

## Corporate & Financial Weekly Digest

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### **Federal Reserve Seeks Comment on Transfer of OTS Thrift Holding Company Functions**

The Federal Reserve Board is seeking comment on a notice that outlines the regulations previously issued by the Office of Thrift Supervision (OTS) that the Federal Reserve will continue to enforce after assuming supervisory responsibility for savings and loan holding companies (SLHCs).

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, supervisory and rule-writing authority for SLHCs and their non-depository subsidiaries was transferred from the OTS to the Board on July 21, 2011. Specifically, with respect to the supervision of SLHCs and their non-depository subsidiaries, Section 312 of the Dodd-Frank Act provides that all functions of the OTS and the Director of the OTS (including authority to issue orders) transferred to the Board on July 21. All rulemaking authority related to SLHCs was also transferred to the Board on that date pursuant to Section 312 of the Dodd-Frank Act. Section 316 of the Dodd-Frank Act provides that all orders, resolutions, determinations, agreements, and regulations, interpretive rules, other interpretations, guidelines, and other advisory materials issued, made, prescribed, or allowed to become effective by the OTS on or before the transfer date with respect to SLHCs and their non-depository subsidiaries will remain in effect and shall be enforceable until modified, terminated, set aside, or superseded in accordance with applicable law by the Board, by any court of competent jurisdiction, or by operation of law. The Dodd-Frank Act includes parallel provisions applicable to the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation with respect to federal savings associations and state savings associations, respectively. The Board requests comments on the notice by August 31.

The Board, in its release, described certain sections of the old OTS regulations that it does not expect to enforce. The Board intends to issue an interim final rule soon that will include technical, nomenclature, and other changes to certain OTS regulations to accommodate the transfer of supervisory authority to the Board and to address modifications made by the Dodd-Frank Act.

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