

OFFICE OF THRIFT SUPERVISION

Request for an Exception From Antityping
Restrictions of Section 5(q)(1) of the
Home Owners' Loan Act

Order No. 97-47

Date: May 9, 1997

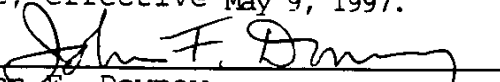
Citicorp, New York, New York (the "Holding Company") has requested that the Office of Thrift Supervision ("OTS") grant an exception from section 5(q)(1) of the Home Owners' Loan Act ("HOLA") to permit its savings association subsidiary, Citibank, F.S.B., San Francisco, California (the "Association"), to exclude certain types of deposits from a proposed combined-balance discount program. The requested exception would cover:

- (1) deposits in accounts that, as a matter of law, may not be included in a combined-balance discount program;
- (2) private banking deposits; and
- (3) deposits held in branches of the Association in different states.

The OTS has considered the request, including certain representations and undertakings submitted in support thereof, and a Letter, dated December 6, 1996, in which the General Counsel of the Board of Governors of the Federal Reserve System ("FRB"), acting under delegated authority, granted an equivalent exception for bank subsidiaries of the Holding Company in reliance on the same types of representations and undertakings made by the Holding Company. In addition, the OTS has considered an analysis from Corporate Activities and a legal opinion from the Business Transactions Division.

Based on the above, the OTS has concluded, in accordance with section 5(q)(6) of the HOLA (12 U.S.C. § 1464(q)(6)), that the proposed exception would not be contrary to the purposes of section 5(q) of the HOLA and that the exception conforms to an exception granted by the FRB. Accordingly, the OTS hereby grants the requested exception, provided that the Association maintains adequate records supporting the exclusion of those deposit accounts from the combined-balance arrangement that it asserts would be prohibited as a matter of law.

By order of the Director of the Office of Thrift Supervision, or his designee, effective May 9, 1997.


John F. Downey
Executive Director, Supervision