

Press Releases

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OTS 07-044 - OTS Director Reich Applauds FinCEN Initiative

Office of Thrift Supervision

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For further information

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Contact: Kevin Petrasic

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OTS Director Reich Applauds FinCEN Initiative

Washington, D.C. -- Office of Thrift Supervision (OTS) Director John Reich applauded an initiative by the Financial Crimes Enforcement Network (FinCEN), announced today by Treasury Secretary Henry M. Paulson, Jr., to adopt a more risk-based approach to examining community banks for anti-money laundering compliance.

Director Reich has frequently voiced concerns about the future of community banking and the pressures that smaller banks are experiencing from undue regulatory burden.

The initiative is aimed at reducing some of the burden imposed on smaller banks while maintaining their safety and soundness, and ensuring that strong policies and systems remain in place to combat money laundering in the financial services industry.

"I am confident that this initiative strikes the proper balance between regulatory burden relief, sound banking principles and regulatory compliance," Reich stated. "I commend the Secretary for taking the lead to address this important issue."

Under the initiative, the OTS and other federal regulators will work with FinCEN to enhance the risk-based examination process to detect money laundering at smaller financial institutions. The initiative will also clarify the definition of money-service businesses, which will assist all institutions in working with small businesses that pose little or no threat of money laundering.

More information about the initiative is available on the Treasury Department's website at www.treas.gov.

Bank Secrecy Act Effectiveness and Efficiency Fact Sheet - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-44a.pdf>

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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.
