



NEWS RELEASE

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PR-199-89 (10-13-89)

CHAIRMAN SEIDMAN ANNOUNCES COOPERATIVE AGREEMENT WITH OFFICE OF THRIFT SUPERVISION

Chairman L. William Seidman, speaking today before the New England League of Savings Institutions, disclosed a joint agreement between the FDIC and the Office of Thrift Supervision (OTS) to coordinate and cooperate on regulatory matters. The agreement, aimed at avoiding duplicate efforts by the two regulators, calls for the exchange of information, data bases, examination reports and other supervisory tools.

Chairman Seidman said the agreement "is a solid example to illustrate naysayers are wrong when they claim that different government agencies can never agree on anything or work together." The agreement, he said, "recognizes the OTS is the primary federal supervisor of both federal and state thrifts. At the same time, it provides the FDIC with the flexibility necessary to address our mandated backup supervisory role."

Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), OTS is the primary regulator of federal thrift institutions, while the FDIC has certain back-up supervisory responsibilities over insured thrift institutions in addition to managing the savings association and bank insurance funds.

Under the agreement's guidelines, the two agencies will:

- o Exchange databases;
- o Provide copies of reports of examination and relevant documents to the other agency;

(more)

- o Notify each other of the receipt of applications in which both agencies have an interest;
- o Cooperate in administrative hearings procedures by providing documents and personnel as necessary; and
- o Exchange information about enforcement actions, proposed changes in control and examination schedules involving thrift institutions.

The agreement, signed by officials of both regulatory agencies, stated that efficiency is paramount to carrying out the agencies' respective responsibilities under the law. "Accordingly," the agreement continued, "every effort will be made to exchange information, coordinate supervisory activity and resolve differences at the regional/district level, reserving policy and matters of national importance to the Washington level."

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