

## Press Releases

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July 2, 1999

OTS 99-44 - OTS Grants Thrift Charter to Group Setting Up G&L Bank

**Office of Thrift Supervision**

### News Release

FOR RELEASE at 9:30 A.M. EDT

For further information

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## OTS Grants Thrift Charter To Group Setting Up G & L Bank

WASHINGTON, D.C., July 2, 1999 - G & L Holding Group, Inc. has been approved by the Office of Thrift Supervision (OTS) to establish a new federal thrift institution, G & L Bank, Pensacola, Fla., that will operate nationwide on the Internet and out of its home office to serve the gay, lesbian and gay-friendly community, as well as the general banking community.

G & L Holding Group, which becomes a unitary thrift holding company, conducted a survey on its web site and discerned a need for the bank based on the views of more than 12,000 responses reported received out of a total of 41,000 "visits" to its web site.

OTS attached several conditions to its approval. One requires G & L Bank, before starting its Internet operations, to hire independent computer security specialists to test the security controls in place for the Internet operations to make certain they deny unauthorized access to the bank's systems and data. The same procedures will apply before the thrift can implement any subsequent Internet delivery providers. G & L Bank also is to conduct an audit of the Internet platform providers and submit to OTS a statement of findings (an SAS 70).

The bank must maintain minimum core and risk-based capital levels of at least 8 percent and 12 percent, respectively, during its initial three-year business plan, putting the institution within the "well capitalized" category. Any major deviation or changes to the plan, especially to the capital levels and Internet operations, must be cleared with OTS. If the holding company decides during the three-year period to engage in any activities other than owning the savings bank, it needs OTS approval to do so.

The thrift's loan policies, procedures, underwriting standards, credit products and comprehensive compliance management programs all require OTS review, and the holding company and thrift have to meet their respective obligations under the Fair Housing Act and regulations. The thrift also has to appoint three additional directors with previous banking or related experience with credentials satisfactory to OTS.

G& L Holding Group Approval Order

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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' 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 <http://www.ots.treas.gov>.