



# PRESS RELEASE

Federal Deposit Insurance Corporation

FOR IMMEDIATE RELEASE

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## **Consumer Alert on Questionable Solicitations About Community Reinvestment Act (CRA) Program Directed at Homeowners**

The Federal Deposit Insurance Corporation (FDIC) is alerting the public to questionable solicitations directed at homeowners. Consumers have contacted the FDIC with questions and complaints after receiving solicitations suggesting there is a "Community Reinvestment Act (CRA) Program" that entitles certain homeowners to cash grants or equity disbursements. Some of these solicitations may imply that the FDIC endorses or supports the offers they contain.

These solicitations appear to be a deceptive effort to encourage consumers to apply for a mortgage loan secured by the consumer's home. The FDIC does not endorse or sponsor mortgage loan programs. In addition, the federal law known as the Community Reinvestment Act, or CRA, does not require programs as described in the solicitations, nor do such programs exist. The FDIC cautions the public about loan solicitations or other offers from lenders or mortgage brokers that offer consumers cash as part of a "Community Reinvestment Act (CRA) Program."

The Community Reinvestment Act is a federal law that was enacted in 1977. It encourages depository institutions to help meet the credit needs of their communities, including low- and moderate-income neighborhoods, in ways that are consistent with safe and sound banking operations. The CRA does not entitle individuals to any grants or loans.

Consumers should be very suspicious of conducting business with lenders or mortgage brokers that make deceptive claims. Individuals who are considering taking out a loan using their house as security are urged to compare various programs. Comparing loan programs offered by a variety of different lenders can help consumers make a well-informed decision and



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at [www.fdic.gov](http://www.fdic.gov), by subscription electronically (go to [www.fdic.gov/about/subscriptions/index.html](http://www.fdic.gov/about/subscriptions/index.html)) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-28-2007

secure the best program to meet their needs. Useful information on shopping for home loans can be found on the FDIC's Web site at <http://www.fdic.gov/consumers/looking/index.html>.

Questions about these solicitations may be directed to the FDIC's toll-free Central Call Center at 1-877-275-3342 or 1-877-ASK-FDIC (1-800-925-4618 or 202-942-3147 for the hearing impaired). Questions may also be submitted to the FDIC's Web site using the Online Customer Assistance Form found at <http://www2.fdic.gov/starsmail/index.html>.

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