

Joint Press Release

August 14, 2007

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

Board of Governors of the Federal Reserve System

Federal Deposit Insurance Corporation

National Credit Union Administration

Office of the Comptroller of the Currency

Office of Thrift Supervision

For immediate release

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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.

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