Department of the Treasury
Office of Thrift Supervision

Transmittal

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Having completed an intensive page-by-page review of its regulations, the Office of Thrift Supervision (OTS) is proposing to eliminate 8 percent of all OTS sections in the Code of Federal Regulations (CFR) because they are outdated or duplicative.

OTS is also soliciting input on how to make OTS regulations more user-friendly. OTS is specifically seeking comment on several organizational proposals including whether to combine agency definitions into one CFR part, reorganize safety and soundness regulations that are currently located in diverse places, delete regulations that only repeat statutory authority or list implied powers, and recast policy statements as guidance or regulation.

OTS welcomes comments on how much reorganization of regulations makes sense, since at some point the cost of changing an existing and familiar structure could exceed the benefit of having a more logical organization. OTS also specifically seeks industry comment on the best methods for the agency to communicate different types of information, policies, restrictions, and guidance.

The attached notice of proposed rulemaking also announces a plan under which 60 percent of OTS sections in the CFR are targeted for reinvention, a process that will involve intensive discussions with industry representatives, OTS examiners, and senior agency officials. These discussions will explore creative alternatives to traditional regulatory approaches, and could lead to fundamental changes in OTS' regulations, with a view toward reducing regulatory burden.

Categories of regulations targeted for reinvention by OTS include lending, subsidiaries, charter and bylaws, insurance, pre-emption, and adjustable-rate mortgages.

OTS has undertaken this comprehensive review of its regulations at the Administration's request, as part of an initiative to reduce regulatory burden, and pursuant to Section 303(a) of the Community Development and Regulatory Improvement Act of 1994 (CDRI). The process of eliminating, modifying and reorganizing regulations will extend into 1996, as OTS solicits additional input, makes specific proposals and then takes final action.

The notice of proposed rulemaking was published in the August 28, 1995 edition of the *Federal Register*, Vol. 60, No. 166 pp. 44442–44449. Written comments must be received on or before October 27, 1995, and should be addressed to: Chief, Dissemination Branch, Records Management and Information Policy Division, Office of Thrift Supervision, 1700 G Street, NW, Washington, DC 20552.

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Attachment