

Press Releases

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OTS 04-26 - OTS to Modify CRA Small Institution Benchmark

Office of Thrift Supervision

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For further information

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OTS to Modify CRA Small Institution Benchmark

WASHINGTON - The Office of Thrift Supervision (OTS) announced today its intent to issue a final rule modifying the existing "small institution" test for thrifts under the Community Reinvestment Act (CRA). The amendment will increase the "small institution" threshold for savings associations from \$250 million to \$1 billion. In addition, OTS will eliminate the requirement that small thrifts in a holding company with consolidated banking and thrift assets of \$1 billion or more are not eligible for "small institution" treatment under the CRA.

OTS indicated that it is amending the definition of "small savings association" under its regulations consistent with the agency's ongoing efforts to identify and reduce regulatory burden, particularly for smaller institutions, where appropriate and feasible. OTS stated that its intent is to reduce the existing CRA examination and reporting burden on the affected savings associations in order for these institutions to be able to dedicate scarce resources in areas requiring greater attention, chief among these being implementation of anti-money laundering (AML) programs and Bank Secrecy Act (BSA) compliance initiatives.

OTS noted that the rule will permit the additional "small savings associations" to be subject to streamlined CRA examinations as well as reduced data collection and reporting burdens under the CRA. The agency added, however, that the final rule will not in any manner relieve small savings associations of all other existing and ongoing compliance requirements and legal obligations under the CRA.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, 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 and other documents, visit the OTS web page at www.ots.treas.gov