

Press Releases

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OTS 00-81 - Georgia Credit Union Approved to Convert to Federal Thrift

Office of Thrift Supervision

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For further information

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Georgia Credit Union Approved to Convert to Federal Thrift

WASHINGTON, D.C., Sept. 26, 2000 - A Waycross, Ga., credit union has received approval from the Office of Thrift Supervision (OTS) to convert to a federal thrift charter.

Atlantic Coast Federal Credit Union plans to use the thrift charter to facilitate further expansion of its mortgage lending business. Founded in 1939, Atlantic Coast currently serves 42,000 customers who are employees of CSX Transportation, Inc. and others who live and work in the Jacksonville, Fla., metropolitan area and the Savannah and Coastal Georgia regions. Florida became part of Atlantic Coast's operational territory through previous mergers with local occupational credit unions. Atlantic Coast currently has approximately \$317 million in assets.

Currently, Atlantic Coast, which will retain that name after converting, has a concentration in consumer lending, but has gradually expanded into mortgage loans to take advantage, in particular, of homeownership growth in Greater Jacksonville. As a result, it has been reducing consumer lending, although it still exceeds the limit of 35 percent of assets for a federal thrift. In approving the conversion, OTS requires Atlantic Coast to meet the limitation within two years.

The institution also is engaged in the insurance business through a subsidiary, First Community Financial Services, Inc., that sells a full range of insurance products, including but not limited to term life, hospitalization, automobile and homeowners. The subsidiary has minority interests in other insurance operations. OTS said all of these operations are permissible for service corporations.

The new thrift will operate a transactional web site. As a result of the expanded customer base, it must submit for OTS's review the methods to be used for providing PINs and passwords to Internet customers and the means of authenticating new customers. In addition, the thrift must satisfy OTS that it is exercising appropriate oversight and controls regarding its participation with several credit unions in a shared service facility in Savannah.

Approval Order - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-81a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's 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 www.ots.treas.gov.