Audit Report

OIG-11-076

SAFETY AND SOUNDNESS: Material Loss Review of AmTrust Bank

July 6, 2011

Office of Inspector General

Department of the Treasury

Contents

Abbreviations

ADC	acquisition, development, and construction
C&D order	cease and desist order
FDIC	Federal Deposit Insurance Corporation
MOU	memorandum of understanding
MRBA	matter requiring board attention
OTS	Office of the Thrift Supervision
OIG	Office of Inspector General
PCA	prompt corrective action
ROE	report of examination

This page intentionally left blank.

OIG

Audit Report

The Department of the Treasury
Office of Inspector General

July 6, 2011

John E. Bowman, Acting Director
Office of Thrift Supervision

This report presents the results of our review of the failure of AmTrust Bank (AmTrust), headquartered in Cleveland, Ohio, and of the Office of Thrift Supervision's (OTS) supervision of the institution. OTS closed AmTrust and appointed the Federal Deposit Insurance Corporation (FDIC) as receiver on December 4, 2009. This review was mandated by section 38(k) of the Federal Deposit Insurance Act because of the magnitude of AmTrust's estimated loss to the Deposit Insurance Fund.[1] As of March 31, 2011, FDIC estimated that the loss to the Deposit Insurance Fund would be $2.5 billion.

Our objectives were to determine the causes of AmTrust's failure; assess OTS's supervision of the thrift, including implementation of the prompt corrective action (PCA)[2] provisions of section 38; and make recommendations for preventing such a loss in the future. To accomplish these objectives, we reviewed the supervisory files and interviewed OTS and FDIC officials. We conducted our fieldwork from February 2010 through June 2010. Appendix 1 contains a more detailed description of our review objectives, scope, and methodology. Appendix 2 contains background information on AmTrust's history and OTS's assessment fees and examination hours.

[1] At the time of AmTrust's failure, section 38(k) defined a loss as material if it exceeded the greater of $25 million or 2 percent of the institution's total assets. Effective July 21, 2010, section 38(k) defines a loss as material if it exceeds $200 million for calendar years 2010 and 2011, $150 million for calendar years 2012 and 2013, and $50 million for calendar years 2014 and thereafter (with a provision that the threshold can be raised temporarily to $75 million if certain conditions are met).
[2] Certain terms that are underlined when first used in this report, are defined in, *Safety and Soundness: Material Loss Review Glossary*, OIG-11-065 (April 11, 2011). That document is available on the Treasury Office of Inspector General's (OIG) website at http://www.treasury.gov/about/organizational-structure/ig/Pages/by-date-2011.aspx.

In brief, the primary cause of AmTrust's failure was significant losses in its loan portfolio. The loans were highly concentrated in acquisition, development, and construction (ADC) loans and high-risk residential mortgage loans, and also highly concentrated in several depressed real estate markets. With regard to its supervision of AmTrust, OTS did not take appropriate action to prevent a material loss to the Deposit Insurance Fund. However, as AmTrust's capital levels deteriorated, OTS did impose timely PCA restrictions on the thrift. Also, in accordance with its policy, OTS conducted a failed bank review of AmTrust and similarly concluded AmTrust's failure was caused by high concentrations of ADC loans and high-risk residential mortgage loans.

We are not making any new recommendations in this report, but are reaffirming recommendations made in our previous material loss reviews (MLR) of OTS-regulated thrifts, where we identified similar causes of failure and had similar findings regarding OTS's supervision. In a written response, OTS stated that it has implemented actions for the recommendations in the prior OIG MLR reports and internally prepared assessments of other thrift failures. OTS's response is provided as appendix 3. It should be noted that pursuant to P.L. 111-203, the functions of OTS are to transfer to other federal banking agencies on July 21, 2011.

Causes of AmTrust's Failure

AmTrust's failure resulted primarily from significant losses in its loan portfolio, which had high concentrations of ADC loans and high-risk residential mortgage loans, including interest-only, reduced documentation,[3] and subprime loans. The majority of AmTrust's ADC and residential mortgage loans were concentrated in Arizona, California, Florida, and Nevada, among the most depressed real estate markets during the current economic crisis.

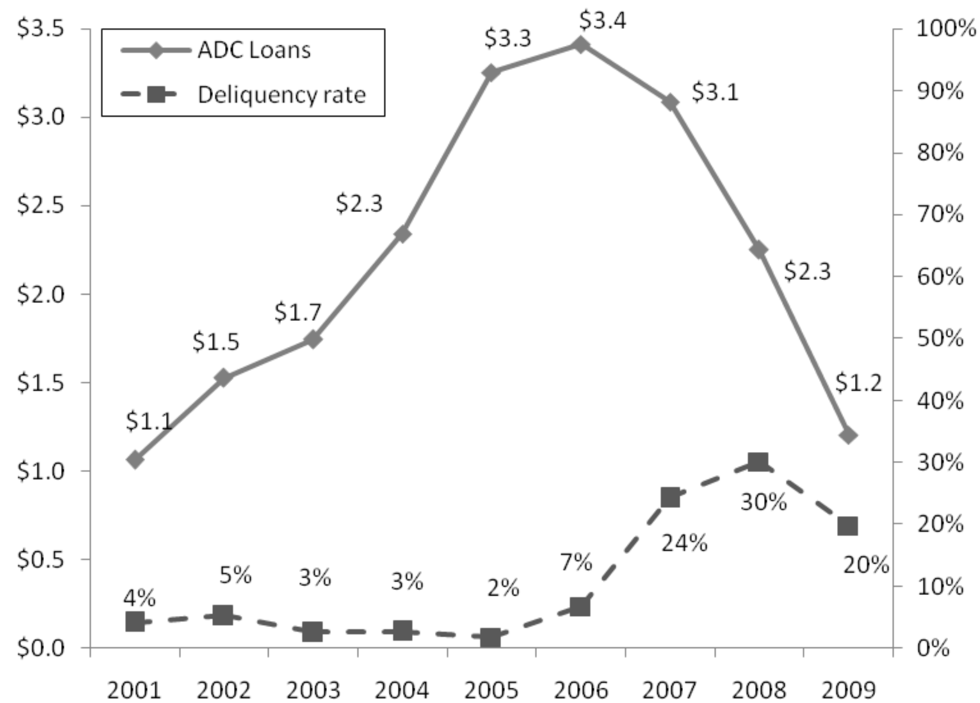
[3] A type of mortgage loan in which an institution sets reduced or minimal documentation standards to substantiate the borrower's income and assets. This type of loan is also commonly referred to as "low doc/no doc," "no income/no asset," "stated income," or "stated assets."

AmTrust's Loan Portfolio Consisted Largely of ADC and High-Risk Residential Mortgage Loans

AmTrust's high concentration of ADC and high-risk residential loans resulted in substantial losses for the thrift when conditions in the real estate market deteriorated. AmTrust's net losses exceeded $513 million in 2008 and $308 million in 2009.

AmTrust's ADC lending more than tripled in 5 years, from $1 billion in 2001 to its peak of $3.4 billion by 2006, when AmTrust ceased ADC lending operations because of poor loan performance. By that time, however, AmTrust accumulated a high concentration in poorly performing ADC loans and losses associated with those loans continued into subsequent years. Figure 1 below shows the growth and delinquency of AmTrust's ADC loans.

Figure 1. Growth and Delinquency of AmTrust's ADC Loans, 2001-2009 (dollars in billions)

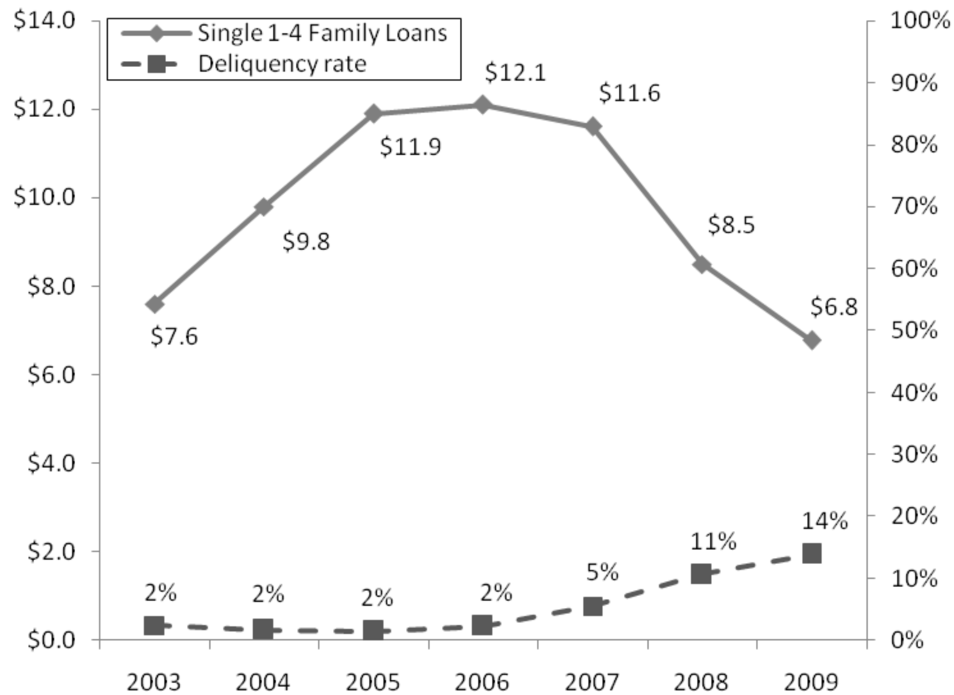


Source: OIG analysis of FDIC statistics on depository institutions.

In the early 2000s, AmTrust also expanded its residential lending program and became one of the largest mortgage loan originators in the country.

As shown in figure 2, AmTrust's residential loans, including nontraditional mortgage loans, grew from $7.6 billion in 2003 to $12.1 billion in 2006. Figure 2 also shows that as the real estate market declined, the delinquency rate for AmTrust's residential loans increased from 2 percent of total residential loans in 2003 ($182 million) to its peak of 14 percent of total residential loans in 2009 ($940 million).

Figure 2. Growth and Delinquency of AmTrust's Residential Loan, 2003-2009 (dollars in billions)



Source: OIG analysis of FDIC statistics on depository institutions.

AmTrust's Board and Management Did Not Establish Appropriate Risk Management Controls

AmTrust management failed to adequately monitor risks posed by its ADC and high-risk residential mortgage loans. AmTrust's board and management established concentration limits for the ADC portfolio, but those limits proved to be too high. AmTrust's board and management also did not impose concentration limits on its residential mortgage portfolios.[4] Furthermore, AmTrust management failed to maintain adequate capital to compensate for its high-risk lending.

[4] OTS defines a concentration as a group of similar types of assets or liabilities that, when aggregated, exceeds 25 percent of a thrift's risk-based capital (core capital plus allowance for loan and lease losses (ALLL)). From 2006 through 2008, AmTrust's concentration in ADC loans ranged from 189 to 213 percent of risk-based capital, and interest-only residential loans ranged from 261to 282 percent of risk-based capital.

In its 2006 report of examination (ROE), OTS noted that AmTrust's ADC loan risk management practices did not adhere to OTS's recommended best practices.[5] OTS said AmTrust's board and management needed to revise those practices that were inappropriate for the size and complexity of its ADC portfolio. The practices needing revision included AmTrust's liberal lending and lack of loan committee oversight of the loan portfolio. OTS also recommended AmTrust improve its internal review function, reporting of high-risk loans, maintenance of loan working files, monitoring of ADC lot sales activities, and appraisal practices.

In the 2005 through 2008 ROEs, OTS was also concerned with the adequacy of AmTrust's capital because of its significant exposure to ADC and high-risk residential mortgage loans and deteriorating loan quality. OTS examiners warned AmTrust's board and management about the risk and recommended that AmTrust establish appropriate concentration limits and capital levels.

AmTrust board and management never fully addressed OTS's concerns, were unable to stop the mounting loan losses, and were unsuccessful in recapitalizing the thrift. AmTrust's failure to fully act on OTS's recommendations resulted in poor loan quality and capital deterioration.

OTS's Supervision of AmTrust

OTS performed timely examinations of AmTrust in accordance with guidelines and identified significant concerns, but did not take appropriate action soon enough to prevent a material loss to the Deposit Insurance Fund. From 2005 to 2008, OTS's supervisory approach was to primarily rely on examiner recommendations and matters requiring board attention (MRBA) in the ROEs to communicate its concerns. In November 2008, when OTS concluded that stronger action was needed to address AmTrust's problems, it issued a cease and desist (C&D)

[5] Concentrations in Commercial Real Estate Lending, Sound Risk Management Practices (December 14, 2006).

order (a formal/public enforcement action) that required AmTrust to, among other things, increase capital levels. AmTrust could not comply with the C&D order's capital requirements.

Table 1 summarizes OTS's examinations of AmTrust and related enforcement actions from July 2005 to December 2009.

Table 1. Summary of OTS's AmTrust Examinations and Enforcement Actions

		Examination Results			
Examination start date and type	**Total assets (in billions)**	**CAMELS rating**	**No. of MRBAs**	**No. of recommendations/ corrective actions**	**Enforcement actions**
7/25/2005 (full-scope)	$14.8	2/222122	13	39	None
9/4/2006 (full-scope)	$17.2	2/232222	12	30	None
8/20/2007 (limited-scope)	$18.1	2/232222	N/A	N/A	None
10/15/2007 (full-scope)	$16.9	3/342321	10	6	Memorandum of Understanding (MOU) 7/15/2008
8/25/2008 (limited-scope)	$15.9	4/44343-	N/A	N/A	None
10/20/2008 (full-scope)	$16.5	4/454533	10	14	11/19/2008 C&D order issued
5/11/2009 (limited-scope)	$14.4	5/554543	N/A	N/A	None
7/6/2009 (limited-scope)	$11.4	5/554544	N/A	N/A	None
11/23/2009 (full-scope)	$11.4	5/555554	0	0	None

Source: OTS ROEs and Thrift Financial Reports.

OTS Should Have Taken Stronger Supervisory Action Sooner to Address AmTrust's Repeated Issues

From 2005 through 2007, OTS examiners identified AmTrust's concentration in ADC and high-risk residential mortgage loans and were concerned with the thrift's capital adequacy. Through MRBAs and recommendations, OTS examiners repeatedly told AmTrust to establish appropriate concentration limits and to assess the need for additional capital. Despite OTS's direction, AmTrust failed to fully correct these areas. In July 2008, OTS issued an MOU (an informal/non-public enforcement action) to AmTrust to compel it to establish appropriate concentration limits.

Through the MOU, OTS directed AmTrust to stop originating reduced documentation residential mortgage loans. During the August 2007 limited scope examination, OTS examiners identified significant deterioration in these types of loans and found they had higher delinquency rates than full-documentation loans. Even so, OTS continued to allow AmTrust to originate reduced documentation loans—$152 million from November 2007 through July 2008. We believe that AmTrust's residential mortgage loans would have experienced less deterioration had OTS, instead, issued a C&D order that required AmTrust to cease originating reduced documentation loans immediately following the August 2007 limited scope examination.

OTS's enforcement policy indicates formal actions are appropriate for a number of situations, including when, among other things, there are significant problems or weaknesses in the thrift's systems or controls, or when there is material noncompliance despite prior commitments to take corrective action. As stated above, AmTrust did not make corrections over several years, despite OTS direction. OTS policy also indicates that there is a strong presumption that savings associations with a composite rating of 4 or 5 warrant formal enforcement action.[6] An OTS examiner told us that in 2007 OTS assigned AmTrust a composite CAMELS 3 rating rather than lowering it to a 4 rating because loan losses had not materialized until the end of the examination. In May 2008, OTS considered issuing a formal enforcement action but ultimately decided to issue an MOU instead because OTS believed thrift management could correct the problems and because of management's commitment to raise a large volume of new capital. This conclusion did not seem to be based on sound evidence, considering that the thrift's management had not corrected problems over the several years immediately preceding this

[6] Examination Handbook (July 2008).

examination. It should also be noted that at the time, FDIC disagreed about the rating and believed the thrift warranted a CAMELS 4 rating.

The July 2008 MOU was not effective as AmTrust failed to improve. OTS took more forceful action in November 2008 when it terminated the MOU and issued a C&D order that required AmTrust to maintain higher capital levels. AmTrust could not comply with the C&D order's capital requirements. OTS downgraded AmTrust's rating to a 4 in September 2008 and a 5 in May 2009.

OTS Appropriately Used PCA

The purpose of PCA is to resolve the problems of insured depository institutions with the least possible long-term loss to the Deposit Insurance Fund. PCA requires federal banking agencies to take certain actions when an institution's capital drops to certain levels. PCA also gives regulators flexibility to supervise institutions based on criteria other than capital levels to help reduce deposit insurance losses caused by unsafe and unsound practices.

Although we determined that OTS should have acted more forcefully and sooner to address AmTrust's unsafe and unsound practices, we concluded that OTS appropriately used its authority under PCA. Specifically, on November 4, 2009, OTS timely notified AmTrust that it had fallen into the significantly undercapitalized PCA category based on AmTrust's thrift financial report of September 30, 2009. This was the first thrift financial report indicating that the thrift was less than adequately capitalized. The PCA required AmTrust to file a capital restoration plan with OTS by November 30, 2009. On December 1, 2009, AmTrust informed OTS that its efforts to raise capital were unsuccessful, and that there were no known near-term investors or acquirers. As a result, OTS closed AmTrust and appointed FDIC as receiver on December 4, 2009.

OTS's Internal Failed Bank Review

In accordance with its policy, OTS performed an internal review of AmTrust's failure to determine the causes of failure, evaluate its supervision, and provide recommendations.[7] Similar to what we found, the OTS review determined that AmTrust's failure was caused by its high concentrations and rapid growth in ADC loans and high-risk residential mortgage loans, such as interest-only, reduced documentation, and subprime loans. Many of AmTrust's loans were concentrated in California, Arizona, Florida, and Nevada, which suffered significant declines in real estate values in recent years. As a result, AmTrust experienced increasing levels of nonperforming and adversely classified loans that required increasing ALLL provisions. This resulted in the erosion of the AmTrust's capital to unsafe and unsound levels.

Although the review found that OTS provided regular oversight of AmTrust, it also determined that OTS could have taken more proactive steps to limit or restrict the institution's concentrations in higher-risk lending activities. Furthermore, OTS could have required AmTrust to hold higher levels of capital to support the additional risks associated with its concentrations in higher-risk lending programs. The review recommended that OTS consider supplementing its guidance to promote examiner awareness and consistency regarding capital expectations for thrifts with concentrations of higher-risk loans. The internal review findings are consistent with the results of our material loss review.

Recommendations

We are not making any new recommendations in this report, but are reaffirming recommendations made in previous MLR reports of OTS-regulated thrifts regarding concentration limits.

In our June 2009 MLR report on Downey Savings and Loan, FA, we reported that the a primary causes of the thrift's failure was

[7] The scope of the review focused primarily on OTS's supervision from December 2001 through December 2009.

its high concentrations in single-family residential loans which included concentrations in option ARMs, reduced documentation loans, subprime loans, and loans with layered risk.[8] Also issued in June 2009, our MLR report on PFF Bank and Trust reported that a primary cause of failure was its high concentration in construction and land loans and related credit losses.[9] In both of these reports, we recommended, among other things, that OTS direct examiners to closely review and monitor thrifts that refuse to establish appropriate limits for concentrations that pose significant risk and pursue corrective action when concentration limits are not reasonable. In the Downey report, we also recommended that OTS assess the need for more guidance for examiners on determining materiality of concentrations and determining appropriate examiner response to high-risk concentrations.

In our April 2009 MLR report of Ameribank, Inc., we reported that a primary cause of failure was rapid growth assets and high-risk concentrations and, regarding concentration limits, recommended that OTS remind examiners of the risks associated with high-risk concentrations. We also recommended that examiners conduct more thorough loan sampling from the portfolio if they identify a rapid increase in concentration.[10]

In our September 2009 MLR report of Suburban Federal Saving Bank, we reported that Suburban failed primarily because of significant loan delinquencies and losses in speculative and high-risk ADC loans.[11] In the report, we also reported that OTS identified problems early at the thrift but relied primarily on examiner recommendations and MRBAs in the ROEs to correct problems. OTS later took informal and then formal enforcement action against Suburban but by then it was too late to prevent the thrift from failing. We recommended that OTS ensure examiners conduct timely and adequately scoped field visits to determine whether thrifts with repeat problems have taken

[8] *Safety and Soundness: Material Loss Review of Downey Savings and Loan, FA,* OIG-09-039 (June 15, 2009).
[9] *Safety and Soundness: Material Loss Review of PFF Bank and Trust*, OIG-09-038 (June 12, 2009).
[10] *Safety and Soundness: Material Loss Review of Ameribank, Inc.,* OIG-09-036 (April 7, 2009).
[11] *Safety and Soundness: Material Loss Review of Suburban Federal Savings Bank,* OIG-09-047 (September 11, 2009).

appropriate corrective action. In the event that the field visits find that corrective action has not been taken, examiners should be instructed to elevate the supervisory response, including the taking of enforcement action when necessary.

The failure of AmTrust was another case in which a thrift failed primarily because of its high-risk loan concentrations. Therefore, we reaffirm the recommendations made in these four MLR reports.

* * * * * *

We appreciate the courtesies and cooperation provided to our staff during the audit. If you wish to discuss the report, you may contact me at (617) 223-8640 or Mark Ossinger, Audit Manager, at (617) 223-8643. Major contributors to this report are listed in appendix 4.

/s/
Donald P. Benson
Audit Director

We conducted this material loss review of AmTrust Bank (AmTrust), of Cleveland, Ohio, in response to our mandate under section 38(k) of the Federal Deposit Insurance Act.[12] This section provides that if the Deposit Insurance Fund incurs a material loss with respect to an insured depository institution, the inspector general for the appropriate federal banking agency is to prepare a report to the agency that

- ascertains why the institution's problems resulted in a material loss to the insurance fund;
- reviews the agency's supervision of the institution, including its implementation of the prompt corrective action (PCA) provisions of section 38;
- makes recommendations for preventing any such loss in the future.

At the time of AmTrust's failure, on December 4, 2009, section 38(k) defined a loss as material if it exceeded the greater of $25 million or 2 percent of the institution's total assets. We initiated a material loss review of AmTrust based on the loss estimate by the Federal Deposit Insurance Corporation (FDIC), which at the time of failure was $2 billion. As of March 31, 2011, FDIC estimated that the loss to the Deposit Insurance Fund would be $2.5 billion.

Our objectives were to determine the causes of AmTrust's failure; assess the Office of Thrift Supervision's (OTS) supervision of the thrift, including implementation of the PCA provisions of section 38; and make recommendations for preventing such a loss in the future. To accomplish our review, we conducted fieldwork at OTS's regional office in Chicago, Illinois, and OTS's field offices in Cleveland and Columbus, Ohio. We interviewed field office personnel. We performed work at FDIC's Division of Resolutions and Receiverships in Cleveland, Ohio, and interviewed personnel involved in AmTrust's closing and receivership, staff of FDIC's field office in Columbus, Ohio, and staff of FDIC's regional office in Chicago, Illinois. We conducted our fieldwork from February 2010 through June 2010.

[12] 12 U.S.C. § 1831o(k).

To assess the adequacy of OTS's supervision of AmTrust, we performed the following work:

- We reviewed OTS's supervisory files and records for AmTrust from 2005 through 2009. We analyzed examination reports, supporting workpapers, and related supervisory correspondence to gain an understanding of the problems identified, the approach and methodology OTS used to assess the thrift's condition, and the regulatory action OTS used to compel thrift management to address deficient conditions.

- We interviewed and discussed various aspects of the supervision of AmTrust with OTS officials and examiners to obtain their perspective on the thrift's condition and the scope of the examinations. We also interviewed FDIC officials responsible for monitoring AmTrust for federal deposit insurance purposes.

- We interviewed personnel from FDIC's Division of Resolutions and Receiverships involved in the receivership process, which was conducted before and after AmTrust's closure and appointment of a receiver.

- We assessed OTS's actions based on its internal guidance and requirements of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.).

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

History of AmTrust Bank

AmTrust Bank (AmTrust), Cleveland, Ohio, was established in 1889 as Ohio Savings and Loan Company. The thrift acquired AmTrust Bank, Boca Raton, Florida, in April 1995 and changed its name to AmTrust Bank in April 2007. AmTrust was a nationwide originator of home mortgages and offered loans for land acquisition, development, and construction. At the time of its failure, on December 4, 2009, AmTrust had approximately $11.4 billion in assets and 65 branches located in Ohio, Florida, and Arizona.

AmTrust was a wholly owned subsidiary of AmTrust Financial Corporation, which was closely held by one family. The boards and senior management at AmTrust and AmTrust Financial Corporation were comprised of several family members, including the Chairman of the Board and President of AmTrust.

OTS Assessments Paid by AmTrust

OTS funds its operations in part through semiannual assessments on savings associations. OTS determines each institution's assessment by adding together three components reflecting the size, condition, and complexity of an institution. OTS computes the size component by multiplying an institution's total assets, as reported on its thrift financial report, by the applicable assessment rate. The condition component is a percentage of the size component and is imposed on institutions that have a 3, 4, or 5 CAMELS composite rating. OTS imposes a complexity component if (1) a thrift administers more than $1 billion in trust assets; (2) the outstanding balance of assets fully or partially covered by recourse obligations or direct credit substitutes exceeds $1 billion,[13] or (3) the thrift services over $1 billion of loans for others. OTS calculates the complexity component by multiplying set rates by the amounts by which an association exceeds each threshold. Table 2 shows the assessments that AmTrust paid to OTS from 2005 through 2009.

[13] Direct credit substitutes arise from an arrangement in which a bank assumes, in form or in substance, credit risk associated with an on- or off-balance sheet asset or exposure that was not previously owned by the bank (that is, it was a third-party asset), and the risk assumed exceeds the pro-rata share of the bank's interest in the third-party asset.

Table 2: Assessments Paid by AmTrust to OTS 2005–2009

Billing Period	Exam Rating	Amount Paid
1/1/2005 - 6/30/2005	2	$ 995,884
7/1/2005 - 12/31/2005	2	$ 1,124,887
1/1/2006 - 6/30/2006	2	$ 1,236,027
7/1/2006 - 12/31/206	2	$ 1,230,734
1/1/2007 - 6/30/2007	2	$ 1,312,678
7/1/2007 - 12/31/2007	2	$ 1,377,316
1/1/2008 - 6/30/2008	3	$ 1,958,067
7/1/2008 - 12/31/2008	3	$ 2,017,444
1/1/2009 - 6/30/2009	4	$ 2,561,477
7/1/2009 - 12/31/2009	5	$ 2,338,642

Source: OTS.

Number of OTS Staff Hours Spent Examining AmTrust

Table 3 shows the number of OTS staff hours spent examining AmTrust from 2005 to 2009.

Table 3. Number of OTS Staff Hours Spent Examining AmTrust 2005-2009

Examination start date	Examination type	Examination hours
7/25/2005	Full-scope	2,511
11/17/2005	Limited-scope	18
2/24/2006	Limited-scope	7
7/31/2006	Limited-scope	13
9/04/2006	Full-scope	3,913
5/21/2007	Limited-scope	16
8/20/2007	Limited-scope	410
10/15/2007	Full-scope	4,214
8/25/2008	Limited-scope	1,117
10/20/2008	Full-scope	4,167
11/03/2008	Limited-scope	411
5/04/2009	Limited-scope	212
5/11/2009	Limited-scope	613
5/12/2009	Limited-scope	8
6/04/2009	Limited-scope	18
7/06/2009	Limited-scope	2,456
11/23/2009	Full-scope	183
11/25/2009	Limited-scope	16

Source: OTS. Data reflects total hours for safety and soundness examinations, information technology examinations, and compliance examinations.

Office of Thrift Supervision
Department of the Treasury

Thomas A. Barnes
Deputy Director, Examinations, Supervision, and Consumer Protection

1700 G Street, N.W., Washington, DC 20552 • (202) 906-5650

June 28, 2011

MEMORANDUM FOR: Donald P. Benson
Audit Director
Office of Inspector General
U.S. Department of Treasury

FROM: Thomas A. Barnes /s/
Deputy Director

SUBJECT: Draft Audit Report on the Material Loss Review (MLR) of AmTrust Bank

Thank you for the opportunity to comment on your draft audit report entitled "Material Loss Review of AmTrust Bank." The report focuses on the causes of the failure of AmTrust Bank (AmTrust) and the oversight responsibility of the Office of Thrift Supervision (OTS) for AmTrust.

The Inspector General's report for AmTrust contains no new recommendations but reaffirms recommendations made in previous MLR reports of OTS-regulated thrifts regarding concentration limits.

OTS has been responsive to prior Office of Inspector General (OIG) MLR reports and internally prepared assessments of other thrift failures, and has implemented actions for the recommendations in prior reports.

Thank you again for the opportunity to review and respond to your draft report of AmTrust. We appreciate the professionalism and courtesies provided by the staff of the Office of the Inspector General.

Boston Audit Office

Mark Ossinger, Audit Manager
Jenny Hu, Auditor-in-Charge
Jason Madden, Auditor
Kaytlin Kovach, Auditor

Washington, DC

Michelle Littlejohn, Referencer

Department of the Treasury

Deputy Secretary of the Treasury
Office of Strategic Planning and Performance Management
Office of Accounting and Internal Control

Office of Thrift Supervision

Acting Director
Liaison Officer

Office of Management and Budget

OIG Budget Examiner

U.S. Senate

Chairman and Ranking Member
Committee on Banking, Housing, and Urban Affairs

Chairman and Ranking Member
Committee on Finance

U.S. House of Representatives

Chairman and Ranking Member
Committee on Financial Services

Federal Deposit Insurance Corporation

Chairman
Inspector General

U.S. Government Accountability Office

Comptroller General of the United States