

## Southeast Region

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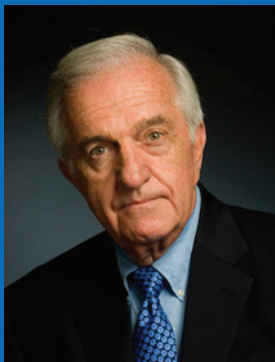
**Applications:**  
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**Number of thrifts:**  
201

**Total thrift assets:**  
\$289.4 billion

**Number of employees:**  
153

**Number of new  
employees in FYs 2006  
and 2007:** 45



**John E. Ryan**  
*Regional Director*



In the OTS Southeast Region, miles of scenic coastline, a temperate climate, generally comfortable pace of living and economic opportunity have attracted throngs of retirees, northern transplants and well-educated professionals from across the country to burgeoning economic centers such as Atlanta, Birmingham and Charlotte.

The southeastern U.S. has experienced tremendous growth in recent years with the influx of new residents and new industries. Officials in the Southeast Region strive to foster a regulatory environment that encourages continued growth and service to local communities, but ensures that the growth remains consistent with safe and sound banking principles, and compliance with consumer protections.

There is no typical profile for a savings institution in the Southeast Region. The region has developed a great diversity of savings banks by size, complexity and business strategies. Some institutions are well-known national

names; others are focused regionally or locally. Some pursue full-service retail banking; others pursue niche-oriented business lines. Many are locally oriented, community banking institutions. Some of the institutions are minority oriented, having roots in an era when minorities had few banking options, but now compete in an environment where minority customers have an array of financial services choices.

Regardless of business strategy, executives of OTS-regulated savings banks have come to appreciate that the “business oriented” regulatory approach of the OTS Southeast Region allows them to innovate, compete, grow and prosper. Each thrift in the region has a story of its own. Many successful strategies have been employed, such as specialized lending, credit card financing, affinity marketing, nationwide mortgage origination and secondary market securitized financing.

Supervising such a group of thrifts requires a staff of professionals as diverse as the industry. The OTS Southeast Region has specialists in accounting, capital markets, fair lending and other key areas. Some employees are former bankers and brokers; others are lawyers and paralegals, appraisers and IT specialists. Each one contributes to the business-like approach the region takes to regulating the industry. The “institutional memory” in the region is extensive. As a group, the region staff has literally thousands of years of experience. But regional officials also recognize the value of new faces and fresh perspectives. In fiscal years 2006 and 2007, the region hired the future of the agency — 41 new examiners, many right out of college. That initiative, which responded to the challenges of a

graying workforce that is nearing retirement, was one of the region's most significant accomplishments of the year. Training teams led by experienced veterans continue to work to develop these high-quality recruits.

Regional officials are diligent about communicating with the industry on a regular basis. They communicate with the board of directors of each thrift every time examination findings are transmitted. But they also keep the lines of communication open between exams. Every six months, the caseload manager for each institution conducts a semi-annual customer service call with the managing officer of the institution. These calls provide two-way communication — the agency solicits information from the institution and the institution may do the same. It's an excellent opportunity for the region to keep abreast of issues between examinations. During the year, regional officials also reach out to the industry by participating on regulatory panels at conferences with thrift attendees and by holding training sessions on topics of interest to thrift managers. They also

travel around the region every year to hold local town meetings for thrifts in the area. During fiscal years 2006 and 2007, the region held eight such meetings to discuss business conditions and challenges facing community institutions.

In addition to meeting the challenges of developing the staff and supervising thrifts, top officials in the region were also successful in fiscal years 2006 and 2007 in restoring the safety and soundness of several troubled thrifts through merger, acquisition, or restructuring. They also successfully counseled a number of thrifts on reducing risk by diversifying their assets.

Some of the challenges in the southeast are the result of its unique geographic characteristics. Florida, the nation's fourth most populous state, continues to grow rapidly as baby boomers retire and others are drawn there for the warm climate, natural beauty and job opportunities. Yet Florida is not as affordable as it once was. In recent years, housing prices have escalated and major hurricane damage has sent insurance costs soaring.

Owners of homes and businesses have found it difficult to find affordable hazard and windstorm insurance in coastal areas. These challenges have put pressure on the banking industry as a whole and particularly on the thrift industry, which retains a significant focus on providing home mortgages.

The insurance squeeze in Florida comes against a backdrop of high property values along the coast, a sharp increase in the average size of coastal homes and a jump in the density of waterfront living due to construction of multi-story condominiums.

Agency officials and thrift executives have been at the forefront in dealing with this issue by working with state lawmakers, state insurance commissioners and representatives of the insurance industry to forge solutions.

The U.S. Census Bureau estimates that seven of the nine states in the Southeast Region will be among the nation's 20 fastest growing states over the next two decades. As the New South continues its explosive growth, the thrift industry that serves the region will thrive as well, all under the watchful eyes and steady hands of OTS regulators ■

