

**OFFICE OF THRIFT SUPERVISION**

Golden State Bancorp  
San Francisco, California

California Federal Bank  
San Francisco, California

Order Granting an Exemption Under the  
Depository Institution Management Interlocks Act

**Order No.:** 2002-09  
**Date:** March 18, 2002  
**Docket No.:** H-2895, 05099

Golden State Bancorp (Holding Company) and California Federal Bank (Savings Bank), both of San Francisco, California, have applied to the Office of Thrift Supervision (OTS) for an exemption under section 207 of the Depository Institution Management Interlocks Act (Interlocks Act) and the OTS Management Interlocks Regulations (Interlocks Regulations) for the service of Brian P. Dempsey as a member of the board of directors of the Holding Company and the Savings Bank, while Mr. Dempsey also serves as a director of HomeStreet Bank, Seattle, Washington (Bank).

The Interlocks Act (12 U.S.C. § 3203) and the Interlocks Regulations (12 C.F.R. § 563f.3(c)) prohibit, among other things, any person from serving as a management official of a depository holding company or depository institution with total assets exceeding \$2.5 billion, while also serving as a management official of a depository institution or depository holding company with total assets exceeding \$1.5 billion. As of September 30, 2001, the Savings Bank had assets of approximately \$59.4 billion. The Bank and its holding company, HomeStreet, Inc., had total assets of approximately \$1.4 billion as of September 30, 2001, but expect total assets to increase to over \$1.5 billion in the near future.

The Interlocks Act grants OTS the authority to promulgate regulations permitting service that would otherwise be prohibited by the Interlocks Act, if the service would not result in a monopoly or substantial lessening of competition. Section 563f.6 of the Interlocks Regulations, promulgated pursuant to this authority, provides that OTS may grant an exemption from the prohibitions of the Interlocks Regulations if OTS finds that the interlock would not result in a monopoly or substantial lessening of competition and would not present safety and soundness concerns.

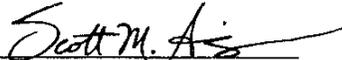
The Holding Company's sole activity is controlling the Savings Bank and its subsidiaries, which include First Nationwide Mortgage Corporation (Mortgage Lender). The Savings Bank has 338 branches in California and 17 branches in Nevada. HomeStreet, Inc. is a shell holding company that controls the Bank and another company that services multifamily loans. The Bank has 21 branches, in Washington, Oregon and Hawaii.

Based on the location of the branches of the two depository institutions, and the lack of any information indicating that the two institutions directly compete for deposits to any material extent, we conclude that the interlock would not result in a monopoly or substantial lessening of competition in the market for deposit products.

The Savings Bank's lending operations are concentrated in California and Nevada. The Mortgage Lender, however, conducts lending operations in Washington, Oregon and Hawaii, as does the Bank. Based on available information, the combined share of Mortgage Company and Bank 1-4 family mortgage operations represent no more than 2.5% of the 1-4 family mortgage lending by banks and savings associations in either Washington, Hawaii or Oregon. These percentages do not take into account 1-4 family mortgage lending by entities other than banks and savings associations. Based on these percentages, and the fact that these figures overstate the market share of the Mortgage Company and Bank, we conclude that the interlock would not result in a monopoly or substantial lessening of competition in the market for 1-4 family mortgage lending.

OTS has considered safety and soundness issues, and has concluded that approval of the application is consistent with this approval criterion.

Therefore, OTS concludes that the application satisfies the relevant approval standards. Accordingly, the application is hereby approved, effective *March 18*, 2002.

  
Scott M. Albinson  
Managing Director  
Office of Supervision