

Year in Review

OTS employees, the resilient core of this agency, once again rose to the challenge this year.

As a worldwide economic storm gathered from the massive downturn in housing finance — the main business of the nation's thrift industry throughout its history — the OTS workforce collectively strived to minimize the damage and safeguard the industry's ability to continue to serve America's financial services needs.

The effort has been valiant and I am exceptionally proud of every OTS employee who is responsible.

By the nature of our work, the failures during the year of three thrift institutions — including our largest, Washington Mutual — are well documented, but the successful results of working tirelessly to save other imperiled institutions remain out of the public eye. Those success stories are largely known and appreciated only by the thrift institutions in question and among the employees themselves.

For our examiners and other employees, this knowledge constitutes a bond that makes the OTS workforce stronger. That continued source of strength will be needed as we move into FY 2009 and confront the many challenges that lie before us.

The U.S. economy and the thrift industry will not recover overnight. It will take time to work through this cycle and that will mean more long hours and sacrifices ahead for OTS employees and their families.

The coming year will also spell continued uncertainty as a new Congress and a new Administration consider restructuring the nation's financial regulatory framework. Predictions about the consolidation of the federal banking agencies have surfaced for many years. It is a testament to the quality of our workforce that employees have been able to look past such distractions and excel.

Under Director Reich, the OTS workforce has flourished, increasing by almost 19 percent to 1,069 employees since FY 2005. The OTS has also enhanced and consolidated its consumer protection division.

Next year, we will continue hiring entry-level examiners in all OTS regions, but the loss of Washington Mutual and other West Coast thrifts will require a realignment of examiner resources. In some



Scott M. Polakoff
Senior Deputy Director and COO

cases the changes will mean more travel and, in others, provide opportunities for voluntary relocations. Our West Region, which in the past needed additional resources from other regions, will become a resource for other regions.

In FY 2009, we will ask our employees to step up to the plate. I have no doubt that, once again, they will rise to the challenge ■

Scott M. Polakoff
Senior Deputy Director and COO