Department of the Treasury
Office of Thrift Supervision

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The Office of Thrift Supervision (OTS) has changed its loans to one borrower rule, to parallel changes that the Office of the Comptroller of the Currency (OCC) adopted for national bank lending limit calculations. The change does not raise or lower the limits on making loans to a single borrower. Rather it allows savings and loans to figure those limits by using calculations they already make on their Thrift Financial Report to determine capital adequacy. Thrifts thus avoid having to complete a complex extra worksheet and will join national banks in finding it substantially easier to calculate lending limits.

The law requires savings and loans to have lending limits parallel to those for banks, and OCC's recent lending limit changes apply to savings associations by reference.

The OTS definition of "unimpaired capital and unimpaired surplus" has been updated to reflect changes by the OCC so that thrifts and banks will continue to have the same lending limits.

The new rule also eliminates some obsolete language and cleans up out-of-date cross references between OTS and OCC regulations.

The interim final rule will be effective on the date of publication in the *Federal Register*. OTS is providing a 30-day public comment period from that date.

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Attachment