

Department of the Treasury  
Office of Thrift Supervision  
**Transmittal**

**RESCINDED**



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Attached is a notice of proposed rulemaking that would remove the "special mention" designation from OTS regulations. Instead, OTS separately would issue guidance on when thrift institutions should designate an asset as special mention.

The special mention designation is intended to identify assets not yet warranting an adverse classification but that nonetheless possess credit deficiencies or potential weaknesses deserving close attention.

The change would bring OTS' policy on special mention assets into conformity with guidance issued by other federal banking regulatory agencies, and would facilitate faster OTS adoption of future changes to keep pace with changes made by the other agencies. It would also carry out the March 10, 1993, Interagency Policy Statement on Credit Availability,

which indicated that special mention assets are not to be grouped with adversely classified assets.

Under OTS' current regulation (12 CFR 563.160), the special mention designation is included in the section dealing with adversely classified assets, those categorized as substandard, doubtful or loss. While those three categories would remain unchanged under this proposal, OTS is seeking comment on whether it should also consider removing these designations from regulations and dealing with them under more informal OTS guidance.

The proposal is published in the *Federal Register*, Vol. 58, No. 137, pp. 38730-38731. Comments on the proposed rule must be received on or before August 19, 1993, addressed to: Director, Information Services, Public Affairs Office, Office of Thrift Supervision, 1700 G Street NW., Washington, DC 20552.

A handwritten signature in cursive script that reads "Jonathan L. Fiechter".

Jonathan L. Fiechter  
Acting Director  
Office of Thrift Supervision

Attachment