

Press Releases

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OTS 02-20 - OTS Updates Thrift Holding Companies Handbook

Office of Thrift Supervision

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OTS Updates Thrift Holding Companies Handbook

WASHINGTON - The Office of Thrift Supervision (OTS) today announced publication of an updated Holding Companies Handbook for thrifts.

Thrift holding companies control over 78 percent of the thrift industry's assets, and are more frequently becoming integral parts of large financial conglomerates.

OTS updated the handbook to reflect its risk-focused approach to holding company examinations. It designates two risk classification categories: low risk or noncomplex, and high risk or complex. The handbook lays out streamlined exam procedures for low risk holding companies, including most shell holding companies.

The handbook covers the major safety and soundness concerns of examiners and supervisors of OTS-regulated holding companies. It includes specific examination objectives and procedures, and provides guidance to OTS examiners on identifying and evaluating risks in four areas: capital, organizational structure, relationships and earnings.

A new section on capital is just one of a variety of factors to be considered during the holding company evaluation. The handbook does not impose a specific minimum capital requirement that all holding companies must follow. Instead, examiners will continue to evaluate a holding company's capital adequacy on a case-by-case basis.

The handbook has also been updated to reflect changes implemented by the Gramm-Leach-Bliley Act regarding functional regulation and permissible activities for savings and loan holding companies.

The handbook is available to thrifts, thrift holding companies and the public on the OTS website (www.ots.treas.gov). Copies of the handbook have also been provided to OTS examiners.

Holding Companies Handbook - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2002-20a.pdf>

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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.