

## Press Releases

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March 22, 2007

### OTS 07-018 - OTS Deputy Director Scott Polakoff Testifies on Limited Thrift Industry Exposure to Subprime Mortgage Market

#### Office of Thrift Supervision

FOR RELEASE at 2:00 P.M. EDT

For further information

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### OTS Deputy Director Scott Polakoff Testifies on Limited Thrift Industry Exposure to Subprime Mortgage Market

Washington, D.C. Office of Thrift Supervision (OTS) Deputy Director, Scott M. Polakoff, testified this morning before the Senate Banking Committee on current issues relating to nontraditional mortgages and subprime hybrid adjustable rate mortgages.

Mr. Polakoff's attached testimony (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-18a.pdf>) highlights the fact that relatively few OTS-regulated thrift institutions have significant subprime lending programs, and those that do are subject to heightened OTS oversight and supervision.

In his oral remarks before the Committee, Polakoff stated, what "I want to highlight for you is where subprime lending activities are concentrated ... it is not in the thrift industry." He noted that, "OTS-regulated thrift industry holdings represented just 3.6 percent of the aggregate subprime market."

Polakoff stressed that the "subprime market raises numerous unique challenges, not the least of which is ensuring that subprime borrowers continue to have access to credit from regulated depository institutions and not be forced to turn to other less regulated or unregulated credit providers." He added that the OTS will continue to work closely with its institutions to ensure safe and sound underwriting standards that benefit both institutions and their customers.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).