

Press Releases

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OTS 08-026 - OTS Director Approves Basel Proposed Alternative Approach

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For further information
Contact: William Ruberry
(202) 906-6677

Washington, D.C. — The Director of the Office of Thrift Supervision approved today an interagency proposal for public comment that would offer savings institutions the option of adopting a less complex alternative for calculating risk-based capital requirements under the international Basel II capital accord.

The option of adopting this standardized framework would be available to all thrift institutions except the largest and most complex ones, which are required to follow the advanced approaches that were issued in a final rule on December 7, 2007.

Although the standardized approach is a less complex alternative to the advanced internal-ratings-based approach, institutions of varying asset complexity may make use of the standardized framework. Thus, the proposal addresses the needs of a broad range of institutions. The proposal makes clear that institutions may also choose to remain under the current general risk-based capital system.

The federal bank regulatory agencies are seeking comment on the proposed framework, including possible enhancements and alternatives to using external credit ratings, especially for structured finance exposures. Comments will be accepted for 90 days from the date of publication in the Federal Register.

A copy of the proposal is attached:

Preamble - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2008-26a.pdf>

Regulatory Text - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2008-26b.pdf>