
The booklet reflects guidance issued since the release of the 1995 booklet. Updated guidance includes prudent loan workouts, management of concentrations, stress testing, updated interagency appraisal guidelines, and statutory and regulatory developments in environmental risk management. Discussions of statutes and regulations governing federal savings associations have also been incorporated.

Guidance for acquisition, development, and construction (ADC) lending are expanded and issues unique to ADC and income-producing real estate lending are discussed in separate sections. Other topics that are new or expanded include supervisory loan-to-value, project feasibility, investor-owned residential real estate, amortization, debt yield, owner-occupied real estate, environmental risk management, and underwriting considerations for various property types.

In addition to the 1995 booklet and the OTS handbook sections, the following documents are rescinded:

For further information, contact Grant Wilson, Director for Commercial Credit Risk, Credit and Market Risk Division, at (202) 649-6432 or (202) 649-6670.

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Related Link

• “Commercial Real Estate Lending” (PDF)