OTS Director Reich Addresses Florida Bankers

Washington, D.C. -- Office of Thrift Supervision (OTS) Director John Reich spoke at a "Regulator Town Hall Meeting" of the Florida Bankers Association today in Tampa, Florida.

In his prepared remarks, Director Reich addressed the important and continuing role of community banking in America. He stressed the significance of community ties in banking and pledged to work to reduce the unfair competition and regulatory burden that generate pressure for industry mergers and acquisitions.

Reich also discussed the unique characteristics of the thrift charter in retail community banking. He highlighted the viable business model that the thrift charter offers for community retail banking and noted that the OTS has been increasing staff to keep pace with the growth in thrift industry assets generated from retail banking operations.

On current issues involving subprime lending, Reich stressed the importance of weeding out predatory lending in the subprime mortgage market without cutting off credit to subprime borrowers. He also called for better oversight and supervision of mortgage brokers, mortgage bankers and lenders, who originate up to 80 percent of subprime loans. "Oversight of this segment of the mortgage pipeline is critical to the success of preserving and promoting sound subprime underwriting and lending activities," he said in prepared remarks.

Reich concluded his remarks with observations about the importance of maintaining and preserving affordable homeowner's insurance in Florida and other Gulf Coast states. He noted the outstanding work of the Florida Bankers Association on this issue and encouraged a continuing dialogue by all stakeholders to identify viable solutions. Reich also announced that the OTS will be sponsoring its second national housing forum this fall, which will include a discussion of insurance issues related to natural disasters.

A copy of Director Reich's prepared remarks is attached and is also available on the OTS website at www.ots.treas.gov.

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.