Office of Thrift Supervision, Treasury

§ 559.4 What activities are preapproved for service corporations?

This section sets forth the activities that have been preapproved for service corporations. Section 559.3(e)(2) of this part sets forth the procedures for engaging in a broader scope of activities on a case-by-case basis. You should read these two sections together to determine whether you must file a notice with OTS under § 559.11 of this part, or whether you must file an application under part 516 of this chapter and receive prior written OTS approval for your service corporation to engage in a particular activity. To the extent permitted by § 559.3(e)(2) of this part, a service corporation may engage in the following activities:

(a) Any activity that all federal savings associations may conduct directly, except taking deposits;
(b) Business and professional services. The following services are preapproved for service corporations only when they are limited to financial documents or financial clients or are generally finance-related:
   (1) Accounting or internal audit;
   (2) Advertising, marketing research and other marketing;
   (3) Clerical;
   (4) Consulting;
   (5) Courier;
   (6) Data processing;
   (7) Data storage facilities operation and related services;
   (8) Office supplies, furniture, and equipment purchasing and distribution;
   (9) Personnel benefit program development or administration;
   (10) Printing and selling forms that require Magnetic Ink Character Recognition (MICR) encoding;
   (11) Relocation of personnel;
   (12) Research studies and surveys;
   (13) Software development and systems integration; and
   (14) Remote service unit operation, leasing, ownership or establishment.
(c) Credit-related activities.
   (1) Abstracting;
   (2) Acquiring and leasing personal property;
   (3) Appraising;
   (4) Collection agency;
   (5) Credit analysis;
   (6) Check or credit card guaranty and verification;
   (7) Escrow agent or trustee (under deeds of trust, including executing and deliverance of conveyances, reconveyances and transfers of title); and
   (8) Loan inspection.
(d) Consumer services.
   (1) Financial advice or consulting;
   (2) Foreign currency exchange;
   (3) Home ownership counseling;
   (4) Income tax return preparation;
   (5) Postal services;
   (6) Stored value instrument sales;

§ 559.5 How much may a savings association invest in service corporations or lower-tier entities?

The amount that a federal savings association ("you") may invest in a service corporation or any lower-tier entity depends upon several factors. These include your total assets, your capital, the purpose of the investment, and your ownership interest in the service corporation or entity.

(a) Under section 5(c)(4)(B) of the HOLA, you may invest up to 3% of your assets in the capital stock, obligations, and other securities of service