OTS Approves Full-Service Thrift Charter for Allstate Corp.

WASHINGTON -- The Office of Thrift Supervision announced today that it has approved an application from The Allstate Corporation for a full-service thrift charter for its subsidiary, Allstate Bank, Northbrook, Ill. Allstate, the nation's largest publicly-held personal-lines insurance carrier, originally opened the bank in 1998 as a "limited-purpose" thrift, offering cash management and trust services to Allstate customers.

The bank plans to use its new full-service charter to offer a wide array of savings and deposit products and services to consumers, using the Internet and a telephone call center as its primary delivery channels. The bank plans to use strategic alliances to offer certain loan products to customers, including first mortgages, home equity loans and overdraft lines of credit. It will also partner with third parties to offer private label auto loans and credit cards.

Allstate Bank also plans to market its products and services through referrals generated by Allstate insurance agents. Agents will not be involved with any deposit-taking, lending or other customer transactions, beyond marketing and referrals.

In approving the application, OTS said that the bank must appoint an experienced Community Reinvestment Act Officer to implement and manage its CRA plan at least 30 days before beginning operations. Within one year of starting lending operations in any new state, the bank must also conduct a review of the extent and effect of agents' participation in lending operations on the bank's CRA and fair lending performance in that state. This is a standard condition for institutions that market lending products through agents.

Allstate becomes the second institution to receive OTS approval to step up from a limited-purpose to a full-service charter, following the approval in April of an application from AAL Trust Company, FSB, in Appleton, Wis., to form AAL Bank & Trust, FSB. AAL is a subsidiary of Aid Association for Lutherans, a fraternal benefit organization that provides insurance products for its members.

The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's 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 visit the OTS web page at www.ots.treas.gov.