



**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.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
Chief Loan Officer  
Chief Compliance Officer

**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:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2006/index.html](http://www.fdic.gov/news/news/financial/2006/index.html).

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Paper copies of FDIC financial institution letters may be obtained via the FDIC's Public Information Center (1-877-275-3342 or 703-562-2200).

**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.