



Consumer Federation of America

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**Statement of Allen Fishbein,
Director of Credit and Housing Policy, Consumer Federation of America
on the Release of the Interagency Guidance on Nontraditional Mortgage Products**

Consumer Federation of America commends federal banking regulators for finally tackling the increased use of non-traditional mortgages, which if not properly underwritten could create excessive risks for homeowners and lenders alike. Non-traditional mortgages are all too often marketed as the solution to skyrocketing real estate costs, but stop short of providing consumers with the necessary understanding that these loans can have rapidly escalating monthly payments that can put their new homes at risk. While CFA applauds the banking regulators for taking this first step, it needs to be understood that mere guidance is insufficient to protect consumers from unscrupulous actors.

CFA is a non-profit association of 300 consumer groups that was founded in 1968 to advance the consumer's interest through research, education, and advocacy.