

## Press Releases

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August 29, 2005

### OTS 05-28 - OTS Encourages Thrifts to Assist Customers in Areas Affected by Hurricane Katrina

#### Office of Thrift Supervision

FOR RELEASE at 8:00 A.M. EDT

For further information

Tuesday, August 29, 2005

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OTS 05-28

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### **OTS ENCOURAGES THRIFTS TO ASSIST CUSTOMERS IN AREAS AFFECTED BY HURRICANE KATRINA**

WASHINGTON - The Office of Thrift Supervision (OTS) today urged thrifts in areas affected by or in the path of Hurricane Katrina to exercise the utmost care and caution to protect the personal safety of their employees while assisting their customers in need. OTS asked thrifts to consider all reasonable steps available to prudently assist customers' cash and financial needs in connection with hurricane preparation, evacuation and recovery procedures.

"While the effects of natural disasters and other emergencies on individuals as well as businesses are usually temporary, the immediate impact on the lives of people affected by the disaster can be considerable," said OTS Director John Reich. "With this in mind, we will work with thrifts to identify ways to assist in the recovery efforts of their customers and communities."

In a memorandum sent to thrift CEOs Monday, OTS reminded thrifts of options available to them to assist customers in areas affected by Hurricane Katrina. OTS encouraged all thrifts operating or extending services in these areas to work with their customers and communities by:

- Considering temporarily waiving late payment charges and early withdrawal of savings penalties;
- Reassessing the current credit needs of their communities and offering prudent loans to help rebuild damaged property;
- Restructuring borrowers' debt obligations, where appropriate, by altering or adjusting payment terms;
- Soliciting state and federal guarantees and other means to help mitigate excessive credit risks; and
- Considering all available programs offered by the Federal Home Loan Banks.

In order to facilitate rebuilding efforts in the areas affected by the hurricane, while maintaining standards of safety and soundness, OTS will:

- Consider granting emergency exceptions to applicable appraisal standards;
- Take into account an institution's disaster relief efforts when evaluating the institution's CRA performance;
- Consider granting extensions of time for submission of regulatory filing requirements;
- Allow reasonable loan documentation deficiencies necessitated by thrift office relocation or personnel shortages during the period of recovery efforts;
- Consider temporarily waiving the Qualified Thrift Lender requirements for institutions meeting their capital requirements in order to help rebuild businesses; and
- Accelerate procedures to approve temporary facilities so that thrifts with destroyed or severely damaged facilities will be able to continue to serve their customers and communities.

OTS believes these measures will help borrowers affected by the hurricane to recover their financial strength and place them in a better position to meet their financial obligations. These efforts will help to revitalize affected communities and ensure the continued stability of thrift institutions involved in recovery efforts.

Thrifts requiring assistance in dealing with customers in areas affected by Hurricane Katrina should contact their regional OTS office. Additional information regarding OTS's disaster relief guidelines may be found in OTS Thrift Bulletin 71, *Serving Communities Affected by Natural Disasters*, available on the OTS web site at <http://www.ots.treas.gov/docs/8/84058.pdf>.

CEO Memo 224 - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2005-28a.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](http://www.ots.treas.gov).