AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Reserve Act (12 U.S.C. 248(i)) and 12 U.S.C. 1972(2)(F)(vi).

(b) *Purpose and scope.* This subpart implements the reporting requirements of Title VIII of the Financial Institutions Regulatory and Interest Rate Control Act of 1978 (FIRA) (Pub. L. 95–630) as amended by the Garn-St Germain Depository Institutions Act of 1982 (Pub. L. 97–320), 12 U.S.C. 1972 (2)(g). Title VIII prohibits (1) preferential lending by a bank to executive officers, directors, and principal shareholders of another bank when there is a correspondent account relationship between the banks, and (2) the opening of a correspondent account relationship between banks where there is a preferential extension of credit by one of the banks to an executive officer, director, or principal shareholder of the other bank.

[44 FR 67979, Nov. 28, 1979, as amended at 48 FR 56936, Dec. 27, 1983]

§ 215.21 Definitions.

For the purposes of this subpart, the following definitions apply unless otherwise specified:

(a) *Bank* has the meaning given in 12 U.S.C. 1971 and 1972, and includes a branch or agency of a foreign bank, or a commercial lending company controlled by a foreign bank or by a company that controls a foreign bank, where the branch or agency is maintained in a State of the United States or in the District of Columbia or the commercial lending company is organized under State law.

(b) *Company, control of a company or bank, executive officer, extension of credit, immediate family,* and *person* have the meanings provided in subpart A.

(c) *Correspondent account* is an account that is maintained by a bank with another bank for the deposit or placement of funds. A correspondent account does not include:

(1) Time deposits at prevailing market rates, and

(2) An account maintained in the ordinary course of business solely for the purpose of effecting federal funds transactions at prevailing market rates or making Eurodollar placements at prevailing market rates.

(d) *Correspondent bank* means a bank that maintains one or more correspondent accounts for a member bank during a calendar year that in the aggregate exceed an average daily balance during that year of $100,000 or 0.5 per cent of such member bank's total deposits (as reported in its first consolidated report of condition during that calendar year), which ever amount is smaller.

(e) *Principal shareholder* and *related interest* have the meanings provided in § 215.10 of Subpart A.

[Reg. O, 44 FR 67979, Nov. 28, 1979, as amended at 48 FR 42805, Sept. 20, 1983; 59 FR 8842, Feb. 24, 1994]

§ 215.22 Report by executive officers and principal shareholders.

(a) *Annual report.* If during any calendar year an executive officer or principal shareholder of a member bank or a related interest of such a person has outstanding an extension of credit from a correspondent bank of the member bank, the executive officer or principal shareholder shall, on or before January 31 of the following year, make a written report to the board of directors of the member bank.[5]

(b) *Contents of report.* The report required by this section shall include the following information:

(1) The maximum amount of indebtedness of the executive officer or principal shareholder and of each of that person's related interests to each of the member bank's correspondent banks during the calendar year;

(2) The amount of indebtedness of the executive officer or principal shareholder and of each of that person's related interests outstanding to each of the member bank's correspondent banks as of ten business days before the report required by this section is filed;[6] and

[5] Persons reporting under this section are not required to include information on extensions of credit that are fully described in a report by a person they control or a person that controls them, provided they identify their relationships with such other person.

[6] If the amount of indebtedness outstanding to a correspondent bank ten days before the filing of the report is not available or cannot be readily ascertained, an estimate of the amount of indebtedness may be filed with

Continued