



THE READERS SPEAK

COMMERCIAL AND SIMILAR LC STATISTICS

Query:

A question came up today at our bank. What comprises the “Commercial and Similar LCs” totals in the quarterly LC statistics?

DCW Responds:

According to a document available on the US Federal Deposit Insurance Corporation (FDIC) website that gives general instructions for completing Schedule RC-L (where LC data is reported):

Commercial and similar letters of credit report the amount outstanding and unused as of the report date of issued or confirmed commercial LCs, travelers’ LCs not issued for money or its equivalent, and all similar letters of credit, but excluding standby letters of credit (which are to be reported in Schedule RC-L, items 2 and 3). (See the Glossary entry for “letter of credit.”) Legally binding commitments to issue commercial LCs are to be reported in this item. Travelers’ LCs and other LCs issued for money or its equivalent by the reporting bank or its agents should be reported as demand deposit liabilities in Schedule RC-E.

The latest quarterly report of LC statistics for US banks appears in this issue at page 35.

Comments to all queries posed to DCW are not necessarily those of DCW and are not provided as legal advice. If legal advice or other expert assistance is required, the service of a competent professional should be sought.