

## Press Releases

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July 6, 1999

OTS 99-45 - Plain Language Handbook Sections

**Office of Thrift Supervision**

### News Release

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For further information

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OTS 99-45

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## Plain Language Makes Examiner Handbooks Easier To Understand

WASHINGTON, D.C., July 6, 1999 - Plain language is the order of the day at the Office of Thrift Supervision (OTS), as the agency carries out the June 1998 directive of President Clinton to make government writing understandable.

Not only has the agency abandoned bureaucratise in writing new regulations, it is also using plain language in newly issued sections of the OTS Thrift Activities Handbook. Examiners use the handbooks as a guide and checklist when they examine savings associations. The new sections are clear and easy to understand.

"Using plain language in the handbook is the latest example of our determination to become more responsive and coherent in our communications with the financial institutions industry and the public," said OTS Director Ellen Seidman. She noted the agency did a comprehensive review of its regulations in 1995, and since then has been busy rewriting regulations in the plain language style. Some 65 percent of OTS regulations have been rewritten or eliminated since the review began.

Director Seidman made it clear that plain language is here to stay. "I expect us to keep plain-language principles in front of us as we issue and reissue OTS handbooks, bulletins, internal directives and reports of all kinds."

OTS has issued seven sections of the Thrift Activities Handbook in plain English since the beginning of the year, and plans to rewrite the entire handbook in plain language before the end of 1999, well before the deadline of Jan. 1, 2002, set by the Administration for all government agencies to implement the plain language approach. OTS' specialized handbooks, those dealing with applications, compliance and holding companies, will also use plain language. Among the new handbook sections, one management section went from 12 pages to eight, thanks to plain language.

Here's an example of the change in writing style:

**Old Version**

*Factors that regulators should consider, relative to management practices and procedures, are a demonstrated willingness and technical ability to serve the legitimate needs of the community; compliance with laws and regulations, including adequacy of systems established to ensure compliance; avoidance of conflicts of interest; and responsiveness to recommendations from auditors and supervisory authorities. (53 words)*

**New Version**

*You should consider whether management will serve the community, comply with laws and regulations, avoid conflicts of interest, and respond to auditors and supervisors. (24 words)*

The drive for plain language doesn't stop with the examiner handbooks. In the next few weeks, examiners will begin using a plain language letter to accompany the examination report to the thrift's board. Even the legal statement requiring that the report be kept confidential is now in plain English.

New OTS examiners also are getting a dose of plain language. A group of recently hired examiners received plain language training as part of their orientation.

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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. For copies of news releases or other documents call PubliFax at 202/906-5660, or visit the OTS web page at <http://www.ots.treas.gov>.