

## Press Releases

---

September 15, 1998

OTS 98-71 - Washington Mutual Approved to Acquire Home Savings; OTS Grants Three New Charters

### Office of Thrift Supervision

# NEWS

FOR RELEASE at 4:30 p.m. EDT

For further information

Tuesday, September 15, 1998

Contact: William Fulwider

OTS 98-71

202/906-6913

---

### **Washington Mutual Approved to Acquire Home Savings; OTS Grants Three New Charters**

WASHINGTON, D.C., Sept. 15, 1998 - The Office of Thrift Supervision (OTS) today approved Washington Mutual's acquisition of Home Savings of America, combining the two largest thrifts into the seventh largest banking organization in the U.S. with combined assets of more than \$150 billion. OTS also approved two new thrift charters and the conversion of a national credit union to a thrift. Approved were:

- Nittany Bank, a new thrift to be based in State College, Pa., the home of Pennsylvania State University;
- New Republic Savings Bank, Rocky Mount, N.C., a new thrift institution; and
- Beacon National Credit Union, East Syracuse, N.Y., to convert to a federal thrift, Beacon Federal.

In addition to these actions, the agency's Northeast Region, under delegated authority, approved on September 14 Astoria Financial Corporation's acquisition and merger of Long Island Bancorp, Inc., and its Long Island Saving Bank.

Home Savings, Irwindale, Calif., will merge into Washington Mutual Bank, Stockton, Calif., and Home's parent company, H.F. Ahmanson & Co., will merge into Washington Mutual, Inc., a thrift holding company based in Seattle and regulated by OTS. Washington Mutual also owns a federally chartered thrift in Salt Lake City and a state-chartered savings bank in Seattle.

Washington Mutual, the holding company, has nearly \$97 billion in assets, and Ahmanson has about \$56 billion. Together, they have more than 21,000 employees. The Stockton-based Washington Mutual Bank has more than \$70 billion in assets, \$39 billion in deposits and operates in 21 states, although the bulk of its business is conducted through 568 consumer financial centers located throughout California and Florida. Home has nearly \$53 billion in assets, \$37.6 billion in deposits and operates through 370 branch offices in California and Texas, plus 126 loan production offices in nine other states.

In approving the acquisition, OTS said it took into consideration anti-competitive and fairness issues, as well as CRA protests that were mounted after the merger plan was announced. OTS said that a Department of Justice antitrust/anti-competitive review found the transaction to be acceptable, subject to conditions relating to the subsequent use of branches by other FDIC-insured institutions and to not entering into any new non-compete agreements with loan officers or branch managers. OTS said its own analysis determined the acquisition to be fair to all concerned, including account holders, borrowers, creditors and stockholders.

In reaching its decision on the application, the agency placed substantial weight on the institution's past record of CRA performance, its expected future performance, and a commitment that addresses a concern raised by several commenters and OTS. The institution will notify OTS at least 120 days prior to closing or moving branches in low-income, moderate-income, or predominantly minority census tracts. The notification will include the results of the institution's discussions with community groups about the impact of any branch closures.

Washington Mutual must adhere to all terms, deadlines, requirements and conditions pertaining to Year 2000 conversion guidance issued by OTS and the Federal Financial Institutions Examination Council (FFIEC).

A condition covering Year 2000 compliance also is included in approval orders for the new charters granted to New Republic, Nittany and Beacon and for Astoria's acquisition of Long Island Savings. The Y2K condition has become one of the standard conditions of OTS approval. Additional specific conditions are imposed on a case-by-case basis, depending largely on the operating plan of the institution.

###

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).