

## Press Releases

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April 17, 2007

### OTS 07-026 - OTS Applauds High Court Decision Upholding Nationwide Lending Standards

#### Office of Thrift Supervision

FOR RELEASE at 2:00 P.M. EDT

For further information

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### OTS Applauds High Court Decision Upholding Nationwide Lending Standards

**Washington, D.C.** -- The Office of Thrift Supervision (OTS) applauded the decision of the U.S. Supreme Court today upholding nationwide lending standards for national bank operating subsidiaries. The agency noted that the ability of a U.S. chartered depository institution to operate on a nationwide basis directly and through its operating subsidiaries under a uniform scheme of federal regulation is an important aspect of a nationwide charter.

In the case, *Watters v. Wachovia Bank*, the Court ruled 5-3 today that mortgage lending companies that are national bank operating subsidiaries are subject to one uniform set of federal regulations, rather than individual state laws.

Director John Reich noted that, "implicit in the Court's decision is recognition of an important public policy served by a nationwide lending standard for U.S. chartered depository institutions and their subsidiaries that are already subject to federal law." He added, "today's decision is consistent with the Court's decision in 1982, in *Fidelity Federal Savings and Loan Assn. v. De la Cuesta*, in which the Court then recognized the ability of federal thrifts to operate under nationwide standards administered exclusively by the OTS."

Today's decision is the latest in a string of federal court decisions upholding the ability of U.S. chartered depository institutions and their operating subsidiaries to operate under nationwide lending standards.

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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](http://www.ots.treas.gov).