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## **NEWS RELEASE**

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### **IDAHO DEPARTMENT OF FINANCE ADOPTS REGULATORY GUIDANCE ON NONTRADITIONAL MORTGAGE PRODUCTS**

**Boise, Idaho** – Gavin Gee, Director of the Department of Finance, today announced the adoption of a set of regulatory guidelines covering the marketing of nontraditional mortgages by state-licensed entities. The guidance was developed by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) and applies to state-licensed mortgage brokers and lenders. The guidance is intended to promote consistent regulation in the mortgage market and to clarify how residential mortgage providers can offer nontraditional mortgage products in a way that clearly discloses the risks borrowers may assume.

Gee said, "These guidelines are designed to level the playing field in the mortgage market in order to protect consumers from taking on high-risk mortgages without having a full understanding of the terms of such loans."

The CSBS/AARMR guidance parallels final guidance released on September 29, 2006 by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the Office of the Comptroller of the Currency and the National Credit Union Administration.

The interagency guidance, however, applies only to insured financial institutions and their affiliates. To promote consistency, the CSBS/AARMR guidance substantially mirrors the interagency guidance.

Gee commented that CSBS and AARMR's goal is for all states to adopt the guidelines so that all consumers will be equally protected and all originators of residential mortgages will be subject to similar supervisory guidance.

The Department of Finance regulates all state chartered banks, thrifts and credit unions conducting business in Idaho as well as licensing 1,785 mortgage brokers/lenders and 4,232 individual mortgage loan originators.

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