

Transmittal



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Attached is a notice of proposed rulemaking jointly by the four federal banking regulatory agencies that would prescribe safety and soundness standards. Incorporating these safety and soundness standards in regulations is required by the Federal Deposit Insurance Corporation Improvement Act (FDICIA), which created section 39 of the Federal Deposit Insurance Act (12 U.S.C. 1831p-1).

In drafting the proposed safety and soundness regulations, the agencies took into account the more than 400 comment letters submitted after publication of an advance notice of proposed rulemaking on July 15, 1992. Commenters strongly recommended that the agencies adopt general rather than specific standards in order to avoid regulatory micromanagement of the banking and thrift industries.

The proposed standards are specific enough to identify emerging safety and soundness problems, and they require submission of a compliance plan before those problems become serious. However, the standards do not specify each operational and managerial procedure an institution must have in place. Where possible, the standards establish the ends that proper operations and management should achieve, while leaving the means to each institution.

The notice of proposed rulemaking was published in the November 18, 1993 edition of the *Federal Register*, Vol. 58, No. 221, pp. 60802-60823. Written comments must be received on or before January 3, 1994, and should be addressed to: Director, Information Services, Public Affairs Office, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552.

Jonathan L. Fiechter
Acting Director
Office of Thrift Supervision

Attachment