

## Midwest Region

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**Number of thrifts:**  
170

**Total thrift assets:**  
\$137 billion

**Number of employees:**  
127

**Number of new  
employees in FYs 2006  
and 2007: 23**



Frederick R. Casteel  
*Regional Director*



**T**he OTS Midwest Region cuts a wide swath through the heartland of America, sweeping down from the Canadian border across the Great Plains and through Texas and Louisiana to the Gulf of Mexico. Although the region has some large cities and large thrift institutions, there are substantial numbers of small towns, farms and ranches — and the community banks that serve them.

More than half of the thrifts in the OTS Midwest Region are in towns with populations of less than 50,000, where bank managers have strong community ties and often greet their customers by name. It is a region defined by agriculture, reasonable housing costs, a good labor supply and a generally favorable tax environment. Thrifts tend to be smaller and spread over wide expanses, making the Midwest the OTS region with the least total thrift assets. The largest OTS-regulated

institutions in the region are in cities such as San Antonio, Austin, Dallas, Wichita, Oklahoma City, Lincoln, Minneapolis and Des Moines.

Hurricane Katrina continued to be a dominant issue in the region in fiscal 2007. Louisiana and Mississippi struggled to regain their economic footing as New Orleans was reduced to about half its original size. Questions persisted about prospects for long-term growth in the Gulf Region.

In one of the region's more notable transactions during the year, Think Credit Union, with more than \$1 billion in assets, converted to the thrift charter, joining a group of three other credit unions that converted in 2006. In embracing the thrift charter, these credit unions tailored their policies and practices to thrift requirements.

The Midwest Region embodies a regulator that is firm, but also responsive and positive, handling problems without being confrontational. Although much of the region is marked by wide-open spaces, OTS regional officials strive to bridge the distances by participating regularly in outreach events with industry members and community groups. Their consistent presence at state bankers association meetings, gatherings with thrift executives and officers, and community affairs forums fosters good working relationships with the industry and helps agency officials identify and meet community needs.

The region is a leader within the OTS in spearheading the agency's electronic examinations initiative to make paper copies relics of the past.

The technique is especially well suited to the Midwest Region, where examiners travel long distances between exams. Maximizing the electronic exchange of information between thrifts and OTS examiners streamlines on-site exam work and reduces regulatory burden.

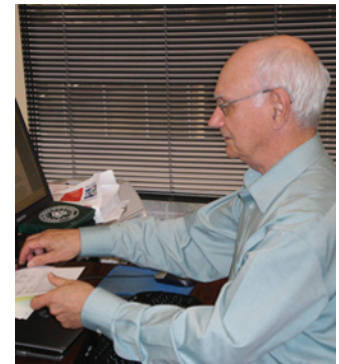
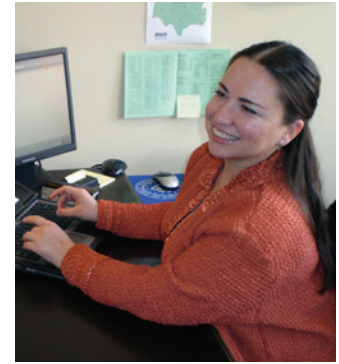
Examiners monitor each thrift institution quarterly, reviewing paperless financial information prepared by the thrift according to OTS requirements and discussing that

information by phone with thrift executives. A couple of months before an on-site exam, the examiner conducts a risk assessment based on the quarterly information and develops a pre-exam kit requesting electronic copies of specific information needed for the exam. The examiner then arrives at the thrift for the in-person examination with a strong foundation of electronic data.

Institutions have found that electronic exams are extremely beneficial

by eliminating the need to copy boxes full of paper to respond to OTS requests for information. Instead, institutions now relay spreadsheets and word processing documents electronically, saving substantial time and money.

Electronic exams have proven so effective that OTS leaders have established agency-wide goals for adoption. Through electronic exams, the OTS's heartland region has become an agency innovator ■



Danny Brasseaux, OTS Field Manager, New Orleans

If Danny Brasseaux knew then what he knows now, he might have just moved and saved himself a lot of heartache.

The lessons have come hard since Hurricane Katrina struck New Orleans in the summer of 2005 and submerged much of Brasseaux's Lakeview neighborhood under 10 feet of muddy water.

Still, Brasseaux considers himself relatively lucky. "I was a lot better off than some people," he reasoned. "At least I still had a job."

As the OTS field manager in New Orleans, Brasseaux worked for the better part of two years rebuilding his house during his personal time and helping to rebuild the area's financial economy during his professional life.

The OTS field office suffered roof damage in the storm and was closed for weeks afterward. By the time employees returned to take stock of the damage, mildew had grown rampant.

Thrift institutions in the area struggled to resume full operations because so many employees had moved away and never returned. Brasseaux and other OTS officials had to be flexible on a wide range of issues. The OTS Midwest Region rescheduled eight exams that were cancelled at the end of 2005,



sponsored conferences that were catalysts for partnerships on recovery and conducted one-year-later exams on the status of storm-affected institutions. To prepare for the storms of the future, regional officials worked with institution executives on developing disaster recovery plans and identifying alternative work sites outside flood-prone areas.

While Brasseaux spent countless hours assisting institutions and consumers in the region, he also had to contend with personal challenges created by the hurricane. His family initially stayed with relatives, then bought a small condominium as Brasseaux ripped out the ruined drywall of his flood-damaged house and hired contractors to reconstruct the first floor. In early April 2007 — more than 19 months after the storm — the Brasseaux family finally returned home.

Yet, his community — like other flood-affected areas — remains in flux. Some businesses that moved out of the area have returned, Brasseaux said, while others are taking a wait-and-see approach.

"In New Orleans, it is going to be years before we know what the long-term effect of Katrina is going to be," he said.