OTS Issues Notice on Unfair or Deceptive Acts or Practices

Washington, D.C. -- The Office of Thrift Supervision (OTS) announced today that it has issued an Advance Notice of Proposed Rulemaking (ANPR) seeking public comment on approaches for the OTS to consider in expanding its regulatory authority to address unfair or deceptive acts or practices (UDAP) in the OTS-regulated thrift industry.

The OTS is issuing the ANPR to solicit public comment on whether, and how, a UDAP regulation could provide greater clarity to supervised institutions and benefit customers of OTS-regulated entities by promoting fair and equitable practices in lending, deposit-taking and related activities.

The ANPR solicits comment on the scope of entities, practices, products and/or customer relationships that should be covered by a revised UDAP regulation. It also seeks comment on whether there is a need for the OTS to expand its regulation in this area, and whether other approaches, including guidance, may be appropriate.

The ANPR reviews OTS legal authority for issuing a UDAP regulation and discusses various approaches that the agency could take, either individually or in conjunction with other initiatives, in issuing such a regulation. The ANPR seeks input on a wide range of issues and questions, including the potential approaches and the prospective benefits, costs and impacts of each.

The OTS recognizes that the financial services industry and consumers have benefited from consistency in the rules and guidance adopted by the federal banking agencies. The OTS affirms the goal of consistent interagency standards relating to unfair or deceptive acts or practices, and the OTS intends to establish a dialogue with the other federal banking agencies to pursue consistency in this area in order to maintain a level playing field.

The attached ANPR, scheduled to be published in the Federal Register on Monday, August 6, 2007, will be open for public comment for 90 days after publication. It is also available on the OTS website at www.ots.treas.gov.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS’s mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.