



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-90-2006
October 5, 2006

NONTRADITIONAL MORTGAGE PRODUCTS

Interagency Proposed Illustrations of Consumer Information for Nontraditional Mortgage Products

Summary: The federal financial regulatory agencies are seeking comment on the attached proposed *Illustrations of Consumer Information for Nontraditional Mortgage Product Risks* (the illustrations). The illustrations are intended to assist institutions in implementing the consumer protection portion of the *Interagency Guidance on Nontraditional Mortgage Product Risks* (NTM Guidance), which is being published simultaneously with this request for comment. Comments are due by December 4, 2006.

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FDIC-Supervised Banks (Commercial and Savings)

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Related Topics:

Unfair and Deceptive Acts and Practices by State-Chartered Banks
<http://www.fdic.gov/news/news/financial/2004/fil2604.html>

Attachment:

Proposed Illustrations of Consumer Information for Nontraditional Mortgage Products

Contact:

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Note:

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Highlights:

- The illustrations are not intended as model forms, and institutions will not be required to use them. Rather, they have been provided in response to requests for examples of the type of information that lenders should communicate to consumers pursuant to the Interagency Guidance.
- The agencies request comment on all aspects of these illustrations. We encourage specific comment on whether they would be useful as proposed, or whether changes are needed to make them useful, both to institutions seeking to implement the NTM Guidance, and to consumers seeking to understand the risks and material terms of nontraditional mortgage products.
- The agencies also request comment on whether there are other illustrations that would be useful to institutions or consumers.
- The agencies also invite commenters to provide information about any consumer testing they have conducted in connection with similar disclosures.