistant, provided calendar data for June 2008. The data was reviewed for potentially exempt information by Michelle Smith (BDM), David Skidmore (BDM), and Alison Thro (Legal).

[(b)(5)]

The calendar data is in the same form released in response to FOIA #s 08-330, 08-304, 08-291, 08- 225, 08-211, 08-155, 08-91, 07-434, 07-106, 07-165 and 7-0074.

414



Alison M Thro/BOARD/FRS


07/30/2008 02:59 PM

To David W Skidmore/BOARD/FRS@BOARD, Michelle A Smith/BOARD/FRS@BOARD

cc

bcc

Subject Chairman's Calendar

Dave and Michelle -- We have pending FOIA requests for the Chairman's calendar for June and July 1-18, 2008. I'd appreciate it if you would review the attached documents. 

] (b)(5)

L



Schedule_June.2008.redacted.pdf Chairman's Schedule, 7-1 to-18-08.pdf

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100414	Formal	News Media	Scott Lanman	07/08/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 07/18/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 07/18/2008.

The Law Requires the Board to Respond to This Request by: 08/05/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's daybook/schedule for June 2008, including all meetings and names of attendees and their organizations

NOTES

RECOMMENDED DISPOSITION

<input type="checkbox"/> NO responsive records <input type="checkbox"/> Records not reasonably identified <input type="checkbox"/> Grant request in full	<input type="checkbox"/> Confirmed w/FR Bank (see Note:) <input type="checkbox"/> Deny in full <input type="checkbox"/> Deny in part	EXEMPTIONS: <hr/>
--	--	-----------------------------

Signed: _____ Date: _____

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

August 27, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63040	Formal	Initial	News Media	07/08/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	6	0.10	0.60
Total Amount:				\$0.60
Fee Waived Amount:				\$0.60
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100414
Invoice No: 63040
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100414	Formal	News Media	Scott Lanman	07/08/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 07/18/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 07/18/2008.

The Law Requires the Board to Respond to This Request by: 08/05/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

— ASSIGNMENTS —Division Person Assigned

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's daybook/schedule for June 2008, including all meetings and names of attendees and their organizations

NOTES**RECOMMENDED DISPOSITION**

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☒ Deny in part

EXEMPTIONS:

/

Signed: _____

Alan Thro

Date: _____

8/20/08

Chairman's Schedule: June 2008

Monday, June 2, 2008

09:30 AM - 10:30 AM Meeting w/staff
Location: Anteroom

11:00 AM - 12:00 PM Meeting w/staff
Location: Anteroom

12:30 PM - 02:00 PM Lunch w/ [REDACTED]
Location: [REDACTED]

Tuesday, June 3, 2008

09:00 AM - 10:30 AM Remarks: International Monetary Conference Central Bankers Panel (via satellite),
Barcelona, Spain
Location: Brookings Studio

12:00 PM - 01:00 PM Lunch w/President Bush
Location: Private Dining Room

03:00 PM - 04:00 PM Remarks (via videoconference) – FR System's Central Banking Seminar
Location: Special Library

04:30 PM - 05:00 PM Meeting w/staff
Location: Chairman's Office

06:45 PM - 08:00 PM Reception/Ceremony: Latino Student Fund Showcase of Scholars
Location: Enrique Iglesias Auditorium, Inter-American Development Bank

Wednesday, June 4, 2008

TRAVEL: Cambridge, MA

12:30 PM - 01:30 PM Luncheon reception w/Senior Class Committee and Harvard University
Representatives
Location: Harvard Faculty Club

02:45 PM - 03:15 PM Speaker: 2008 Harvard Class Day
Location: Tercentenary Theatre in Harvard Yard

TRAVEL: Washington, DC

Thursday, June 5, 2008

09:00 AM - 10:00 AM Meeting w/Howard Davies, London School of Economics
Location: Chairman's Office

11:00 AM - 11:10 AM Meeting w/Tadashi Nunami, General Manager for the Americas,
Bank of Japan's NY Office
Location: Chairman's Office

11:15 AM - 11:25 AM Meeting w/RB staff
Location: Chairman's office

Thursday, June 5, 2008 (cont.)

11:30 AM - 12:30 PM Meeting w/staff
Location: Anteroom

02:00 PM - 03:00 PM Meeting w/ [REDACTED]
Location: Chairman's Office

04:00 PM - 05:30 PM Meeting at Treasury
Location: Small Conference Room

Friday, June 6, 2008

07:30 AM - 08:15 AM Breakfast w/Secretary Paulson
Location: Dining Room A

11:30 AM - 12:45 PM Remarks: Bilderberg Meetings
Location: Westfields Marriott Hotel, Chantilly, VA

03:00 PM - 03:30 PM Meeting w/George Osborne MP, Shadow Chancellor of the Exchequer and General Election Coordinator for the British Conservative Party
Location: Chairman's Office

Monday, June 9, 2008

09:00 AM - 09:30 AM Meeting w/staff
Location: Chairman's Office

09:45 AM - 10:15 AM Meeting w/Seppo Honkapohja, Bank of Finland
Location: Chairman's Office

TRAVEL: Boston, MA

06:00 PM Reception/Dinner: FRB Boston's 52nd Economic Conference
Location: Wequasett Inn, Chatham, MA

08:15 PM Remarks: FRB Boston's 52nd Annual Economic Conference: Inflation and Monetary Policy as the Phillips Curve Turns Fifty
Location: Wequasett Inn, Chatham, MA

Tuesday, June 10, 2008

TRAVEL: Washington, DC

12:30 PM - 01:30 PM Lunch w/Professor Michael Woodford, Columbia University
Location: Dining Room A

02:00 PM - 03:00 PM Meeting w/staff
Location: Chairman's Office

04:00 PM - 05:00 PM Cabinet-Level Meeting on China SED IV
Location: Room 3327 @ Treasury Department

Wednesday, June 11, 2008

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: Treasury

TRAVEL: Kansas City, MO

06:00 PM Photo Op/Reception/dinner w/Kansas City Fed's joint boards of directors
Location: FRBank of Kansas City

Thursday, June 12, 2008

- All Day -

FRBank of Kansas City – Joint meeting w/boards of directors, private luncheon & new building dedication ceremony

Location: FRBank Kansas City

TRAVEL:

Washington, DC

Friday, June 13, 2008

10:00 AM - 10:45 AM

Meeting w/staff

Location: Chairman's Office

Monday, June 16, 2008

08:30 AM - 09:45 AM

Meeting at Treasury

Location: Small Conference Room

10:00 AM - 10:30 AM

Speaker – Health Reform Summit

Location: Mumford Room in the Madison Building
Library of Congress

11:30 AM - 12:30 PM

Meeting w/

Location: Chairman's Office

01:30 PM - 02:30 PM

Meeting w/

Location: Chairman's Office

02:30 PM - 03:30 PM

Meeting w/ABA Economic Advisory Committee

Location: Board Room

03:30 PM - 03:45 PM

Meeting w/staff

Location: Chairman's Office

04:00 PM - 05:00 PM

Meeting w/staff

Location: Special Library

05:00 PM - 05:30 PM

Meeting w/staff

Location: Chairman's Office

Tuesday, June 17, 2008

08:00 AM - 09:00 AM

Breakfast w/Duncan Niederauer, CEO, and Jeffrey Eubank, SVP, Global Affairs and Government Relations of NYSE Euronext

Location: Dining Room A

10:45 AM - 12:15 PM

Keynote presentation: U.S. China Strategic Economic Dialogue—Session II: Managing Financial and Macroeconomic Cycles

Location: U.S. Naval Academy

01:15 PM - 02:15 PM

FRB/IMF Article IV Luncheon

Location: DR-I

02:50 PM - 03:00 PM

Meeting w/staff

Location: Chairman's Office

04:00 PM - 05:00 PM

Executive Council on Diplomacy

Location: Board Room

05:05 PM - 05:35 PM

Meeting w/staff

Location: Chairman's Office

06:30 PM - 08:30 PM

Cocktail/Dinner/Remarks: Washington Business Forum

Location: John Hay Room @ The Hay Adams Hotel

Wednesday, June 18, 2008

10:30 AM - 10:45 AM Meeting w/staff
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/Board member
Location: Chairman's Office

12:00 PM - 01:00 PM Lunch w/Congressman Spencer Bachus & Larry Lavender
Location: Member's Dining Room – U.S. Capitol

03:00 PM - 04:00 PM Meeting w/staff
Location: Chairman's Office

04:00 PM - 04:30 PM Meeting w/staff
Location: Chairman's Office

Thursday, June 19, 2008

08:40 AM - 08:55 AM Meeting w/staff
Location: Chairman's Office

09:00 AM - 10:45 AM Meeting w/Consumer Advisory Council
Location: DR E

11:00 AM - 11:30 AM Telephone call from RB staff
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting w/Chairman Chris Cox et al, SEC
Location: Anteroom

01:00 PM - 02:00 PM Luncheon: Consumer Advisory Council
Location: DR L

02:30 PM - 03:00 PM Meeting w/staff
Location: Chairman's Office

04:00 PM - 05:30 PM Briefing w/staff
Location: Anteroom

Friday, June 20, 2008

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: DR A

10:00 AM - 11:30 AM pre-FOMC briefing w/Fed staff
Location: Special Library

11:30 AM - 12:30 PM pre-FOMC briefing w/Fed staff
Location: Special Library

02:00 PM - 02:30 PM Briefing w/staff
Location: Chairman's office

Monday, June 23, 2008

10:00 AM - 12:00 PM Pre-FOMC Board Meeting
Location: Board Room

05:30 PM - 06:00 PM Reception: Federal Reserve System Bank Supervision Insurance Conference
Location: Cafeteria

Tuesday, June 24, 2008

10:00 AM - 10:30 AM Meeting w/RB Staff
Location: Chairman's Office

02:00 PM - 06:00 PM FOMC Meeting
Location: Board Room

07:30 PM - 09:00 PM Annual FOMC dinner hosted by British Ambassador Sir Nigel Sheinwald
Location: Ambassador's Residence, 3100 Mass. Ave., N.W.

Wednesday, June 25, 2008

09:00 AM - 02:00 PM FOMC Meeting/Luncheon
Location: Board Room

02:30 PM - 03:30 PM Meeting w/Chairman Chris Cox et al
Location: Room 10000 – SEC, 100 F Street, N.E.

Thursday, June 26, 2008

07:30 AM - 08:30 AM Breakfast: Senator Sam Brownback
Location: Dining Room A

10:20 AM - 10:35 AM Meet/Greet: Fraser Institute Washington Policy Briefing
Location: Board Room

11:30 AM - 12:00 PM OPEN Board Meeting
Location: Board Room

01:30 PM - 01:45 PM Briefing w/staff
Location: Chairman's Office

03:00 PM - 05:00 PM PWG Meeting
Location: Room 3327 – Treasury Department

05:00 PM - 06:30 PM Meeting at Treasury
Location: Treasury Small Conference Room

Friday, June 27, 2008

07:30 AM - 08:15 AM Breakfast w/Secretary Paulson
Location: Treasury

08:30 AM - 09:30 AM Meeting w/SEC
Location: Anteroom

09:45 AM - 10:00 AM Briefing w/staff
Location: Chairman's Office

10:00 AM - 12:00 PM Meeting/Luncheon w/TIAC
Location: Board Room

12:30 PM - 01:15 PM Meeting w/Terry Duffy, Craig Donohue, Charles Carey, Saxby Chambliss and Kimberly Taylor, CME, A Chicago Board of Trade Company
Location: Special Library

02:00 PM - 03:00 PM Briefing w/staff
Location: Special Library

03:15 PM - 03:45 PM Meeting w/staff
Location: Chairman's Office

TRAVEL: Basel, Switzerland

Saturday, June 28, 2008 – Sunday, June 30, 2008

Meetings: Bank for International Settlements

Monday, June 30, 2008

TRAVEL:

Washington, DC



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

2008-421

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

SEP 09 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on July 21, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request a copy of the minutes of the meeting of the Board of Governors on July 13, 2008. We interpret your request as seeking a copy of the final minutes, as approved by the Board.¹

Staff searched Board records and made suitable inquiries, but did not locate a responsive document. Accordingly, we cannot provide you with any information. Minutes of the Board's meeting on July 13, 2008, have been drafted and are in the processing of being reviewed and finalized for Board approval.

A determination that no responsive records exist is considered to be an "adverse determination" under the Act. You may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

~~Margaret McCloskey Shanks~~ mms

Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

¹ Drafts of the minutes would be subject to withholding in full under exemption 5 of the Act, 5 U.S.C. § 552(b)(5).

File Copy

AMT:amt

U:\FOIA\2008\08-0421.doc

bcc: Ms. Johnson
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-421

[

](b)(5)



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 19, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Request No. 2008100421

Dear Mr. Lanman,

On July 21, 2008 the Board of Governors (Board) received your request dated July 21, 2008, pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552 for records pertaining to the Minutes of the Board of Governors meeting on July 13, 2008.

Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until September 2, 2008, in order to consult with another agency or with two or more components of the Board having a substantial interest in the determination of the request.

If a determination can be made before September 2, 2008, we will respond to you promptly. It is our policy to process FOIA requests as quickly as possible while ensuring that we disclose the requested information to the fullest extent of the law.

Sincerely,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager
Freedom of Information Office



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 22, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100421

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 07/21/2008 and received by the Board on 07/21/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to the Minutes of the Board of Governors meeting on July 13, 2008.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

Bloomberg

2008-421

2008 SEP 12 PM 4:49
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

September 3, 2008

Ms. Alison Thro
Senior Counsel
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Alison:

Thank you for your telephone call of September 2, 2008, in reference to my Freedom of Information Act request No. 2008100421, regarding the minutes of the Board of Governors meeting on July 13, 2008. You stated that the Board plans to release this document to the public within the next two weeks, and you asked if I may consider the FOIA request closed.

We would like to leave the request open until the document is released to the public. In the alternative, if the Board provides us the document in advance on an embargoed condition allowing us to publish at the time of the public release, we would withdraw the request. Please feel free to contact me at (202) 624-1934. Thank you very much.

Sincerely,



Scott Lanman

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100421	Formal	News Media	Scott Lanman	07/21/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 07/31/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 07/31/2008.

The Law Requires the Board to Respond to This Request by: 08/18/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours -- Time spent determining if material is exempt from disclosure

3. Nonbillable Hours -- All other time spent on the request.

*Called 9/23
waiting for a
call back
re withdrawn*

— ASSIGNMENTS —**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added
SECY	Figueroa-Gomez

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the Minutes of the Board of Governors meeting on July 13, 2008

NOTES**RECOMMENDED DISPOSITION**

☒ NO responsive records

☐ Records not reasonably identified

☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)

☐ Deny in full

☐ Deny in part

EXEMPTIONS:Signed: Alison ThroDate: 9-5-08

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100421	Formal	News Media	Scott Lanman	07/21/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 07/31/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 07/31/2008.

The Law Requires the Board to Respond to This Request by: 08/18/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Wilson
LEGAL	Thro
SECY	Figueroa-Gomez

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

the Minutes of the Board of Governors meeting on July 13, 2008

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

2008-441
61



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 9, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on August 4, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

Chairman's Bernanke's daybook for July 2008, including [a] schedule of all meetings, with names of participants and organizations who attended.

Staff searched Board records and located the substantive information you seek. We will provide you with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

separate cover. If you believe you have a legal right to any information that is being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Jennifer J. Johnson
Secretary of the Board

Enclosure

amt
AMT:amt

U:\FOIA\2008\08-0441.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-441

Note: Calendar data for July 1-18, 2008, was previously released in response to FOIA # **08-420**. In response to this request, Rita Proctor, the Chairman's Assistant, provided data for the remainder of July 2008. The data was reviewed for potentially exempt information by David Skidmore and Michelle Smith (both of BDM) and Alison Thro (Legal)./

1 (b)(5)

2008-441



slanman@bloomberg.net on 08/04/2008 05:45:12 PM

To: FOI.Requests@frb.gov
cc:
Subject: FOIA Request

Date: Aug 04, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please fax to above number

Request: Chairman Bernanke's daybook for July 2008, including schedule of all meetings, with names of participants and organizations who attended.

2008 AUG -4 PM 6:39
FEDERAL RESERVE SYSTEM
COMMUNICATIONS SECTION

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

September 09, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63067	Formal	Initial	News Media	08/04/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	6	0.10	0.60
Total Amount:				\$0.60
Fee Waived Amount:				\$0.60
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100441
Invoice No: 63067
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 3, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW, 11th Floor
Washington, DC 20005

Request No. 2008100441

Dear Mr. Lanman;

On August 04, 2008, the Board of Governors (Board) received your request dated August 04, 2008, pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. § 552 for records pertaining to Chairman Bernanke's schedule for July 2008.

Pursuant to section (a)(6)(B)(i) of the FOIA, we are extending the period for our response until September 16, 2008, in order to consult with another agency or with two or more components of the Board having a substantial interest in the determination of the request.

If a determination can be made before September 16, 2008, we will respond to you promptly. It is our policy to process FOIA requests as quickly as possible while ensuring that we disclose the requested information to the fullest extent of the law.

Sincerely,

A handwritten signature in cursive script, reading "Jeanne M. McLaughlin", is positioned above the typed name.

Jeanne M. McLaughlin
Manager
Freedom of Information Office



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

August 5, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100441

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 08/04/2008 and received by the Board on 08/04/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to Chairman Bernanke's schedule for July 2008.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in black ink, reading "Jeanne M. McLaughlin". The signature is fluid and cursive, with the first name "Jeanne" being the most prominent.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100441	Formal	News Media	Scott Lanman	08/04/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 08/14/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 08/14/2008.

The Law Requires the Board to Respond to This Request by: 09/02/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's daybook for July 2008, including the schedule of all meetings, with names of participants and organizations who attended

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmd w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100441	Formal	News Media	Scott Lanman	08/04/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 08/14/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 08/14/2008.

The Law Requires the Board to Respond to This Request by: 09/02/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours — Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours — Time spent determining if material is exempt from disclosure
3. Nonbillable Hours — All other time spent on the request.

— ASSIGNMENTS —

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's daybook for July 2008, including the schedule of all meetings, with names of participants and organizations who attended

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records☐ Records not reasonably identified☐ Grant request in full☐ Confirmed w/FR Bank (see Note:)☐ Deny in full☒ Deny in part

EXEMPTIONS:

b7

Signed: _____

Allen Thro

Date: _____

09/04/08

CHAIRMAN'S SCHEDULE
July 2008

July 1-2, 2008

PERSONAL TRAVEL

Thursday, July 3, 2008

10:00 AM - 10:15 AM

Meeting w/staff
Location: Chairman's Office

10:30 AM - 10:50 AM

Meeting w/Prof. Alan Rechtschaffen, NYU
Location: Chairman's Office

11:00 AM - 11:30 AM

Meeting w/Refet Gurkaynak, Bilkent University, Turkey
Location: Chairman's Office

12:30 PM - 01:30 PM

Lunch w/Condoleezza Rice, Secretary, State Department
Location: Dining Room A

03:30 PM - 04:30 PM

Briefing w/staff
Location: Anteroom

Monday, July 7, 2008

10:00 AM - 12:00 PM

Board Meeting
Location: Board Room

12:30 PM - 01:30 PM

Lunch w/staff member
Location: Dining Room A

01:45 PM - 02:15 PM

Delegation: National Bank of Poland
Location: Anteroom

Tuesday, July 8, 2008

08:00 AM - 08:30 AM

Keynote Address: FDIC's Forum on Mortgage Lending for Low and Moderate Income Households
Location: C Building Auditorium – FDIC Seidman Center
3501 N. Fairfax Dr. Arlington, VA

12:30 PM - 01:30 PM

Lunch w/staff member
Location: Dining Room A

02:30 PM - 03:15 PM

Meeting w/Fidelity Investments
Location: Anteroom
Attendance List:

John Peter Dowd
Lisa Jane Emsbo-Mattingly
George Albert Fischer
John Harris, Jr.
Robert Litterst

Richard Manuel, Jr.
Ford O'Neil
Pierre Sorel
Robert Tuckett
Derek Young

03:30 PM - 04:00 PM

Meeting w/staff
Location: Chairman's Office

Wednesday, July 9, 2008

10:00 AM - 11:30 AM Board meeting
Location: Board Room

02:00 PM - 02:45 PM Meeting w/staff
Location: Chairman's Office

03:00 PM - 04:30 PM Briefing w/staff
Location: Anteroom

Thursday, July 10, 2008

10:00 AM - 01:00 PM Testimony: House Committee on Financial Services
Location: Room 2128 – Rayburn House Office Building

04:00 PM - 04:45 PM Conference Call
Location: Chairman's Office

05:00 PM - 06:00 PM Photo/Meeting: Penn-in-Washington Program
Location: Board Room

Friday, July 11, 2008

08:30 AM - 09:15 AM Breakfast w/Secretary Paulson
Location: Treasury

09:30 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 11:30 AM Board meeting
Location: Board Room

01:00 PM - 02:30 PM Meeting w/staff
Location: Anteroom

02:45 PM - 03:00 PM Photo Op w/Board interns
Location: Chairman's Office

03:30 PM - 04:00 PM Telephone call from Chairman Bair, FDIC

Saturday, July 12, 2008

08:30 AM Conference Call

10:00 AM Conference Call

Sunday, July 13, 2008

10:00 AM Conference Call

03:00 PM Conference Call

Monday, July 14, 2008

10:00 AM - 11:30 AM Open Board Meeting
Location: Board Room

12:30 PM - 01:30 PM Lunch w/staff member
Location: Dining Room A

02:30 PM - 03:00 PM Phone call from RB staff
Location: Chairman's Office

03:00 PM - 04:30 PM Briefing w/staff
Location: Anteroom

Tuesday, July 15, 2008

10:00 AM - 01:00 PM Testimony – Senate Committee on Banking, Housing and Urban Affairs
[Monetary Policy & Recent Developments in U.S. Financial Markets
and Regulatory Responses to Them]
Location: Room 325 Russell Senate Office Building

03:15 PM - 03:45 PM Conference Call
Location: Chairman's Office

03:45 PM - 04:45 PM Briefing w/staff
Location: Anteroom

Wednesday, July 16, 2008

10:00 AM - 01:00 PM Monetary Policy Testimony –House Committee on Financial Services
Location: Room 2128 – Rayburn House Office Building

03:00 PM - 05:00 PM Briefing: FRB presidents
Location: Special Library

05:40 PM - 06:00 PM Reception: BS&R's LCBO Management Group
Location: Cafeteria

Thursday, July 17, 2008

09:30 AM - 09:40 AM Photo w/Board's research assistants
Location: Front Steps – Constitution Avenue

10:55 AM Greet: Summer Interns
Location: Board Room

01:15 PM - 02:00 PM Lunch w/Charles Blahous, NEC and Bill & Susie James
Location: White House Mess

04:30 PM - 06:00 PM Meeting w/Institute of International Finance
Location: Special Library

Friday, July 18, 2008

07:30 AM - 08:15 AM Breakfast w/Secretary Paulson
Location: Dining Room A

10:00 AM - 11:00 AM Meeting w/William Seidman, Rick Hohlt, RBW Capital Management
Location: Chairman's Office

12:00 PM - 12:30 PM Meeting w/Larry Meyer and Brian Sack w/Macroeconomic Advisers
Location: Chairman's Office

01:30 PM - 03:00 PM Meeting w/staff
Location: Anteroom

04:00 PM - 04:30 PM Meeting w/staff
Location: Chairman's Office

Chairman's Schedule

Monday, July 21, 2008

09:00 AM - 09:15 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 12:00 PM Board Meeting
Location: Board Room

12:30 PM - 01:30 PM Lunch w/staff member
Location: Dining Room A

02:00 PM - 02:30 PM Meeting w/Douglas Lee, Economics From Washington
Location: Chairman's Office

03:00 PM - 04:00 PM Meeting w/[REDACTED]
Location: Chairman's Office

Tuesday, July 22, 2008

08:00 AM - 09:00 AM Breakfast w/Senator Max Baucus and Russell Sullivan
Location: Dining Room A

09:15 AM - 09:45 AM Conference Call
Location: Chairman's Office

10:00 AM - 11:00 AM Briefing w/staff
Location: Anteroom

11:00 AM - 12:00 PM Meeting w/[REDACTED]
Location: Chairman's Office

12:00 PM - 01:00 PM Lunch w/Paul Volcker
Location: Chairman's Office

02:00 PM - 03:00 PM Meeting w/[REDACTED]
Location: Chairman's Office

04:30 PM - 05:15 PM Meeting w/staff
Location: Chairman's Office

Wednesday, July 23, 2008

10:00 AM - 11:00 AM Meeting w/[REDACTED]
Location: Chairman's Office

11:00 AM - 12:00 PM Meeting w/Executive Committee, Independent Community Bankers Association
Location: Anteroom

01:30 PM - 01:45 PM Telephone call w/[REDACTED]
Location: Chairman's Office

02:00 PM - 03:00 PM Meeting w/[REDACTED]
Location: Chairman's Office

03:30 PM - 04:00 PM Meeting w/Ian Cassie and Simon Farr-Jones, Goldman Sachs JBWere, Ltd.
Location: Chairman's Office

04:30 PM - 05:00 PM Meeting w/Peter Hooper w/Deutsche Bank and Mike Prell
Location: Chairman's Office

05:30 PM Telephone call from Dick Kovacevich, Wells Fargo

Thursday, July 24, 2008

10:00 AM - 10:30 AM Remarks/Graduation Ceremony/Reception: FRB Law Enforcement Officers
Location: Dining Rooms E/F

10:30 AM - 11:00 AM Meeting w/staff
Location: Chairman's Office

11:15 AM - 11:30 AM Telephone call [REDACTED]
Location: Chairman's Office

02:00 PM - 02:15 PM Meeting w/staff
Location: Chairman's Office

02:30 PM - 03:30 PM Meeting w [REDACTED]
Location: Chairman's Office

03:30 PM - 04:15 PM Meeting w/Rodrigo de Rato, Senior Managing Director, Investment Banking, Lazard
Location: Chairman's Office

04:30 PM - 05:30 PM FOMC/Board Meeting (via videoconference)
Location: Special Library

05:30 PM - 05:45 PM Meeting w/staff
Location: Chairman's Office

Friday, July 25, 2008

07:30 AM - 08:15 AM Breakfast w/Secy. Paulson
Location: Treasury

09:30 AM - 10:00 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 10:10 AM Photo w/Board interns
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/staff
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/staff member
Location: Dining Room A

01:45 PM - 02:15 PM Meeting w/staff
Location: Chairman's Office

02:30 PM - 02:50 PM Meeting w/staff
Location: Chairman's Office

03:00 PM - 04:00 PM Conference Call
Location: Chairman's Office

Monday, July 28, 2008

08:30 AM - 10:00 AM Breakfast w [REDACTED]
Location: [REDACTED]

11:00 AM - 11:30 AM Telephone call w [REDACTED]
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/staff member
Location: Dining Room A

02:00 PM - 03:00 PM Meeting w/Congressman Randy Neugebauer, Jeanette Whitener, Chief of Staff and
Kathy Bergren, Legislative Director
Location: Room 429 CHOB

Monday, July 28, 2008 (cont.)

03:45 PM - 04:00 PM Meeting w/staff
Location: Chairman's Office

04:00 PM - 05:00 PM Meeting w/staff
Location: Special Library

Tuesday, July 29, 2008

09:00 AM - 10:15 AM Treasury Borrowing Advisory Committee
Location: Board Room

12:45 PM - 01:45 PM CEA Luncheon
Location: Dining Room A

02:00 PM - 02:30 PM Meeting w/Senator Barack Obama and Ian Solomon, Legislative Counsel
Location: Chairman's Office

03:30 PM - 04:00 PM Meeting w/Sir Callum McCarthy and Lord Adair Turner, Financial Services Authority, UK
Location: Special Library

05:00 PM - 05:30 PM Meeting w/Senator Dodd, Secy. Paulson, and Chairman Bair
Location: Room 448 - RSOB

Wednesday, July 30, 2008

09:30 AM - 09:45 AM Meeting w/Fed Governor
Location: Chairman's Office

10:00 AM - 10:45 AM Meeting w/staff
Location: Chairman's Office

11:30 AM - 11:45 AM Briefing w/staff
Location: Chairman's Office

01:30 PM - 02:30 PM Briefing w/staff
Location: Chairman's Office

03:00 PM - 05:00 PM PWG Meeting
Location: Room 3327 – Treasury Department

Thursday, July 31, 2008

08:00 AM - 08:15 AM Meeting w/Fed Governor
Location: Chairman's Office

08:30 AM - 09:15 AM Breakfast w/Secy. Paulson
Location: DR A

09:30 AM - 10:15 AM Meeting w/staff
Location: Chairman's Office

01:30 PM - 02:00 PM Meeting w/Betsy Duke
Location: Chairman's Office

03:30 PM - 04:30 PM Meeting w/staff
Location: Chairman's Office

04:30 PM - 05:00 PM Meeting w/David Paterson, Governor, New York State
Location: Chairman's Office

05:00 PM - 05:30 PM Meeting w/Matthew Slaughter, Dartmouth College
Location: Chairman's Office

2008-508



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 23, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on September 22, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request copies of portions of the minutes of meetings of the Board for September 14, 16, and 19, 2008, discussing financial markets, and for September 21, 2008, approving the bank holding company applications of Goldman Sachs and Morgan Stanley and addressing enhancements to the Board's programs for providing liquidity to markets. We interpret your request as seeking a copy of the final minutes of these meetings, as approved by the Board.¹

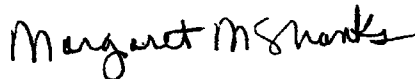
Staff searched Board records and made suitable inquiries, but did not locate responsive documents. Accordingly, we cannot provide you with any information. Minutes of the meetings of the Board for September 14, 16, 19, and 21, 2008, are in the processing of being prepared and reviewed. The draft minutes must be approved by the Board before they become final. We are unable to provide you with a date certain by which the minutes will be presented to the Board or approved. You may wish periodically to contact the Board's Freedom of Information office (202-452-3684) to ask whether the minutes have become final.

A determination that no responsive records exist is considered to be an "adverse determination" under the Act. You may appeal this determination in

¹ Drafts of the minutes would be subject to withholding in full under exemption 5 of the Act, 5 U.S.C. § 552(b)(5).

accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,

A handwritten signature in cursive script, reading "Margaret McCloskey Shanks".

Margaret McCloskey Shanks
Associate Secretary of the Board

Enclosure

~~AMT~~:amt

U:\FOIA\2008\08-0508.doc

bcc: Ms. Harris
Mr. Alvarez
Ms. Michelle Smith
Mr. Skidmore
Ms. Thro
Board Records

FOIA # 08-508

[

](b)(5)

2008-508



slanman@bloomberg.net on 09/22/2008 07:59:03 AM

2008 SEP 22 AM 9:34
FEDERAL RESERVE SYSTEM
OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION OFC

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Sep 22, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please fax to above number

Request: Minutes of Federal Reserve Board of Governors meetings for the following dates: Sept. 14, 2008 (Discussion on Financial Markets); Sept. 16, 2008 (Discussion on Financial Markets); Sept. 19, 2008 (Discussion on Financial Markets); Sept. 21, 2008 (approval of Morgan Stanley and Goldman Sachs bank applications, collateral changes for liquidity).



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 22, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

FOIA Request No. 2008100508

Dear Mr. Lanman,

This will acknowledge receipt of your email dated 09/22/2008 and received by the Board on 09/22/2008, in which you request, pursuant to the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, records pertaining to Federal Reserve Meeting Minutes for September 14, 2008, September 16, 2008, September 19, 2008 and September 21, 2008.

In accordance with section 261.17 of the Board's Rules Regarding Availability of Information, unless a request for a fee waiver is granted, this letter also confirms our assumption that you will pay all fees incurred in the processing of your request. In your letter you agreed to pay fees up to \$500.

The Board makes every effort to fulfill requests in a timely manner; however, there may be delays in fulfilling complex requests or those that require consultation. Please feel free to contact the Board's FOIA Requester Service Center at (202) 452-3684 to obtain information about the status of your request.

Very Truly Yours,

A handwritten signature in cursive script, reading "Jeanne M. McLaughlin", is positioned above the printed name.

Jeanne M. McLaughlin
Manager, Freedom of Information Office

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100508	Formal	News Media	Scott Lanman	09/22/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/02/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/02/2008.

The Law Requires the Board to Respond to This Request by: 10/21/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.

2. Review Hours – Time spent determining if material is exempt from disclosure

3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –**Division Person Assigned**

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Federal Reserve Meeting Minutes for September 14, 2008, September 16, 2008, September 19, 2008 and September 21, 2008

NOTES**RECOMMENDED DISPOSITION**

☒ NO responsive records

☐ Records not reasonably identified

☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)

☐ Deny in full

☐ Deny in part

EXEMPTIONS:Signed: Alis ThioDate: 9/22/08

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100508	Formal	News Media	Scott Lanman	09/22/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 10/02/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 10/02/2008.

The Law Requires the Board to Respond to This Request by: 10/21/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

-- ASSIGNMENTS --

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	To be added
LEGAL	To be added

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Federal Reserve Meeting Minutes for September 14, 2008, September 16, 2008, September 19, 2008 and September 21, 2008

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____

Date: _____

2008-490

63



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 25, 2008

Mr. Scott Lanman
Bloomberg
1399 New York Avenue, NW
11th Floor
Washington, DC 20005

Dear Mr. Lanman:

This is in response to your e-mail message dated and received by the Board's Freedom of Information office on September 9, 2008. Pursuant to the Freedom of Information Act (the "Act"), 5 U.S.C. § 552, you request

Chairman's Bernanke's daybook for August 2008, including all meetings and names and organizations of participants.

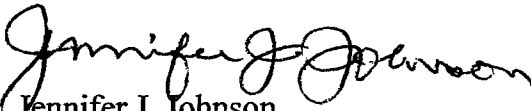
Staff searched Board records and located the substantive information you seek. We will provide you with a copy of the Chairman's daily calendar for the time period specified.¹ I have determined that this document includes commercial or financial information obtained from a person and privileged or confidential (notations and references that are confidential). Such information will be withheld from you under authority of exemption 4 of the Act, 5 U.S.C. § 552(b)(4). The document containing this information has been reviewed under the requirements of subsection (b) of the Act, 5 U.S.C. § 552(b), and all reasonably segregable nonexempt information will be provided to you. The amount of information being withheld will be apparent to you from the face of the document.

Your request is granted in part and denied in part for the reason stated above. The Board's Freedom of Information office will provide you with a copy of the document being made available to you pursuant to this authorization under separate cover. If you believe you have a legal right to any information that is

¹ Certain details included with this information were derived from Chairman Bernanke's personal calendar. This personal calendar is not an "agency record" and, thus, is not subject to FOIA. This information is being provided to you at Chairman Bernanke's discretion.

being withheld from the calendar, you may appeal this determination in accordance with section 261.13(i) of the Board's Rules Regarding Availability of Information, a copy of which is enclosed for your information.

Very truly yours,


Jennifer J. Johnson
Secretary of the Board

Enclosure

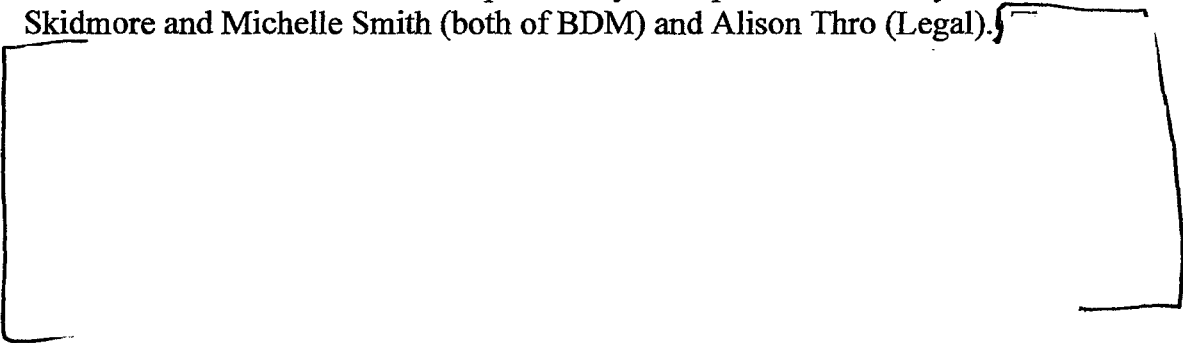
~~AMT~~
AMT:amt

U:\FOIA\2008\08-0490.doc

bcc: Ms. Johnson
Mr. Alvarez
Ms. Proctor
Ms. Michelle Smith
Mr. Skidmore
Ms. Lagomarsino
Ms. Harris
Ms. Thro
Board Records – MS 108

FOIA # 08-490

Note: Rita Proctor, the Chairman's Executive Assistant, provided data for August 2008. The data was reviewed for potentially exempt information by David Skidmore and Michelle Smith (both of BDM) and Alison Thro (Legal).



(b)(5)

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Scott Lanman
Bloomberg
1399 New York Ave, NW
11th Floor
Washington, DC 20005

September 29, 2008

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
63107	Formal	Initial	News Media	09/09/2008

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	4	0.10	0.40
Total Amount:				\$0.40
Fee Waived Amount:				\$0.40
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2008100490
Invoice No: 63107
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

CHAIRMAN'S SCHEDULE

August 1-31, 2008

Friday, August 1, 2008

10:00 AM - 11:30 AM

Briefing w/staff

Location: Special Library

11:30 AM - 12:30 PM

Briefing w/staff

Location: Special Library

02:00 PM - 02:10 PM

Meeting w/Amb Ichiro Fujisaki, Japanese Ambassador to the U.S., Mitsuhiro Furusawa and Takayuki Kobayashi, Embassy of Japan

Location: Chairman's office

Monday, August 4, 2008

10:00 AM - 12:30 PM

Pre-FOMC Board Meeting

Location: Board Room

02:15 PM - 02:45 PM

Meeting w/staff

Location: Chairman's Office

Tuesday, August 5, 2008

08:00 AM - 08:15 AM

Swearing-in ceremony: Elizabeth Duke

Location: Chairman's Office

08:30 AM - 01:45 PM

FOMC Meeting

Location: Board Room

02:00 PM - 03:00 PM

FOMC Farewell Luncheon for Governor Mishkin

Location: Dining Room E

Wednesday, August 6, 2008

11:45 AM - 12:15 PM

Meeting w/staff

Location: Chairman's Office

02:00 PM - 03:00 PM

Meeting w/John Bryant, Jena Roscoe and Sharon Jones, Operation Hope

Location: Board Room

03:30 PM - 04:00 PM

Q&A Session: (via videoconference): AEA Summer Minority Program

Location: Special Library

04:30 PM - 05:00 PM

Meeting w/staff

Location: Chairman's Office

05:00 PM - 05:30 PM

Reception: HOEPA

Location: Dining Room D

Thursday, August 7, 2008

08:30 AM - 09:00 AM

Breakfast w/Secy. Paulson

Location: Treasury

02:30 PM - 03:00 PM

Meeting w/

Location: Chairman's Office

03:00 PM - 03:30 PM

Group Photo/Farewell Remarks: Reception for Summer Interns

Location: Group Photo: Front steps—Constitution Avenue

Remarks/Reception: Dining Room E

04:30 PM - 05:30 PM

Meeting w/staff

Location: Anteroom

Monday, August 11, 2008

08:00 AM - 09:15 AM Meeting w/Treasury
Location: Anteroom

10:00 AM - 10:05 AM Photo w/summer interns
Location: Chairman's Office

Tuesday, August 12, 2008

12:00 PM - 12:15 PM Meeting w/staff
Location: Chairman's Office

12:30 PM - 01:30 PM Lunch w/staff member
Location: Dining Room A

01:40 PM - 01:50 PM Meet/Greet w/Dr. Tony Tan, Executive Director, & 5-member delegation,
Government of Singapore's Investment Corporation (w/Tom Connors)
Location: Anteroom

02:00 PM - 04:00 PM Remarks: Boardwide Farewell Reception for Governor Mishkin
Location: Board Atrium

04:00 PM - 04:30 PM Meeting w/staff
Location: Chairman's Office

Wednesday, August 13, 2008

09:30 AM - 10:00 AM Meeting w/staff
Location: Chairman's Office

10:00 AM - 10:45 AM Meeting w/staff
Location: Chairman's Office

11:00 AM - 11:30 AM Meeting w/staff
Location: Chairman's Office

12:00 PM - 01:00 PM Lunch w/POTUS
Location: Private Dining Room – White House

Thursday, August 14, 2008

10:00 AM - 11:00 AM Meeting w/ [REDACTED]
Location: Chairman's Office

11:30 AM - 12:30 PM Meeting w/staff
Location: Special Library

03:30 PM - 04:30 PM Briefing w/staff
Location: Board Room

Friday, August 15, 2008

No Appointments

Monday, August 18, 2008

08:15 AM - 09:15 AM Coffee w/Board's PhD interns
Location: Special Library

10:00 AM - 12:20 PM Board Meeting
Location: Board Room

01:00 PM - 02:00 PM CEA Luncheon
Location: Dining Room A

03:30 PM - 04:30 PM Meeting w/staff
Location: Anteroom

Monday, August 18, 2008, cont'd

05:30 PM - 06:00 PM Telephone call from Secy. Paulson

Tuesday, August 19, 2008

09:30 AM - 10:30 AM Meeting w/Secretary Paulson
Location: Chairman's Office

11:30 AM - 11:45 AM Meet/Greet – Pierre Vimont, French Ambassador
Location: Chairman's Office

01:45 PM - 02:05 PM Meeting w/staff
Location: Chairman's Office

Wednesday, August 20, 2008

10:30 AM - 10:38 AM Meeting w/staff
Location: Chairman's Office

Thursday, August 21, 2008

- All Day - TRAVEL: FRBank of Kansas City's 2008 Annual Economic Symposium
Location: Jackson Hole, Wyoming

Friday, August 22, 2008

- All Day - TRAVEL: FRBank of Kansas City's 2008 Annual Economic Symposium
Location: Jackson Hole, Wyoming

Saturday, August 23, 2008

- All Day - TRAVEL: FRBank of Kansas City's 2008 Annual Economic Symposium
Location: Jackson Hole, Wyoming

TRAVEL: Wyoming to Washington, D.C.

Sunday, August 24, 2008

10:00 AM - 10:30 AM Conference Call
Location: Chairman's Office

Monday, August 25, 2008

11:45 AM - 12:00 PM Telephone call w/RB President

12:00 PM - 01:00 PM Lunch w/Gov. Duke
Location: Dining Room A

03:30 PM - 04:00 PM Meeting w/Board Governor
Location: Chairman's Office

Tuesday, August 26, 2008

09:00 AM - 10:00 AM Meeting w/staff
Location: Special Library

10:25 AM - 10:55 AM Meeting w/staff
Location: Chairman's Office

01:00 PM - 01:45 PM Boardwide Swearing-in Ceremony for Governor Duke
Location: Atrium

02:00 PM - 03:00 PM Meeting w/Secy. Paulson
Location: Secretary's Office

03:10 PM - 04:00 PM Meeting w/staff
Location: Chairman's Office

Wednesday, August 27, 2008

08:30 AM - 09:15 AM	Breakfast w/Secy. Paulson <i>Location:</i> Treasury
10:00 AM - 11:00 AM	Meeting w/staff <i>Location:</i> Chairman's Office
03:00 PM - 03:30 PM	Meeting w/staff <i>Location:</i> Chairman's Office

Thursday, August 28, 2008

11:30 AM - 12:00 PM	Meeting w/Toshimitsu Motegi, Minister for Financial Services, Japan + 5-member delegation <i>Location:</i> Anteroom
03:00 PM - 04:30 PM	Meeting w/staff <i>Location:</i> Anteroom

Friday, August 29, 2008

02:00 PM - 02:45 PM	Meeting w/Secretary Paulson <i>Location:</i> Chairman's Office
03:00 PM - 03:30 PM	Meeting w/staff <i>Location:</i> Chairman's Office

Saturday, August 30, 2008

[No entries]

Sunday, August 31, 2008

[No entries]

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100490	Formal	News Media	Scott Lanman	09/09/2008

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 09/19/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 09/19/2008.

The Law Requires the Board to Respond to This Request by: 10/07/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

<u>Division</u>	<u>Person Assigned</u>
-----------------	------------------------

BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's calendar for August 2008, including all meetings, names and organizations of participants

August 08 4 pgs

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☒ Deny in part

EXEMPTIONS:

4

Signed: Alto ThroDate: 9/25/08

2008-490



slanman@bloomberg.net on 09/09/2008 03:25:13 PM. SERVE SYSTEM

2008 SEP -9 PM 5:16

To: FOI.Requests@frb.gov
cc:

OFFICE OF THE SECRETARY
FREEDOM OF INFORMATION ACT

Subject: FOIA Request

Date: Sep 09, 2008

Name: Scott Lanman
Affiliation: Reporter
Category of
Affiliation: News Media
Address1: 1399 New York Ave NW
Address2: 11th Floor
City, State: Washington, DC
Zip: 20005
E-Mail: slanman@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode: 20005
Telephone: 202-624-1934 (work/home not specified)
Fax: 202-624-1344

Max. Fee: \$500.00
Fee Waiver:

Delivery: Please fax to above number

Request: Chairman Bernanke's daybook for August 2008, including all meetings and names and organizations of participants.

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2008100490	Formal	News Media	Scott Lanman	09/09/2008
Transaction Type: Initial				

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 09/19/2008.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 09/19/2008.

The Law Requires the Board to Respond to This Request by: 10/07/2008

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours -- Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours -- Time spent determining if material is exempt from disclosure
3. Nonbillable Hours -- All other time spent on the request.

-- ASSIGNMENTS --

Division	Person Assigned
BDM	Skidmore/FYI
BDM	Smith, M./FYI
LEGAL	Thro

TIME REPORT (per person)			
Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

Chairman Bernanke's calendar for August 2008, including all meetings, names and organizations of participants

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmed w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____



ctorres3@bloomberg.net on 04/04/2007 10:25:10 AM

2007-177

RESERVE SYSTEM
2007 APR -4 AM 10:54

RECEIVED
FEDERAL RESERVE SYSTEM
INFORMATION CFC

To: FOI.Requests@frb.gov
cc:

Subject: FOIA Request

Date: Apr 04, 2007

Name: Craig Torres
Affiliation: Bloomberg News
Category of
Affiliation: News Media
Address1: 1399 New York Ave
Address2:
City, State: Washington, DC
Zip: 20005-4711
E-Mail: ctorres3@bloomberg.net
Country: UNITED STATES
Country Code: 840
PostalCode:
Telephone: 202-654-1220 (work/home not specified)
Fax:

Max. Fee: \$200.00
Fee Waiver: Bloomberg News believes such information would
be in the public interest given that the commentators had concerns about
predatory lending.

Delivery: Please call for pick up

Request: I would like to see the comment letters submitted to the Federal Reserve Board related to the merger application of Capital One Financial Corp. and North Fork Bancorporation Inc. The merger application was approved by the Board of Governors on Nov. 8, 2006. Several commentators are mentioned anonymously. We request under the Freedom of Information Act their names and letters. Kind regards, Craig Torres

Fax 624-1312

207-177

**Board of Governors
of the
Federal Reserve System
Freedom of Information Office**

Mr. Craig Torres
Bloomberg News
1399 New York Avenue, NW
Washington, DC 22101

April 04, 2007

Invoice No.	Request Type:	Transaction Type:	Category:	Request Date:
62258	General	Initial	News Media	04/04/2007

Duplication Production:	Quantity Labor:	Units:	Unit Price:	Unit Total:
Photocopies	Page	30	0.10	3.00
Total Amount:				\$3.00
Fee Waived Amount:				\$3.00
Amount Due:				\$0.00

DETACH HERE

To Insure Proper Credit,
Please Return This Portion
With Your Payment

Request No: 2007200177
Invoice No: 62258
Balance Due: \$0.00

Make checks payable to: Board of Governors of the Federal Reserve System

Mail to:

Office of the Controller
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Board of Governors of the Federal Reserve System

Office of the Secretary

Freedom of Information Assignment

Request No:	Request Type:	Request Category:	Requester:	Received Date:
2007200177	General	News Media	Craig Torres	04/04/2007

Transaction Type: Initial

Please return this completed form, attaching all responsive documents, to Denise Harris, Stop 132, by 04/14/2007.

If responsive documents are available electronically, please email to FOI.Section@frb.gov by 04/14/2007.

The Law Requires the Board to Respond to This Request by: 05/02/2007

NOTE: This information is used in the preparation of invoices and for the Annual Report to Congress. Questions may be directed to Denise on x3684

Each division handling any part of this request should report on this form all time it spends on the request in quarter hours by grade level:

1. Search Hours – Time spent looking for material responsive to the request including line-by-line identification of material within documents.
2. Review Hours – Time spent determining if material is exempt from disclosure
3. Nonbillable Hours – All other time spent on the request.

– ASSIGNMENTS –

Division Person Assigned

SECY Connor

TIME REPORT (per person)

Grade	Billable Hours		Nonbillable Hours
	Search	Review	
FR 31-36			
FR 21-22			
FR 23-26			
FR 27+			
Computer			

DESCRIPTION

comment letters re Capital One Financial Corp and North Fork Bancorp.

NOTES

RECOMMENDED DISPOSITION

☐ NO responsive records
☐ Records not reasonably identified
☐ Grant request in full

☐ Confirmd w/FR Bank (see Note:)
☐ Deny in full
☐ Deny in part

EXEMPTIONS:

Signed: _____ Date: _____

FEDERAL RESERVE SYSTEM

Capital One Financial Corporation
McLean, Virginia

Order Approving the Merger of Bank Holding Companies

Capital One Financial Corporation (“Capital One”), a financial holding company within the meaning of the Bank Holding Company Act (“BHC Act”), has requested the Board’s approval under section 3 of the BHC Act¹ to merge with North Fork Bancorporation, Inc. (“North Fork”), Melville, New York, and acquire its subsidiary banks, North Fork Bank (“NF Bank”), Mattituck, New York, and Superior Savings of New England, National Association (“Superior Savings”), Branford, Connecticut.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (71 Federal Register 29,627 (2006)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.³

Capital One, with total consolidated assets of approximately \$89.5 billion, is the 36th largest depository organization in the United States,⁴

¹ 12 U.S.C. § 1842. Capital One and North Fork also have requested the Board’s approval to hold and exercise options to purchase up to 19.9 percent of each other’s common stock. Both options would expire on consummation of the proposal.

² North Fork engages in asset management, securities brokerage, and the sale of investment products through its nonbank subsidiaries. Capital One proposes to acquire those nonbank subsidiaries in accordance with section 4(k) of the BHC Act.

³ The Board received four comments expressing concerns about various aspects of the proposal.

⁴ Asset and national ranking and deposit data are as of June 30, 2006.

SUBJECT: CAPITAL ONE FINANCIAL CORP/NORTH FORK
BANCORP

COMMENTS

1. 6/12/06 ltr from Association for Neighborhood & Housing
Development 11
2. 6/15-16/06 ltr from Inner City Press/Community on the Move **13**
3. 6/16/06 ltr from New Jersey Citizens Actions 2
4. 7/11/06 ltr from Kevin Handly, Boston, Mass 2



ASSOCIATION FOR
NEIGHBORHOOD &
HOUSING
DEVELOPMENT, INC.

50 Broad Street, Suite 1125
New York, NY 10004-2376
Tel: 212-747-1117
Fax: 212-747-1114
www.anhd.org

DIVISION OF BANKING
SUPERVISION & REGULATION

2006 JUN 19 PM 12:09

RECEIVED
CLEARING UNIT
BANKING SUPERVISION AND
REGULATION DEPARTMENT

JUN 12 2006

FEDERAL RESERVE BANK
OF RICHMOND

June 12, 2006

A. Linwood Gill
Vice President
Federal Reserve Bank of Richmond
701 East Byrd Street
Richmond, VA 23261-4528

**Subject: Comments on North Fork Bancorporation/Capital One Financial
Corp Merger Application**

Dear Mr. Gill:

Leadership from the Association for Neighborhood & Housing Development (ANHD) met on June 2, 2006 with representatives from North Fork Bank and Capital One to discuss North Fork's CRA/community development programs in the New York banking market. Attached to this letter is the agenda from the meeting, where we identified a number of existing strengths of North Fork which we hope will be preserved and expanded as a result of this merger. We also discussed some weaknesses in North Fork's current community development programs which we are asking that Capital One/North Fork Bank address going forward.

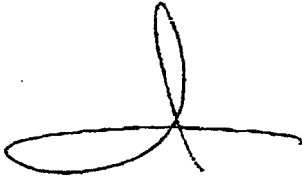
While the meeting was a collegial one in which Capital One expressed general support for a strong community development/CRA platform here, the bank was not able at that time to respond to many of our specific issues. We will be following up with them in the coming weeks and months when we will continue to urge the bank to adopt our recommendations.

ANHD is a membership organization of New York City non-profit neighborhood housing groups. We were formed in 1974 and today we have 88 active members, based in neighborhoods in all five boroughs of the City, representing both the most established community organizations and also younger, emerging neighborhood groups. Our mission is to ensure decent housing and neighborhoods for the people of NYC, especially poor and working class people. We believe that the best way to achieve this mission is to support the work of those non-profit groups rooted in the community. Our member organizations work extensively with local financial institutions to pursue neighborhood preservation and revitalization goals and, collectively, they have an excellent understanding of the effectiveness of North Fork Bank's CRA programs.

The attached agenda discusses our issues and recommendations in some detail. I have also enclosed a copy of a letter from North Fork Bank dated May 18, 2004. In addition to adopting the recommendations made at our June 2, 2006 meeting, we also ask that Capital One honor prior CRA-related commitments made by North Fork as reflected in the May 2004 letter.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'I' with a horizontal crossbar that loops to the left and right.

Irene Baldwin
Executive Director

cc: D. Broadman, Capital One
S. Cooper, North Fork



ASSOCIATION FOR
NEIGHBORHOOD &
HOUSING
DEVELOPMENT, INC.

50 Broad Street, Suite 1125
New York, NY 10004-2376
Tel: 212-747-1117
Fax: 212-747-1114
www.anhd.org

Reinvestment Working Group Meeting With North Fork & Capital One

Friday, June 2, 10:00 am
North Fork Bank
90 Park Avenue, 4th Floor

AGENDA

Purpose of the Meeting: The purpose of the meeting is to learn more of Capital One's vision and plans for its CRA-related activities as it prepares to enter the NY Market. ANHD members will also share their own perspectives and recommendations on neighborhood investment priorities and on ways Capital One might best work in partnership with communities. Generally, ANHD proposes that Capital One expand on the commitments North Fork made in 2004 at the time of its acquisition of GreenPoint.

Introductions: Review of agenda & very brief introductions.

I. Multifamily Lending

North Fork Bank is a very prominent lender in NYC's lower income neighborhoods. The bank is considered by several ANHD members to be a model of responsible underwriting in this area. Community groups have found North Fork responsive when they have brought complaints regarding housing quality and the bank has also been a participant in discussions and working groups around best practices in underwriting.

We would ask Capital One to continue North Fork's practices in this area: that Capital One continue to enforce mortgage good repair clauses at community groups' request; that it maintain a mechanism to quickly respond to community complaints, and, that it continue to participate in discussions on best practices- specifically, that it participate in a working group co-ordinated by UNHP, which includes other ANHD members and area lenders.

II. Community Development Lending & Investment

North Fork received very positive comments from ANHD members regarding its community development commercial loans; several non-profits spoke highly of the bank as a source of credit lines and financing for office and program space. However, most of the bank's CD commercial loans are made to for-profit borrowers; we would ask that the bank make lending to non-profit sponsors a greater priority. In the area of CD real estate lending (affordable housing), we are pleased that the bank has articulated a commitment

to make this a priority, but we believe a lack of staff resources limits North Fork's ability to generate significant levels of community development lending.

Going forward, we would ask Capital One to commit to making 50% of its CD loan originations in NYC, both commercial and real estate, to non-profit sponsors. We also ask that the bank place a particular emphasis on direct lending to community-based organizations. In addition, we ask that the bank hire dedicated lending staff to increase its capacity to effectively originate community development loans.

Questions:

- In its 2004 letter to ANHD, North Fork promised to increase the capitalization of the GreenPoint CDC to \$10 million. Has this been done? How have those funds been expended?*
- The bank also received \$85 million in New Market Tax credits in 2004- how have those credits been invested?*
- Is the bank going to continue to be part of the FHLB system, with the resources that brings to the table?*

III. CRA Philanthropy & Services

North Fork has been a more visible philanthropic funder in recent years- since its acquisition of GreenPoint. The bank has been particularly noteworthy in its support for housing counseling and financial literacy programming as well as for its participation in strategic partnerships and collaborations (such as the Neighborhood Opportunities Fund). In its 2004 letter to ANHD, North Fork had promised to support these types of initiatives, and it has been meeting this commitment.

However, as ANHD noted in 2004, and as continues to be an issue, North Fork's philanthropic support is not at the same level as other local financial institutions and does not always target community priorities. In its 2004 letter, North Fork stated it anticipated providing between 2.5 and 3 million dollars annually in philanthropic support. While the bank did provide \$2.5 million in grant support in 2004, its funding levels dropped in 2005 and again this year, where its expected grant budget is only \$2 million. Further, most of this philanthropic budget is allocated not to core community development funding, but rather to an individual scholarship program whose community development/CRA impact is rather unclear. We would urge the bank to increase its grant budget for NYC to a level comparable to its peers and to allocate funds strategically to meet critical community development needs.

Sovereign Bank, upon its recent purchase of Independence Bank in New York, made a one time contribution of \$20 million to the Independence Foundation to be used for CRA-eligible grantmaking. Further, Sovereign will provide an additional \$1.5 million annually in CRA grants to NYC non-profits. Washington Mutual, another of North Fork's peers, earmarks 2% of its pre-tax earnings each year to charitable contributions, with funding distributed equitably throughout its markets.

We recommend that, in addition to the philanthropic support currently provided by the endowed North Fork Foundation, that Capital One Bank each year establish an annual grant budget comparable to that of its peers, based on either a % of earnings, like WaMu, or a fixed dollar figure, like Sovereign.

We also ask that Capital One/North Fork earmark a majority of its philanthropic support for affordable housing, community development and financial literacy programs and services; all priority needs in NYC's underserved communities at this time.

IV. Affordable Homeownership

ANHD member groups engaged in housing counseling and homeowner preservation services speak highly of North Fork/Green Point. Some of our members based in very low-income neighborhoods have noted that the bank is one of the largest lenders in their communities, and here, too, they have in recent years been a responsible lender. North Fork's CRA strategic plan placed some emphasis on investing in affordable homeownership and the bank has recently added a staff line to promote its affordable mortgage products. The bank has been a strong supporter of housing counseling groups individually, and through consortiums like the NY Mortgage Coalition.

We ask that Capital One continue and expand North Fork's financial support for housing counseling services. And, looking to the future, we also recommend the bank find ways to also support homeowner preservation services as, increasingly, lower-income homeowners find themselves at risk of foreclosure.

We also recommend that Capital One expand its staffing to bring on additional loan originators particularly with an eye to increasing the bank's lending to LMI borrowers.

V. Resources Capital One Brings To The New York Market

Question: Capital One has a very different business niche than North Fork. What products and services, not offered by North Fork will Capital One bring to New York? As a major credit card lender, does this merger present any particular opportunities to increase access to credit for lower income people and communities?

VI. CRA Organizational Structure

In 2005, North Fork finalized a CRA plan with affordable housing at its core. We would ask that Capital One continue that strategic priority. North Fork's greatest constraint in its CRA programs is its limited staffing. There are three dedicated CRA program staff- Stacey Cooper, Mariadele Priest and, more recently, Rosa Negron. All three are very well regarded, but a meaningful CRA program requires significantly larger staff.

We recommend that Capital One/ North Fork bring on additional staff, based in NYC, to increase the bank's CRA-eligible lending and investment here.

We were very pleased to see that Capital One has a centralized community development group- that model is the one we have found to be most effective in supporting a strong CRA platform and we look forward to its adoption at North Fork.

Question: In addition to adequate resources and an appropriate organizational structure, ANHD members have found that a successful CRA program also requires the commitment of bank leadership. How does/will Capital One leadership engage in the bank's CRA activity? And, a related question, since the bank is headquartered in another state, how will leadership be involved in its CRA activities here?

VII. Conclusions



May 18, 2004

Ms. Irene Baldwin
Executive Director
Association for Neighborhood &
Housing Development, Inc.
305 Seventh Avenue, Suite 2001
New York, NY 10001-6008

Dear Ms. Baldwin:

North Fork Bancorporation ("North Fork") and GreenPoint Financial Corp. ("GreenPoint") and their subsidiary banks (together, the "Banks") wish to thank the Association for Neighborhood and Housing Development Inc. ("ANHD") for its thoughtful comments on North Fork's proposed acquisition of GreenPoint. We particularly appreciate ANHD's assertions that the Banks have "strengthened and improved their community development programs over the past several years," and that its members have reported "very positive" relationships with the Banks.

The Banks also acknowledge the outstanding work done by ANHD members in bringing affordable housing to neighborhoods throughout New York City. The Banks currently provide support to a large number of ANHD members based throughout the five boroughs, with GreenPoint Bank providing grants to more than half of ANHD members and North Fork Bank providing grants to approximately one-quarter of the membership. The Banks value these partnerships, and the combined institution intends to continue at least the current levels of support to ANHD members.

As you know, we are eager to meet with ANHD members to discuss the issues raised in your April 3, 2004 letter and the ways in which the combined institution can grow as a leader in community development. The information provided herein is intended to facilitate our discussions.

Community Development Activity

We are pleased to inform you that on May 6, 2004, GreenPoint New Markets, L.P. ("GPNM"), a subsidiary of GreenPoint, received an \$85 million allocation of New Market Tax Credits ("NMTC") from the U.S. Treasury Department. The NMTC Program was established by Congress to attract private-sector capital investment into low-income areas to help finance community development projects, stimulate economic

175 West 72nd Street, New York, NY 10023 212-712-2259 Fax 212-712-9565

Ms. Irene Baldwin
May 18, 2004
Page 2 of 5

opportunity, and create jobs in the areas most in need of such assistance. In the history of the NMTC Program, fewer than 25 percent of applicants have received allocations, and of those received, 80 percent were lower than the allocation received by GPNM.

GPNM has committed to using its allocation to make loans to small businesses and on mixed-use and commercial properties located in low-income New York communities. The interest rates on these loans will be reduced by at least 100 basis points for the life of the loan (up to 25 years), and most origination-related fees will be waived. The underwriting guidelines for these loans will be significantly more flexible than those required by traditional lenders and will include lower than standard debt service coverage ratios, more flexible borrower credit standards, and nontraditional forms of collateral.

Additionally, North Fork plans to add \$5 million to the capitalization of GreenPoint Community Development Corporation ("GPCDC") upon consummation of the merger, doubling GPCDC's initial capitalization. As you may know, GPCDC provides financing for community development to improve housing and economic opportunities for low- and moderate-income ("LMI") individuals and families. GPCDC makes loans directly for specific projects as well as to intermediary nonprofit organizations. GPCDC's initial capitalization has been extended and is currently outstanding.

The increased capitalization will allow GPCDC to greatly enhance its community development activities as an investor in and lender to community development organizations. Among the groups supported by GPCDC are ANHD members Asian Americans for Equality and University Neighborhood Housing Program, which North Fork also supports, as well as the New York Emerging Neighborhoods Fund, L.P., which focuses on revitalizing and stabilizing New York City residential properties in LMI areas, and the New York Equity Fund, an administrator of investment pools for low-income housing tax credits.

The availability of NMTCs and the increased capitalization of GPCDC will permit the combined institution to build on a well established record of community development lending and to participate in additional construction funding of targeted community development and affordable housing projects. As ANHD acknowledges, North Fork Bank is already a strong community development lender. In fact, in its most recent CRA Performance Evaluation dated August 19, 2002, the FDIC noted that North Fork Bank had taken a leadership position in making community development loans and responding to the credit needs of economically disadvantaged areas, individuals, and small businesses. The types of community development loans North Fork originates include housing, rehabilitation, economic development, and community services. Recent notable loans include \$31 million (comprised of \$21 million for construction and \$10 million as a letter of credit) to develop River Plaza, a retail center located in Manhattan and the Bronx and \$8.4 million in construction financing for low income senior housing

Ms. Irene Baldwin
May 18, 2004
Page 3 of 5

in Riverhead, New York. Smaller loans include a \$900,000 construction loan to build affordable rental units in Bedford-Stuyvesant and a \$3 million line of credit to a nonprofit agency that provides services to at-risk families.

GreenPoint Bank also is a leader in community development. In GreenPoint Bank's CRA Performance Evaluation dated December 31, 2002, the New York State Banking Department noted that its participation in the Federal Home Loan Bank of New York's Affordable Housing Program in 2001 and 2002 supported nearly 900 units of affordable housing. In addition, GreenPoint Bank has provided facilities to community-based organizations that engage in vital community development activities, including preservation of affordable housing and provision of critical health care services to LMI individuals and families. The Banking Department further noted that GreenPoint Bank uses innovative and flexible lending practices to serve the credit needs of its assessment area.

CRA Organizational Structure

North Fork is fully committed to implementing a CRA organizational structure that will allow it to continue and improve upon the "outstanding" rated CRA programs of the individual Banks. The current CRA Officer from each bank will remain with the combined institution -- Elaine Dovas as President of GPCDC and GPMN and Stacey Cooper as CRA Officer. Together, we will coordinate administration of the CRA program and report to Howard Bluver, the current Executive Vice President and General Counsel of GreenPoint. Mr. Bluver has had responsibility for GreenPoint Bank's CRA program since 1994 and has a long history of involvement in community development activities, including serving as a Director of Neighborhood Housing Services of New York City.

CRA compliance, however, is an institution-wide effort at both Banks. At each institution, numerous employees with broad ranges of expertise work to create meaningful and relevant community development programs. At North Fork Bank, for example, the retail incentive program requires that branch managers provide qualifying community development services in their local communities. Many managers accomplish this by providing comprehensive financial literacy classes in local schools in conjunction with community-based organizations. In the commercial lending department, employees with expertise in healthcare help underwrite loans to providers to LMI individuals throughout the city. Similarly, at GreenPoint Bank, the staff of GreenPoint Mortgage Funding, Inc., one of the nation's largest mortgage lenders, helps develop and implement affordable housing programs, and its tax department prepared the successful NMTC application.

To further facilitate community partnerships, North Fork plans to establish county level CRA advisory boards, comprised of local representatives of community-based organizations, nonprofit financial intermediaries, housing groups, and community

Ms. Irene Baldwin
May 18, 2004
Page 4 of 5

development entities. The advisory boards will provide the merged institution with focused input on its CRA program and enhance the bank's ability to ascertain local credit needs, particularly those of LMI individuals and neighborhoods. We hope that ANHD members will serve on these boards.

CRA Planning

We agree with ANHD that the merger of North Fork and GreenPoint presents an opportunity to enhance the Banks' leadership role in community development. Much planning has already taken place toward that end. Indeed, North Fork intends to fully retain and build upon the existing CRA-related programs, products, and services of both outstanding-rated Banks.

Specifically, North Fork intends to continue GreenPoint's significant level of involvement in affordable housing initiatives, including its commitments to the Community Preservation Corporation, its use of Federal Home Loan Bank Affordable Housing Program funds to directly subsidize the housing needs of income-qualified households, and its investment in the New York City Partnership's New York City Investment Fund. North Fork also intends to continue participating in the collaborations and partnerships to which you refer in your letter, namely the Neighborhood Opportunities Fund, *Housing First!*, Neighborhood Restore, and the New York Mortgage Coalition. We will seek, as you request, to do so at a level appropriate for the newly combined institution.

North Fork Bank will also continue its existing affordable housing initiatives, including its commitments to the Community Preservation Corporation and its participation in Community Development Corporation of Long Island's Section 8 Homeownership Program and the Federal Home Loan Bank's First Home Club. In addition, due to limitations set by the Federal Home Loan Bank for 2004 enrollment, North Fork will offer its own homeownership savings program to LMI families. Like the First Home Club, participants will be required to attend homeownership counseling and save for a down payment over a specified period of time to be eligible to receive a North Fork Bank matching grant of up to \$3,000.

North Fork further intends to maintain current levels of activities and endowment for GreenPoint Foundation. The Foundation will still target organizations that serve housing, social service, and economic development needs, with particular focus on LMI communities and individuals. North Fork anticipates that the Foundation will make annual investments of \$2.5 to \$3 million. These investments will consist of grants to organizations currently supported by the Banks, including groups dedicated to affordable housing, economic development, and neighborhood revitalization and stabilization, as well as sponsorship of the GreenPoint Achievers Scholarship Program, which awards college scholarships primarily to LMI recipients.

Ms. Irene Baldwin
May 18, 2004
Page 5 of 5

In conclusion, the Banks both began as community-based New York institutions and still have strong roots in the neighborhoods they serve and where many of their employees live. The Banks care deeply about supporting their communities, particularly LMI neighborhoods and individuals, through loans, investments, and services that benefit and respond to local conditions. We look forward to meeting with you and ANHD members in June as part of our ongoing efforts to ascertain community credit and financial service needs through discussions with government officials, neighborhood-based organizations, and housing and real estate professionals throughout our CRA assessment areas.

Very truly yours,

Stacey M. Cooper (S)
Stacey M. Cooper
CRA Officer, North Fork Bank

H. Elaine Doves (H)
H. Elaine Doves
CRA Officer, GreenPoint Bank

cc Mr. Christopher J. Spoth
Federal Deposit Insurance Corporation
Mr. Jay Bernstein
Federal Reserve Bank of New York
Mr. Edward Kramer
The New York State Banking Department

2

**Inner City Press/Community on the Move
&
Fair Finance Watch**

TEL: 718-716-3540 Fax: 718-583-5204, or (preferred), email: Lee@fairfinancewatch.org

Mail to: P.O. Box 580188, Mt. Carmel Station, Bronx, NY 10458

FACSIMILE TRANSMITTAL FORM

13 **To:** Federal Reserve Bank of Richmond
Attn: Linwood Gill, Asst Vice President, and Gaile Clark
~~701 East Byrd Street, Richmond, VA 23261-4528~~

Re: TIMELY OPPOSITION TO CAPITAL ONE'S PROPOSAL TO ACQUIRE
NORTH FORK, INCLUDING REQUEST FOR PUBLIC HEARINGS,
SUBMITTED AT THE EARLIEST POSSIBLE TIME BY INNER CITY
PRESS / FAIR FINANCE WATCH

FROM: Matthew Lee, Esq., Executive Director

DATE: June 15-16, 2006

of Pages: This transmittal sheet; 5-page timely comment, exhibits, last page labeled "end"

RECEIVED
CLEARING UNIT
2006 JUN 21 PM 3:45
DIVISION OF BANKING
SUPERVISION & REGULATION

**Inner City Press
Community on the Move
&
Fair Finance Watch**

June 15-16, 2006

BY FAX TO DC & 804-697-8283 or 804-697-4021

Board of Governors of the Federal Reserve System
Attn: Chairman Bernanke, Governors & Secretary Johnson
20th St and Constitution Ave, N.W., Washington, DC 20551

Federal Reserve Bank of Richmond
Attn: Linwood Gill, Asst Vice President, and Gaile Clark
701 East Byrd Street, Richmond, VA 23261-4528

Re: TIMELY OPPOSITION TO CAPITAL ONE'S PROPOSAL TO ACQUIRE
NORTH FORK, INCLUDING REQUEST FOR PUBLIC HEARINGS,
.SUBMITTED AT THE EARLIEST POSSIBLE TIME BY INNER CITY
PRESS / FAIR FINANCE WATCH

Dear Chairman Bernanke, and others in the FRS:

On behalf of Inner City Press/Community on the Move and its members and affiliates, and the Fair Finance Watch (collectively, "ICP"), this is a timely comment opposing and requesting public hearings on Capital One's proposal to acquire North Fork Bancorporation and its affiliates ("North Fork"). The comment period runs at least through June 16, 2006. This comment is timely, and is filed not only under the Bank Holding Company Act and Community Reinvestment Act, but also the Fair Housing Act, the Equal Credit Opportunity Act, and all applicable anti-money laundering provisions of law.

Home Mortgage Disclosure Act ("HMDA") data for 2005, which are not taken into account by any existing CRA exam and which identify loans which are over the rate spread of 3% over Treasury securities on first lien loans, 5% on subordinate liens, show that North Fork's large mortgage company, Greenpoint, made 11.58% of its loans to African

Mail: PO Box 580188, Mt. Carmel Sta, BX NY 10458 Tel 718 716-3540; lee@FairFinanceWatch.org

Americans over the rate spread, versus only 6.62% of its loans to whites. Even combined with North Fork, in the New York City MSA, Greenpoint-plus-North-Fork made 9.14% of their loans to African Americans over the rate spread, versus only 5.5% of their loans to whites. Meanwhile North Fork, with its prime loans, blatantly excluded people of color from its 1-4 family home mortgage lending. In 2005, North Fork Bank made 333 such loans to whites, and only 14 such loans to African Americans, and only 29 to Latinos, entirely out of keeping with the demographics of North Fork Bank's footprint, from which it draws deposits.

The 2005 data which ICP requested from Capital One is now fraught with uncertainty. Capital One first provided ICP with relatively extensive data on a CD-ROM, then sent another CD, with much less data, claiming that this second, skeletal data set is all they have to report. Even this thinned-down data, "without COHL," fully 41.03% of the loans to African Americans were over the rate spread. The FRB should inquire into this, including analyzing the data which Capital One collected but now claims it is not required to file. In any event, given the size of Greenpoint, that disparate operation would become a main engine of disparity in the proposed combined Capital One. Public hearing should be held on this application, and on the current recent, these proposals should be denied.

Additionally, as demonstrated in the exhibits hereto, North Fork is an extensive funder and enabler not only of check cashers (including The Bronx' Subway Check Cashing and affiliate(s) of a highly controversial New York firm that failed to pay out to utilities and others money that

consumers paid into it), but also of such predatory fringe financiers as rent-to-own locations. For example, North Fork Bank in mid-2005 made a loan to RENT TO OWN INC. of 146 WEST MAIN STREET, BAYSHORE, NY 11706, running through 2010.

Capital One's Hibernia does the same -- for example, lending to T L C RENT-TO-OWN, L.L.C., 1700 WESTBANK EXPRESSWAY, HARVEY, LA 70059. Public hearing should be held on this application, and on the current recent, these proposals should be denied.

More needs to be (and will be) said, but ICP will await copies of the FRB's correspondence with and about Capital One and/or North Fork, and the banks' responses. Specifically, based on prior FRS precedents, at a minimum the following question(s) should be asked, and publicly answered:

"For any business relationship (e.g. commercial lender, warehouse lender, purchaser, custodian, etc.) that Capital One or North Fork or any of their affiliates have with any subprime lenders (including providers of non-traditional banking products, such as check cashers, title lenders, pawn shops, or rent-to-own businesses): (i) identify the relevant business parties and (ii) describe the nature of the business relationships... Additionally, to the extent not otherwise covered in your responses to the comments of the Inner City Press Community on the Move & Fair Finance Watch, describe any due diligence that Capital One or North Fork typically conducts concerning any such subprime lender's compliance with applicable fair lending and consumer protection laws prior to Capital One or North Fork entering into these business relationships,

including... (c) any monitoring or other ongoing procedures Capital One or North Fork has adopted to access compliance with these laws. Provide a copy of such procedures that are used to determine whether third party originators are engaged in, or facilitating, abusive and/or predatory lending practices."

These questions must be answered, and the responses should be made public, pursuant to *Inner City Press v. Federal Reserve Board*, 380 F. Supp. 2d 211, and the subsequent denial of the Federal Reserve's motion for reconsideration, at 2005 U.S. Dist. LEXIS 23376 and in New York Law Journal of October 21, 2005, "Reconsideration Denied as to Federal Reserve's FOIA Disclosure of Bank Merger Documents").

Recently the FRB has stopped asking applicants for the names of the subprime lenders they lend to -- the only explanation for this FRB change is the above-referenced court decision, which would require the FRB to release some or all of this information. (See, in the pending appeal in the above-cited case, A-23, Para 6, cited in ICP's reply Brief at n.3 -- the Fed has acknowledged that having the names is "necessary" to "assess the level of risk." The FRB should not limit or change its consumer protection inquiries for such reasons. The questions -- the naming of names -- should resume, on this application.

Given this record, ICP is requesting public evidentiary hearings, and that, on the current record, the Capital One - North Fork applications be denied.

ICP is a protestant to this proposal, and should be provided copies of all communications regarding this proposal, and should be provided an opportunity to participate in any communications between or about Capital One and/or North Fork and the FRB. All documents and records related the proposal (on an ongoing basis), should be provides as quickly as possible, as they become available, to:

Inner City Press/Community on the Move
& Fair Finance Watch
Attn: Matthew Lee, Esq., Executive Director

By FedEx: ICP c/o Ocean Market, 481 E. Tremont, BX NY 10457

All other mail: P.O. Box 580188, Mount Carmel Station
The Bronx, New York 10458

Fax No.: (718) 583-5204 E: lee@FairFinanceWatch.org

For the reasons set forth herein, the FRB should schedule the requested evidentiary hearings. On the current record, the FRB should deny this proposal.

If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.
Executive Director
Inner City Press/Community on the Move
& Fair Finance Watch

Inner City Press / Fair Finance Watch

EXHIBIT

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: RENT TO OWN INC.; RENT TO OWN INC.

Debtor Address: RENT TO OWN INC.
146 WEST MAIN STREET
BAYSHORE, NY 11706
DUNS: 181708707

RENT TO OWN INC.
146 WEST MAIN STREET
BAYSHORE, NY 11706

Secured Parties: THE NORTH FORK BANK & TRUST COMPANY

Secured Party Address: THE NORTH FORK BANK & TRUST COMPANY

Filing Type: CONTINUATION

Filing Date: 6/21/2005

Expiration Date: 7/26/2010

Filing Number: 0506215559626

Original Filing Number: 90160108

Original Filing Date: 7/26/1990

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Inner City Press / Fair Finance Watch

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: SUBWAY CHECK CASHING SERVICE INC

Debtor Address: SUBWAY CHECK CASHING SERVICE INC
1041 WESCHESTER AVENUE
BRONX, NY 10459
DUNS: 068116029

Secured Parties: NORTH FORK BANK

Secured Party Address: NORTH FORK BANK
9025 ROUTE 25
MATITUCK, NY 11952

Filing Type: INITIAL FILING

Filing Date: 2/25/2005

Expiration Date: 2/25/2005

Filing Number: 0502255163285

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Collateral: INVENTORY INCLUDING PROCEEDS AND PRODUCTS; FARM
PRODUCTS/CROPS INCLUDING PROCEEDS AND PRODUCTS; EQUIPMENT
INCLUDING PROCEEDS AND PRODUCTS; FIXTURES INCLUDING PROCEEDS
AND PRODUCTS; ACCOUNT(S) INCLUDING PROCEEDS AND PRODUCTS;
ACCOUNTS RECEIVABLE INCLUDING PROCEEDS AND PRODUCTS;
CONTRACT RIGHTS INCLUDING PROCEEDS AND PRODUCTS; CHATTEL
PAPER INCLUDING PROCEEDS AND PRODUCTS; GENERAL INTANGIBLE(S)
INCLUDING PROCEEDS AND PRODUCTS
NEW YORK DEPARTMENT OF STATE, UCC RECORD

Inner City Press / Fair Finance Watch

EXHIBIT

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: CLAREMONT CHECK CASHING CO., INC.

Debtor Address: CLAREMONT CHECK CASHING CO., INC.
510 CLAREMONT PARKWAY
BRONX, NY 10457
DUNS: 076833573

Secured Parties: JPMORGAN CHASE BANK; NORTH FORK BANK

Secured Party Address: JPMORGAN CHASE BANK
CHECK CASHERS DEPT. #02739 TWO CHASE MANHATTAN PLA
NEW YORK, NY 10081

NORTH FORK BANK
275 BROADHOLLOW ROAD
MELVILLE, NY 11747

Filing Type: ASSIGNMENT

Filing Date: 9/19/2005

Expiration Date: 3/4/2009

Filing Number: 0509195824795

Original Filing Number: 0403045173270

Original Filing Date: 3/4/2004

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Inner City Press / Fair Finance Watch

EXHIBIT

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: ALL AMERICAN CHECK CASHING CORP.

Debtor Address: ALL AMERICAN CHECK CASHING CORP.

412 SOUNDVIEW AVENUE

BRONX, NY 10473

DUNS: 626058085

Secured Parties: NORTH FORK BANK; THE CHASE MANHATTAN BANK

Secured Party Address: NORTH FORK BANK

275 BROADHOLLOW ROAD

MELVILLE, NY 11747

THE CHASE MANHATTAN BANK

P.O. BOX 2558, LPS 8-1111F-301

HOUSTON, TX 77252-2558

Filing Type: ASSIGNMENT

Filing Date: 9/27/2005

Expiration Date: 7/16/2006

Filing Number: 0509275849439

Original Filing Number: 01134012

Original Filing Date: 7/16/2001

Filing Office: SECRETARY OF STATE/UCC DIVISION

162 WASHINGTON AVE

ALBANY, NY 12210

Inner City Press / Fair Finance Watch

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: EASTCHESTER CHECK CASHING, INC.

Debtor Address: EASTCHESTER CHECK CASHING, INC.
2046-A EASTCHESTER ROAD
BRONX, NY 10461-2240
DUNS: 079920450

Secured Parties: NORTH FORK BANK

Secured Party Address: NORTH FORK BANK
245 LOVE LANE
MATITUCK, NY 11952

Filing Type: CONTINUATION

Filing Date: 3/1/2006

Expiration Date: 8/10/2011

Filing Number: 0603015203603

Original Filing Number: 01150269

Original Filing Date: 8/10/2001

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Inner City Press / Fair Finance Watch

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: RITE CHECK CASHING INC; RITE CHECK CASHING INC

Debtor Address: RITE CHECK CASHING INC
583 EAST 138TH STREET
BRONX, NY 10454
DUNS: 060227204

RITE CHECK CASHING INC
583 EAST 138TH STREET
BRONX, NY 10454

Secured Parties: NORTH FORK BANK

Secured Party Address: NORTH FORK BANK
245 LOVE LANE
MATTITUCK, NY 11952

Filing Type: CONTINUATION

Filing Date: 12/8/2005

Expiration Date: 5/30/2011

Filing Number: 0512086071565

Original Filing Number: 01104962

Original Filing Date: 5/30/2001

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Inner City Press / Fair Finance Watch

NEW YORK DEPARTMENT OF STATE, UCC RECORD

Debtors: DAVID'S CHECK CASHING, INC.

Debtor Address: DAVID'S CHECK CASHING, INC.
3015 THIRD AVENUE
BRONX, NY 10455
DUNS: 076844174

Secured Parties: NORTH FORK BANK

Secured Party Address: NORTH FORK BANK
275 BROADHOLLOW ROAD
MELVILLE, NY 11747

Filing Type: INITIAL FILING

Filing Date: 2/14/2005

Expiration Date: 2/14/2005

Filing Number: 0502148050298

Filing Office: SECRETARY OF STATE/UCC DIVISION
162 WASHINGTON AVE
ALBANY, NY 12210

Collateral: EQUIPMENT INCLUDING PROCEEDS AND PRODUCTS; MACHINERY INCLUDING PROCEEDS AND PRODUCTS; ACCOUNT(S) INCLUDING PROCEEDS AND PRODUCTS; ACCOUNTS RECEIVABLE INCLUDING PROCEEDS AND PRODUCTS; CONTRACT RIGHTS INCLUDING PROCEEDS AND PRODUCTS; CHATTEL PAPER INCLUDING PROCEEDS AND PRODUCTS; GENERAL INTANGIBLE(S) INCLUDING PROCEEDS AND PRODUCTS; NEGOTIABLE INSTRUMENTS INCLUDING PROCEEDS AND PRODUCTS; FIXTURES INCLUDING PROCEEDS AND PRODUCTS; BUILDING MATERIALS INCLUDING PROCEEDS AND PRODUCTS

Inner City Press / Fair Finance Watch

LOUISIANA ORLEANS PARISH CLERKS OFFICE, UCC RECORD

Debtors: T L C RENT-TO-OWN, L.L.C.

Debtor Address: T L C RENT-TO-OWN, L.L.C.

1700 WESTBANK EXPRESSWAY

HARVEY, LA 70059

DUNS: 133011648

Secured Parties: HIBERNIA NATIONAL BANK

Secured Party Address: HIBERNIA NATIONAL BANK

LOAN ADMINISTRATION DEPARTMENT;313 CARONDELET STREET

NEW ORLEANS, LA 70130

Filing Type: TERMINATION

Filing Date: 1/13/2006

Filing Time: 11:12AM

Filing Number: 36-839196

Original Filing Number: 36-712736

Original Filing Date: 6/11/2003

Filing Office: ORLEANS

421 LOYOLA AVE

NEW ORLEANS, LA 70112

Inner City Press / Fair Finance Watch

EXHIBIT

FLORIDA SECRETARY OF STATE, UCC RECORD

Debtors: OUTLOOK CHECK CASHING, INC.

Debtor Address: OUTLOOK CHECK CASHING, INC.
20314 NW 2ND AVE
MIAMI, FL 33169

Secured Parties: CAPITAL ONE F.S.B. AND OR IT'S ASSIGNS

Secured Party Address: CAPITAL ONE F.S.B. AND OR IT'S ASSIGNS
10800 NUCKOLS ROAD
GLEN ALLEN, VA

Filing Type: INITIAL FILING

Filing Date: 4/14/2005

Expiration Date: 4/14/2010

Filing Number: 200509465313

Filing Office: SECRETARY OF STATE/UCC DIVISION
STATE CAPITOL
TALLAHASSEE, FL 32314

Collateral: EQUIPMENT INCLUDING PROCEEDS AND PRODUCTS; INVENTORY INCLUDING PROCEEDS AND PRODUCTS; ACCOUNT(S) INCLUDING PROCEEDS AND PRODUCTS; CHATTEL PAPER INCLUDING PROCEEDS AND PRODUCTS; GENERAL INTANGIBLE(S) INCLUDING PROCEEDS AND PRODUCTS

Number of Pages: 001

LOUISIANA ORLEANS PARISH CLERKS OFFICE, UCC RECORD

end of fax

NEW JERSEY

CITIZEN ACTION ³

Phyllis Salowe-Kaye, Executive Director

Board of Directors
 Juliette M. Eberle, Co-Chair
Hudson County Monday Morning Network
 David H. Weiner, Co-Chair
CWA Local 1081
 Lewis Hurd, Secretary
Universal Improvement Corporation
 Ac DeLuca, Treasurer
At-Large Member
 Sheryl Gordon
 Isa F. Lang (Alternate)
AFSCME Administrative Council 1, NJ
 Frances Grant
DIAL, Inc. Center for Independent Living
 Charles N. Hall, Jr.
re Stern (Alternate)
RWDSU-UFCW Local 104
 Allen Kahn
 Asanew B. Shapiro (Alternate)
NJ Tenants Organization
 Jonell Leach
New Jersey Voter Fund
 Yusefsh Muhammad
IFFTE, Local 195
 Raymond Ocasio
La Casa de Don Pedro
 Susanann Porter
NCOW-NJ
 Job Regan
CWA Local 1037
 Daniel Santo Pietro
Hispanic Directors Association of NJ
 Diane Steiner
Housing & Community Development Network of NJ

Board of Trustees
 Joseph Della Fava
Ironbound Community Corporation
 Vinam Dickman
Older Women's League, Central NJ
 Rev. Reginald T. Jackson
St. Matthew A.M.E. Church
 Santa Katz
CWA Local 1034
 Alan Kaufman
CWA District 1
 David McCann
SEIU-NJ State Council
 Varda Marley
SuprWays NJ
 Patrick Morley
HANDS, Inc.
 Maria Perella
SEIU 1189 NJ
 Joyce Powell
 Michael P. Flynn (Alternate)
New Jersey Education Association
 Wilton Rosado
UAW Region 3
 Eric Scherzer
Committee of Interns & Residents/SEIU
 Ann Sciacara
 John Abelson (Alternate)
New Jersey Federation of Teachers
 Wayne Smith
Black Urban Alliance
 Rev. Ronald Tull
Peterson Task Force for Community Action
 Ann Twomey
 Jeanne Olsen (Alternate)
HPAE, AFTA/FL-CIO
 Nicholas Yonello
 Bennett Muradkin (Alternate)
Council of NJ State College Locals, AFT

BANKING SUPERVISION AND REGULATION DEPARTMENT

JUN 16 2006

FEDERAL RESERVE BANK OF RICHMOND

June 16, 2006

Mr. Linwood Gill, III
 Vice President
 Federal Reserve Bank of Richmond
 70 East Byrd Street
 Richmond, VA 23261-4528

Dear Mr. Gill:

New Jersey Citizen Action (NJCA) is the state's largest consumer watchdog coalition. NJCA is requesting that the Federal Reserve Bank of Richmond deny Capital One's application to purchase North Fork Bank. A twenty three year old coalition of more than 120 labor, senior, community, religious, civil rights, women and environmental organizations, with 60,000 dues paying New Jersey family members, New Jersey Citizen Action believes, both companies have exhibited unfair lending practices to low income and minority customers.

Using home mortgage lending data (HMDA) for Capital One, North Fork (and Greenpoint, North Forks Mortgage Company) research shows that African Americans and Latinos are far more likely than whites to receive sub prime loans which carry higher interest rates. Additionally Capital One has committed consumer abuse in its marketing of credit cards

If this 14.6 billion dollar merger is permitted to take place it will be a dark day for New Jersey consumers. We have gone from a high performing, community oriented Hudson county state based bank (Trust Company), to a mega merger of a somewhat predatory credit card lender with a New York bank that has a very weak record of serving low and moderate income and minorities in New Jersey. Additionally Capital One and North Fork have increased their lending to "high cost fringe finance" operations, such as payday lenders and check cashers which take advantage of low income people by charging them relatively high fees.

In 2004 Capital One made mortgage loans in 49 states. According to 2004, HMDA data, 4.69% of Capital One's loans had interest rates over the federally-defined rate spread (3% over comparable Treasury securities on a first lien, 5% on subordinate loans). African-Americans were more than 19 times more likely to receive higher cost loans than whites; Latinos were 14 times more likely to receive higher cost loans than whites additionally, in Minnesota and West Virginia the Attorney Generals in both states have accused Capital One of fraud in its credit card lending, marketing and advertising.

NJCA is an affiliate of US Action, a national progressive coalition

www.njcitizenaction.org

Main Office
 400 Main Street
 Hackensack, New Jersey 07601
 (201) 488-2804
 Fax: (201) 488-1253

Financial Education Center
 24 Commerce Street, Suite 504
 Newark, New Jersey 07102
 (973) 643-8900
 Fax: (973) 643-8100

Central Jersey
 85 Flaxton Avenue, Suite 100
 Highland Park, New Jersey 08904
 (732) 246-4772
 Fax: (732) 214-8385

South Jersey
 2 Riverside Drive, Suite 632
 Camden, New Jersey 08103
 (856) 966-3091
 Fax: (856) 966-3099

Short Office
 83 Irons St., P.O. Box 5386
 Toms River, New Jersey 08754
 (732) 341-3232
 Fax: (732) 341-8653

PRINTED ON RECYCLED PAPER



When North Fork purchased the Trust Company several years ago, New Jersey became the step child of the Long Island based bank customer service deteriorated in the branches and local lenders were replaced with New York based staff, with little or no knowledge of the New Jersey market. Few if any relationships were formed with non-profit housing developers, leading to the current situation in which no loans for community development projects have been made to the non-profits. North Fork did hold numerous meeting with New Jersey Citizen Action. The Bank developed a 40 year fixed rate mortgage product in an effort attempt to meet community needs expressed by New Jersey Citizen Action. But due to the lack of competitive pricing by the bank, the product has proven to be of little use to New Jersey first time homebuyers.

Our expectations were raised when North Fork purchased Greenpoint Mortgage Funding Inc. a wholly owned subsidiary of North Fork Bank. In 2004, upon consummation of the merger North Fork Bank folded almost all of its residential lending into GPM's origination platform. What we now have is a bank making an inordinate amount of high cost loans, targeting people of color in New Jersey's urban centers.

According to 2005 HMDA data, Greenpoint, made high cost loans to almost half of the 54 conventional loans they closed in Newark to African Americans. Examination of other urban centers shows a similar pattern.

Capital One is a credit card company with almost no experience in branch services and mortgage lending. They have refused to make any lending commitments specific to New Jersey. In fact, what they have done is to given us a description of current products and services with a warning that "these plans can change at anytime for a wide variety of reasons".

New Jersey consumers need lenders who make commitments to provide the products and services that are needed for low/moderate, minority communities. We need dedicated lenders who understand the market and we need creative products, programs and investments to increase housing and community and economy development. What we don't need is the marriage of a high cost lender and a possible predatory credit card company.

Citizen Action believes that if banks get bigger they must get better -better for consumers, not just the stockholders. The merger of North Fork Bank and Capital One represents the worst of two worlds. We urge you to reject this merger.

Very truly yours,


Phyllis Salowe-Kaye
Executive Director

PSK/sp



KEVIN J. HANDLY

112 South Street
Boston, MA 02111-2847Ph: 617-426-5349
Toll Free: 877-426-5349
Fax: 617-357-4730
handly@gcglaw.com
 RECEIVED
 DIVISION OF BANKING
 SUPERVISION & REGULATION
 JUL 14 PM 4:43

July 11, 2006

A. Linwood Gill, III
 Vice President
 Federal Reserve Bank of Richmond
 P.O. Box 85029
 Richmond, VA 23261

Re: Section 3(a)(3) and 3(a)(5) Applications of Capital One Financial Corporation,
 McLean, Virginia, to acquire North Fork Bancorporation, Inc., Melville,
 New York

Dear Mr. Gill:

I am a director and shareholder of the Concord, New Hampshire-based law firm of Gallagher, Callahan & Gartrell, P.C., and a practicing attorney in Boston, Massachusetts specializing in financial institutions law. In that capacity I often have occasion to advise banks and bank holding companies with respect to a variety of matters, including corporate, securities, bank regulatory, executive compensation and mergers & acquisitions matters. In recent years I have also been privileged to serve as an adjunct lecturer on law at Boston University Law School's Morin Center of Banking and Financial Law where I lecture on financial institutions mergers and acquisitions law.

I am submitting this letter commenting on the captioned applications personally, and not on behalf of Gallagher, Callahan & Gartrell, P.C., or any of its clients, the Morin Center, or Boston University.

It has been observed in some financial and business circles that the terms of the proposed acquisition of North Fork Bancorporation, Inc. by Capital One Financial Corporation have the potential to be very rewarding financially to the highest executive officers of North Fork, perhaps even unusually so, and this at a time when a large number of American public companies have been exceeding all prior bounds of self-restraint in rewarding their highest officers financially.

The Board's review of the captioned applications under the Bank Holding Company Act may therefore provide an appropriate occasion for the Board of Governors to consider whether the Bank Holding Company Act and related federal statutes give the Federal Reserve Board authority to consider the appropriateness of insider compensation arrangements associated with bank and bank holding company merger and acquisition transactions from the perspective of

Gallagher, Callahan & Gartrell, P.C.

AUGUSTA

BOSTON

CONCORD

www.gcglaw.com

A. Linwood Gill, III
July 11, 2006
Page Two

financial institution safety and soundness, managerial resources, and/or fiduciary duties, and whether there are any principled lines of distinction to be drawn in this area.

Thank you very much for this opportunity to comment on the captioned applications.

Very truly yours,



Kevin J. Handly

KJH/lrs