

Press Releases

June 10, 2002

OTS 02-29 - OTS Proposes Standards for Thrift Broker-Dealer Activities Without SEC Registration

Office of Thrift Supervision

FOR RELEASE at 4:00 P.M. EDT

For further information

Monday, June 10, 2002

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OTS 02-29

202/906-6677

OTS Proposes Standards for Thrift Broker-Dealer Activities Without SEC Registration

WASHINGTON - The Office of Thrift Supervision is proposing standards for federal savings associations that may now perform certain broker-dealer activities, just like banks, without registering with the Securities and Exchange Commission.

"Customers who engage in securities transactions at a federal thrift will benefit from the same protections and disclosures as bank customers," said OTS Director James E. Gilleran.

The SEC ruled last year that savings associations should be treated as banks under the Securities Exchange Act of 1934 with respect to their broker-dealer activities. The proposed OTS rule covers broker-dealer activities such as third party brokerage, trust, permissible securities and sweep accounts.

The proposed rule will be published in tomorrow's Federal Register. It provides formal guidance for securities transactions, assuring that examiners are able to evaluate compliance with securities laws and assess the impact of securities activities on the safety and soundness of thrifts. There is a 60-day comment period.

OTS also proposes amending its rules governing the fiduciary powers of federal thrifts so they will remain consistent with those governing national banks. The proposal streamlines applications procedures for expanding the geographic scope of approved powers, and clarifies that a thrift may act as trustee without obtaining fiduciary powers from OTS for two specific types of IRA accounts -- those qualifying for special tax treatment under section 401(d) and 408 of the Internal Revenue Code.

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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.