Attached is a proposed rule that would implement the provisions of Section 618(b) of the Resolution Trust Corporation Refinancing, Restructuring and Improvement Act of 1991 relating to the capital treatment of multifamily residential mortgage loans and securities collateralized by such loans (MBS). The proposed rule provides that multifamily housing loans and securities collateralized by such loans will qualify for a 50 percent risk-weight if the loan or MBS meets certain specified statutory and regulatory criteria.

The OTS solicits comment on all aspects of this proposed regulation and, in particular, solicits comment on whether to impose a number-of-units restriction on multifamily residential properties that can qualify for the 50 percent risk-weight; the proper treatment of MBSs secured by qualifying multifamily mortgage loans; whether multifamily loans that do not satisfy the appropriate LTV ratio at the time of origination should be permitted to do so when there is a "paydown" on the loan below the prescribed value; whether the LTV ratio should be based on the most current valuation, instead of the valuation at origination; whether to retain the requirement that the occupancy rate be at least 80 percent of the total number of units for a year; and whether to extend "grandfathered" treatment to multifamily mortgage loans that qualify for a 50 percent risk-weight under the current regulations.

The proposal is published in the Federal Register, Vol. 57, No. 171, pp. 40143-40147. Comments on the proposed rule must be received on or before October 2, 1992, addressed to: Director, Information Services, Public Affairs Office, Office of Thrift Supervision, 1700 G Street NW., Washington, DC 20552.