

Press Releases

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OTS 97-22 - OTS Plans to Update Applications Rules

Office of Thrift Supervision

NEWS

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For further information
Contact: Paul Lockwood
202/906-6693

OTS PLANS TO UPDATE APPLICATIONS RULES

WASHINGTON, D.C., April 9, 1997 -- Applications to open a thrift institution branch, organize a new institution or engage in various other transactions would be processed under new rules proposed today by the Office of Thrift Supervision (OTS).

The standard comment period on applications for branches and new institutions would be increased from the current 10 days to 25 days, giving the public more time to file comments on a particular application. Extensions beyond that could be granted by OTS on a case by case basis.

To assist those filing comments, the proposed rule would spell out what types of information must be included in the comment for it to be considered by OTS.

The proposed change in the regulation is designed to provide greater flexibility in the processing of applications. For example, current rules require oral arguments in certain situations where a protest to an application has been filed. The agency said, however, that oral arguments are not necessary in every case and can sometimes delay the application process without substantially enhancing the information considered by OTS in the decision-making process.

The proposed rules would allow discretion in arranging conferences between various parties -- the applicant and those speaking for or against the application -- and representatives of OTS, when the agency believes such conferences would aid the decision-making process. They could take any form, including face-to-face meetings or conference calls.

The new rule also would eliminate the designation of "substantial protest," a term that has led to confusion over the years. The term has often been misconstrued that a protest has merit when, in fact, the designation by OTS means only that the protest has been correctly filed.

The proposed revisions are a part of the ongoing OTS effort to review and streamline its rules and should make the OTS application processing procedures easier to understand and apply. The revisions also make the rules more consistent with the policies and procedures of the other bank regulatory agencies.

The proposed rule was published in today's edition of the Federal Register. OTS will accept comments on the proposed rule for 60 days. Comments may be made by electronic mail, addressed to: public.info@ots.treas.gov. Those commenting by e-mail should include their name and telephone number.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services.

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