

## Press Releases

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December 20, 1999

### OTS 99-90 - Conversion of Nordstrom's Bank to Federal Thrift Charter Approved

#### Office of Thrift Supervision

FOR RELEASE at 9:00 A.M. EST

For further information

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OTS 99-90

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### Conversion of Nordstrom's Bank to Federal Thrift Charter Approved

WASHINGTON, D.C., Dec. 20, 1999 - The Office of Thrift Supervision (OTS) has approved the conversion of Nordstrom National Credit Bank, owned by Nordstrom, Inc., to a federally chartered thrift institution to be named Nordstrom fsb. The thrift will be located in Scottsdale, Ariz.

Nordstrom, Inc., a Seattle-based national retailer with more than \$5 billion in annual sales of clothing and personal merchandise, becomes a unitary thrift holding company. It operates approximately 100 stores in more than 20 states. The company filed its charter application with OTS on Nov. 19, 1998, and is not affected by the Gramm-Leach-Bliley statutory restriction on granting thrift charters to non-financial entities. The Nordstrom thrift, whose predecessor was a credit card bank, will continue to focus primarily on originating and servicing Nordstrom private label and co-branded VISA credit cards. However, it plans to broaden its product line to include mortgage loans and retail deposits. To help expand credit availability, the savings bank plans to offer, within the Phoenix Metropolitan Statistical Area (MSA), a number of mortgage products specifically designed to meet the needs of low- and moderate-income borrowers and neighborhoods.

Other credit products will be offered both inside and beyond the Phoenix MSA, which will be the thrift's CRA assessment area. These products will include new starter credit cards designed for applicants with little or no credit history; home equity loans; unsecured and secured individual and commercial credit cards; and consumer loans for major purchases.

OTS requires the thrift, before the conversion is complete, to implement a compliance management program covering the new lending and deposit-related operations. Nordstrom is to give OTS regular updates on the program and provide a methodology for gathering borrower income and geographic data for each credit program to aid OTS in evaluating its CRA performance. The thrift also must file quarterly reports with OTS on its lending to low- and moderate-income individuals and communities.

At least 40 percent of the thrift's directors must be individuals who are not officers or employees of the holding company or affiliates, and at least one member has to be independent of the thrift, holding company and affiliates. Any major change to Nordstrom's business plan requires OTS approval.

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's 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 visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).