



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Issues Contact Information for Questions Concerning Tying

WASHINGTON -- The Office of the Comptroller of the Currency (OCC) is publishing contact points at the OCC for banks and customers with questions and concerns about tying. The term “tying” refers to practices where the availability or price of one product or service is conditioned or “tied” to a customer also obtaining another product or service from the bank. Some types of tying are permissible, while others are prohibited.

This OCC contact information implements the October 2003 General Accounting Office (GAO) report recommendation that the OCC consider publication of specific contact information for questions and information concerning tying. The same GAO report noted that there was little documentary evidence associated with allegations of illegal tying by banks.

The tying standards that apply to banks are complex and multifaceted. The Bank Holding Company Act Amendments of 1970, generally prohibit a bank from conditioning the availability or price of one product or service on the requirement that a customer also obtain another product or service from the bank or an affiliate of the bank. However, section 106 also establishes a number of exceptions to this prohibition. For example, banks may condition the availability or price of a product or service on the requirement that the customer:

- obtain a loan, discount, deposit, or trust service from the bank;
- provide an additional product that is related to and usually provided in connection with a loan, discount, deposit or trust service; or
- not obtain additional products or services from competitors if the condition is reasonably imposed in a credit transaction to assure the soundness of the credit.

In addition, section 106 applies only to tying arrangements that are imposed by a bank, and does not apply to nonbank affiliates of a bank or other nonbank entities. The Federal Reserve Board also may grant additional exceptions to the statute’s restrictions by regulation or order.

Under section 106, banks may not condition the availability of credit on the condition that customers use underwriting services of an affiliate. However, banks may decline to provide credit based on the customer’s failure to satisfy credit standards or other requirements not prohibited under section 106.

Similarly, banks may not condition the availability of consumer credit on the purchase of credit insurance from the bank. However, banks may require loan customers to purchase insurance that is usually required in connection with particular types of loans.

Contact Information

Individual bank customers with complaints about tying by a particular national bank should contact:

Office of the Comptroller of the Currency
Customer Assistance Group
1301 McKinney Street, Suite 3450
Houston, Texas 77010
Telephone: 713-336-4300
Fax: 713-336-4351

Business or corporate bank customers with complaints about illegal tying by a particular national bank, and any bank customers with questions regarding interpretations of the tying statute should contact:

Office of the Comptroller of the Currency
Securities & Corporate Practices Division
250 E Street S.W.
Washington, D.C. 20219
Telephone: 202-874-5210
Fax: 202-874-5279

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The OCC charters, regulates and examines approximately 2,100 national banks and 52 federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.