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# RB 32-20



Handbook: Thrift Activities

Subject: Regulatory Profile

Section: 050

# RESCINDED

## Thrift Activities Regulatory Handbook Update

**Summary:** This bulletin provides an update to Thrift Activities Regulatory Handbook Section 050, Regulatory Profile. Please replace the existing handbook section with the enclosed revised section.

**For Further Information Contact:** Your Office of Thrift Supervision (OTS) Regional Office or the Supervision Policy Division of the OTS, Washington, DC. You may access this bulletin at our web site: [www.ots.treas.gov](http://www.ots.treas.gov). If you wish to purchase a handbook and a subscription to the updates, please contact the OTS Order Department at (301) 645-6264.

*Regulatory Bulletin 32-20*

### SUMMARY OF CHANGES

OTS is issuing an update to Thrift Activities Handbook Section 050, Regulatory Profile. In general, we rewrote and reorganized Section 050 in its entirety to reflect the new regulatory profile system. This handbook section is in plain language as part of OTS's continuing effort to convert all guidance to plain language.

—Scott M. Albinson

*Managing Director, Supervision*

**INTRODUCTION**

A Regulatory Profile is a concise written summary of the characteristics and condition of an OTS-regulated savings association. The Regulatory Profile includes the association's:

- Name, address, docket number, and other identifying information.
- Latest examination ratings and dates.
- Selected quarterly operating results.

Also, when necessary as explained below, the Regulatory Profile includes a brief narrative summary with four sections: Operating Profile, Identified Risks, Enforcement Actions, and Supervisory Strategy.

**POLICY**

The Regulatory Profile System designates all institutions as either low-profile or high-profile. Each designation has a different policy.

**Low-Profile Institutions**

Low-profile institutions generally meet all of the following criteria:

- Total assets less than \$1 billion.
- Composite CAMELS rating of 1 or 2.
- No significant risk factors.

The OTS system automatically generates Regulatory Profiles for every low-profile institution using data from OTS national systems, including the Thrift Financial Report (TFR) and the Examination Data System (EDS). Profiles for low-profile institutions only include the following information:

- Name, address, docket number, and other identifying data.
- Latest examination ratings and dates.
- Selected quarterly operating results.

Regulatory Profiles for low-profile institutions are completely automated and do not require any input or maintenance by OTS employees.

**High-Profile Institutions**

High-profile institutions generally include thrifts that meet any one of the following criteria:

- Total assets greater than \$1 billion.
- Composite CAMELS rating of 3, 4, or 5.
- Any institution designated by the supervising region as high-profile for any other reason, for example:
  - Institutions with a Management component or Compliance rating of 3, 4, or 5.
  - Institutions with a CRA rating of Needs to Improve or Substantial Noncompliance.
  - Institutions with unique or highly specialized operating strategies (such as Internet-only, credit-card only).
  - Institutions with significant high-risk activities (such as subprime lending).

Regulatory Profiles for high-profile institutions include the same system-generated identifying data, examination ratings, and operating results as low-profile institutions. However, Regulatory Profiles for high-profile institutions require periodic updates. The region maintains a brief narrative summary consisting of four sections:

1. **Operating Profile:** A brief description of the institution's financial condition and any unique operating strategies.
2. **Identified Risks:** A summary of any significant risks identified at the institution, including safety and soundness, compliance, or other risks. This section should clearly identify any material problems or concerns.

3. Enforcement Actions: A summary of all active, outstanding enforcement actions, including a brief description of the violation or problem, the resulting enforcement action, and the date of the action.
4. Supervisory Strategy: The supervisory strategy for addressing each of the noted problems or concerns. This section may list monitoring procedures, corrective actions, and specific items for on-site examination.

The region creates this four-section narrative summary whenever an institution meets any of the high-profile criteria listed above. Regional employees update the summary at least quarterly for all high-profile institutions. If an institution is high profile but there is no information to report in a particular section, regional employees should note this explicitly within the relevant section. For example, “No outstanding enforcement actions.”

The Regulatory Profile System update screen also includes a “Final Version” checkbox to indicate that narrative input is no longer in draft form but represents a final version of the text.

The policy governing Regulatory Profiles is somewhat flexible. The only systemwide requirement is that the regions create a brief narrative summary, and update it at least quarterly, for every high-profile institution they supervise.

#### **REFERENCE**

For detailed policies and procedures, see the Regulatory Profile System Users Guide on the OTS Intranet. This Guide is accessible to all employees by clicking on the Help option.