

Barron's Dictionary
of
Banking Terms

巴朗行业词典
银行

Fitch T.P. 编

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- 收录约3000个词条，词条中英文对照，全英文注释，附录详尽
- 内容涉及银行、电子商务、金融和货币管理、法律法规等领域
- 是银行和金融领域从业者以及相关人士必备的工具书及参考指南

清华大学出版社

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PREFACE TO THE SIXTH EDITION

It has been more than 20 years since the *Dictionary of Banking Terms* was initially published. As we prepare to go to press with the 6th—and by far most extensive—edition, a quick review of the events reshaping the world of banking and finance is very timely. Obviously, the financial world is a different place than it was back in 1990.

In the preface to the 1st edition, we commented on the gradual breaking down of the traditional barriers separating companies. Commercial banks won the right to underwrite and deal in limited amounts of corporate debt and equity securities. Thrift institutions (savings and loan associations, savings banks, and credit unions) were able to offer many of the same services as commercial banks thanks to deregulation legislation enacted in the 1980s. Interest rate ceilings limiting what banks and thrifts could pay depositors—restrictions dating back to the 1930s—were eased, allowing banks to compete more openly for consumer deposits with nonbank financial companies. While all this was happening, legislative barriers limiting banks to doing business in a single state or within a geographic region were gradually phased out. Nationwide banking was just a few years away. “The banking system has been made over, and the transition is not yet complete,” we observed.

Another revolution in financial services was well underway in the mid 1990s as more consumers began doing their banking at automated teller machines in banking offices and in retail locations or at home from their personal computers. “Self-service banking reached maturity in the last decade,” we noted in the preface to the 3rd edition. In the 4th edition, published in 2000, we noted how the landmark Gramm-Leach-Bliley Act of 1999 finally removed the 1933 Glass-Steagall Act barriers separating banking and commerce. A new type of banking structure, the financial holding company, came into existence. While structural barriers were crashing to the ground, another revolution in financial services was quietly going on. More consumers—and businesses—began paying their bills and buying goods or services with debit cards and various types of electronic payments. A little-known federal law, the Check 21 law, was more than a contributing factor in the switch to less costly and more efficient payments. Check 21, which became law in 2004, allowed banks to “truncate” or stop the flow of paper checks after initial deposit at a consumer’s bank, eliminating further handling of billions of checks written every year. In 2004, noncash electronic payments in the United States surpassed check writing for the first time.

By 2005, when the 5th edition went to press, the mortgage finance boom, aided by record low interest rates and rising house prices, was gathering steam. Much of this loan production was eventually repackaged as investment securities, mortgage-backed securities, and collateralized debt obligations (CDOs), and resold to investors in the U.S. and around the world. The new powers granted federally insured banks back in 1999—the ability to compete on an equal footing with investment banking giants—would be tested within a few short years. As we noted back in 2005, “Deregulation in the financial services industry has been a work in progress since the 1980s, with a few bumps in the road along the way.”

The big story since 2008 is the Great Recession, a financial downturn triggered by the financial crisis of that year, a series of events that shook the worldwide banking system to its core. The bumps in the road became apparent in the fall of that year when investment banking giant Lehman Brothers collapsed in a matter of weeks. More than a liquidity crisis, the financial crisis of 2008 was a crisis of confidence. Major players worried that their counterparties on the other side of a trade would somehow become insolvent, resulting in a wider panic. In quick succession, several major firms—American International Group, Fannie Mae, and Freddie Mac—were put on government support in the form of capital infusions. Merrill Lynch was acquired by Bank of America. The financial crisis also led to enactment of a new federal law, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This law was most sweeping rewrite of the federal regulatory system since the Great Depression.

The unfolding events since 2008 have served up a rich stew of new terms and phrases enriching the banking vocabulary. Many of these are included in this updated edition: QUANTITATIVE EASING, SHADOW BANK STRESS TEST, TOO BIG TO FAIL, and TOXIC ASSET. Newer terms used in everyday banking, MOBILE BANKING, PAPERLESS STATEMENT, and TEMPORARY ACCOUNT NUMBER, to name a few, are also defined. In general, the 6th edition takes a fresh look at the world of banking and finance in the 21st century and supplants previous editions of the *Dictionary of Banking Terms*.

Many individuals and organizations contributed to the banking dictionary since its inception. For this edition, the author wishes to thank Amherst Group, American Bankruptcy Institute, Bettinger & Leech, Conference of State Bank Supervisors, Davis Polk, Equifax, The European Commission, Fair Isaac Corporation, Federal Deposit Insurance Corporation, Federal Reserve Bank of New York, Federal Reserve Board of Governors, Internal Revenue Service, MasterCard Worldwide, Mayer Brown, Milken Institute, Morrison Foerster, Mortgage Bankers Association, Office of the Comptroller of the Currency, Skadden Arps, Standard & Poor's, Sullivan & Cromwell, TRW, TransUnion, and Visa Inc.

Thomas P. Fitch

HOW TO USE THIS BOOK EFFECTIVELY

Alphabetization: All entries are alphabetized by letter rather than word, so that multiple-word terms are treated as single words. For example, **ASSET MANAGEMENT ACCOUNT** follows **ASSET LIABILITY COMMITTEE (ALCO)**, **DUN & BRADSTREET** follows **DUE TOYACCOUNT**, **GOODWILL** follows **GOOD MONEY**, and **SELLING GROUP** follows **SELLER-SERVICER**.

Many terms commonly used in banking have distinctly different meanings depending on the context in which they are used. Readers must determine the context relevant to their purpose. When a term has several entries, subentries are presented in alphabetical sequence. In some entries the various meanings are presented as simple numerical headings.

Abbreviations and Acronyms: A separate list of abbreviations and acronyms follows the dictionary. It contains a shortened version of terms defined in the book, plus related business terms.

Cross-References: To add to your understanding of a term, related, or contrasting terms are sometimes cross-referenced. The cross-referenced terms will appear in **SMALL CAPITALS** either in the body of the entry (or subentry) or at the end of the definition. These terms will be printed in **SMALL CAPITALS** only the first time they appear in the entry. When a term is fully defined by another term, a reference rather than an entry is provided; for example, **COMMUNITY BANK** *see* **INDEPENDENT BANK**.

Italics: Italic type is used to indicate that another term has a meaning identical or very closely related to that of the entry. Italic type is also used to highlight words or phrases that have a special meaning to the trade. Italics are also used for the titles of publications.

Parentheses: Parentheses are used in entry titles for two reasons. The first is to indicate that a word or phrase has a meaning so closely related to the term defined that only one entry is necessary; for example **CAPITAL GAIN (OR LOSS)**. The second is to indicate that an abbreviation is used with about the same frequency as the term itself. For example: **CERTIFICATE OF DEPOSIT (CD)**, or **FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**.

Examples, Illustrations, and Tables: The examples in the dictionary are designed to help readers gain understanding and to help them relate abstract concepts to the real world of banking. Line drawings are presented in some entries, in addition to text to clarify concepts best understood visually.

使用说明

字母排序：所有词条均以字母而非单词为最小单位排序。因此，由多个单词组成的短语在排序时被视为一个单词。例如：词条 **ASSET MANAGEMENT ACCOUNT** 排在 **ASSET LIABILITY COMMITTEE(ALCO)** 之后，**DUN & BRADSTREET** 排在 **DUE TO ACCOUNT** 之后，**GOODWILL** 排在 **GOOD MONEY** 之后，而 **SELLING GROUP** 排在 **SELLER-SERVICER** 之后。

银行业的许多术语在不同的语境中有迥然不同的含义，读者必须根据语境的不同来确定其释义。有些具有多重含义的词条按照字母顺序列出分项释义，有些词条的不同含义则仅按照数字序号标出。

缩略词表：词典后附有缩略词表，包含词典中出现的词条的缩略形式及其相关的商业术语。

相互参照：为了帮助读者理解，意义相近或相反的词条有时会被用来进行相互参照。被参照词条会在该词条的释义中或是末尾（或分词条中）以小体大写字母的形式标出，但只有当其在文中第一次出现时才会这样标明。若某词条与词典中其他词条的释义完全相同时，则该词条将直接引用与其释义相同的词条作为参照，不再另外提供释义。例如：**COMMUNITY BANK** *see* **INDEPENDENT BANK**。

斜体：释义中用斜体标注的词条通常与本词条具有相同的含义，或是与本词条有非常紧密的联系。斜体也用来强调一个词或短语在本行业的特殊含义。此外，出版物的名称也会用斜体表示。

圆括号：词条里的圆括号通常会出现在以下两种情况中。第一种情况是表示该词条的反义词本身就是释义的一部分，无需再单独列出进行解释。例如 **CAPITAL GAIN (OR LOSS)**。第二种情况是表示某个术语被高频使用的缩略形式，例如 **CERTIFICATE OF DEPOSIT (CD)** 和 **FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)**。

例句、插图与表格：词条中的例句旨在帮助读者理解词条，并将相关的抽象概念与实际的银行业活动相联系。有些词条中还提供了插图，让读者通过文字和视觉的结合更好地理解词条的含义。

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A

AAA 【AAA级，三级（最高等级的企业和市政债券）】 highest rated corporate or municipal bond, with full payment of principal and interest expected at maturity. Bonds rated AAA, AA, A, and BBB by Standard & Poor's, and Baa or better by Moody's Investors Service, are considered investment grade bonds, eligible for purchase by banks and savings institutions as INVESTMENT SECURITIES. *See also* BOND RATING.

ABANDONMENT 【委付，放弃】 voluntary surrender of rights, title, or claim to property, and forfeiture of any legal rights of ownership. A savings account or brokerage account will be considered abandoned property if it is unused for a certain number of years and the owner cannot be found; the account legally becomes property of the state under the laws of ESCHEAT.

ABA TRANSIT NUMBER 【美国银行家协会交换号码，美国银行家协会汇款路径号码】 numeric coding facilitating check clearing. The ABA numbering system, managed by the American Bankers Association, assigns a unique identifier to each U.S. financial institution. The ABA number is the numerator (upper portion) of a fraction in the upper right corner on checks; the denominator is the bank's CHECK ROUTING SYMBOL, which identifies the Federal Reserve Bank servicing that financial institution. *See also* MAGNETIC INK CHARACTER RECOGNITION.

ABILITY TO PAY 【支（偿）付能力，纳税能力，清偿债务能力】 capacity to meet future obligations from earnings or income.

1. **Banking.** A borrower's capacity to make principal and interest payments from disposable income. Lenders look closely at a credit applicant's current salary and expected future earnings, and at an organization's CASH FLOW from conversion of assets into cash. *See also* BALANCE SHEET RATIOS; FIVE C'S OF CREDIT; QUALIFYING RATIO.
2. **Securities, municipal bonds.** The issuer's capacity to generate sufficient income from taxes or other sources to meet contractual obligations.
3. **Finance.** The ability to meet DEBT SERVICE payments on bonds and other long-term obligations.

ABOVE PAR 【高于票面价值】 *see* PAR VALUE.

ABSOLUTE PRIORITY RULE 【绝对优先权规则】 *see* BANKRUPTCY.

ABSOLUTE TITLE 【绝对产权】 clean title, free of liens or attachments, replacing all previous titles. Accepted as the sole document of title, it is defensible against claims by third parties.

ABSTRACT OF TITLE 【产权说明书】 summary of title to real property, listing current owners, liens, judicial proceedings, satisfaction of claims, and other information affecting title. A title abstract is a necessary step in obtaining TITLE INSURANCE.

ABSTRACTION OF BANK FUNDS 【盗用银行资金，窃取银行资金】 *see* DEFALCATION OF EMBEZZLEMENT.

ACCELERATED DEPRECIATION 【加速折旧】 accounting method of reducing the book value of an asset at a higher rate than comparable meth-

ods in the early years of ownership. Since 1981, the most common form of accelerated depreciation is the *accelerated cost recovery system* (ACRS), which later was modified by the TAX REFORM ACT of 1986. Previous methods of accelerated depreciation included the *declining balance method* and the *sum-of-the-years digits method*.

ACCELERATION CLAUSE 【加速条款, 提前偿付条款】 clause in a mortgage bond or promissory note stating that the unpaid balance is payable if specified conditions of default, defined in a loan COVENANT or bond INDENTURE, should occur. Acceleration, exercisable at the option of the lender, calls for immediate payment of the remaining balance, plus interest due. *See also* CREDIT EVENT.

ACCEPTANCE 【承兑】 promise to pay created when the drawee of a TIME DRAFT stamps or writes the word "accepted" above his signature and a designated payment date. Once accepted, the draft is the equivalent of a promissory note; the drawee becomes the ACCEPTOR, and is obligated to pay the amount shown at maturity. Acceptances are NEGOTIABLE INSTRUMENTS, which means they can be sold to another holder before maturity.

1. **Banking.** A time draft honored by a bank, known as a BANKER'S ACCEPTANCE. It is used primarily in financing international trade, for example, an overseas manufacturer selling goods to an importer. *See also* DOCUMENTARY CREDIT; THIRD COUNTRY ACCEPTANCE.

2. **Finance.** Trade acceptance that is issued by a finance company affiliated with a manufacturer or by an importer acting as agent for a manufacturer. It is often backed by a bank LETTER OF CREDIT.

ACCEPTOR 【承兑人】 person or party, normally the DRAWEE, who accepts a bill of exchange or TIME DRAFT and becomes responsible for payment at maturity to the party named in the draft.

ACCESS 【存取】 right to use banking services. Specifically, it means the right to make deposits to or withdrawals from a bank account, verify an account balance, use a safe deposit box, or make electronic transfers using a bank card or other ACCESS DEVICE.

ACCESS DEVICE 【存取设备】 bank card or personal security code giving consumers the means to make deposits, withdraw funds, transfer funds, or pay bills electronically. Financial institutions may issue an access device only at the consumer's request. *See also* SMART CARD.

ACCOMMODATION ENDORSER 【融通票据背书人】 person who endorses a PROMISSORY NOTE as a favor to the borrower, without compensation or benefit. The endorser is a GUARANTOR or surety, and remains secondarily liable in event of default. *See also* COMAKER.

ACCOMMODATION PAPER 【融通票据】 PROMISSORY NOTE or NEGOTIABLE INSTRUMENT signed by a third party, who acts as accommodation maker, endorser, or party. *See also* ACCOMMODATION ENDORSER.

ACCORD AND SATISFACTION 【和解与清偿协议】 legal term for *payment in full* toward discharge of an obligation; the satisfactory completion of an agreement and acceptance of payment. When a new contract is accepted

in place of an expiring one, it is a NOVATION.

ACCOUNT 【账户, 账目】contractual relationship between two parties involving an exchange of funds, as between buyer and seller, or an agreement by one party to hold funds in trust for the other. Examples include a charge account, checking account, or trust account.

1. **Accounting.** A bookkeeping entry in a ledger. Examples are accounts receivable, accrued interest, allowance for bad debt.
2. **Banking.** (1) A record of funds on deposit under a particular name or ACCOUNT NUMBER, such as a checking account, also called a DEMAND DEPOSIT account, which allows the account holder to withdraw funds by writing checks; a NEGOTIABLE ORDER OF WITHDRAWAL (NOW) account, a check-like account that pays interest; a PASSBOOK account, a savings account with no specified maturity; and a TIME DEPOSIT account, which pays interest on funds deposited for specified periods (7 days up to 7 years or more), and may be subject to an EARLY WITHDRAWAL PENALTY if funds are taken out before the maturity date. *See also* ALL SAVERS CERTIFICATE; AUTOMATIC TRANSFER SERVICE (ATS); DRAFT; MONEY MARKET DEPOSIT ACCOUNT; SMALL SAVER CERTIFICATE; STATEMENT SAVINGS ACCOUNT; SUPER NOW ACCOUNT; TRUST ACCOUNT; (2) A transaction record of a CREDIT CARD or home equity credit line, or a commercial ACCOUNTS RECEIVABLE FINANCING.
3. **Securities.** A contractual arrangement under which securities, mutual fund shares, futures and options, and so on are bought and sold; a brokerage account.

ACCOUNT ACTIVITY 【账户动态, 账户收支活动】deposits, withdrawals, earnings credits for deposit balances, and service charges on a checking or savings account during a particular time period. These are summarized in an ACCOUNT STATEMENT.

ACCOUNT ANALYSIS 【账目分析, 账务分析, 账户分析】summary of banking services provided for a business. Account analysis statements are issued periodically, usually monthly. Relevant information reported in the account analysis statement includes: the company's AVERAGE DAILY BALANCE, AVERAGE DAILY FLOAT on uncollected checks, EARNINGS CREDIT RATE on collected balances, account activity charges, and account balances needed to pay for bank services (COMPENSATING BALANCES). An analytical tool mostly used in pricing corporate CASH MANAGEMENT services, account analysis is also used by banks to evaluate profitability of CORRESPONDENT banking services, such as check clearing, performed for other financial institutions.

ACCOUNTANT'S OPINION 【查账意见书, 会计意见书】statement describing results of an examination of a firm's books and records, following generally accepted auditing and accounting standards. The opinion may be qualified or unqualified, depending on the scope of the examination and the accountant's confidence in the information reviewed. A qualified opinion, although not necessarily negative, indicates information that the accountant was not able to directly confirm, normally because of limitations in the scope of the audit. *See also* GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

ACCOUNT BALANCE 【账户余额】*see* BALANCE.

ACCOUNT HISTORY 【账户历史，账目历史】

1. summary of a deposit account's activity, including interest earned, during a particular period.
2. summary of transaction activity by a credit card or other OPEN-END CREDIT account, including late payments, overlimit activity, average daily balance, and so on. *See also* ACCOUNT STATEMENT; CREDIT FILE; CREDIT REPORT.

ACCOUNT HOLD 【账户封存，账户持有，账户止付】

1. CHECK HOLD, or the number of days that a bank can legally hold uncollected balances before giving customers use of those funds. *See also* AVAILABILITY SCHEDULE.
2. notation limiting an account owner's access to his or her funds, as when a savings account is used as collateral for a loan.

ACCOUNT INQUIRY 【账户查询，委托账户】 request for a copy of an individual's ACCOUNT HISTORY, usually in connection with a credit approval or renewal of an existing line of credit. *See also* CREDIT REPORT.

ACCOUNT IN TRUST 【信托账户】 account managed by one party for use by another, who is named the BENEFICIARY. A parent or guardian opening a child's savings account under the UNIFORM GIFTS TO MINORS ACT approves any withdrawals until the child reaches legal age.

ACCOUNT NUMBER 【账号，账户编号】 numeric code identifying the holder of an account. Account numbers have a standardized number of characters, and may contain coded information for internal security purposes. *See also* ABA TRANSIT NUMBER; CHECK DIGIT.

ACCOUNT RECONCILEMENT 【账户核对】 cash management service for business customers. Typically, the customer receives a listing of checks paid, checks still outstanding, and account balances by date. This service reduces clerical costs, and functions as an outside audit control over funds collection and disbursement.

ACCOUNTS RECEIVABLE FINANCING 【应收账款融资】 form of secured lending giving businesses short-term financing by selling their trade receivables or pledging receivables as collateral for a loan. Direct sale of accounts receivable is a nonrecourse type of financing called FACTORING. An accounts receivable loan from a bank is a DISCOUNT: the borrower draws against a line of credit that is less than the full dollar value of his trade credits. Accounts receivable financing is a rather flexible way of obtaining credit, since borrowers' financing costs are directly related to their business cycle. Receivables financing is often priced at spreads above the bank PRIME RATE and is relatively expensive compared to other forms of credit. *See also* BORROWING BASE; INVENTORY FINANCING; PURCHASE ORDER FINANCING.

ACCOUNTS RECEIVABLE TURNOVER 【应收账款周转率】 ratio of total credit sales to average accounts receivable during an accounting period, a measure of an organization's ability to convert inventory into cash, and thus, financial efficiency. Close attention should be paid to credit terms, billing procedures, and company and industry trends. *See also* BALANCE SHEET RATIOS; RATIO ANALYSIS.

ACCOUNT STATEMENT 【账单, 会计报表】 any summary of transaction activity occurring during an accounting period, usually monthly, but sometimes quarterly, or annually.

1. **Banking.** A listing of deposits, withdrawals, checks paid, interest earned, and service charges against an account. It is issued monthly, as required by Federal Reserve regulations, to give customers an opportunity to review their financial records and correct any error. Customer account statements may be delivered by mail, or if the customer chooses, by electronic mail (e-mail) message. *See also* ACCOUNT ANALYSIS; COMBINED STATEMENT; CONSOLIDATED FINANCIAL STATEMENT; PERIODIC STATEMENT; PAPERLESS STATEMENT.
2. **Securities.** A record of transactions showing status of an account maintained at a broker-dealer firm, net market value of securities owned, cash and securities positions, and so on. Brokerage statements are issued monthly or quarterly.

ACCOUNTS RECEIVABLE CONVERSION 【应收账款转换】 *see* CHECK CONVERSION.

ACCOUNTS UNCOLLECTIBLE 【呆账, 坏账, 不能收回的款项】 loans in DEFAULT that have been charged off, or are likely to be charged off, as losses. Lenders report the condition of loans with principal and interest in arrears in quarterly CALL REPORTS to bank regulatory agencies. *See also* ADVERSELY CLASSIFIED ASSETS; CHARGE-OFF; LOAN LOSS RESERVES.

ACCRETION OF DISCOUNT 【折价债券资本增值】 accounting process for adjusting the book value of a bond purchased at a discount (the ORIGINAL ISSUE DISCOUNT) to the PAR VALUE at maturity. Accretion is, in effect, a non-cash payment of interest, reflecting interest earned while a bond is owned.

ACCRUAL BASIS 【权责发生制, 应计制, 应计基础】 accounting system in which revenues and expenses are recognized in the period in which they arise, regardless of when the cash for the revenue or the expenditure actually occurs. Accrual accounting is the only basis of accounting approved under GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, and is used by public companies and most privately owned companies. *See also* CASH BASIS.

ACCRUAL BOND 【长期延息抵押担保债券, 到期一次付息债券】 long-term, deferred interest COLLATERIZED MORTGAGE OBLIGATION (CMO) bond, also called a Z-Bond, that pays no interest until all prior bonds have been retired. An accrual bond is similar to a ZERO-COUPON BOND, except that it has an explicit coupon rate and pays both principal and coupon interest. *See also* STRIP; STRIPPED MORTGAGE-BACKED SECURITIES.

ACCRUAL RATE 【应计利率】 stated annual rate at which interest is calculated. On an ADJUSTABLE RATE MORTGAGE, the accrual rate is determined from an independent market INDEX, plus a MARGIN, which is fixed at loan origination. The accrual rate is also called the *note rate*, *coupon rate*, or *contract rate*.

ACCRUED INTEREST 【应计利息】 interest earned, though not credited or otherwise paid. Interest earned by a deposit account may be added to the account balance or paid by check. Bonds pay interest every six months, but interest is earned (accrued) every month. An investor buying a bond midway

between interest payment dates must pay the seller any interest accrued from the last payment date up to, but not including, the settlement date. *See also* UNEARNED DISCOUNT; UNEARNED INTEREST.

ACID TEST RATIO 【酸性测试比率，快速流动比率】 *see* BALANCE SHEET RATIOS.

ACKNOWLEDGMENT 【确认，收讫通知书】 admission of the truth of a statement or validity of a document. *See also* ATTEST.

1. **Banking.** A notification by a paying bank that an item presented for payment has been paid, or that it cannot be honored. *See also* WIRE FATE ITEM.
2. **Securities.** A verification, that a customer's signature is genuine, required when transferring accounts to another broker or fiduciary. *See also* MEDALLION SIGNATURE GUARANTEE.

ACQUIRER 【买方，收购方】

1. in bank cards, a bank that purchases merchant sales drafts, also called the MERCHANT BANK. Merchants receive credit for the dollar value of credit card receipts, less a processing fee (the MERCHANT DISCOUNT RATE).
2. in AUTOMATED TELLER MACHINE networks, the financial institution that dispenses the cash, collecting a transaction fee from the card issuing bank.
3. bank gaining control over another financial institution, either through an exchange of stock, payment in cash, or a combination.

ACQUISITION 【收购，兼并】 purchase of an asset, such as real estate, chattels, or securities, with title and rights of ownership passing to the new owner.

Banking:

1. addition of new accounts through marketing, resulting in deposit growth or new money. Deposit growth is accomplished by direct mail promotion, advertising, in-branch promotions, and so on.
2. takeover of one company by another through a PURCHASE ACQUISITION, a mostly cash transaction, or a POOLING OF INTERESTS in which two entities agree to swap common stock. *See also* BAILOUT.

ACQUITTANCE 【债务清偿收据，契约废除证明】 document or receipt evidencing full payment of an obligation, releasing the lender's SECURITY INTEREST. When a borrower completes the last payment on a mortgage, the lender issues a SATISFACTION OF MORTGAGE document, indicating the debt is fully repaid. *See also* TERMINATION STATEMENT.

ACTIVE ACCOUNT 【活期账户，活动账户】

1. checking or savings account with deposits or withdrawals listed in account statements for a specified period. Bank service charges are often determined on the basis of account activity.
2. credit card account showing new charges or an outstanding balance in the most recent billing period.

Contrast with INACTIVE ACCOUNT.

ACTIVITY CHARGE 【业务费用，账户手续费】 fee charged to cover servicing costs. Some activity fees are triggered when the account balance falls below a certain level. Others are transaction fees based on account usage, such as checks written or a service charge for automated teller machine

withdrawals. *See also* ACCOUNT ANALYSIS; BREAK-EVEN YIELD; MINIMUM BALANCE; TARGET BALANCE.

ACT OF BANKRUPTCY 【破产行为】 behavior deemed an admission of bankruptcy—generally the failure to pay obligations when due. The Bankruptcy Reform Act of 1978 simplified the filing of involuntary petitions by eliminating specific tests of bankruptcy, such as transferring assets to defraud creditors. Since then, inability to pay bills on time is sufficient grounds for filing a creditor's petition. *See also* CREDITORS' COMMITTEE.

ACTUALS 【物质商品，现金金融凭证】 any physical commodity or financial instrument (Treasury bills, bonds, currencies) sold at the SPOT rate at the expiration of a contract. In a FINANCIAL FUTURE, it is the commodity underlying the futures contract as distinguished from the futures contract itself. In the futures market, delivery of the physical commodity or financial instrument rarely occurs, as most traders close out their forward positions before a contract expires.

ADDITIONAL COLLATERAL 【附加担保品】 *see* SIDE COLLATERAL.

ADD-ON INTEREST 【追加利息，附加利息】 finance charges computed by adding the interest payable to the full amount of loan principal. The add-on interest is added to the original principal amount, and becomes a part of the face amount of the promissory note.

Computing interest due under the add-on interest method is fairly simple. The loan PRINCIPAL is divided into a number of fixed payments, and each payment is multiplied by the finance charge, to calculate the interest cost to the borrower: $\text{Add-On Interest} = \text{Principal} \times \text{Rate} \times \text{Number of Months in the loan}/12$. *See also* AMORTIZATION; DISCOUNT, RULE OF THE 78'S; SIMPLE INTEREST.

ADEQUATE NOTICE 【合理通知，充分通知】 printed notice clearly stating terms and conditions of a consumer loan or extension of credit. Lenders are required by the TRUTH IN LENDING ACT to disclose key credit terms, such as the ANNUAL PERCENTAGE RATE, annual fee, GRACE PERIOD, and other pertinent information when a new account is opened, and notify customers of any subsequent changes in credit terms.

ADJUDICATION 【判决，裁定】 settlement of opposing arguments by notice and trial in a court of law; also a court's ruling, such as adjudication of bankruptcy. Contrast with ARBITRATION.

ADJUSTABLE-RATE MORTGAGE (ARM) 【可调整利率抵押贷款】 residential mortgage in which the interest rate floats up or down according to changes in an index rate. Adjustable-rate mortgages usually have lower initial interest rates than fixed-rate mortgages, so there is an opportunity for substantial interest savings over the life of the loan if rates remain steady or decline. Adjustable-rate mortgages first appeared in the 1960s but did not gain wide popularity until the 1980s, when lenders began promoting ARM loans as a low-cost alternative to thirty-year, fixed-rate mortgage loans. ARMs are structured with built-in limits, called interest-rate caps, to cushion the impact of interest-rate fluctuations on loan payments in any year or over the life of the loan. An adjustable-rate mort-

gage with an initial rate of 4½%, an annual cap of 1%, and a lifetime cap of 4% will have an interest rate no higher than 9½%. ARM rates are usually adjusted every six months or once a year, depending on the type of loan. Loan payment caps do not limit the amount of interest the lender is earning, which means an ATM loan may cause NEGATIVE AMORTIZATION if the accrued loan interest exceeds the interest actually paid.

When computing the loan interest rate, the lender adds a margin to an index rate selected as the benchmark, or base rate. The most common indexes are the CONSTANT MATURITY TREASURY (CMT) INDEX of Treasury issues with the same final maturity; the Treasury Bill index, based on the current auction yield of 3-month, 6-month or 1-year Treasury bills; the 12-month Moving Treasury Average, computed from the Treasury CMT index for the previous 12 months; the 11th District Cost of Funds Index, the weighted average cost of savings accounts, Federal Home Loan Bank advances, and other sources of funds paid by savings institutions in the 11th Federal Home Loan Bank district; the LONDON INTERBANK OFFERED RATE (LIBOR), the rate major London banks charge each other for borrowings; the certificate of deposit (CD) index, the average rate earned by nationally traded certificates of deposit; and the bank PRIME RATE, the rate banks charge their prime business borrowers. The most popular are the Treasury indexes, the 11th District Cost of Funds Index, and the LIBOR index. A popular variation of the adjustable-rate mortgage is the HYBRID ARM, in which the loan has a fixed interest rate for 3 to 10 years and thereafter adjusts according to market conditions. *See also* ALTERNATIVE MORTGAGE INSTRUMENT.

ADJUSTABLE RATE PREFERRED STOCK 【可调整股息优先股】cumulative preferred stock with dividends paid and adjusted quarterly. Adjustable rate issues have no maturity date, but may be called at the option of the issuer. Shareholder dividends are nonaccruing, and are paid on scheduled DIVIDEND dates.

ADJUSTED CAPITAL RATIO 【已调整资本比率, 调整后资本比率】ratio of adjusted CAPITAL to total assets, used in computing CAPITAL ADEQUACY. A bank's adjusted capital includes LOAN LOSS RESERVES for bad debt and securities gains or losses that are charged to earnings, less loans classified as DOUBTFUL LOANS or LOSS. The risk-adjusted capital guidelines, adopted by banking regulators in 1988, are aimed at developing uniform bank capital guidelines. *See also* CAPITAL ADEQUACY; RISK-BASED CAPITAL.

ADJUSTED GROSS INCOME 【调整后总收益】individual's income from all sources, as reported on the IRS 1040 tax return, after certain allowable deductions such as IRA contributions, moving expenses, and alimony.

ADJUSTMENT 【调整, 更正】accounting entry for ledger entries not previously posted and transferred to subsidiary accounts, or to correct bookkeeping errors. *See also* ADJUSTED CAPITAL RATIO; ADVERSELY CLASSIFIED ASSETS; RISK-BASED CAPITAL.

ADJUSTMENT CREDIT 【调整信贷】short-term ADVANCE by a Federal Reserve Bank, secured by a bank's own promissory note—the most common form of borrowing from a Federal Reserve Bank to meet RESERVE REQUIREMENTS and support short-term lending.

ADJUSTMENT INTERVAL 【调整间隔】 time interval between changes in interest rates or monthly payment on an ADJUSTABLE RATE MORTGAGE. Mortgage rates are adjusted at preset intervals ranging from six months to five years, depending on the mortgage index.

ADMINISTRATOR 【遗产管理人, 管理人】

1. bank or party appointed by a probate court to distribute an estate of a person who dies *INTESTATE*, that is, without leaving a *WILL*, fails to name an *EXECUTOR* or when the executor refuses to serve. The administrator has legal authority to pay claims against the estate and distribute assets to heirs.
2. person who manages any business.

AD VALOREM 【从价】 valuation based on the monetary worth of an asset, from the Latin phrase *ad valorem* meaning "to the value." It is a widely accepted basis for such tax assessments (*ad valorem* taxes) as sales taxes, property taxes, and import tariffs.

ADVANCE 【预付款, 贷款】

1. *PRINCIPAL* amount available when a borrower draws from a line of credit, takes a *CASH ADVANCE* against a bank credit card, or disburses a loan at specific periodic stages. Advances may be secured or unsecured. *See also* *OVERDRAFT*.
2. to draw against a preapproved line of credit.
3. disbursement of funds to finance payment of collections or refinance a maturing loan, as in a *BRIDGE LOAN*.
4. *DISCOUNT WINDOW* loan from a *FEDERAL RESERVE BANK* to a commercial bank maintaining a *RESERVE ACCOUNT* at one of the 12 district Fed banks. These loans are backed by U.S. Treasury securities or acceptable collateral.

Most Federal Reserve credit is by advances, as this form of credit is easier to execute than rediscounting (selling) loans, and also because banks are reluctant to let their customers know they occasionally have to borrow. Contrast with *REDISCOUNT*. *See also* *ADJUSTMENT CREDIT*; *EMERGENCY CREDIT*; *EXTENDED CREDIT*; *SEASONAL CREDIT*.

ADVANCE COMMITMENT 【预先承诺, 预告委托】 written promise or agreement to take some future action. The most common example is a contractual commitment a financial institution makes to lend funds to a borrower at a future date on terms agreed upon in advance, for example, a *REVOLVING CREDIT* agreement. The lender ordinarily charges a *COMMITMENT FEE* and may require the borrower to keep part of the loan as a *COMPENSATING BALANCE* in a checking account at the lending institution. A *FIRM COMMITMENT* is absolutely binding on the lender, whereas a *CONDITIONAL COMMITMENT* is binding only if certain terms are met in the future, such as meeting certain tests of creditworthiness. In mortgage banking, an advance commitment is called a *STANDBY COMMITMENT*.

ADVANCE REFUNDING 【套期转换】 *see* *DEFEASANCE*.

ADVERSE ACTION 【拒绝信贷请求】 in consumer credit, denial of an applicant's credit application. If turned down because of *DEROGATORY INFORMATION* in a *CREDIT REPORT*, the applicant is entitled to examine, without cost, his or her credit report and request corrections of any inaccurate negative information reported by a lender. *See also* *EFFECTS TEST*; *REGULATION B*.