

Press Releases

April 28, 1999

OTS 99-25 - OTS Approves American General's Acquisition of Standard Pacific

Office of Thrift Supervision

News Release

FOR RELEASE at 11:00 A.M. EDT

For further information

Wednesday, April 28, 1999

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OTS 99-25

202/906-6913

OTS Approves American General's Acquisition Of Standard Pacific

WASHINGTON, D.C., April 28, 1999 - American General Corporation, a Houston-based insurance and financial services company, and its subsidiary, American General Finance, Inc. (AGFI), Evansville, Inc., have received approval to acquire Standard Pacific Savings, F.A., a thrift institution located in Newport Beach, Calif. Both companies become thrift holding companies under the supervision of the Office of Thrift Supervision (OTS).

American General will merge American General Financial Center, a Midvale, Utah, industrial loan company it owns, into the new thrift named American General Bank, whose headquarters will be Midvale. The new thrift will retain the Newport Beach office as a branch and its administrative office will be at the AGFI Evansville location.

American General, one of the nation's largest diversified financial services organizations with assets of \$105 billion at year-end 1998, is engaged in a broad range of insurance and financial service activities. Products include tax-deferred retirement annuities and employer-sponsored retirement plans sold through a network of 18,000 sales representatives to employees of educational, health care, public sector and other not-for-profit organizations; traditional and interest-sensitive life insurance and annuity products sold through both independent producers and general agents; and consumer and home equity loans and other credit-related products offered through branch offices. The Utah subsidiary's major business has been the origination of loans under private label credit card programs.

OTS attached a number of conditions to its approval. The agency must approve any major changes to the thrift's business plan, and the thrift must develop and implement underwriting policies and procedures for every loan product it will offer. Taking into consideration comments from community groups, OTS is requiring the thrift to beef up its compliance management program and submit for approval a proposed methodology for collecting loan distribution data for the savings bank's credit card and other consumer lending programs.

It also has to collect, monitor and analyze the distribution characteristics of these products and each quarter report to OTS on the various lending programs, including lending to low- and moderate-income borrowers.

In addition, at least 40 percent of the thrift's directors are to be members who are not officers or employees of the bank, holding companies or affiliates, and at least one member must be independent of both the bank and holding companies. Directors and officers must adhere to regulations governing conflicts of interest, and the institution must make appropriate disclosure concerning insured and noninsured products. The thrift also is required to comply with interagency guidelines on Year 2000 readiness.

[View Approval Order](#)

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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 <http://www.ots.treas.gov>.