

The following news release was issued today. (NR 95-19, February 15, 1995, 9:15 A.M. Hawaiian Time.) The complete text of the Comptroller's speech is on the OCC.Issuances bulletin board as "IBAA Speech".

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COMPTROLLER ANNOUNCES STREAMLINED LENDING LIMIT RULES,  
SPOTLIGHTS EFFORTS TO REDUCE BANK BURDENS

Honolulu, Hawaii...Comptroller of the Currency Eugene A. Ludwig today announced a final rule to streamline and simplify requirements on the lending limit for national banks, citing this action as another example of OCC progress in reducing the burden of bank supervision and regulation.

In a speech before the Independent Bankers Association of America, Mr. Ludwig said the new rule will reduce lending limit calculations from 250 times a year to just four, simplify the lending limit calculation, and allow banks to complete the financing of a project in keeping with prior loan commitments.

Comptroller Ludwig stressed that the Comptroller's Office was maintaining strong safety and soundness standards while reducing regulatory and supervisory burdens. He emphasized that banks must recognize the need to maintain sound banking operations, particularly in managing credit and interest rate risk.

"We're working to keep the industry strong by eliminating regulatory requirements that don't make sense, so that national banks and the OCC can focus on what's really important -- the fundamentals crucial to maintaining safety and soundness," Mr. Ludwig said.

The Comptroller cited the following actions taken over the past year to lessen regulatory and supervisory burden, particularly for community banks:

A proposed revision of Part 5 that will establish an expedited approval process for applications by well-managed banks, covering applications for branching, corporate reorganizations and other activities, and eliminating applications for shared ATMs.

A review of all OCC regulations which will eliminate costly and inefficient requirements, and reduce length -- one section of a recent proposal reduced the word count from 265 words to 65 words written in plain English.

More cost-effective oversight that has already resulted in a halving of corporate fees and a six percent cut in assessments on national banks -- an

aggregate savings of \$35 million annually.

The completion last June of streamlined examination procedures for non-complex banks, currently being used in 1800 national banks.

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