Attached is the Office of Thrift Supervision's final rule on loans to executive officers, directors, and principal shareholders of savings associations. This rule will clarify and simplify the regulatory scheme currently governing these lending transactions by replacing the OTS's existing "Conflicts Rule" with a new rule that incorporates by reference the Federal Reserve Board's Regulation O, 12 C.F.R. Part 215.

In addition, the OTS has determined not to adopt at this time a rule that would govern business transactions, other than extensions of credit, between savings associations and their insiders.

The rule is published in the Federal Register, Vol. 57, No. 194, pp. 45977-45980.

Timothy J. Ryan
Director
Office of Thrift Supervision

Attachment