

Summary of October 2009 Revisions to the *Reserve Maintenance Manual*

The Reserve Maintenance Manual (RMM) was updated in October 2009 to:

- Reflect changes to Regulation D, Reserve Requirements of Depository Institutions, that became effective in 2008 and 2009:
 - Remove statements that indicate member banks are not allowed to pass-through their reserve requirements (Chapters II and III);
 - Clarify the definition of location (Chapter II);
 - Replace clearing balance requirement with contractual clearing balance throughout the document;
 - Include the formula for calculating interest on required reserve balances and on excess balances (Chapter III);
 - Define and include web links to information on excess balance accounts (Chapters II and III);
 - Update examples in the chapters on the mechanics of reserve and contractual clearing balance administration to include descriptions of how to determine the balance on which interest will be paid (Chapters X, XI and XII);
 - Remove text explaining how to calculate a tranche loss adjustment (TLA) from the chapter on mergers. Include a note in Chapters V and VI that TLAs were no longer issued after October 9, 2008; and
 - Update the earnings credit formula to eliminate the imputed reserve requirement adjustment and the marginal reserve requirement adjustment. From October 9, 2008 forward, earnings credits are paid on 100 percent of eligible clearing balances (Chapter XIII).

- Remove sample FR 2900, FR 2910a, and FR 2930 report forms from Chapter IV. The sample report forms have been replaced with a web link to the Board of Governors' website in Chapter XIV. Using a web link ensures that readers will access the most up-to-date report forms and instructions.

- Reflect the annual indexation of the exemption amount, the low reserve tranche, the nonexempt deposit cutoff, and the reduced reporting limit in the following places:
 - Calculation of reserve requirements (Chapter V), and
 - Examples of "Requirement" and "Correspondent and Pass-through Requirement" reports (Chapter VI).

- Remove the clearing balance request form from Chapter VIII. This form has been replaced with a web link to the Federal Reserve's Reporting and Reserves website in Chapter XIV. Using a web link ensures that readers will be accessing the most up-to-date clearing balance request form.

- Combine Chapter XIII, Mergers, and Chapter XIV, Transitions, to form a new Chapter XIII, Mergers. The majority of the information presented in the old Chapter XIV was related to TLAs, which were discontinued as of October 9, 2008. When combining these

two chapters, the detailed discussion of “Option 1—Multiple Reserve/Clearing Balances” was condensed and shifted to a footnote.

- Remove Chapter XV, Calendar of Weekly and Quarterly Computation and Maintenance Periods. These calendars can now be accessed via the Federal Reserve’s Reporting and Reserves website. The new Chapter XIV includes a link to these calendars.
- Remove Chapter XVI, Reserve Bank Contact List. For a list of Reserve Bank contacts, readers are directed to the Federal Reserve’s Reporting and Reserves website. The new Chapter XIV includes a link to Reserve Bank contacts.
- Insert glossary items for “contractual clearing balance,” “excess balance account,” “excess balance,” “interest rate on excess balances,” “required reserve balance,” and “interest rate on required reserve balances.” Delete the glossary term for “tranche loss adjustment.”

The following is a chapter-by-chapter, page-by-page list of revisions to the RMM.

Chapter I, “Introduction”

Page I-1.

Chapter II, “Account Structure”

All pages (II-1 through II-3).

Chapter III, “Concepts of Reserve Calculation and Maintenance”

All pages (III-1 through III-8).

Chapter IV, “Reporting Requirements”

All pages (IV-1 through IV-9).

Chapter V, “Calculation of Reserve Requirements”

Pages V-1 through V-4, V-7 and V-13.

Chapter VI, “Requirement and Position Reports”

All pages (VI-1 through VI-18).

Chapter VII, “As-of Adjustments”

No changes.

Chapter VIII, “Contractual Clearing Balances and Earnings Credits”

All pages (VIII-1 and VIII-2)

Chapter IX, “Carry-Over”

All pages. (IX-1 and IX-2).

Chapter X, “Mechanics of Reserve and Contractual Clearing Balance Administration: Accounts with Contractual Clearing Balances Only”

All pages (X-1 through X-4).

Chapter XI, “Mechanics of Reserve and Contractual Clearing Balance Administration: Accounts with Reserve Balance Requirements Only”

All pages (XI-1 through XI-9).

Chapter XII, “Mechanics of Reserve and Contractual Clearing Balance Administration: Accounts with Both Reserve Balance Requirements and Contractual Clearing Balances”

All pages (XII-1 through XII-27).

Chapter XIII, “Mergers”

All pages (XIII-1 and XIII-2).

Chapter XIV, “Web Links”

All pages (XIV-1 and XIV-2).

Chapter XV, “Glossary”

All pages (XV-1 through XV-7).