

Press Releases

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OTS 04-15 - OTS Issues Final Rule on Holding Company Assessments

Office of Thrift Supervision

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For further information

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OTS Issues Final Rule on Holding Company Assessments

WASHINGTON - The Office of Thrift Supervision (OTS) today released a final rule replacing examination fees for savings and loan holding companies (SLHCs) with semi-annual assessments, and eliminating the alternative calculation of semi-annual assessments for small "qualifying" thrift institutions.

The final rule reflects comments received by OTS on a proposed rule issued on February 10, 2004. It will become effective on July 1, 2004, for the July 2004 semi-annual assessment. OTS ceased billing for hourly, on-site examination time for all SLHC examination reports mailed on or after the date of issuance of the final rule.

The agency's goal is to keep costs to regulated entities as low as possible while ensuring that OTS has the necessary resources effectively to fulfill its supervisory responsibilities. The changes are designed to align OTS fees more closely with the cost to the agency of supervising institutions, SLHCs, and their affiliates, as well as to ensure that the costs of supervising the industry are fairly and equitably met by the regulated entities.

The new system will provide SLHCs with consistency and predictability regarding costs, allowing SLHCs to better plan for assessments related to supervisory work by eliminating annual fluctuations that occurred under the prior system. The changes will allow OTS to continue to refine its supervisory processes, maximizing off-site review efforts to optimize the effective and efficient use of on-site examination resources. OTS emphasized that these changes do not signal a change in the agency's SLHC examination approach, only a change in the SLHC assessment methodology.

Thrift Bulletin 48-21 (TB 48-21), released concurrently with the final rule, provides the format OTS will use to calculate SLHC assessments. Except for certain modifications made for conglomerates and SLHCs regulated pursuant to section 10(l) of the Home Owners' Loan Act, the assessment schedule in TB 48-21 is identical to that detailed in the proposed rule.

OTS received a number of comments to the proposed rule requesting a phase-in of the new system. In evaluating the agency's supervisory resource allocation and SLHC assessments this fiscal year to date, OTS determined that it is appropriate to phase in the new system over the first year of implementation.

In order to allow SLHCs to better plan for the implementation of the final rule, OTS will phase in the assessments at a rate of 25 percent of the first semiannual assessment (July 1, 2004) and 50 percent of the second semiannual assessment (January 1, 2005). The third semiannual assessment, effective July 1, 2005, will be billed according to the final rule and TB 48-21.

Final Rule - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-15a.pdf>

TB 48-21 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-15b.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.