

**PRESERVATION OF MINORITY SAVINGS INSTITUTIONS BY
THE OFFICE OF THRIFT SUPERVISION**

**Report to Congress for 2006
Pursuant to Sections 301 and 308 of the Financial Institutions
Reform, Recovery and Enforcement Act of 1989 (FIRREA)**

This report to Congress summarizes activities conducted by the Office of Thrift Supervision (OTS) during 2006 in support of Sections 301 and 308 of FIRREA, Preserving Minority Ownership of Minority Financial Institutions.

OTS supervised 23 minority owned savings associations as of December 31, 2006 (see Attachment A). The population of minority owned savings associations decreased by one in 2006, but was offset by the addition of one minority owned savings association.

The distribution of minority owned savings associations by racial background and OTS Region as of 12/31/06 was:

	Northeast	Southeast	Midwest	West	Total
African American	2	8	2	1	13
Asian American	2	0	0	4	6
Hispanic American	1	3	0	0	4
Total ¹	5	11	2	5	23

(Note: Asian American includes individuals of Pacific Island descent, and Hispanic American includes individuals of Puerto Rican and/or Cuban descent.)

Overall Condition of Minority Owned Institutions

At the end of December 2006, minority owned savings associations² held \$9.2 billion in total assets, an increase from \$6.5 billion at year-end 2005. Total assets of minority owned associations represented 0.65 percent of total assets of all OTS-regulated savings associations as of December 31, 2006.

¹ This total includes two African American associations that sold their stock publicly in 1995 and are currently unable to document minority ownership under the established criteria in Section 308. Both associations continue to serve minority neighborhoods, with primarily minority management. Consequently, OTS continues to consider them minority associations for purposes of this program.

² For the purposes of this report, OTS uses the terms savings associations and institutions interchangeably.

Based on categories established by the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), all 23 minority owned savings associations were “well capitalized” at the end of 2006. For the entire thrift industry, 99 percent of associations were “well capitalized” at year-end 2006.

Sixteen (70 percent) of the minority owned associations had CAMELS ratings of 1 or 2, the highest CAMELS rating categories, at the end of 2006, compared with 93 percent for the entire thrift industry. Six minority owned associations (26 percent) had a 3 rating and one (four percent) had a 4 rating.

OTS National Minority Owned Financial Institutions Program

Overview

The OTS’s Minority Owned Financial Institutions (MOFI) Program is designed to provide technical assistance and other support to minority owned savings associations to promote and preserve these associations, many of which primarily serve minority and lower income communities (see Attachment B).

The Compliance and Consumer Protection staff in Washington is primarily responsible for monitoring OTS’s MOI Program and for carrying out the annual certification process for minority owned savings associations regulated by OTS. Regional supervisory staff is primarily responsible for providing technical assistance and support to minority owned institutions, including outreach and involvement by OTS Regional Directors and other senior staff.

Additionally, Regional Supervisory and Community Affairs staff, with support from the Washington office, conducts ongoing outreach beyond the customary examination and supervisory process. Regional staff is in periodic contact with minority institutions, and provide information on special initiatives and programs that may benefit the institutions. Regional staff also informs institution management of workshops, training forums, and conferences that offer information and other resources that can contribute to building the capacity and strength of minority institutions.

OTS encourages minority owned savings associations to become involved in government programs that enhance their ability to serve the needs of their communities, while also strengthening their capacity as an institution. The Department of the Treasury’s Community Development Financial Institutions Fund (CDFI) Program and its Minority Bank Deposit Program are two examples.

Three OTS-regulated minority owned savings associations have successfully received CDFI certification as Community Development Financial Institutions (see Attachment C). CDFI certification allows these institutions to apply for funding and technical assistance from the CDFI Fund, including the receipt of monetary awards.

The Department of Treasury's Minority Bank Deposit Program (MBDP) is a voluntary program that encourages federal agencies, state and local governments, and the private sector to use MBDP participants as depositories and financial agents. Qualified MBDP participants are certified by the Financial Management Service (FMS), a bureau of the Department of the Treasury, and included on a program roster distributed nationally to federal program agencies, contractors, and other public and private sector organizations. Of the 23 minority owned savings associations regulated by OTS, 11 are MBDP certified and receive deposits and/or serve as financial agents (see Attachment D).

Initiatives Supporting Minority Owned Financial Institutions

Minority owned financial institutions play a unique and important role in serving their local markets and often make the difference in whether the residents of lower income neighborhoods have access to financial services. In 2006, the OTS launched a dedicated space on our website to minority owned institutions that includes information on partnership and training opportunities. The OTS website space aggregates relevant information, including a summary of resources that may be useful to minority owned institutions. It includes the OTS's policy statement on minority owned institutions, a current list of minority institutions displayed by region, and a series of links to partnership opportunities, programs, conferences, seminars, workshops, and related information that are helpful to minority owned institutions. Interested users may access this information by clicking on the "Consumer and Community" tab on the OTS Web site at www.ots.treas.gov.

In 2006, OTS reissued its Thrift Bulletin 80a (OTS Policy Statement on Minority Owned Institutions). In addition OTS issued an accompanying transmittal letter that described initiatives to help improve the effectiveness of the agency's MOI program going forward. The initiatives included: (1) creating a resources website for minority owned thrifts, (2) soliciting minority institution input to help improve the effectiveness of the agency's MOI program, and (3) establishing a goal to increase OTS visibility at industry trade group functions to promote the federal thrift charter to potential investors in minority thrifts.

OTS also encouraged our minority institutions to participate in the Minority Depository Institutions Interagency Conference held in Miami Beach, Florida. OTS continues to be a member of the federal banking agency Interagency Minority Depository Institutions Working Group. Staff meets periodically to exchange information about federal banking agency programs and to plan upcoming events that could benefit minority owned institutions.

One-on-One Technical Assistance

OTS provides one-on-one technical assistance to a majority of the minority owned savings associations it regulates. The degree of technical assistance varies depending upon the issues identified as a result of the examination process, as a follow-up to outreach activities by the OTS Regional Community Affairs staff, or as requested by an institution. As in previous years, the types of assistance provided in 2006 to savings associations covered multiple technical areas. OTS supervisory staff, and occasionally, Regional Directors attend board of directors meetings to report and discuss the progress of corrective measures, to provide guidance, and to solicit feedback.

Examples of technical assistance provided to OTS-regulated minority owned savings associations during 2006 include the following:

- Assistance in addressing supervisory weakness identified during examinations through ongoing communications, off-site monitoring, and on-site examination work.
- Guidance on credit risk and workout proposals, including the sharing of copies of interagency guidance on non-traditional mortgages, predatory lending and mortgage fraud.
- Information to savings association directors on complying with relevant regulatory requirements.
- Assistance to several institutions seeking to merge with other minority owned institutions, including providing feedback on issues surrounding potential merger partners. For example, one institution experienced decreasing capital, which could have caused the institution to exceed regulatory limits in certain areas. Examiners consulted with management regarding the applicable regulations concerning monitoring regulatory limits and maintaining documentation to demonstrate compliance with these regulatory limits.
- Assistance with implementation of Bank Secrecy Act (BSA) requirements and corrective measures taken by institution regarding previously cited regulatory deficiencies.
- Assistance to resolve regulatory compliance matters and internal control issues which strengthened institution's management team and overall condition.
- Assistance to help preserve and strengthen the institution through the addition of independent directors to the board of directors, review and enhancement of the organizational and managerial structure, and development of a comprehensive 3-year strategic plan.
- Technical assistance and training related to interest rate risk management and recommended that management develop and submit a comprehensive plan to reduce the institution's level of interest rate risk to an acceptable level.

- Technical assistance to help improve the thrift's accounting practices, books and records, and asset quality monitoring and controls.
- Guidance on ways to enhance Compliance Management programs, particularly enhancing compliance with BSA.
- Assistance in selection criteria for candidates nominated for Board of Director positions.
- Technical assistance and recommendations to an institution planning to launch a transactional website to provide internet banking for its customers.
- Feedback on the development and implementation of a disaster recovery plan.
- Guidance to an institution's Board of Directors about director responsibilities, training opportunities, and the importance of following their business plan.
- Sharing ideas for establishing productive community contacts and community development opportunities to an institution.
- Technical assistance concerning the proper classification of assets and their subsequent reporting on Thrift Financial Reports.
- Expedited processing on certain applications at the institutions' requests.
- Guidance in the appropriate handling of an employee defalcation.
- Technical assistance in connection with a branch closing application.
- Assistance for institutions in developing more meaningful peer groups and peer group data to help assess the institutions' earning and performance.

OTS National MOFI Program – Initiatives Deployed in OTS Regional Offices

Northeast Region

There are five minority owned savings associations in the Northeast Region. To continue the promotion of the agency's Minority Owned Institutions Program, the Regional Director either meets with the chief executives of the institutions and their board members at their request or assigns the Community Affairs Liaison to contact each chief executive of the institutions at least once during the year to discuss issues of interest. In 2006 the Northeast Regional Director met with the chief executives of four of the institutions during a meeting where the Director and Deputy Director of the OTS also attended.

At year end 2006, the asset sizes of the institutions ranged from about \$20 million to \$766 million. The financial conditions of the minority owned institutions in the Northeast Region as a group continue to remain strong. All, except one, have no major supervisory concerns. Regional staff and senior management invite the CEOs of the minority owned institutions to all interagency and town meetings organized by the agency and most of the CEOs take advantage of these invitations to meet with senior management of OTS. Additionally, the region continues to pay special attention to these institutions during regular quarterly monitoring to ensure their preservation and provide immediate technical assistance as needed.

The Northeast Region provided technical assistance where necessary and regularly monitored the progress of a \$20 million savings association serving a predominantly African American neighborhood. The institution had experienced difficult market conditions, and assistance offered in updating its policies, recordkeeping, accounts reconciliation, and bookkeeping has improved. Mentoring assistance received from a highly rated \$5.37 billion savings association has helped the savings association to improve its operations.

The Region's Community Affairs Liaison has periodic communication with the presidents and chief executives of the minority owned institutions and offers assistance. The Community Affairs Liaison introduced the Chief Executive Officer of one of the Asian American institutions to community-based organizations leaders in New York City. Since the introduction, the CEO has had meetings with these leaders to promote partnership opportunities. He has also invited them to make presentations to the Chinese Bankers Association.

In another instance, a minority owned savings association that had BSA deficiencies in the past obtained guidance from the region's management and examiners to correct the deficiencies. All the BSA deficiencies have been fully corrected and the institution presently has sophisticated systems to monitor its compliance in this important area. Over the past few years, the OTS Northeast Regional staff has worked closely with institution's management to guide the correction of other compliance weaknesses.

Southeast Region

As of December 31, 2006, the Southeast Region regulated eleven minority owned savings associations, representing the largest concentration of OTS-regulated minority owned institutions. Notably in 2006, the Southeast Region added a minority owned charter when a Florida thrift was purchased by a company controlled by the nation's first African American billionaire. The region also had discussions with other minority groups interested in the thrift charter. Some of these discussions may result in applications and could potentially mean growth in the number of minority owned thrifts in the coming months.

The profiles of the eleven savings associations in the Southeast Region are quite diverse. The smallest has assets of \$8 million, while the largest has more than \$3 billion in assets. Due to the diverse nature of the issues at these institutions, the Region provides a varying level of technical and other assistance to each.

In the aggregate, minority owned institutions in the Southeast Region struggled with earnings in 2006. Only two of the institutions maintained good or better earnings, and the remaining nine institutions experienced significant earnings issues. This problem is not unique, however, to minority owned institutions. High operating costs (primarily attributable to personnel costs), stiff competition, and a flat yield curve contributed to earning issues.

In addition to earnings pressure, some small minority owned thrifts in the Southeast Region witnessed a reduction in their core deposits. The most common reasons given are that the customer base is largely elderly and when customers die, deposits are part of estates that are being paid to out-of-state beneficiaries. Another commonly cited reason is that customers who had previously used the institutions to accumulate small savings have to use those savings for every day living expenses to offset higher gasoline and other energy costs.

Southeast Region examiners have regular contact with minority institution management, including quarterly meetings or discussions. Regional staff works particularly closely with the smallest minority owned institutions, all of which are well capitalized. The Region has worked hard to provide stability in the examination and supervision staffs assigned to minority owned thrifts in order to promote effective communication between the thrifts and the agency. Most guidance provided by Regional staff consisted of communication on a regular, informal basis. For example, some institutions consult with Southeast Region staff before they book large loans. Institutions may also consult with Regional staff to make certain that their assets are properly insured, their reporting is accurate, and monitoring and classification systems are effective. Supervisory staff works with the managing officers of minority savings institutions, providing guidance and acting as a sounding board for new ideas, products, and programs.

The Southeast Region staff also informed minority owned institutions of meetings and conferences that may be of interest to them, including sessions sponsored by the FDIC. During 2006, senior regional managers met with the boards of directors of several minority owned institutions.

Midwest Region

The Midwest Region supervised two minority owned savings associations during 2006. Throughout the year, Midwest Region supervisory staff contacted, assisted, and provided technical support to management and boards of directors at these institutions in a timely and consistent manner.

One of the minority owned savings associations in the Midwest Region is a state chartered mutual institution that opened for business in September 1933. The institution primarily grants one- to four-family mortgage loans to customers in its local community and loans to religious organizations. Midwest Region staff contacted management at the institution on a quarterly basis to discuss operations and to keep abreast of events. The Midwest Regional Director also met with the president of this institution in September 2006.

The other minority savings association in the Midwest Region is a federally chartered stock institution that opened for business in September 1994. Its primary lending activities are residential mortgages, commercial real estate, consumer, and small business. The institution was severely impacted by Hurricane Katrina. For months following the storm, OTS staff maintained almost daily contact with association management, monitoring their recovery and offering assistance. OTS staff provided information to the institution regarding the Government Emergency Telecommunication Service (GETS), along with the name and telephone number of an OTS contact in Washington, D.C. GETS is a telephone plan reserved for national security/emergency preparedness use. OTS also provided a copy of the Interagency Supervisory Guidance for Institutions Affected by Hurricane Katrina and discussed hurricane related legislation and bills. Senior managers from the OTS Midwest Region, including the Regional Director, met several times with institution management and board members to help resolve performance issues.

For a significant time in 2006, an OTS examiner remained onsite at the institution. OTS provided technical assistance in several instances. One example involved the issue of decreasing capital. This issue potentially could cause the institution to exceed regulatory limits in certain areas. Examiners consulted with management about applicable regulations that concern monitoring regulatory limits and maintaining documentation to demonstrate compliance with such regulatory limits. We provided technical assistance regarding the institution's implementation of BSA requirements and corrective measures taken by the institution regarding previously cited compliance regulatory deficiencies. OTS examiner worked with the compliance officer to ensure the deficiencies/exceptions were appropriately addressed. This cooperation included phone conversations, e-mails, and periodic follow-up visits to the institution.

OTS encouraged management and the board to attend seminars. Accordingly, the savings association's management participated in outreach meetings with the OTS Regional Director and quarterly New Orleans Bankers Roundtable meetings. The Roundtable meetings convene chief executive officers and presidents of local banks. The meetings provided discussion of regulatory issues, small business and micro lending, and information on lending and investment opportunities in the local community. Members of the board also attended the OTS CEO Directors meeting, the Homeland Security banking conference, "Protecting the Financial Sector," and the Minority Owned Institution conference for bankers.

OTS Midwest Region staff remains apprised of the institution's financial condition through contact with the institution's management, receipt of quarterly reports, off-site monitoring, and on-site examinations and field visits.

West Region

West Region minority owned savings associations continued to play a significant role in addressing the credit and banking needs in the communities they serve. Minority owned savings associations in the West Region provided a wide range of retail deposit products and services and conventional loan products to low- and moderate-income individuals and local small businesses. There were five West Region minority owned savings associations at year-end 2006, a decrease of one from 2005. During 2006, one minority owned institution in the Region was acquired by a local minority owned depository institution that continues to maintain the thrift's branch offices and provide lending and deposit services to the Chinese-American community.

The West Region staff communicates OTS's policy of providing technical assistance to minority owned institutions at town meetings, outreach events, training workshops, industry trade group sessions, and during on-site visits and examinations. Outreach activities were conducted with all five minority owned thrift institutions in the West Region to help improve their knowledge and compliance with regulatory requirements. West Region minority owned savings associations were invited to attend the annual Minority Depository Institutions Conferences sponsored by the FDIC in Miami Beach, Florida and Beverly Hills, California, CRA Roundtables, and the 2006 National Community Reinvestment Conference in Henderson, Nevada. Topics included the Bank Secrecy Act, USA PATRIOT Act, Sarbanes-Oxley, the responsibilities of Directors, the California economy, and other current issues. In addition, the minority owned thrifts were invited to, and participated in, OTS West Region-sponsored Financial Managers Workshops that covered current examination issues, accounting and reporting matters, audit and oversight issues, compliance and privacy issues, regulatory capital, and the health of the thrift industry.

West Region staff extended invitations to minority owned savings associations to participate in a "Directo A Mexico" workshop hosted by the FDIC. This informational workshop was designed to inform participants about a low-cost remittance program offered by the Federal Reserve Bank of Atlanta and Banco de Mexico. Minority owned institutions were notified about the interagency 2006 National Community Reinvestment Conference in Henderson, Nevada. Outreach meetings and discussions were also conducted with the organizers of proposed de novo minority owned thrifts to discuss the OTS application process, composition of the boards of directors and management team, capital requirements, business plans, and CRA and community development-related issues.

Conclusion

The OTS recognizes and supports the critical mission and role that minority institutions have played in the United States. Since the 1970s, before there was a legislative requirement to do so, the OTS, and its predecessor, provided technical assistance to OTS supervised minority financial institutions. Since the passage of FIRREA in 1989, the OTS has continued to promote and encourage the formation of new minority owned institutions and to preserve and support minority owned financial institutions through training and outreach programs. OTS remains committed to these goals and recognizes the important role minority owned institutions continue to play in fostering economic vitality and access to capital, particularly in minority and low income communities.

Attachment A

**OFFICE OF THRIFT SUPERVISION
MINORITY OWNED SAVINGS ASSOCIATIONS**

As of December 31, 2006

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NATIONAL TOTAL: 23

African American – 13

Asian/Pacific Islander American – 6

Hispanic American – 4

Multi-ethnic (African American & Asian/Pacific Islander American) -0

Native American – 0

WEST REGION

Regional Total: 5

African American – 1

Asian/Pacific Islander American – 4

Territorial Savings and Loan Association

1132 Bishop Street, 22nd Floor

Honolulu, Hawaii 96813

(Stock)

Asian/Pacific
Islander American

BankPacific

151 Aspinall Ave.

Hagatna, Guam 96910

(Stock)

Asian/Pacific
Islander American

Universal Bank

3455 Nogales St., 2nd Fl.

West Covina, CA 91792

(Stock)

Asian/Pacific
Islander American

Broadway Federal Bank, F.S.B.

4800 Wilshire Boulevard

Los Angeles, CA 90010

(Stock)

African American

Gateway Bank, FSB

919 Clement Street

San Francisco, CA 94118

(Stock)

Asian/Pacific
Islander American

Attachment A

**OFFICE OF THRIFT SUPERVISION
MINORITY OWNED SAVINGS ASSOCIATIONS**

As of December 31, 2006

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MIDWEST REGION

Regional Total: 2

African American – 2

Columbia Savings and Loan Association

2000 West Fond du Lac Avenue
Milwaukee, WI 53205-1122
(Mutual)

African American

Dryades Savings Bank, FSB

231 Carondelet St., Suite 200
New Orleans, LA 70130-3002
(Stock)

African American

SOUTHEAST REGION

Regional Total: 11

African American – 8

Hispanic American – 3

Advance Bank

4801 Seton Drive
Baltimore, MD 21215
(Mutual)

African American

Gulf Federal Bank, a FSB

901 Springhill Ave.
Mobile, Alabama 36604
(Stock)

African American

Home Federal Savings Bank

9108 Woodward Ave.
Detroit, MI 48202-1612
(Mutual)

African American

Ideal Federal Savings Bank

1629 Druid Hill Ave.
Baltimore, MD 21217
(Mutual)

African American

Attachment A

**OFFICE OF THRIFT SUPERVISION
MINORITY OWNED SAVINGS ASSOCIATIONS**

As of December 31, 2006

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Illinois Service Federal Savings & Loan Assoc. 4619 South Martin Luther King Jr. Drive Chicago, IL 60653-4107 (Mutual)	African American
Imperial Savings & Loan Association 211 Fayette St. Martinsville, VA 24112 (Mutual)	African American
Independence Federal Savings Bank 1229 Connecticut Avenue, N.W. Washington, DC 20036-2601 (Stock)	African American
Interamerican Bank, FSB 9190 Coral Way Miami, FL 33165 (Stock)	Hispanic American
FirstBank Florida (formerly Unibank) 701 Brickell Avenue Miami, FL 33131 (Stock)	Hispanic American
R-G Crown Bank 105 Live Oaks Gardens Casselberry, FL 32707 (Stock)	Hispanic American
Urban Trust Bank 3 Bethesda Metro Center Bethesda, MD 20814 (Stock)	African American

Attachment A

**OFFICE OF THRIFT SUPERVISION
MINORITY OWNED SAVINGS ASSOCIATIONS**

As of December 31, 2006

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NORTHEAST REGION

Regional Total: 5

African American - 2

Asian American - 2

Hispanic American - 1

Abacus Federal Savings Bank

6 Bowery
New York, NY 10013-5101
(Stock)

Asian/Pacific
Islander American

Carver Federal Savings Bank

75 West 125th St.
New York, NY 10027
(Stock)

African American

Chinatown Federal Savings Bank

109 Bowery
New York, NY 10002
(Stock)

Asian/Pacific
Islander American

Dwelling House Savings & Loan Association

501 Herron Ave.
Pittsburgh, Pennsylvania 15219-4609
(Mutual)

African American

Ponce De Leon Federal Savings Bank

2244 Westchester Ave.
Bronx, NY 10462
(Mutual)

Hispanic American

Attachment B

Office of Thrift Supervision Policy Statement on Minority Owned Institutions

This statement outlines Office of Thrift Supervision (OTS) policies regarding minority owned institutions.

OTS recognizes the important role of minority owned institutions in furthering the economic viability of minority and low-income communities. Minority owned institutions can also provide significant assistance to regulators and other government agencies in their efforts to evaluate and address the needs of those communities for financial services. OTS and its predecessor have had an ongoing minority association technical assistance function since the 1970's.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), Section 308, reinforces our commitment. FIRREA identifies the following goals that form the basis of OTS's Minority Owned Institutions Program:

- Preserve the present number of minority depository institutions;
- Preserve their minority character in cases involving merger or acquisition of a minority depository institution by using general preference guidelines;
- Provide technical assistance to prevent insolvency of institutions not now insolvent;
- Promote and encourage creation of new minority depository institutions; and
- Provide for training, technical assistance, and educational programs.

As defined in FIRREA, the term "minority" includes Black American, Native American, Hispanic American, or Asian American. A minority owned institution is either a stock institution in which minorities have at least 51 percent ownership, or a mutual institution in which the majority of the Board of Directors, account holders, and the community that it services is predominantly minority. OTS will consider mutual institutions, in which the majority of the Board of Directors and the Chief Executive Officer are women, to be minority institutions for the purposes of this program. OTS will also consider publicly traded stock companies that have the minority characteristics described for mutual institutions to be minority owned for purposes of this program.

Identification of Minority Owned Institutions

OTS will annually verify previously identified minority owned institutions through a self-certification process by the institutions to establish their continued inclusion in the program. OTS staff will identify additional candidates for the program through the examination and application processes. Additionally, OTS regulated institutions may petition the agency for inclusion in the program if their circumstances change to qualify them a Minority Owned Institution.

Upon request, OTS will make a list of minority owned institutions available to potential investors or other parties interested in establishing business relationships with minority owned institutions.

Technical Assistance

OTS will provide technical assistance, especially in the supervision and application processes, in order to preserve the number, character and financial health of minority owned institutions. Requests for technical assistance should be directed to the Community Affairs Liaison in the appropriate OTS regional office, who will coordinate with regional supervisory staff.

OTS will also monitor the financial condition of minority owned institutions on an ongoing basis, and will share compilations of non-confidential financial data with minority owned institutions to help them monitor their performance. Through this process, OTS will identify those minority owned institutions that might benefit from a program of increased support and technical assistance, such as mentoring arrangements with other savings thrifts. Minority owned institutions that are in a generally sound condition, but which may be experiencing operating difficulties in one, or a few areas, would fall into this category. Often, problems can be attributed to limited resources due to the institutions' small size. Participation in the program, by both minority owned institutions and potential mentors, is voluntary.

For those minority owned institutions experiencing more serious operating problems, appropriate OTS regional staff, such as the Field Manager and/or Assistant Regional Director, will consult and work with executive management of the institution to determine, and implement, a course of corrective action.

Resolution of Supervisory Cases

In resolving supervisory cases involving minority owned institutions, OTS will consider and evaluate possible solutions that would, consistent with the safety and soundness of the institution, maintain the institution's minority identity. In evaluating solutions, OTS will also consider the composition of the community being served by the institution.

Outreach to Minority Owned Savings associations

Whenever possible, OTS staff will participate in seminars, conferences and workshops directed to minority owned institution audiences. Requests for such participation should be directed to the Community Affairs Liaisons in the regional offices.

Additionally, OTS will maintain contact with minority owned institutions, outside the more customary examination and supervision process. At a minimum, the Regional Director will offer to meet with each institution's Board of Directors, at least annually, to discuss issues of mutual interest, such as economic trends, regulatory or legislative developments, and types of assistance that OTS can provide to minority owned institutions.

OTS will support minority owned institutions in their efforts to offer products and services to their minority and non-minority customers. To support minority owned

institutions in providing credit and other needed financial services to their communities, OTS will work with appropriate parties to measure and track performance. In addition, the regional Community Affairs Liaisons will contact each minority owned thrift, at least annually, to discuss community development activities and opportunities.

Potential Investors

The agency will also offer technical assistance to minority groups or individuals considering investments in the thrift industry, in order to strengthen existing institutions, create new minority owned institutions, or help to provide financial services to minority communities. OTS encourages such interest and will work with minority organizations to provide information and to identify potential minority investors. If minority investors are interested in acquiring thrift institutions held by the Federal Deposit Insurance Corporation as conservator or receiver, OTS will work with them to expeditiously process the preliminary regulatory approval that is required prior to submission of a bid.

Attachment C

**OTS-Regulated Minority Owned Institutions
Certified as Community Development Financial Institutions (CDFI)**

Advance Bank

4801 Seton Drive
Baltimore, MD 21215

Carver Federal Savings Bank

75 West 125th Street
New York, NY 10027

Illinois Service Federal Savings and Loan Association

4619 South Martin Luther King, Jr. Drive
Chicago, IL 60653-4107

Attachment D

OTS-Regulated Minority Owned Financial Institutions Participating in the Treasury Department's Minority Bank Deposit Program

West Region

BankPacific
Broadway Federal
Universal Bank

Hagatna, Guam
Los Angeles, CA
West Covina, CA

Midwest Region

Dryades Savings Bank, FSB

New Orleans, LA

Southeast Region

Advance Bank
Home Federal Savings Bank
Ideal Federal Savings Bank
Illinois Service Federal Savings & Loan Assoc.
Imperial Savings & Loan Association
Interamerican Bank, FSB
Urban Trust Bank

Baltimore, MD
Detroit, MI
Baltimore, MD
Chicago, IL
Martinsville, VA
Miami, FL
Bethesda, MD