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DEPARTMENT OF THE TREASURY

Office of Thrift Supervision

12 CFR Part 563

[No. 97-127]

RIN 1550-AA72

Capital Distributions - Withdrawal of Proposed Rule

AGENCY: Office of Thrift Supervision (OTS), Treasury.

ACTION: Proposed rule; withdrawal.

SUMMARY: The OTS is withdrawing the proposed rule amending its capital distributions regulation originally published on December 5, 1994. 59 FR 62356. Elsewhere in today's issue of the Federal Register, the OTS has published a new proposal making more extensive revisions to the regulation.

DATES: Proposed amendment to § 563.134 is withdrawn on [Insert date of publication in the Federal Register].

FOR FURTHER INFORMATION CONTACT: Edward J. O'Connell, III, Project Manager, (202) 906-5694; Robyn Dennis, Manager, (202) 906-5751, Supervision Policy; Evelyne Bonhomme, Counsel (Banking and Finance), (202) 906-7052; or Karen Osterloh, Assistant Chief Counsel, (202) 906-6639, Regulations and Legislation

Division, Chief Counsel's Office, Office of Thrift Supervision, 1700 G Street N.W.,
Washington, D.C. 20552.

SUPPLEMENTARY INFORMATION

Background

In 1990, the OTS adopted the current capital distributions rule at 12 CFR 563.134. The rule permits a savings association to make a capital distribution based on its level of capitalization. The regulation was originally intended to restrict capital distributions by savings associations that did not meet the capital requirements imposed in the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

On December 5, 1994, the OTS issued a proposed rule revising the capital distributions regulation. 59 FR 62356. The proposed rule was designed to incorporate statutory changes contained in the prompt corrective action statute at 12 U.S.C. 1831o (PCA requirements) and to reflect the improved capital position of the thrift industry.

Section 303 of the CDRIA (12 U.S.C. 4803) requires the OTS to streamline and modify its regulations to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303 also requires the OTS to

remove inconsistencies and outmoded and duplicative requirements from its regulations.

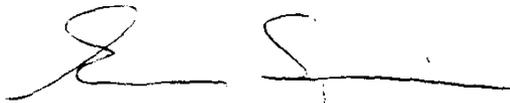
Consistent with these requirements, elsewhere in today's Federal Register the OTS is proposing a new rule that updates, simplifies, and streamlines § 563.134. Like the 1994 proposal, today's proposed rule reflects PCA requirements. The new proposal also contains changes designed to simplify the rule and to conform OTS's capital distributions requirements with those that apply to banks. The proposal utilizes plain English drafting techniques to make the regulation easier to understand.

Withdrawal of the Proposed Rule

In light of the newly proposed revisions to § 563.134, the OTS withdraws its proposal published in the Federal Register on December 5, 1994 at 59 FR 62358.

DATED: December 10, 1997

By the Office of Thrift Supervision.



Ellen S. Seidman
Director