

Office of Thrift Supervision

Program Summary by Budget Activity

(Dollars in thousands)

Budget Activity	FY 2010 Actual	FY 2011 Estimated	FY 2012 Estimated	FY 2010 to FY 2012	
				\$ Change	% Change
Supervision of the Thrift Industry	\$232,047	\$253,605	\$0	(\$232,047)	(100.0%)
Total Cost of Operations	\$232,047	\$253,605	\$0	(\$232,047)	(100.0%)

Reimbursable FTE	1,016	1,021	-	(1,016)	(100.0%)
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(1) The Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203 (Dodd-Frank Act), abolishes and transfers the functions of the Office of Thrift Supervision in Fiscal Year 2011.

Summary

The Office of Thrift Supervision (OTS) was established by Congress as a bureau of the Department of the Treasury pursuant to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law 101-73.

OTS charters, examines, supervises, and regulates federal savings associations insured by the Federal Deposit Insurance Corporation (FDIC). OTS also examines, supervises, and regulates state-chartered, FDIC-insured savings associations and provides for the registration, examination, and supervision of savings association affiliates and holding companies. OTS sets capital standards for Federal and State savings associations and reviews applications of state-chartered savings associations for conversion to federal thrifts. The OTS also supervises 436 holding company enterprises with approximately \$4.2 trillion in U.S. domiciled consolidated assets. These enterprises owned 398 thrifts with total assets of \$717 billion or 77 percent of total thrift industry assets.

In July 2010, Congress passed, and the President signed the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203 (Dodd-Frank Act), abolishing OTS and transferring its functions to the Office of the Comptroller of the Currency (OCC), The Federal Reserve Board, the

Federal Deposit Insurance Corporation (FDIC), and The Consumer Financial Protection Bureau according to the Dodd-Frank Act timetable, starting as early as one year after its enactment.

As of September 30, 2010, the OTS regulated 741 thrifts with total assets of \$928 billion. OTS receives no appropriated funds from Congress. Income of the bureau is derived principally from assessments on savings associations and their holding companies, examination fees, and interest on investments in U.S. Government obligations.

OTS FY 2012 Budget Highlights

(Dollars in thousands)

Budget Estimate	Amount
FY 2010 Actual	\$232,047
FY 2011 Estimated	\$253,605
Total FY 2012 Base	\$253,605
Program Changes:	
Program Decreases:	(\$253,605)
Transfer of Resources	(\$253,605)
Subtotal FY 2012 Program Changes	(\$253,605)
Total FY 2012 Estimated	\$0

Explanation of Budget Activities

Supervision of the Thrift Industry (No funding)

OTS examines savings associations every 12-18 months for safety and soundness and compliance with consumer protection laws and regulations. During these exams, the association's ability to identify, measure, monitor and control risk is evaluated, including the risk posed by other entities within the corporate structure. When weaknesses are identified, increased

supervisory action, including additional field visits, accelerating the normal 12-18 month exam cycle, and/or enforcement action is taken.

Capital Investments Summary

OTS has no major IT investments planned for FY 2011.

OTS Performance by Budget Activity

Budget Activity	Performance Measure	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Target	FY 2012 Target
Prevented or mitigated financial and economic crises	Percent of Safety and Soundness Exams Started as Scheduled (Ot)	94.0	94.0	97.0	90.0	Disc
Prevented or mitigated financial and economic crises	Percent of Thrifts that are Well Capitalized (Oe)	98.4	97.0	95.0	95.0	Disc
Prevented or mitigated financial and economic crises	Percent of Thrifts with Composite CAMELS Ratings of 1 or 2 (%) (Oe)	90.0	84.0	77.0	80.0	Disc
Prevented or mitigated financial and economic crises	Percent of Thrifts with a Compliance Examination Ratings of 1 or 2 (Oe)	95.8	95.0	92.0	90.0	Disc

Key: Oe - Outcome Measure, E - Efficiency Measure, Ot - Output/Workload Measure, M - Management/Cust. Satisfaction, DISC - Discontinued, and B - Baseline

Description of Performance

OTS anticipates meeting the targets for each of its performance measures in FY 2011. With the transfer of OTS functions under the Dodd-Frank Act OTS performance measures will be discontinued in FY 2012