

Press Releases

May 9, 2006

OTS 06-022 - Agencies Request Comment on Revised Statement Concerning Elevated Risk Complex Structured Finance Activities

Office of Thrift Supervision

FOR RELEASE at 3:30 P.M. EDT

For further information

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OTS 06-022

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Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Securities and Exchange Commission
Office of the Comptroller of the Currency
Office of Thrift Supervision**

Agencies Request Comment on Revised Statement Concerning Elevated Risk Complex Structured Finance Activities

Five federal agencies today requested public comment on a revised proposed statement on the complex structured finance activities of financial institutions. The revised statement describes the types of internal controls and risk management procedures that should help financial institutions identify, manage and address the heightened legal and reputational risks that may arise from certain complex structured finance transactions.

The agencies have modified the revised statement in several important respects in light of the comments received on the original proposed statement, which was issued for comment on May 19, 2004. For example, the agencies have reorganized, streamlined and modified the statement to make the document more principles-based and focused on those complex structured finance transactions that may pose heightened levels of legal or reputational risk to a financial institution.

The proposed statement was issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision and the Securities and Exchange Commission. The revised statement would represent supervisory guidance for institutions supervised by the four banking agencies and a policy statement for institutions supervised by the Securities and Exchange Commission. Comments on the revised statement are requested within thirty days of publication in the Federal Register, expected shortly. The revised proposed statement is attached.

Attachment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2006-22a.pdf>

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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. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.