

## Press Releases

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September 24, 1998

OTS 98-73 - Revised Director, Senior Officer Notification Rule Adopted by  
OTS

### Office of Thrift Supervision

# NEWS

FOR RELEASE at 10:30 a.m. EDT

For further information

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Contact: Paul Lockwood

OTS 98-73

202/906-6693

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### **Revised Director, Senior Officer Notification Rule Adopted by OTS**

WASHINGTON, D.C., Sept. 24, 1998 -- The Office of Thrift Supervision (OTS) announced today it has modified the types of situations in which it must be notified before a thrift or its holding company appoints a director or employs a senior executive officer.

The final rule, scheduled to be published in tomorrow's Federal Register, is effective immediately and is nearly identical to the proposed rule published on March 27, 1998.

In situations requiring notification, OTS has 30 days to issue a notice disapproving the selection. If necessary, the agency may take an additional 60 days to issue the notice. If OTS does not act within the time frame, the appointment or employment may automatically proceed.

The main change eliminates two situations in which an association or holding company previously had to file a notice: (1) when the savings association has been chartered less than two years, and (2) when the savings association or savings and loan holding company has undergone a change of control within the past two years.

A notice is now required under three situations: (1) when a savings association or its holding company is in a troubled condition, (2) when a savings association fails to meet minimum capital requirements - both retained from the old rule; and (3) when OTS reviews a capital restoration plan and determines that prior notice is required - a new provision.

[The final rule](#) also clarifies notification requirements for individuals seeking election to the board of directors of a savings association or its holding company who have not been nominated by management. They do not have to provide prior notice to OTS or obtain a waiver unless the savings association or savings and loan holding company itself falls into one of the three categories. If the thrift or holding company is in one of those categories, and the individual is elected to the board, a notice must be filed within seven days after his or her election as a director.

The changes were mandated by the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). In addition to changes required by law, OTS made minor changes, such as revising the definitions of "director" and "senior executive officer." The rule also notes that filings are required when an existing senior executive officer changes responsibilities.

OTS used the legally mandated regulatory change as an opportunity to rewrite its regulation in plain English and eliminate unnecessary regulatory burden. The regulation also has been renumbered.

The rule simplifies regulations by eliminating specific notice content requirements and substituting information called for in current interagency forms and the Change in Bank Control Act. OTS can waive the prior notice requirement if delay due to filing the notice would pose a threat to the safety or soundness of the institution, would not be in the public interest, or if other extraordinary circumstances exist.

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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).

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[\[View Final Rule\]](#)