

# New Requirement for Submitting Pledged Loans

*The Federal Reserve continuously seeks to obtain sufficient information on loans pledged for discount window, payment system risk, or Treasury purposes to accurately determine their lendable value. As a continuation of this effort, effective July 30, 2012, for those institutions not already pledging loans in a format supported by the Automated Loan Deposit (ALD) process, the Federal Reserve will begin to phase-in a requirement that all pledged loans<sup>1</sup> be submitted in this format.*

## What is changing?

For those institutions not already pledging loans in a format supported by the Automated Loan Deposit (ALD) process, the Federal Reserve will begin to phase-in a requirement that all pledged loans be submitted in this format in the order listed below:

- Depository institutions with total assets greater than \$10 billion, and all foreign banking organizations (regardless of size) must comply with the submission requirement by December 31, 2012;
- All other depository institutions are expected to comply by December 31, 2014.

Exceptions allowing institutions to pledge loans in alternate formats may be granted at Reserve Bank discretion.

## Why is this important to my institution?

All institutions that pledge loans for Federal Reserve or Treasury purposes are expected to comply with this requirement on or before the deadlines stated above.

## Does my institution need to make changes?

If your institution already pledges its eligible loan types via the Automated Loan Deposit process, no changes are required. Otherwise, if your institution does not yet pledge its eligible loans via the Automated Loan Deposit process, it will need to make changes in compliance with the schedule above. Reserve Banks will individually contact an institution if changes are required.

## Where can I get more information?

More details can be found in the [Automated Loan Deposit Overview page](#) on the [Discount Window and Payment System Risk website](#). If you have additional questions, please contact your [Reserve Bank's discount window staff](#).

<sup>1</sup>With the exception of the “student loans” and “credit card receivables” loan categories, which are not currently supported by the Automated Loan Deposit process.