

Press Releases

April 11, 1997

OTS 97-25 - Former President of New Mexico Thrift Consents to Prohibition
Restitution

Office of Thrift Supervision

NEWS

FOR RELEASE at 3:30 p.m. EDT
Friday, April 11, 1997
OTS 97-25

For further information
Contact: Thomas P. Mason
202/906-6688

FORMER PRESIDENT OF NEW MEXICO THRIFT CONSENTS TO PROHIBITION, RESTITUTION

WASHINGTON, D.C., April 11, 1997 -- The former president of a New Mexico thrift institution has consented to an order of the Office of Thrift Supervision (OTS) banning him from the banking industry, and requiring him to pay restitution and a civil money penalty.

James F. Gibson, former president, chief executive officer and a director of First Savings Bank, F.S.B., Clovis, N.M., was accused by OTS of repeated actions involving large commercial loans that demonstrated willing and continued disregard of the risks to the safety and soundness of the institution. Gibson is the third officer of the thrift to be prohibited, and the seventh director to consent to payment of a civil money penalty.

As an example of the violations he committed, OTS cited his involvement in the funding of a commercial loan secured by a property in Portland, Or., known as the Postal Building. OTS said Gibson had the loan funded in 1986 without having first obtained an appraisal of the property as required by the board of directors.

Moreover, Gibson knew that an outstanding loan from Williamette Savings and Loan Assn., Portland, secured by the Postal Building, was in default and foreclosure proceedings had begun, OTS said. Even then, Gibson instructed another official of the thrift, without board authorization, to execute a modification to the loan that materially altered the terms and conditions of liability on default of the borrowers.

Gibson's restitution will be an amount established in conjunction with the settlement of a pending federal civil lawsuit between the institution and Gibson. The civil suit is also based upon the facts and circumstances surrounding Gibson's participation in the approval and funding of the Postal Building loan. Both parties have notified the court that they have reached a settlement, and the court has ordered that it be finalized no later than May 19, 1997. The civil money penalty assessed is \$5,000. Gibson consented to the orders without admitting or denying the OTS charges against him.

###

The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' 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 call PubliFax at 202/906-5660, or visit the OTS web page at <http://www.access.gpo.gov/ots/>.