

Press Releases

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OTS 97-65 - OTS Plans Seminars for Thrifts on Small Business Lending

Office of Thrift Supervision

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OTS PLANS SEMINARS FOR THRIFTS ON SMALL BUSINESS LENDING

WASHINGTON, D.C., Sept. 18, 1997 -- The Office of Thrift Supervision (OTS) announced today it will conduct a series of seminars on small business lending to help thrift managers expand their understanding of this type of lending and the opportunities and risks involved.

The one-day seminars will be held in four OTS regions in October as follows: Midwest in Dallas, October 15; Southeast in Atlanta, October 17; West in San Francisco, October 24; and Northeast in Teaneck, N.J., October 30. A pilot seminar in Indianapolis in May attracted nearly 100 thrift representatives from OTS' Central Region.

"Small business lending offers thrift managers an opportunity to expand their business, which traditionally has focused on residential mortgages. Before they seize the opportunity, however, they must acquire a working knowledge of applicable rules and risk management," said OTS Director Nicolas Retsinas in announcing the program.

"The objective of these seminars is to boost managers' knowledge by exposing them to instructors with first-hand experience in small business lending," he said. "While we are very supportive of the opportunity thrifts now have to increase service to their communities through this type of lending, we have an obligation as regulators to make certain their efforts are prudent, as well as productive."

OTS has contracted with Robert Morris Associates to provide instructors and to help organize the seminar program. The agency also has enlisted the support of the Small Business Administration (SBA) which has extensive experience in instructing both lenders and banking examiners on small business lending.

Congress expanded the commercial lending authority of federally chartered thrift institutions in 1996. The new law allows thrifts to increase commercial lending to 20 percent of assets from 10 percent, provided at least half of the 20 percent is in small business loans.

Since December 1993, the commercial business loan segment that includes small business loans has had the fastest growth rate among the major assets held by OTS-regulated thrifts. Over the past three years, the segment has grown at an average annualized rate of about 20 percent.

Although the segment comprises only 1.3 percent of total assets of OTS-regulated thrifts, given the apparent interest level in this lending category, OTS decided the seminars could provide thrift managers worthwhile "how-to" and "how-not-to" insight, Retsinas said.

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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.