

Press Releases



Federal Financial Institutions Examination Council

For Immediate Release

Press Release

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Financial Regulators Propose Guidance on Reverse Mortgage Products

The Federal Financial Institutions Examination Council (FFIEC), on behalf of its members, released proposed guidance today on reverse mortgage products. The guidance is designed to help financial institutions ensure that their risk management and consumer protection practices adequately address the compliance and reputation risks raised by reverse mortgage lending.

The proposed guidance addresses the general features of reverse mortgage products, relevant legal requirements and consumer protection concerns raised by reverse mortgages. The proposed guidance focuses on the need for banks, thrifts and credit unions to provide clear and balanced information to consumers about the risks and benefits of these products.

Such information should be provided while consumers are making decisions about these products and should address the specific matters listed in the guidance, including informing consumers of available alternatives to reverse mortgages. The proposed guidance also states that institutions should require that consumers receive qualified independent counseling and take steps to avoid any appearance of a conflict of interest. The proposed guidance addresses related policies, procedures, internal controls, and third-party risk management.

Comments must be received 60 days from publication in the Federal Register. The proposed guidance is attached.

Reverse Mortgage Products: Guidance for Managing Compliance and Reputation Risks ([docx](#)) ([pdf](#))

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The Federal Financial Institutions Examination Council was established by the Congress in 1979 to prescribe uniform principles, standards, and report forms for the federal examination of financial

institutions, to make recommendations to promote uniformity in the supervision of financial institutions, and to conduct schools for examiners. The Council has six voting members: the Comptroller of the Currency, the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation, a Governor of the Board of Governors of the Federal Reserve System, the Director of the Office of Thrift Supervision, the Chairman of the National Credit Union Administration, and the Chairman of the State Liaison Committee. Visit the Council's website for press releases and information on the mission and work of the Council at <http://www.ffiec.gov>.