AGENCY: Office of Thrift Supervision, Treasury

ACTION: Notice of proposed rulemaking; request for comment.

SUMMARY: The Office of Thrift Supervision (OTS or Office) today is proposing amendments to its corporate governance regulations and policy statements to update, reorganize and substantially streamline them. This proposal follows a detailed
review of each pertinent regulation and policy statement in the Code of Federal Regulations (CFR) to determine whether it is necessary, imposes the least possible burden consistent with safety and soundness and is written in a clear and straightforward manner. Today's proposal is being made pursuant to the Regulatory Reinvention Initiative of the Vice President's National Performance Review and section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994.

DATES: Comments must be received on or before 60 days from the date of publication.

ADDRESSES: Send comments to Manager, Dissemination Branch, Records Management and Information Policy, Office of Thrift Supervision, 1700 G Street, NW., Washington, D.C. 20552, Attention Docket No. 96-49. These submissions may be hand-delivered to 1700 G Street, NW., from 9:00 A.M. to 5:00 P.M. on business days; they may be sent by facsimile transmission to FAX Number (202) 906-7755. Comments will be available for inspection at 1700 G Street, NW., from 9:00 P.M. until 4:00 P.M. on business days.
FOR FURTHER INFORMATION CONTACT: David Permut, Counsel (Banking and Finance), Business Transactions Division, (202) 906-7505; or Mary Jo Johnson, Project Manager, Supervision Policy (202) 906-5739; or Valerie J. Lithotomos, Counsel (Banking and Finance), Regulations and Legislation Division, (202) 906-6439, Chief Counsel's Office, 1700 G Street NW., Washington, D.C. 20552.

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I. Background of the Proposal

In a comprehensive review of the agency’s regulations in the spring of 1995, OTS identified numerous obsolete or redundant regulations that could quickly be repealed. On December 27, 1995, OTS published a final rule in the Federal Register repealing eight percent of its regulations. As part of its review, OTS also identified several key areas in its regulations for a more intensive, systematic regulatory burden review. Certain areas -- lending and investment authority, corporate governance, subsidiaries and equity investments, and conflicts of interest, corporate opportunity and hazard insurance -- were chosen for intensive review because they are vital to the thrift industry, had not been developed on an interagency basis, and had not been substantially reviewed or amended in recent years.

Earlier this year, OTS proposed a comprehensive streamlining of its lending and investment regulations. Proposals regarding subsidiaries and equity investments

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1 60 FR 66866 (December 27, 1995).

2 Interagency regulations are being reviewed through the Federal Financial Institutions Examination Counsel.

3 61 FR 1162 (January 17, 1996).