

Office of Thrift Supervision

TB 61 was rescinded 1/13/95. Incorporated into 12 CFR Section 563.170(c)

Handbook: Thrift Activities
Subjects: Real Estate Mortgage Lending; Construction Lending; Other Commercial Lending; Floor Plan and Indirect Lending

Sections: 212; 213;
214; 216
TB 61

September 8, 1993

Interagency Policy Statement on Documentation for Loans to Small and Medium-Sized Businesses and Farms

RESCINDED

Summary: This Bulletin supplements the Interagency Policy Statement on Documentation for Loans to Small and Medium-Sized Businesses and Farms, issued on March 30, 1993, by expanding the eligibility to include savings associations that have a MACRO rating of 3 and that are well or adequately capitalized, if they receive the prior approval of their Regional Director.

For Further Information Contact: Your Regional Office or Supervision Policy (Credit Risk), Washington, D.C.

Thrift Bulletin 61

Background

On March 30, 1993, the Office of Thrift Supervision (OTS), in conjunction with the other federal bank regulatory agencies, issued the "Interagency Policy Statement on Documentation for Loans to Small and Medium-Sized Businesses and Farms." The Policy Statement established a new policy under which well-run, well or adequately capitalized institutions could make a limited amount of loans without being subject to examiner criticism for loan documentation. This policy was limited to institutions with MACRO composite ratings of "1" or "2." On May 13, 1993, OTS published an interim final regulation to amend our loan documentation requirements at 12 C.F.R. 563.170 to allow savings associations to avail themselves of this new policy.

Supplement to the Policy

Effective immediately, savings associations that have a MACRO composite rating of "3" and that are well or adequately capitalized may apply to their Regional Directors to avail themselves of the Interagency Policy Statement on Documentation for Loans to Small and Medium-Sized Businesses and Farms. Savings associations that are interested in using this authority must make a written request to their Regional Director. Requests will be approved or disapproved based on the regional office's review of several factors, including, but not limited to: the quality of the board of directors and management, asset quality, capital adequacy, earnings quality and capacity, and compliance with laws and regulations. The regional office will notify the savings association in writing of its determination within 30 days of receipt of a request.

themselves of the Interagency Policy Statement on Documentation for Loans to Small and Medium-Sized Businesses and Farms. Savings associations that are interested in using this authority must make a written request to their Regional Director. Requests will be approved or disapproved based on the regional office's review of several factors, including, but not limited to: the quality of the board of directors and management, asset quality, capital adequacy, earnings quality and capacity, and compliance with laws and regulations. The regional office will notify the savings association in writing of its determination within 30 days of receipt of a request.

John C. Price, Jr,
Acting Assistant Director
for Policy