

Press Releases

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OTS 97-75 - OTS Finalizes Reduced Capital Requirement for Small Business Loans Sold with Recourse

Office of Thrift Supervision

NEWS

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For further information

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OTS FINALIZES REDUCED CAPITAL REQUIREMENT FOR SMALL BUSINESS LOANS SOLD WITH RECOURSE

WASHINGTON, D.C., Oct. 24, 1997 -- The Office of Thrift Supervision (OTS) today made final a rule that reduces capital required for small business loans sold with recourse.

As published in today's Federal Register, the final regulation is unchanged from an interim rule for thrifts that went into effect Aug. 31, 1995. The final rule, effective Jan. 1, 1998, also reduces capital required for small business leases sold with recourse.

OTS joins the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) in adopting the rule. The Federal Reserve Board previously adopted a substantially identical final rule. Thus there is now regulatory consistency in this area among the four banking agencies.

The rule implements section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994, which was designed to increase small business access to capital.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at www.ots.treas.gov.