

## Press Releases

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OTS 96-48 - Federal Thrifts May Market Trust Services in Any State

**Office of Thrift Supervision**

### News Release

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For further information

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### **FEDERAL THRIFTS MAY MARKET TRUST SERVICES IN ANY STATE**

WASHINGTON, D.C., July 15, 1996 -- A federally chartered thrift institution may market and advertise its trust services in any state even if state law prohibits such activities by out-of-state fiduciary entities, according to an Office of Thrift Supervision (OTS) legal opinion. The opinion by OTS Chief Counsel Carolyn Buck concludes that under the Home Owners' Loan Act (HOLA), a federal thrift's marketing of trust services is not confined to the state where the thrift's trust offices are located. "There is no affirmative indication of a congressional intent to restrict interstate marketing of trust powers," Ms. Buck wrote in her June 21 opinion.

Federal law, thus, preempts the laws of states, other than the state where the thrift is located, that impose marketing restrictions on trust marketing and advertising by federal thrifts, she said.

Marketing activities covered in the opinion are mail and telephone solicitation, information seminars and personal visits to describe trust services.

Although the opinion addressed specific laws in Vermont, New York, Ohio and California pertaining to the marketing of trust services by out-of-state fiduciaries, the finding of preemption generally would apply to similar types of statutes in other states.

The opinion is the latest in a series of OTS opinions on trust activities. In March 1996, Ms. Buck wrote that with OTS approval, a federal thrift can offer trust services nationwide through agency offices.

And in a June 1994 opinion, she concluded that if a thrift was marketing its trust services in a state and no fiduciary activities were conducted there, the thrift would not be deemed to be located in that state. That opinion also found that federal law preempts state laws requiring federal thrifts to obtain a license in order to conduct a trust business in the state.

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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](http://www.ots.treas.gov).