

Press Releases

May 3, 2007

OTS 07-031 - OTS Director Reich Addresses New Jersey Community Bankers

Office of Thrift Supervision

FOR RELEASE at 4:30 P.M. EDT

For further information

Thursday, May 3, 2007

Contact: Kevin Petrasic

OTS 07-31

202/906-6677

OTS Director Reich Addresses New Jersey Community Bankers

Washington, D.C. -- Office of Thrift Supervision (OTS) Director John Reich addressed the annual conference of the New Jersey League of Community Bankers today in Scottsdale, Arizona. In his prepared remarks, Reich highlighted concerns about the future of community banking, discussed the thrift charter, and spoke on current issues with subprime lending.

Addressing concerns about community banking, Reich noted the impact of industry consolidation on community banking and communities across America. "The future of community banking is at a crossroads," he cautioned. "Its future is by no means certain and I believe few outside this room and industry truly understand the cost to our communities from the loss of this important resource."

Millions of Americans rely every day on the personal service that their neighborhood banks provide. "You know them personally," he told the bankers. "You know firsthand their families, their problems, their challenges, their frustrations, their activities, and their organizations."

He pledged to work to relieve the pressures squeezing community banks, such as unfair competition from credit unions and undue regulatory burden, and he urged the bankers to plan for the continuity of local management after they retire.

Reich also talked about asset growth in the thrift industry in recent years, noting that the thrift charter continues to provide unique opportunities to established financial services firms and to new entrants that are working to grow market share in retail consumer banking.

On the issue of subprime lending, Reich encouraged institutions to continue to work with troubled borrowers to save people's homes. He stressed that attention should continue to be directed at predatory lending abuses, while preserving sound subprime lending and affordable housing opportunities. Reich noted that, "More rigorous oversight and enforcement of the mortgage origination process may be the best prescription for addressing predatory lending abuses and poor underwriting practices that have created problems in the subprime market."

A copy of Director Reich's prepared remarks is attached and is also available on the OTS website at www.ots.treas.gov.

Remarks of Director Reich - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-31a.pdf>

###

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.
