

Press Releases

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OTS 97-54 - OTS Issues Standard Policy On Thrifts' Disaster Response

Office of Thrift Supervision

NEWS

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For further information

Contact: William Fulwider

202/906-6913

OTS ISSUES STANDARD POLICY ON THRIFTS' DISASTER RESPONSE

WASHINGTON, D.C., Aug. 8, 1997 - A thrift bulletin that sets forth standard policy on how thrifts may make special efforts to serve individuals and businesses in communities affected by natural disasters was issued today by the Office of Thrift Supervision (OTS).

The OTS Midwest Region based in Dallas made the first use of the new bulletin, issuing it to thrift institutions operating in the flooded areas of Colorado that have been declared a disaster.

In a summary of TB 71, the agency states that it "encourages savings associations to work with borrowers in communities adversely affected by disasters." Institutions may do that in a number of ways, such as temporarily waiving late payment charges and early savings withdrawal penalties and making loans to rebuild damaged property.

In turn, OTS examiners should not criticize institutions that make prudent efforts to assist in the recovery of any area.

Among other things, the agency may waive the qualified thrift lender (QTL) test to allow capital compliant institutions to help rebuild businesses.

OTS also may grant emergency exceptions to applicable appraisal standards, extend filing deadlines for the Thrift Financial Report, not criticize reasonable loan documentation deficiencies tied to the disaster, take an institution's disaster response into consideration with regard to CRA performance and accelerate approval of temporary facilities for thrifts destroyed or severely damaged in a disaster.

Generally, the disaster policy is implemented by an OTS regional director once the President has declared an area a disaster.

View [TB 71 as a PDF file](#).

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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.