OTS Director Reich Testifies on Subprime and Predatory Lending

Washington, D.C. Office of Thrift Supervision (OTS) Director John M. Reich testified this morning before the House Subcommittee on Financial Institutions and Consumer Credit on current issues related to subprime and predatory lending.

In his testimony, Director Reich highlighted the fact that relatively few OTS-regulated thrift institutions have significant subprime lending programs, and those that do are subject to heightened OTS oversight and supervision. He also stressed the importance of continuing to promote responsible lending by OTS-regulated institutions.

Reich told the Subcommittee that, "OTS will continue to work to ensure safe and sound underwriting standards, and encourage institutions to work with borrowers experiencing problems due to personal circumstances outside of their control."

Reich concluded his remarks by noting that the OTS supports extending to all participants in the mortgage origination process the types of strong consumer protections currently applicable to insured depository institutions.


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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation’s thrift industry. OTS’s mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.