

Press Releases

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OTS 97-55 - OTS Statement on AlBank Redlining Settlement

Office of Thrift Supervision

NEWS

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OTS STATEMENT ON ALBANK REDLINING SETTLEMENT

WASHINGTON, D.C., Aug. 13, 1997 -- Nicolas Retsinas, director of the Office of Thrift Supervision (OTS), issued the following statement today concerning the settlement reached by the Justice Department with Albank, FSB, an OTS-regulated thrift. The settlement pertains to charges that Albank violated the Fair Housing and the Equal Credit Opportunity acts. OTS made a referral to the Justice Department on May 12, 1997, after OTS examiners discovered the alleged improprieties.

"Redlining has no place in American society. Today's action makes clear that the Office of Thrift Supervision is fully committed to identifying lending discrimination in the thrift industry and then to working closely with the Department of Justice to ensure that appropriate remedial measures are promptly implemented.

"It is my hope, and belief, that redlining is the exception in our industry and in the banking industry at large in our country. But we need to be vigilant to ensure that race and national origin do not play any role in mortgage lending decisions. The violations alleged in this case underscore our need as regulators to be ever mindful of the public interest in nondiscriminatory lending when supervising and examining individual institutions.

"The agreement and commitment by Albank that it will make substantial mortgage funds accessible to large numbers of homeowners in previously excluded areas at below market rates is a positive resolution of this case."

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift

institutions and to support their role as home mortgage lenders and providers of other community credit and financial services.