

Press Releases

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OTS 08-023 - OTS Director Reich Calls for Consistent Regulation of Mortgage Industry

Office of Thrift Supervision

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OTS Director Reich Calls for Consistent Regulation of Mortgage Industry

Washington, D.C. -- The essential lesson of the U.S. housing crisis is that the mortgage industry needs consistent regulation, Office of Thrift Supervision (OTS) Director John Reich said today.

Mortgage brokers and mortgage bankers are now regulated unevenly by the individual states, while federally supervised banks and thrifts must abide by uniform nationwide standards.

"We must establish a level playing field with the same rules for all competitors in the home mortgage sector, so standards do not fall to the lowest common denominator," the Director said in a speech at the 100th Anniversary Convention of the New Jersey League of Community Bankers.

"Federal oversight of the entities that fund the mortgage process is crucial," Reich added. "Establishing a partnership between the states and a federal regulator to set and enforce minimum mortgage funding standards would ensure accountability, consistency and transparency throughout the mortgage lending process."

Because of its expertise in mortgage lending and its nationwide examination workforce, the OTS is uniquely qualified to fill that federal role, he said.

The full text of the Director's remarks is on the OTS website at <http://www.ots.treas.gov/>

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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.