

## Press Releases

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May 22, 2008

### OTS 08-019 - Federal Financial Regulators Issue Final Illustrations of Consumer Information for Hybrid Adjustable Rate Mortgage Products

#### Office of Thrift Supervision

FOR RELEASE at 1:00 P.M. EDT

For further information

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#### Joint Release

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

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## Federal Financial Regulators Issue Final Illustrations of Consumer Information for Hybrid Adjustable Rate Mortgage Products

WASHINGTON -- The federal financial regulatory agencies today issued final illustrations for helping consumers understand certain hybrid adjustable rate mortgage (ARM) products.

The agencies' Statement on Subprime Mortgage Lending (Subprime Statement), which became effective July 10, 2007, recommended that institutions provide clear, balanced and timely information to consumers about the relative benefits and risks of hybrid ARM products. The illustrations are intended to assist institutions in providing this information.

The illustrations consist of (1) an explanation of some key features of products covered by the Subprime Statement, and (2) three charts with examples of the potential payment shock accompanying these types of loans.

Institutions are not required to use the illustrations. They may use them, provide information based on them, or provide consumers with information described in the guidance in an alternate format.

The agencies will be posting the illustrations on their websites for downloading and printing. In particular, versions of the illustrations will be posted in English and in Spanish, together with a template of the illustrations that institutions can modify to reflect the latest market conditions.

The final document, Illustrations of Consumer Information for Hybrid Adjustable Rate Mortgage Products, is attached.

Attachment -

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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](http://www.ots.treas.gov).