

Press Releases

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OTS 07-056 - Federal Financial Regulators Propose Illustrations of Consumer Information to Support Their Statement on Subprime Mortgage Lending

Office of Thrift Supervision

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For further information

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Contact: Kevin Petrasic

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Joint Release

**Office of the Comptroller of the Currency
Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of Thrift Supervision
National Credit Union Administration**

Federal Financial Regulators Propose Illustrations of Consumer Information to Support Their Statement on Subprime Mortgage Lending

The federal financial regulatory agencies today issued proposed illustrations of consumer information for certain adjustable-rate mortgage (ARM) products described in the agencies' Statement on Subprime Mortgage Lending (Subprime Statement), effective July 10, 2007. The Subprime Statement recommends communications that ensure consumers have clear, balanced, and timely information about the relative benefits and risks of certain ARM products. The illustrations are intended to assist institutions in providing this information.

The illustrations consist of (1) an explanation of some key features and risks that the Subprime Statement identifies, including payment shock, and (2) a chart that shows the potential consequences of payment shock in a concrete, readily understandable manner.

The agencies seek public comment on all aspects of the proposed illustrations. Comments are due 60 days after publication in the Federal Register.

The proposed illustrations are attached.

Attachment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2007-56a.pdf>

Media Contacts:

OCC	Dean Debuck	(202) 874-5770
Federal Reserve	Susan Stawick	(202) 452-2955
FDIC	David Barr	(202) 898-6992
NCUA	Cherie Umbel	(703) 518-6330
OTS	Kevin Petrasic	(202) 906-6677

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.