

OFFICE OF THRIFT SUPERVISION

**OMB FY 2004
BUDGET/PERFORMANCE PLAN
SUBMISSION**

OFFICE OF THRIFT SUPERVISION

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STRATEGIC CONTEXT FOR THE FY 2004 BUDGET/PERFORMANCE PLAN

The Office of Thrift Supervision's (OTS) annual Performance Plan demonstrates the use of OTS resources to achieve its mission. OTS receives no appropriated funds from Congress. Income of the bureau is derived principally from assessments on thrifts, examination fees, and interest on investments in U.S. government obligations. Without compromising responsibilities and the risk-based examination approach, OTS strives to manage its operations and budget to ensure that assessment rate increases do not exceed the inflation rate. However, if we believe that events require more personnel or other expenditures, we would increase assessments to raise the required resources.

Mission

The mission of the Office of Thrift Supervision is to supervise savings associations and their holding companies in order to maintain their safety and soundness and compliance with consumer laws, and to encourage a competitive industry that meets America's financial services needs.

Established by Congress as a bureau of the Department of the Treasury on August 9, 1989, OTS charters, examines, supervises, and regulates federal savings associations insured by the Savings Association Insurance Fund (SAIF). OTS's primary statutory authority is the Home Owners' Loan Act (HOLA) originally enacted in 1933. OTS also examines, supervises, and regulates state-chartered savings associations belonging to the SAIF and provides for the registration, examination, and regulation of savings association affiliates and holding companies. The OTS sets capital standards for Federal and State savings associations and reviews applications of State-chartered thrifts for conversion to Federal charter.

As of September 2003, there were 936 thrifts with total assets of \$1.09 trillion. Thrifts operated in a safe and sound manner with 92 percent achieving an overall composite CAMELS rating of 1 or 2. The CAMELS rating reflects OTS's evaluation of an institution's capital, asset quality, management, earnings, liquidity, and sensitivity risks. The thrift industry has performed extremely well in recent years. Earnings for the nine-month period ending September 2003 totaled \$10.3 billion, an increase of \$1.4 billion over the same period last year. Profitability, as measured by return on average assets (ROA), reached 1.28 percent, up from 1.22 percent as of September 2002. Capital measures for the industry were strong and over 99 percent of the industry exceeded well-capitalized standards.

OTS also supervises approximately 950 savings and loan holding companies in 514 corporate structures. Over half of all thrifts and 90 percent of total thrift assets are owned by holding companies. The holding company structures control approximately \$6 trillion in consolidated assets and vary widely in their operations and structure. More than 100 structures are engaged in significant lines of business other than banking such as insurance, financial services, retailing, and manufacturing.

OTS Strategic Goals

- *A safe and sound thrift industry.*
- *A flexible legal and regulatory framework that enables the thrift industry to provide a full competitive array of financial services.*
- *Fair access to financial services and fair treatment of thrift customers.*
- *A professional and motivated workforce that provides exceptional service to its customers and supports achievement of OTS business goals.*

Key Strategic Issues

Director James E. Gilleran approved OTS's 2004 budget of \$177.9 M on September 16, 2003. The budget directly supports OTS's strategic and performance goals that provide for proactive supervision of the industry, reduced regulatory burden, and improved credit availability. The FY 2004 budget enables OTS to continue tailoring supervisory examinations to the risk profile of the institutions, while effectively allocating resources to oversee and assess the safety and soundness and consumer compliance record of thrift institutions.

Interim Adjustments to Strategic Plan and/or Budget Activities

OTS completed and issued its Strategic Plan for fiscal years 2003 – 2008 on August 28, 2003. OTS's program is to ensure a safe and sound thrift industry. Only one budget activity is listed in the President's program and financing schedule. No adjustments to the Strategic Plan are needed.

Key Strategy Impacts

Supervision: OTS is continuing to assess the effectiveness of its combined safety and soundness and compliance examination. Based on feedback received during 2003, the vast majority of the industry prefers the efficiency and effectiveness of a joint examination. OTS will continue to enhance the overall efficiency and effectiveness of its combined examinations and will streamline the examination procedures for small, noncomplex, well rated institutions.

Financial Crimes: To combat fraud, money laundering, and financial crimes and protect the integrity of financial systems, OTS examines thrifts for compliance with the requirements of the Bank Secrecy Act, the USA PATRIOT Act, and other anti-money laundering laws. Through examinations, OTS will continue to assess the financial condition and risk profile of thrift institutions and identify violations of law and regulation and potential financial and economic problems.

Fair Access: A strong and healthy thrift industry helps to support a strong domestic economy. OTS addresses unfair or deceptive practices of regulated associations and promotes fair access to financial services for all Americans and fair treatment of thrift customers. OTS will continue to work with financial institutions on ways they can assist underserved markets in their communities. Examinations help to prevent development or continuation of unsafe operating practices related to consumer protection and the Community Reinvestment Act (CRA).

Global Financial Services: OTS is actively working with both domestic and international supervisors to ensure that the thrift industry remains a healthy and robust component of the domestic and global financial services marketplace. First, the Basel Committee and U.S. bank and thrift regulators are attempting to improve upon our current system by making capital standards more risk sensitive. OTS is evaluating potential issues to ensure that the new framework results in safe and sound capital allocation and fair competition among all financial institutions. Second, OTS has engaged in active dialogue with the European financial supervisors. The European Union (EU) is seeking to ensure that financial conglomerates domiciled outside the EU member countries are subject to an equivalent level of supervision by foreign supervisors and to enhance coordination among relevant supervisors. OTS is the consolidated supervisor of U.S. based thrift holding companies, including a number of financial conglomerates active in the EU. OTS is seeking equivalency status under the European Union Financial Conglomerates Directive.

Regulatory Burden: The federal financial regulatory agencies began a three-year effort in 2003 to obtain suggestions from the industry and public on more streamlined and less burdensome ways to regulate. The interagency Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) project team encompasses a review of regulations for unnecessary burden.

RELATIONSHIP BETWEEN THE STRATEGIC PLAN AND THE ANNUAL PERFORMANCE PLAN

The table below displays the relationship between Treasury’s Strategic goals and objectives and OTS’s strategic goals.

Treasury Strategic Goal: Preserve the integrity of financial systems (F3)		
Treasury Strategic Objective	OTS Strategic Goal	Performance Goals Linked to Strategic Goal
Increase the reliability of the U.S. Financial System (F3C)	A safe and sound thrift industry.	Ensure that OTS-regulated thrift institutions operate in a safe and sound manner through effective supervision. Maintain a thrift industry that is sufficiently capitalized. Conduct examinations in an efficient and effective manner.
	Fair access to financial services and fair treatment of thrift customers.	Maintain a thrift industry that effectively complies with compliance laws and regulations. Educate industry representatives on community development issues to promote community reinvestments and increased access to financial services.
Treasury Strategic Goal: Promote prosperous U.S. and World economies (E1)		
Provide a flexible legal and regulatory framework. (E1B)	A flexible legal and regulatory framework that enables the thrift industry to provide a full competitive array of financial services.	Minimize financial regulatory burden on thrifts. Process applications in a timely manner.
Treasury Strategic Goal: Ensure professionalism, excellence, integrity and accountability in the management and conduct of the Department of the Treasury (M5)		
Manage Treasury resources effectively to accomplish the mission and provide quality customer service. (M5B)	A professional and motivated workforce that provides exceptional service to its customers and supports achievement of OTS business goals.	Meet levels of customer service. Meet examination objectives and achieve customer satisfaction with examination process. Strategically manage OTS workforce by aligning human capital strategies to OTS mission, guiding principles, goals, and objectives. Maintain accurate and timely financial information to support operating budget and policy decisions.

SUMMARY OF TOTAL PROGRAM OPERATING LEVEL BY TREASURY GOAL AND OBJECTIVE (Dollars in Thousands)			
Treasury Goal/Objective	FY 2003 Actual	FY 2004 Projected Budget	FY 2005 Proposed
Treasury Goal: Preserve the integrity of financial systems (F3) Budget Obligation Full-Time Equivalent (FTE) <u>Objective:</u> Increase the reliability of the U.S. Financial System (F3C) Budget Obligations Full-time Equivalents	\$133,683 794	\$154,773 795	\$158,642 795
Treasury Goal: Promote prosperous U.S. and World economies (E1) Budget Obligation Full-Time Equivalent (FTE) <u>Objective:</u> Provide a flexible legal and regulatory framework (E1B) Budget Obligations Full-time Equivalents	\$15,366 91	\$17,790 91	\$18,235 91
Treasury Goal: Ensure professionalism, excellence, integrity and accountability in the management and conduct of the Department of the Treasury (M5) Budget Obligation Full-Time Equivalent (FTE) <u>Objective:</u> Manage Treasury resources effectively to accomplish the mission and provide quality customer service (M5B) Budget Obligations Full-time Equivalents	\$4,610 27	\$5,337 27	\$5,470 27
Total Budget Obligation Total Full-Time Equivalent (FTE)	\$153,659 912	\$177,900 913	\$182,347 913

EXPLANATION OF FY 2004 and 2005 BUDGET INCREASES AND DECREASES

During FY 2004 and FY 2005, OTS staff is projected at 913 FTE, compared with the FY 2003 level of 912. The FY 2004 budget increase is due to normal salary increases combined with increases in retirement benefit contributions and health insurance premiums. A budget increase of 2.5 percent is projected for FY 2005.

EXPLANATION OF PERFORMANCE AND RESOURCES BY BUDGET ACTIVITY

Budget Activity: The supervision of thrift institutions

OTS's program and budget activity are focused on the supervision of thrift institutions. OTS's four strategic goals guide the annual budget preparation. Current year resources and projected needs for the upcoming year are evaluated. The budget is prepared after analyzing projected regulatory and statutory change, industry risks, operational costs, and economic challenges. The OTS program and goals support three of Treasury's strategic objectives, as referenced on page 4.

OTS is headquartered in Washington D.C. with four regional offices located in Jersey City, Atlanta, Dallas, and San Francisco. The headquarters office develops nationwide policies and programs for the agency and coordinates the operations of OTS. The regional offices examine and supervise institutions, and process most applications. Approximately 75 percent of OTS's staff of 900 employees work in regional offices.

The President, with Senate confirmation, appoints a Director of OTS for a 5-year term. OTS's Director also serves on the boards of the Federal Deposit Insurance Corporation (FDIC) and the Neighborhood Reinvestment Corporation.

OTS STRATEGIC GOAL 1: A safe and sound thrift industry.

Through the examination process, OTS assesses the financial condition and risk profile of thrift institutions and identifies and addresses unsafe and unsound practices and violations of law and regulation. Through the off-site monitoring process, OTS regularly monitors the financial performance of individual institutions and the industry enabling early identification of emerging trends or problems. OTS ensures that its staff is well trained to identify and address current and emerging risks and that examiner guidance is appropriate and current.

SUMMARY OF PROGRAM RESOURCES AND PERFORMANCE							
(Dollars in Thousands)							
Treasury Goal: Preserve the Integrity of Financial Systems (F3)							
SUPERVISION BUDGET ACTIVITY	CY 2000	FY 2001	FY 2002	FY 2003		FY 2004	FY 2005
	Performance	Performance	Performance	Target	Performance	Target	Proposed
Total Operating Level	\$133,000	\$138,000	\$133,800	\$130,913	127,537	\$147,657	\$151,348
Total FTE	NA	NA	NA	796	758	758	758
Treasury Objective: Increase the Reliability of the U.S. Financial System (F3C)							
Offsetting Collections	\$133,000	\$138,000	\$133,800	\$130,913	127,537	\$147,657	\$151,348
FTE	NA	NA	NA	796	757	758	758
Strategic Goal: A Safe and Sound Thrift Industry							
Performance Goal: Ensure that OTS-regulated Thrift Institutions Operate in a Safe and Sound Manner through Effective Supervision (F3C)							
1. Percent of thrifts with composite CAMELS ratings of 1 or 2 (Oe)	NA	NA	NA	90%	91.8%	90%	90%
2. Percent of thrifts issued formal or informal enforcement actions within 60 days after receiving an unsatisfactory safety and soundness or compliance examination rating, unless a waiver is appropriate (Ot)	100%	100%	100%	100%	100%	100%	100%

Treasury Goal: Preserve the Integrity of Financial Systems (F3)							
Performance Goal: Maintain a Thrift Industry that is Sufficiently Capitalized (F3C)							
1. Percent of thrifts that are well capitalized (Oe) (Well capitalized thrifts have capital higher than adequately capitalized thrifts.)	NA	NA	NA	95%	99.5%	95%	95%
2. Percent of thrifts adequately capitalized or operating under an approved Capital Plan or PCA Directive if capital-deficient, unless the thrift has been undercapitalized for less than 150 days, or has received prior approval by the Deputy Director for exceeding this timeframe (Ot)	100%	100%	100%	100%	100%	100%	100%
Performance Goal: Conduct Examination in an Efficient and Effective Manner. (F3C)							
1. Percent of safety and soundness exams started as scheduled. (Ot) (Reworded measure)	NA	NA	NA	95%	91.7%	90%	90%
2. Percent of safety and soundness reports of exam mailed to thrift institutions within targeted timeframes after completion of fieldwork (Ot)	NA	NA	NA	80%	90.8%	80%	80%
Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Customer Satisfaction Measure							
* Performance reported after close of fiscal year							

Evaluation of the FY 2004 Program Performance Compared to FY 2003

The FY 2004 performance targets reflect a strong thrift industry and have not changed since 2003. In April 2002, Director Gilleran announced an initiative to improve examination strategy by combining safety and soundness and compliance examination functions. Rather than maintaining separate teams for safety and soundness and compliance examinations, OTS now conducts joint examinations with one report of examination containing a comprehensive assessment of an institution’s risk profile. The melded examination provides a clearer representation of the institution’s operations, ensures attainment of regulatory objectives, and results in more frequent monitoring of compliance requirements.

In 2004, OTS no longer has a performance measure tracking the scheduling of separate compliance exams due to the joint exam. During 2003, the performance measure for the scheduling of safety and soundness examinations fell below the 95 percent target due to a greater emphasis on higher risk institutions and increased off-site monitoring, which assists case managers in adjusting examination

schedules when appropriate, based on institution specific risk factors. The majority of examinations that were started beyond the scheduled start date in 2003 were small, well managed thrifts. In order to provide sufficient flexibility for effective, risk-focused examination planning, OTS adjusted the 2004 performance measure to 90 percent. This measure was achieved during the first quarter of FY 2004.

Based on feedback received during 2003, the vast majority of the industry prefers the efficiency and effectiveness of a joint examination. OTS eliminated much of the redundancy of two separate exams. During FY 2004 and FY 2005, OTS will closely monitor and evaluate the effectiveness of the joint examination.

In addition to on-site examinations, OTS will continue in FY 2004 to perform off-site financial monitoring of each institution based on quarterly Thrift Financial Reports, the Uniform Thrift Performance Report, Holding Company and Securities and Exchange Commission (SEC) reports, and other information. OTS will continue to conduct on-going monitoring of capital levels and earnings performance of thrifts.

STRATEGIC GOAL 2: A flexible legal and regulatory framework that enables the thrift industry to provide a full competitive array of financial services.

OTS strives to reduce the regulatory burden on thrifts while maintaining effective supervision by improving the application process, limiting assessment rate increases, and reviewing statutes and regulations of other governmental entities that may impose regulatory burdens on thrifts. OTS has significantly reduced the amount of on-site examination time, redesigned regulations to make them easier to understand, and eliminated unnecessary restrictions.

OTS receives no appropriated funds from Congress. Income of the bureau is derived principally from assessments on thrifts, examination fees, and interest on investments in U.S. government obligations. Without compromising responsibilities and the risk-based examination approach, OTS strives to manage its operations and budget to ensure that assessment rate increases do not exceed the inflation rate. Annually, OTS analyzes its operating costs and compares them to the assessments it charges thrifts in order to achieve an assessment structure that keeps assessment rates as low as possible while providing OTS with the resources necessary for effective supervision.

SUMMARY OF PROGRAM RESOURCES AND PERFORMANCE							
(Dollars in Thousands)							
Treasury Goal: Promote Prosperous U.S. and World Economies (E1)							
SUPERVISION BUDGET ACTIVITY	Performance	FY 2001 Performance	FY 2002 Performance	FY 2003		FY 2004 Target	FY 2005 Proposed
				Target	Performance		
Total Operating Level	\$20,600	\$19,500	\$17,800	\$15,773	15,366	\$17,790	\$18,235
Total FTE	NA	NA	NA	96	91	91	91
Treasury Objective: Provide a Flexible Legal and Regulatory Framework (E1B)							
Offsetting Collections	\$20,600	\$19,500	\$17,800	\$15,773	15,366	\$17,790	\$18,235
FTE	NA	NA	NA	96	91	91	91
Strategic Goal: A Flexible Legal and Regulatory Framework that Enables the Thrift Industry to Provide a Full Competitive Array of Financial Services.							
1. Difference between the inflation rate and the OTS assessment rate increase. (Oe) (Reworded measure)	NA	NA	NA	0%	0%	0%	0%
Performance Goal: Process Applications in a Timely Manner (E1B)							
1. Percent of applications processed within timeframes (Ot)	NA	NA	NA	95%	98%	95%	95%
Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Customer Satisfaction Measure							
* Performance reported after close of fiscal year							

Evaluation of the FY 2004 Program Performance Compared to FY 2003

The OTS budgetary process strives to minimize financial burden on thrifts by ensuring that assessment rates do not increase more than the rate of inflation. To correctly portray the target as the difference between the two rates, the performance measure was reworded for the FY 2004 Plan but is essentially the same. Assessment rate increases have been lower or equal to the rate of inflation for the past two years and are projected to stay within the target for FY 2004.

To further reduce burden, the federal financial regulatory agencies began a three-year effort in 2003 to obtain suggestions from the industry and public on more streamlined and less burdensome ways to regulate. The interagency Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) project team reviews regulations for unnecessary burden. During 2004 and 2005, OTS will continue working with the Senate Banking Committee and House Financial Services Committee staff to promote OTS's regulatory burden reduction initiatives.

The processing of applications have stayed within the projected targets as procedures are streamlined and delegated. During 2004 and 2005, OTS will review the outstanding delegation of applications to the regional offices to determine whether additional applications may be delegated.

STRATEGIC GOAL 3: Fair access to financial services and fair treatment of thrift customers.

Examination, policy, and community affairs staff promote industry adoption of comprehensive compliance management programs and encourage associations to strategically develop the diverse opportunities presented by the communities they are chartered to serve.

SUMMARY OF PROGRAM RESOURCES AND PERFORMANCE							
(Dollars in Thousands)							
Treasury Goal: Preserve the Integrity of Financial Systems (F3)							
SUPERVISION BUDGET ACTIVITY	CY 2000	FY 2001	FY 2002	FY 2003		FY 2004	FY 2005
	Performance	Performance	Performance	Target	Performance	Target	Proposed
Total Operating Level	\$3,100	\$3,300	\$2,800	\$6,309	\$6,146	\$7,116	\$7,294
Total FTE	NA	NA	NA	38	36	37	37
Treasury Objective: Increase the Reliability of the U.S. Financial System (F3C)							
Offsetting Collections	\$3,100	\$3,300	\$2,800	\$6,309	\$6,146	\$7,116	\$7,294
FTE	NA	NA	NA	38	36	37	37
Strategic Goal: Fair Access to Financial Services and Fair Treatment of Thrift Customers.							
Performance Goal: Maintain a Thrift Industry that Effectively Complies with Compliance Laws and Regulations (F3C)							
1. Percent of thrifts with compliance examination ratings of 1 or 2. (Ot)	NA	NA	NA	90%	93.4%	90%	90%
Performance Goal: Educate Industry Representatives on Community Development Issues that Promote Community Reinvestments and Increased Access to Financial Services (F3C)							
1. Frequency of technical assistance or training events provided to industry executives annually regarding community reinvestment responsibilities and opportunities (Ot)	NA	NA	NA	12	70	36	36
Key: Oe – Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Customer Satisfaction Measure							
* Performance reported after close of fiscal year							

Evaluation of the FY 2004 Program Performance Compared to FY 2003

OTS significantly exceeded the 2003 target for the technical assistance measure and has increased the target for FY 2004. During 2003, OTS embarked on significant industry outreach efforts that resulted in a higher level of technical assistance than was originally anticipated.

OTS strives to maintain a thrift industry that effectively complies with consumer protection laws and regulations. Through the application process, OTS ensures that savings associations have management programs that are appropriate to the compliance risks associated with their business plans and are responsive to the credit needs of the community they are chartered to serve.

During 2004, through CRA evaluations, outreach, and other means, OTS will identify competitive initiatives and strategies and provide information about best practices, investment authority, and subsidy resources. OTS will also offer technical assistance or sponsor training opportunities that support responsive community reinvestment and the prudent use of an association's community development investment authority.

STRATEGIC GOAL 4: A professional and motivated workforce that provides exceptional service to its customers and supports achievement of OTS business goals.

OTS interacts with the savings associations it regulates through the application, examination, and supervision process and with the customers these associations serve. In compliance with Executive Order 12862, OTS developed customer service standards for the Examination process, Congressional Correspondence, Interpretive Opinions, Consumer Assistance, and Applications Processing.

OTS strives to maintain a workforce that is professional and well trained to regulate the thrift industry and to deal with the public in a professional, informed and responsive manner. OTS provides the public with statistical reports, securities filings of OTS registrants, chartering records, and other public information. OTS assists thrift customers with inquiries and complaints concerning thrift institutions.

In line with the President’s Management Agenda, OTS is committed to the effective, efficient, and economic management of its resources. OTS analyzes new enterprise initiatives for best value.

SUMMARY OF PROGRAM RESOURCES AND PERFORMANCE							
(Dollars in Thousands)							
Treasury Goal: Ensure professionalism, excellence, integrity and accountability in the management and conduct of the Department of the Treasury (M5)							
SUPERVISION BUDGET ACTIVITY	CY 2000	FY 2001	FY 2002	FY 2003		FY 2004	FY 2005
	Performance	Performance	Performance	Target	Performance	Target	Proposed
Total Operating Level	\$1,600	\$1,600	\$1,300	\$4,732	\$4,610	\$5,337	\$5,470
Total FTE	NA	NA	NA	29	27	27	27
Strategic Goal: A Professional and Motivated Workforce that Provides Exceptional Service to its Customers and Supports Achievement of OTS Business Goals.							
Treasury Objective: Manage Treasury Resources Effectively to accomplish the mission and provide quality customer services. (M5B)							
Offsetting Collections	\$1,600	\$1,600	\$1,300	\$4,732	\$4,610	\$5,337	\$5,470
FTE	NA	NA	NA	29	27	27	27

Performance Goal: Meet Levels of Customer Service (M5B)							
1. Percent of complaints involving OTS-regulated thrift institutions answered within 60 days (Ot)	NA	NA	NA	80%	72%	80%	80%
2. Percent of Congressional inquiries forwarding complaints involving OTS-regulated institutions answered within 30 business days (Ot)	NA	NA	NA	80%	80%	80%	80%
3. Percent of written External Interpretive Opinions processed within 60 or 90 days as specified in the External Interpretive Opinions Customer Service Plan (Ot)	NA	NA	NA	80%	100%	80%	80%
Performance Goal: Meet Examination Objectives and Achieve Customer Satisfaction with Examination Process (M5B)							
1. Percent of OTS-regulated thrifts provided a customer service feedback form (Ot)	NA	NA	NA	100%	100%	100%	100%
2. Percent of survey respondents that indicated the examiners took time at the start of the examination to gain an understanding of the thrift's business strategy and operating philosophy (Ot)	NA	NA	NA	80%	98%	80%	80%
3. Percent of survey respondents that indicated examiners maintained adequate communications with management during the examination (M)	NA	NA	NA	80%	98%	80%	80%
4. Percent of survey respondents that indicated the tone and content of the Report of Examination was consistent with the board or management exit meeting (M)	NA	NA	NA	80%	98%	80%	80%
5. Percent of survey respondents that indicated the examination was of value to their organization (M)	NA	NA	NA	80%	98%	80%	80%
6. Percent of survey respondents that indicated satisfaction with the accuracy, timeliness, and manner in which OTS offices interact with them (M)	NA	NA	NA	80%	100%	80%	80%
Performance Goal: Strategically manage the OTS workforce by aligning human capital strategies to the OTS mission, guiding principles, goals, and objectives. (M5B)							
1. Percent of regulatory staff receiving at least 30 hours of training designed to keep them current in regulatory issues and industry developments. (M)	69%	28%	65.5%	60%	65.5%	60%	60%

Performance Goal: Maintain accurate and timely financial information to support operating, budget, and policy decisions. (M5B)							
1. Percent of months during the fiscal year that OTS achieved an overall green rating on Treasury's Financial 3-Day Close Data Quality Scorecard. (M) (New Measure)	NA	NA	NA	NA	NA	80%	80%
Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, and M - Management/Customer Satisfaction Measure							
* Performance reported after close of fiscal year							

Evaluation of FY 2004 Program Performance Compared to FY 2003

During 2003, OTS met its management performance targets with the exception of the measure that addresses consumer complaints. Consumer complaints that come into Washington must be referred to OTS's regional offices since they are responsible for the day-to-day supervision of our institutions. OTS's automated system now directs every call immediately to the appropriate region. We expect that the targeted levels in the performance measure will be achieved in FY 2004.

OTS successfully conducted its first annual Thrift Satisfaction Survey and achieved high results. OTS will consider increasing its FY 2005 targets after the FY 2004 survey results are analyzed later this year. Institution feedback is used to evaluate the effectiveness of the examination and supervisory process.

OTS is committed to financial management excellence. OTS financial management systems provide timely, useful, auditable information that promote the incorporation of financial and performance measurement in the planning, budgeting, and reporting processes. OTS has received consecutive unqualified opinions on its financial statements since being formed in 1989. During 2003, program managers received online access to financial and budgetary information allowing them to monitor performance. During 2004 managers will use this online financial and budgetary information for operational evaluation and decision-making. Quarterly performance results will be provided to management.

OTS added a financial management performance measure for FY 2004 based on Treasury's monthly 3-Day Close ratings that evaluate accuracy and timeliness of financial data reported to Treasury. The Bureau of Public Debt's Administrative Resource Center services OTS financial operations and works closely with OTS staff to ensure the accuracy and integrity of OTS's financial data.

During 2004 and 2005, OTS will continue to cross-train its examiners to fully accredit them in both the safety and soundness and compliance disciplines. Many OTS examiners already hold dual accreditation, and cross-training and full accreditation in both disciplines cultivates a highly skilled workforce that can adapt as the industry evolves.

MAJOR MANAGEMENT CHALLENGES AND HIGH RISK AREAS
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GAO and OIG have not identified any high-level management challenges applicable to OTS.

PROGRAM ASSESSMENT RATING TOOL REPORT

At the end of FY 2002, the Office of Management and Budget reviewed OTS’s operation using the Program Assessment Rating Tool (PART). The OTS received an “effective” rating and one of the highest scores issued by OMB during this period.

PARTed Program and Recommendations	Actions
<p>Thrift Supervision (<i>Effective Rating</i>)</p> <ol style="list-style-type: none"> 1. Federal banking regulatory agencies, including the OTS, the OCC, the NCUA and the FDIC, work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry. 2. The OTS evaluates the efficiency and effectiveness of a single examination for both Safety and Soundness and Compliance functions. 3. The OTS takes steps to examine long-term systemic risks in the industry. 	<p>Based on OMB’s recommendations, OCC and OTS worked together throughout the strategic and performance planning efforts to ensure that their strategic goals were closely aligned. The banking regulatory agencies share their strategic and performance plans with each other and meet quarterly to discuss strategic and performance planning.</p> <p>Based on feedback received over the past year, the vast majority of the industry prefers the efficiency and effectiveness of a joint examination. OTS eliminated much of the redundancy of two separate exams. OTS will fulfill its statutory examination responsibilities with less FTEs than prior to this reorganization.</p> <p>During the 2003 strategic planning process, systemic risks were examined and addressed in the Plan.</p>

CROSS-CUTTING COORDINATION EFFORTS

Budget Activity 1: Thrift Supervision

OTS works closely with the four federal banking agencies: the Board of Governors of the Federal Reserve System (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA) to achieve consistency in policy and regulation and to address common issues. To enhance our supervisory effectiveness, OTS participates with the following groups:

1. The Federal Financial Institutions Examination Council (FFIEC), composed of members of each of the five federal banking regulatory agencies, prescribes uniform principles, standards, and report formats for the examination of insured depository institutions. The FFIEC identifies emerging issues in the financial institutions industry and coordinates supervisory activities with other regulators and through the Conference of State Bank Supervisors (CSBS). OTS's Director, James Gilleran, began a two-year term as Chairman of the FFIEC on April 1, 2003. OTS chairs the FFIEC's Task Force on Compliance.
2. The Basel Committee on Banking Supervision provides a forum for international cooperation on matters relating to supervision. The Committee is updating and revising the Basel Capital Accord to make the capital standards required of internationally active financial institutions more comprehensive and risk sensitive. OTS attends Basel Committee meetings to ensure that issues affecting the thrift industry are properly considered in our domestic regulatory processes. OTS is seeking membership on the Basel Committee similar to that granted for the other U.S. federal banking regulators.
3. The interagency Shared National Credit Program performs a uniform credit review of financial institution loans that exceed \$20 million and are shared by three or more financial institutions. The banking agencies are members.
4. The Financial and Banking Information Infrastructure Committee (FBIIC) strives to improve the reliability and security of the U.S. financial system and to protect against disruption of critical information systems. The Treasury Department chairs FBIIC and works with the Department of Homeland Security and the Office of Cyberspace Security to secure the financial industry's critical infrastructure. Members of the FBIIC include the five banking agencies as well as other federal and state agencies that have regulatory responsibilities for financial services.
5. The Government Performance and Results Act (GPRA) Interagency Working Group shares best practices and discusses issues related to the common goals and objectives of the federal financial regulatory agencies. Members of the group include the five banking regulators, the Office of Federal Housing Enterprise Oversight (OFHEO), and the Securities Exchange Commission.
6. OTS, along with the Treasury Department, the other federal banking regulators, and various law enforcement agencies and personnel, regularly and actively meet to discuss strategies and goals for implementing the Bank Secrecy Act (BSA) and its implementing regulations.

DETAIL OF FULL-TIME EQUIVALENT STAFF YEARS BY CATEGORY

Position Category	Actual FY 2003	Estimated		Increase/Decrease for FY 2005		
		FY 2004	FY 2005	Total Changes	Program Changes	Other Changes
Full-time permanent equivalent staff years.....	903	904	904	0	0	0
Part-time & temporary full-time equivalent staff years.....	9	9	9	0	0	0
Total full-time equivalent staff years.....	912	913	913	0	0	0

DETAIL OF FULL-TIME EQUIVALENT STAFF YEARS BY GRADE

Grade	FY 2003 Actual	FY 2004 Proposed Operating Level	FY 2005 Budget Estimate
Presidential Apointee.....	1	1	1
Subtotal.....	1	1	1
Other	911	912	912
Total full-time equivalent staff years	912	913	913

STANDARD CLASSIFICATION SCHEDULE				
Direct Obligations				
(Dollars in Thousands)				
Object Class	FY 2003 Actual	FY 2004 Proposed Operating Level	FY 2005 Budget Estimate	Increases/ Decreases for FY 2005
Object Classification				
Personnel compensation:				
Permanent positions.....	91,085	91,640	93,931	2,291
Positions other than permanent.....	-	1,289	1,321	32
Other personnel compensation.....	-	-	-	-
Special personal services payments.....	-	-	-	-
Total personnel compensation.....	91,085	92,929	95,252	2,323
Civilian personnel benefits.....	24,578	45,149	46,278	1,129
Benefits to former personnel.....	1,428	500	513	13
Travel and transportation of persons.....	14,684	11,029	11,305	276
Transportation of things.....	297	486	498	12
Rents, communications and utilities:				
Rental payments to GSA.....	-	-	-	-
Rental payments to others.....	5,117	6,959	7,133	174
Other rents, communications and utilities.....	4,053	3,866	3,963	97
Printing and Reproduction	111	116	119	3

Other services:				
Advisory & assistance services.....	1,800	2,036	2,087	51
Other services.....	1,678	3,146	3,225	79
Purchase of goods/services from Govt. accts.....	2,319	3,000	3,075	75
Operation & maintenance of facilities.....	4,138	4,387	4,497	110
Research & development contracts.....	-	-	-	-
Medical care.....	-	-	-	-
Operation & maintenance of equipment.....	-	-	-	-
Subsistence & support of persons.....	-	-	-	-
Supplies and materials.....	618	954	978	24
Equipment.....	1,715	1,856	1,902	46
Lands and structures.....	37	1,486	1,523	37
Insurance claims and indemnities.....	-	-	-	-
Confidential expenditures.....	-	-	-	-
Total obligations.....	153,659	177,900	182,348	4,448
Unobligated balance available, SOY.....				
Unobligated balance available, EOY.....				
Unobligated balance expiring.....				
Total enacted appropriations and budget estimate	153,659	177,900	182,348	4,448
NOTE: Include carry over balances of unexpired accounts.				

VERIFICATION AND VALIDATION OF DATA AND PERFORMANCE MEASUREMENT DEFINITIONS

Baseline for All Performance Measures: Targeted success rates are determined after analyzing mission priorities, budget constraints, past success rates, and external factors.

Performance Data Quality for All Performance Measures: Performance measure results are accurate and auditable. OTS's automated systems assist with the generation of many results. These systems are routinely validated.

How the Data is verified and validated to make certain it is accurate: A "contact person" is assigned to each OTS performance measure and is responsible for calculating, verifying, and validating the level of success reported. The contact person is responsible for keeping auditable records. Quarterly press releases report several performance measures contained in the Plan and these measures are verified and validated before each press release. The programs, operations, and functions supporting the OTS mission are evaluated and assessed annually to comply with the Federal Managers' Financial Integrity Act (FMFIA) standards. The Office of Supervisory Standards and Review, which reports to the Managing Director of Supervision, evaluates the effectiveness of OTS's examination process in identifying and addressing industry risks.

Yearly Financial Statement Audit: OTS has received consecutive unqualified opinions on its financial statements since 1989. Currently, no material weaknesses or instances of nonconformance are outstanding.

Data Accuracy: The success rates reported for OTS's measures are reasonably accurate and auditable. The methodology used to capture the level of performance for each performance measure is described below:

BUDGET ACTIVITY: THE SUPERVISION OF THRIFT INSTITUTIONS

- **Measure: Percent of thrifts with composite CAMELS ratings of 1 or 2.**

Definition: On December 9, 1996, the Federal Financial Institutions Examination Council (FFIEC) adopted the CAMELS rating system as the internal rating system to be used by the federal and state regulators for assessing the safety and soundness of financial institutions on a uniform basis. The CAMELS rating system puts increased emphasis on the quality of risk management practices. “CAMELS” stands for Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk. OTS assigns a composite CAMELS rating to thrift institutions at each examination and may adjust the composite rating between examinations if the institution’s overall condition has changed from the prior examination. New institutions are typically not assigned a composite CAMELS rating until the first examination.

How Data is Captured: Composite CAMELS ratings are stored in and retrieved from the online Examination Data System (EDS) system.

OTS calculates this measure by dividing the number of thrifts having a composite CAMELS rating of 1 or 2 by the total number of OTS-regulated thrifts that have been assigned a composite CAMELS rating.

- **Measure: Percent of thrifts issued formal or informal enforcement actions within 60 days after receiving an unsatisfactory safety and soundness or compliance examination rating, unless a waiver is appropriate.**

Definition: OTS employs its enforcement powers to advance the agency’s supervisory mission of maintaining a safe and sound thrift industry that complies with applicable laws and regulations. Most new enforcement cases focus on correcting unsafe and unsound practices or significant compliance issues in thrifts before they result in the institution becoming undercapitalized or the severity of the institution’s noncompliance creates significant legal or financial exposure.

How Data is Captured: To compute this measure, OTS uses a management report prepared monthly with information taken from the Regulatory Action Data (RAD) system, which tracks institutions that are rated 4 or 5 in safety and soundness or compliance and also tracks whether these 4 or 5 rated institutions have received an enforcement action or a waiver from enforcement action within 60 days of the examination report.

OTS calculates this measure by dividing the number of thrifts that **have** received a formal or informal enforcement action or had such action waived during the specified time period by the number of thrifts that **should** have received a formal or informal enforcement action or had such action waived, during the specified time period.

- **Measure: Percent of thrifts that are well capitalized.**

Definition: Capital absorbs losses, promotes public confidence, and provides protection to depositors and the FDIC insurance funds. It provides a financial cushion that can allow a thrift institution to continue operating during periods of loss or other adverse conditions. An objective of OTS's capital adequacy program is to determine the quality and sufficiency of capital. Thrifts that are classified as being well capitalized must have a total risk-based ratio of 10% or above; they must have a Tier 1 (Core) risk-based ratio of 6% or above; and a Tier 1 (Core) leverage ratio of 5% or above. They also must not be subject to a capital directive or capital-related cease and desist order.

How Data is Captured: Prompt Corrective Action (PCA) ratings are stored in the Examination Data System (EDS) and can also be found in the Thrift Overview Report.

OTS calculates this measure by dividing the number of institutions that are well capitalized by the total number of OTS-regulated institutions.

- **Measure: Percent of thrifts adequately capitalized or operating under an approved Capital Plan or PCA Directive if capital-deficient, unless the thrift has been undercapitalized for less than 150 days, or has received prior approval by the Deputy Director for exceeding this timeframe.**

Definition: OTS has adopted a measure that addresses both of the objectives of Prompt Corrective Action (PCA): 1) to recapitalize undercapitalized thrifts at the least cost to the deposit insurance fund; and 2) to do it "promptly." The statute requires that institutions submit capital restoration plans within 45 days of becoming undercapitalized, and for the agency to act on the capital plan generally not later than 60 days after submission. The OTS policy is to formally act on capital plans through the issuance of a PCA directive. The measurement adopted allows 150 days from the thrift becoming undercapitalized, to issue the PCA Directive. This time frame includes notification, capital plan submission, review, decision on the capital plan, and issuance of the PCA Directive. Alternatively, OTS can also comply with the measurement if the institution does not fail and is recapitalized, even if the 150 day time frame is exceeded.

How Data is Captured: PCA ratings are stored in the Examination Data System (EDS) and can also be found in the Thrift Overview Report.

OTS calculates this measure by adding a) the total number of institutions that are at least adequately capitalized, b) the institutions that are under a PCA directive or have been recapitalized to the adequately capitalized level and c) the institutions that are operating within an approved Capital Plan within 150 days of becoming undercapitalized, and then dividing that number by the total number of OTS-regulated institutions.

- **Measure: Percent of safety and soundness exams started as scheduled. (This measure was reworded to delete the calculation of compliance exams started as scheduled; OTS is melding the safety and soundness and compliance examinations.) [Reworded measure]**

Definition: OTS performs safety and soundness examinations of its regulated institutions consistent with the requirements in the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) as amended by the Riegle Community Development and Regulatory Improvement Act of 1994.

How Data is Captured: When an institution is examined, OTS staff enters into the Examination Data System (EDS) the examination type, examination beginning and completion dates, report of examination mail date, and CAMELS or equivalent ratings. Performance Tracking Reports are generated monthly and reviewed by OTS's Deputy Director and all four Regional Directors. Any examination or institution that falls outside of the specified guidelines for the examination time frame or duration is identified. When necessary, management determines why standards are not being met and will initiate steps to improve performance.

The percentage success rate for this measure is calculated by dividing the number of examinations that were started by the number of examinations that were scheduled to be started during the review period.

- **Measure: Percent of safety and soundness reports of exam mailed to thrifts within targeted timeframes after completion of fieldwork.**

Definition: During the post examination process, OTS finalizes and mails the report of examination (ROE) to the thrift. To ensure a timely post-examination process, it is our objective to mail the report of examination within 30 days after completion of fieldwork to institutions rated 1 or 2, and within 45 days for those rated 3, 4 or 5. OTS staff often meets with the thrifts board of directors after delivery of the ROE to discuss findings and recommendations. Delivery of the ROE indicates the completion of the post-exam period and will trigger follow-up, measurement and off-site monitoring processes.

How Data is Captured: Data is captured using the Examination Data System described above.

OTS calculates this measure by dividing the number of safety and soundness Reports of Examination that were mailed within the stated timeframes by the total number of safety and soundness Reports of Examination that were scheduled to be mailed.

- **Measure: Difference between the inflation rate and the OTS assessment rate increase. (The inflation index is defined as the increase in the Gross Domestic Product Implicit Price Deflator). This measure was reworded to more precisely define the calculation of the inflation rate. [Reworded Measure]**

Definition: OTS strives to increase assessment rates by no more than the rate of inflation.

How Data is Captured: OTS's current assessment rates are specified in OTS's Thrift Bulletins (the TB 48 series).

OTS calculates this measure whenever a new assessment bulletin is issued. The percent increase in assessment rates is calculated and compared with the inflation rate as specified in OTS's Thrift Bulletins. The assessment rate increase is targeted to be less than or equal to the inflation rate.

- **Measure: Percent of applications processed within timeframes.**

Definition: OTS regulations require thrift institutions to file an application before engaging in certain activities. Most applications are reviewed and acted upon at OTS's four regional offices. Certain complex transactions and those containing issues of policy or law are reviewed and acted upon in Washington. The mission of the applications program is to ensure that applications are processed within established timeframes and that decisions are consistent with current OTS regulations and policies.

OTS will process applications to a decision within 60 days from the date they are deemed complete, except for applications eligible for "expedited treatment." Applications eligible for expedited treatment will be processed to a decision within 30 days from the date they are deemed complete. Decisions may be delayed beyond these timeframes if new potentially adverse information is received or the decision involves a question of law or policy.

How Data is Captured: The National Applications Tracking System (NATS) tracks the number of days required to process each application to completion.

OTS calculates this measure by dividing the number of applications that were processed within the established timeframes by the total number of applications that should have been processed. Applications that contain an issue of law or policy (a rare occurrence) will not be included in the calculation.

- **Measure: Percent of thrifts with compliance examination ratings of 1 or 2.**

Definition: A uniform, interagency compliance rating system was first approved by the Federal Financial Institutions Examination Council (FFIEC) in 1980. The FFIEC rating system was designed to reflect, in a comprehensive and uniform fashion, the nature and extent of an association's compliance with civil rights and consumer protection statutes and regulations. The OTS's implementation expands that coverage to encompass compliance with a number of other public interest regulations. Among these are the Bank Secrecy Act, Bank Protection Act, economic sanctions, and advertising. The Compliance Rating System is based upon a scale of 1 through 5 in increasing order of supervisory concern. A rating of 1 indicates excellence, while a rating of 5 represents the lowest, most critically deficient level of performance and the highest level of supervisory concern.

How Data is Captured: Compliance examination ratings are stored in the EDS system.

OTS calculates this measure by dividing the number of OTS-regulated thrifts that received a compliance examination rating of 1 or 2 on their most recent examination by the total number of OTS-regulated thrifts that have been assigned a compliance examination rating.

- **Measure: Frequency of technical assistance or training events provided to industry executives annually regarding community reinvestment responsibilities and opportunities.**

Definition: Part of OTS's long term strategic goal is to support the industry's efforts to meet its CRA obligations and expand the full range of housing, other credit and financial services to all segments of their communities. Thus, OTS will offer technical assistance to minority owned institutions and each institution that receives a "Needs to Improve" or lower CRA rating. OTS will also actively work with those institutions that want our assistance. In addition, OTS Community Affairs and Compliance Policy staff will provide industry training on community reinvestment responsibilities and opportunities.

How Data is Captured: OTS staff manually tracks the number of technical assistance occurrences or training events that OTS provides to industry executives annually regarding community reinvestment responsibilities and opportunities.

OTS calculates this measure by counting the number of technical assistance or training events.

- **Measure: Percent of complaints involving OTS-regulated thrift institutions answered within 60 days.**

Definition: OTS consumer affairs staff in the four regional offices handles most complaints. All complaints are reviewed to ensure compliance with federal consumer protection laws and regulations and to identify any institution conduct that warrants further supervisory scrutiny. Complaints alleging discrimination in housing finance that are covered by the Fair Housing Act are also shared with the U. S. Department of Housing and Urban Development (HUD).

How Data is Captured: The Consumer Complaints System tracks the receipt and processing times for complaints.

OTS calculates this measure by using the processing time for each complaint as calculated by the Consumer Complaint System and determining the percentage of complaints that are answered within the time period established by the performance standard.

- **Measure: Percent of Congressional inquiries forwarding complaints involving OTS-regulated institutions answered within 30 business days.**

Definition: Constituent services, Congressional committee and document requests have different customer-imposed deadlines. OTS staff strives to meet those deadlines. The OTS is committed to providing timely responses to Congressional correspondence.

How Data is Captured: Congressional inquiries are tracked using the Congressional Affairs Tracking System.

OTS calculates this measure by dividing the number of Congressional inquiries involving OTS-regulated institutions that were answered within 30 business days by the total number of Congressional inquiries involving OTS-regulated institutions.

- **Measure: Percent of written External Interpretive Opinions processed within 60 or 90 days as specified in the External Interpretive Opinions Customer Service Plan.**

Definition: Providing interpretive guidance to thrifts is an important OTS function. OTS receives written requests for interpretation of its regulations and laws.

How Data is Captured: The Office of Chief Counsel opinions are tracked using an Access data base tracking system.

OTS calculates this measure by dividing the number of External Interpretive Opinions processed within the appropriate timeframe by the total number of requests for External Interpretive Opinions due within that timeframe.

- **Measure: Percent of OTS-regulated thrifts provided a customer service feedback form.**

Definition: Thrift institutions are the OTS's main customer. Thus, one of OTS's goals is to provide the thrifts with the best possible service.

How the Data is Captured: OTS distributes the Annual Thrift Satisfaction Survey to every OTS-regulated thrift that is in our institution database as of the form distribution date.

OTS calculates this measure by dividing the number of OTS-regulated thrifts that are provided with the Annual Thrift Satisfaction Survey by the total number of OTS-regulated thrifts.

- **Measure: Percent of survey respondents that indicated the examiners took time at the start of the examination to gain an understanding of the thrift's business strategy and operating philosophy.**

Definition: Examiners understand the importance of taking the necessary time at the beginning of the examination process to gain an understanding of the thrifts' business strategy and operating philosophy.

How Data is Captured: Data is captured by recording all thrift responses to item number 4a of the Annual Thrift Satisfaction Survey.

OTS calculates this measure by dividing the number of survey respondents that indicated examiners took time at the start of the examination to gain an understanding of the thrift's business strategy and operating philosophy by the total number of respondents.

- **Measure: Percent of survey respondents that indicated examiners maintained adequate communications with management during the examination.**

Definition: Thrift executives have sometimes conveyed uncertainty with the regulatory process. OTS endeavors to remove all mystery or obstacles surrounding examinations, as examinations are our primary supervisory and communication tool. OTS is committed to maintaining communication channels before, during and after the examination.

How Data is Captured: Data is captured by recording all thrift responses to item number 4b of the Annual Thrift Satisfaction Survey.

OTS calculates this measure by dividing the number of survey respondents that indicated examiners maintained adequate communications with management during the examination by the total number of respondents.

- **Measure: Percent of survey respondents that indicated the tone and content of the Report of Examination was consistent with the board or management exit meeting.**

Definition: At the conclusion of an examination, OTS examiners conduct an exit meeting to summarize key findings, make recommendations and receive and consider management's responses. This measure ensures that the information and tone of the exit meeting is consistent with the information and tone of the Report of Examination.

How Data is Captured: Data is captured by recording all thrift responses to item number 4c of the Annual Thrift Satisfaction Survey.

OTS calculates this measure by dividing the number of survey respondents that indicated the tone and content of the Report of Examination was consistent with the board or management exit meeting by the total number of respondents.

- **Measure: Percent of survey respondents that indicated the examination was of value to their organization.**

Definition: Our regulatory responsibility is an ongoing effort to maintain a safe and sound industry. A key aspect of this effort is to provide thrift executives prompt responses to inquiries to any concerns. A priority of our regulatory process is effective communication before, during and after the examination. We make every reasonable effort to conduct examinations in the least disruptive and most efficient fashion. Frequent interaction with thrift executives is critical to the continuous change and improvement necessary for us to provide value-added services.

How Data is Captured: Data is captured by recording all thrift responses to item number 4d of the Annual Thrift Satisfaction Survey.

OTS calculates this measure by dividing the number of survey respondents that indicated the examination was of value to their organization by the total number of respondents.

- **Measure: Percent of survey respondents that indicated satisfaction with the accuracy, timeliness, and manner in which OTS offices interact with them.**

Definition: Providing accurate and timely information to thrifts is one of OTS's important functions.

How Data is Captured: The data is captured by recording all thrift responses to item number 5 of the Annual Thrift Satisfaction Survey.

OTS calculates this measure by dividing the number of survey respondents that indicated they were satisfied with the accuracy, timeliness and manner in which OTS offices interacted with them by the total number of respondents.

- **Measure: Percent of regulatory staff receiving at least 30 hours of training designed to keep them current in regulatory issues and industry developments.**

Definition: Another aspect of OTS's regulatory oversight is its focus on dynamic, needs-based employee training. OTS's Professional Development Program enables examiners to assess their training and development needs, which in turn, identifies needed areas of training. Regional supervisors assess upcoming and emerging issues at institutions in the region, the strength of regional examiners in the skills required to address these needs, and the training which would address areas of need. The Professional Development Program, specialty examiner tracks, accreditation programs, and management development programs, keep employee skills at top levels.

How Data is Captured: A training management data base allows OTS Professional Development staff to track the hours of training received by each OTS staff member.

OTS calculates this measure by dividing the number of regulatory staff who received at least 30 hours of training by the total number of regulatory staff. OTS retrieves the raw data from the training data base of the Office of Professional Development (OPD).

- **Measure: Percent of months during the fiscal year that OTS achieved an overall green rating on Treasury's Financial 3-Day Close Data Quality Scorecard. (New Measure)**

Definition: OTS strives to provide accurate and timely financial data to Treasury within three business days after the end of each month. The data is also disseminated to OTS management and budget staff through an online system.

How Data is Captured: Treasury provides each bureau with a monthly Data Quality Scorecard containing an overall rating. Over fifteen data quality checks are performed and evaluated each month.

OTS calculates this measure by dividing the number of months that OTS received an overall green rating by the total number of months that Treasury provided a rating during the fiscal year.