

Joint Agency Release

Federal Financial Institutions Examination Council

For Immediate Release

August 16, 2010

**Financial Regulators Adopt Guidance on  
Reverse Mortgage Products**

The Federal Financial Institutions Examination Council (FFIEC) released guidance today on reverse mortgage products. The guidance, adopted by each of the financial regulators,<sup>1</sup> emphasizes the consumer protection concerns raised by reverse mortgages and the importance of financial institutions mitigating the compliance and reputation risks associated with these products.

The guidance also addresses the general features of reverse mortgage products and relevant legal requirements and consumer protection concerns raised by reverse mortgages. It 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 guidance also states that institutions should take steps to avoid any appearance of a conflict of interest and requires that consumers receive qualified independent counseling. The guidance addresses related policies, procedures, internal controls, and third-party risk management. The guidance will be effective 60 days after publication in the Federal Register, which is expected shortly.

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

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<sup>1</sup> The financial regulators consist of the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the FFIEC State Liaison Committee.

The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. The Council has six voting members: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the State Liaison Committee. The Council's activities are supported by interagency task forces and by an advisory State Liaison Committee, comprised of five representatives of state agencies that supervise financial institutions.

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