

Press Releases

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OTS 07-087 - OTS Director Reich Endorses Foreclosure Prevention Initiative

Office of Thrift Supervision

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For further information

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OTS Director Reich Endorses Foreclosure Prevention Initiative

Washington, D.C. -- Office of Thrift Supervision (OTS) Director John Reich endorsed the private-sector initiative announced today to help families avoid foreclosure and stay in their homes.

Treasury Secretary Henry M. Paulson Jr. and Housing and Urban Development Secretary Alphonso Jackson unveiled details of the initiative today at a news conference at the Department of the Treasury. Director Reich, other federal banking regulatory agency heads, and representatives of mortgage investors, community organizations and the financial services industry also participated in the event.

"I am gratified that the efforts of the industry, federal government and community organizations have resulted in an important first step toward helping American families that are in jeopardy of losing their homes in foreclosure," the Director said. "It is a tribute to the leadership of Secretary Paulson that this initiative will help struggling consumers without negatively affecting the mortgage markets or using public funds."

The American Securitization Forum, representing mortgage investors, and the Hope Now alliance, whose members represent more than 80 percent of the subprime mortgage servicing market, developed the details of the streamlined process for refinancing and modifying subprime adjustable-rate mortgages. The new process is intended as a blueprint for standard industry practice.

Secretary Paulson announced the broad outlines of the initiative earlier this week in a speech at the OTS 2007 National Housing Forum in Washington.

Borrowers who are having trouble paying their mortgages may call a toll-free hotline at 1-888-995-HOPE.

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the

safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.