Assessments and Fees Under 12 CFR Part 502

Summary: This Bulletin revises the assessment rates charged by OTS under 12 CFR Part 502. This Thrift Bulletin supersedes the assessment rate tables in TB 48-17, dated December 1, 2000. The fee schedules in TB 48-17 remain in effect. This Bulletin is effective with the January 2002 assessment and shall remain in effect until further notice.

For Further Information Contact: Your Regional Office or Planning and Budget, Washington, DC. You may access this bulletin at our web site: www.ots.treas.gov.

Thrift Bulletin 48-18

Introduction

The Office of Thrift Supervision imposes semiannual assessments on thrifts based on three components: the thrift’s size, its condition, and the complexity of its portfolio. 12 CFR Part 502. Today’s Thrift Bulletin:

(1) revises the rate schedule for the size component of the assessment regulation by 2.65% on the first $18 billion in assets to reflect inflation and adjusts the base assessment from $1294 to $2000;

(2) reflects the June 2001 regulatory change in the condition component; and

(3) adjusts the treatment of trust assets under the complexity component into three categories: Fiduciary Managed Assets, Fiduciary Non-Managed Assets, and Custody and Safekeeping Assets, to more closely reflect the reduced risks and required level of agency supervision generally associated with certain types of trust assets.

The size component change is effective for the January 2002 assessment. The condition component change was effective for the July 2001 assessment. Because the trust assets change is tied to a change in the Thrift Financial Report (TFR) as of March 2002, the change in trust assets will not become effective until the July 2002 assessment. The revised assessment rates remain in effect until further notice.

Size Component

The revisions to the size component reflect a 2.65% increase in assessment rates for the first $18 billion in assets. This increase reflects an adjustment for the increase in the Consumer Price Index as reported by the Bureau of Labor Statistics for the period from September 2000 to September 2001. The rates also reflect...
an increase in the base assessment from $1294 to $2000. Under 12 CFR § 502.15(b), today’s changes in
the size component do not affect many of the smallest thrift institutions. That rule provides that institutions
under $100 million that have been in existence since before January 1, 1999 and have never exceeded
$100 million in assets are assessed at the lower of the rate they would have been assessed as of January
1998 or the current rates. OTS will continue to monitor its costs and expenses to determine whether and to
what extent the base assessment and size component rates may need to be adjusted to reflect inflation and
other factors affecting its costs.

Condition Component

In June 2001, OTS modified its regulations to adjust the condition component so that institutions with a
CAMELS rating of 3 are charged a premium of 50% of their size component and institutions with a
CAMELS rating of 4 or 5 are charged a premium of 100% of their size component. Today’s publication
reflects this change and makes no further change in this component.

Complexity Component: Revised Rates for Thrifts With Over $1 Billion in Trust Assets for
July 2002 and Later Assessment Cycles

The revised assessment rates on trust assets reflect OTS’s experience with this aspect of the complexity
component and the planned implementation of Schedule FS in the TFR in March 2002. The March 2002
TFR will be used to determine July 2002 assessments. The revised assessment rates place trust assets into
one of three categories: Fiduciary Managed (reported on Schedule FS line FS20), Fiduciary Non-Managed
reported on line FS21), and Custody and Safekeeping (reported on line FS28).

The new “Fiduciary Non-Managed” category contains account assets where the institution acts in a fiduci-
ary capacity, such as trustee, but does not offer investment advice or have investment discretion. This
would include, for example, a savings association serving as trustee for a 401(k) employee benefit plan
where the plan participants make their own investment selections. It would also include individual retire-
ment accounts when the savings association acts as trustee and the account holders make their own invest-
ment decisions. This new category has been instituted as the result of industry comments on proposed
changes to the TFR published in March 2001 and on previous thrift bulletins that addressed the complexity
component of trust assets.

The Fiduciary Managed rates reflect the high level of agency supervision and risk to the institution associ-
ated with this category of assets. The Fiduciary Non-managed rates reflect a lower level of agency supervi-
sion and risk to the institution, while remaining a fiduciary, is not providing investment
management services. The Custody and Safekeeping rates reflect the generally lower risk presented by the
nature of the services involved. All three categories utilize a declining rate structure.

For purposes of 12 C.F.R. Part 502 and this Thrift Bulletin, “trust assets” means those assets for which a savings association,
or its subsidiaries, is providing asset management services. The term “asset management services” includes the provision of
personal, employee benefit and corporate fiduciary services, investment management and advisory services and agency services
such as safekeeping and custody of assets.

Under the new TFR reporting system for trust assets, institutions with less than $250 million in fiduciary assets (regardless of
their amount of custodial assets) file certain sections of Schedule FS annually, rather than quarterly. If such institutions have
more than $1 billion in trust assets, assessments for those institutions will be based on trust assets reported in their annual
December filings. Adjustments may be made if OTS becomes aware of significant changes during the year that affect OTS’s
supervision of the institution. No institutions currently fall into this category.
The attached chart reflects the assessment factors for each of these categories. Detailed descriptions of the terms “Fiduciary Managed,” “Fiduciary Non-Managed,” and “Custody and Safekeeping” are contained in the instructions to Schedule FS of the 2002 Thrift Financial Report.

—Richard M. Riccobono
Deputy Director

Attachment
# Semiannual OTS Assessment Schedule

## Size Component

<table>
<thead>
<tr>
<th>If total assets (SC60) is:</th>
<th>The size component is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over:</td>
<td>But not over:</td>
</tr>
<tr>
<td>$0</td>
<td>$67 million</td>
</tr>
<tr>
<td>$67 million</td>
<td>$215 million</td>
</tr>
<tr>
<td>$215 million</td>
<td>$1 billion</td>
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<tr>
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<td>$6.03 billion</td>
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<td>$6.03 billion</td>
<td>$18 billion</td>
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<tr>
<td>$18 billion</td>
<td>$35 billion</td>
</tr>
<tr>
<td>$35 billion</td>
<td></td>
</tr>
</tbody>
</table>

## Alternative size assessment schedule for qualifying small institutions

<table>
<thead>
<tr>
<th>If total assets (SC60) is:</th>
<th>The size component is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$67 million</td>
</tr>
<tr>
<td>$67 million</td>
<td>$100 million</td>
</tr>
</tbody>
</table>

## Condition Component

<table>
<thead>
<tr>
<th>If the composite rating is:</th>
<th>Then the condition component is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 or 2</td>
<td>Zero</td>
</tr>
<tr>
<td>3</td>
<td>50 percent of the size component</td>
</tr>
<tr>
<td>4 or 5</td>
<td>100 percent of the size component</td>
</tr>
</tbody>
</table>

## Complexity Component

### Complexity Component for non-trust assets

- **Principal amount of loans serviced for others (SI390), over $1 billion, up to $10 billion:** .000010
- **Principal amount of loans serviced for others (SI390), over $10 billion:** .000005
- **Principal amount of off-balance-sheet assets covered by recourse obligations or direct credit substitutes (CC455), over $1 billion:** .000030

### Complexity Component for trust assets (January 2002 assessment)

- **Trust assets (SI 350) administered in a fiduciary capacity, up to but not over $1 billion:** .000015
- **Trust assets (SI 350) administered in a fiduciary capacity, over $1 billion but not over $10 billion:** .000005
- **Trust assets (SI 350) administered in a fiduciary capacity, over $10 billion but not over $40 billion:** .000001
- **Trust assets (SI 350) administered in a fiduciary capacity, over $40 billion:** .000005
- **Trust assets (SI 350) administered in a non-fiduciary capacity, up to, but not over $1 billion:** .000002
- **Trust assets (SI 350) administered in a non-fiduciary capacity, over $1 billion, but not over $10 billion:** .000001
- **Trust assets (SI 350) administered in a non-fiduciary capacity, over $10 billion, but not over $40 billion:** .00000025
- **Trust assets (SI 350) administered in a non-fiduciary capacity, over $40 billion:** .0000001
<table>
<thead>
<tr>
<th>Complexity Component for trust assets: (July 2002 and Later Assessments)</th>
<th>If the amount of assets in Columns A, B, or C is:</th>
<th>Column A</th>
<th>Column B</th>
<th>Column C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Over</td>
<td>But not over</td>
<td>The assessment rate for Fiduciary Managed Assets (FS20) is:</td>
<td>The assessment rate for Fiduciary Non-Managed Assets (FS 21) is:</td>
</tr>
<tr>
<td>0</td>
<td>$1 billion</td>
<td>.000015</td>
<td>.0000105</td>
<td>.000002</td>
</tr>
<tr>
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<td>$10 billion</td>
<td>.000005</td>
<td>.0000035</td>
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</tr>
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<td>.0000007</td>
<td>.00000025</td>
</tr>
<tr>
<td>$40 billion</td>
<td></td>
<td>.0000005</td>
<td>.00000035</td>
<td>.0000001</td>
</tr>
</tbody>
</table>