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Attached is a proposed amendment to the capital regulation of the Office of Thrift Supervision, 12 CFR Part 567, setting forth the types of intangible assets that savings associations may include in calculating capital for purposes of compliance with their tangible capital, leverage ratio, and risk-based capital requirements. This proposal also sets forth certain limitations and other requirements that would apply to qualifying intangible assets under the proposed rule.

Under this proposal, purchased mortgage servicing rights ("PMSRs") and purchased credit card relationships ("PCCRs") would be defined as "qualifying intangible assets," and therefore could be included in core capital. PMSRs and PCCRs in the aggregate could only be included in core capital up to 50 percent of core capital provided that PCCRs may not exceed a sublimit of 25 percent of core capital. PMSRs and PCCRs in excess of applicable limits, as well as core deposit intangibles ("CDIs") and other types of nonqualifying intangibles, would be deducted from both assets and capital in calculating capital. Any PMSRs that qualify to be included in core capital also would be included in tangible capital.

This proposal was developed in conjunction with the other federal banking agencies and is aimed at achieving greater consistency among the agencies in the treatment of intangible assets under their capital rules and guidelines. This proposal would also implement Section 475 of the Federal Deposit Insurance Corporation Act of 1991 ("FDICIA"), which requires OTS and the other federal banking regulators to adopt limits on the amount of purchased mortgage servicing rights ("PMSRs") that regulated institutions may include in capital.

The OTS is proposing to adopt this rule pursuant to the authority granted to the OTS by Section 475 of FDICIA. This statutory provision rescinds the authority of the FDIC under Section 5(1)(4) of the Home Owners' Loan Act ("HOLA").

The OTS solicits comment on all aspects of this proposed regulation, particularly on the specific issues for which the OTS has requested comment.

The proposal is published in the Federal Register, Vol. 57, No. 71, pp.12761–12766. Comments on the proposed rule must be received on or before May 13, 1992, addressed to: Director, Information Services, Public Affairs Office, Office of Thrift Supervision, 1700 G Street NW, Washington, DC 20552.