

Central Region

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Applications:

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Number of thrifts:
198

Total thrift assets:
\$123.4 billion

Number of employees:
138

Number of new employees in FY 2008: 21



The OTS established the Central Region in 2007 to improve service by dedicating agency resources and OTS decision-makers more closely to regulated thrift institutions in the Great Lakes part of the country.

The five states in the Central Region—Illinois, Indiana, Michigan, Ohio and Wisconsin—encompass a wide array of businesses and industries, including agriculture, manufacturing, financial services and tourism. Central Region headquarters is in Chicago.

Two-thirds of the thrifts regulated by the Central Region are small community banks whose business models focus on home mortgage lending. The region also includes large thrifts whose business strategies include mortgage banking and commercial real estate, as well as old-fashioned deposit gathering.



Thomas A. Barnes
Regional Director

Approximately half of the thrifts regulated by the Central Region are mutually-chartered savings associations. Thrifts with mutual ownership have no shareholders and are essentially owned by their depositors. They are mostly small local banks serving their communities.

During FY 2008, the region's top priority has been to ensure the health of OTS-regulated financial institutions and their holding companies in a section of the country hit hard by the downturn in the economy. Michigan, Ohio and Indiana have been particularly affected by the declining auto industry and related manufacturing. Unemployment rates throughout much of the region exceed the national average and rates for residential loan delinquencies and foreclosures are among the highest in the country.

Establishing a new region in this economic climate has been a challenge. Members of the regional staff have had to focus on two fronts: effectively overseeing and regulating the thrift industry, while hiring new employees and setting up a new infrastructure of systems, administration and procedures to efficiently operate the region.

The region also reestablished relationships with thrifts in the region and improved communications with them. The region hosted several "town hall" meetings with Chief Executive Officers of OTS-regulated institutions around the region to discuss the latest regulatory matters and challenges unique to their areas. At these meetings, regional officials had an opportunity to hear thrift managers'

ideas on how the region could better fulfill its regulatory responsibilities.

During the year, the Central Region also focused on building and strengthening relationships with other regulators on the state and federal levels. The region shares regulatory responsibility with state regulators for 32 state-chartered thrifts in Illinois, Indiana, Ohio and Wisconsin. The OTS jointly regulates these thrifts with state banking departments. The Central Region participated in FY 2008 in regular meetings with other federal and state bank regulators to discuss risks unique to states in the region. Regional managers also participated in speaking engagements and regulatory panels with trade associations that represent OTS-regulated institutions. All of these outreach efforts helped the region's staff to understand the pressures the thrift industry faces in the current financial environment.

The Central Region offered training courses to provide thrift managers with the latest information about current regulatory issues, including a seminar for members of thrifts' boards of directors, a workshop on compliance matters and the Community Reinvestment Act, a Financial Management Seminar and a Credit Officers Forum.

Amid the impact of the economic downturn on the thrift industry and the challenges it created for OTS supervisory efforts, the staff of the Central Region immersed itself in interesting and difficult issues, and achieved significant accomplishments during its first year of operation ■

