



PRESS RELEASE

Federal Deposit Insurance Corporation

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Expanding Responsible Mortgage Credit Availability to Lower-Income Households to Be Focus of Two FDIC-Sponsored Events

Strategies for promoting responsible and sustainable mortgage lending to low- and moderate-income (LMI) families will be the focus of the FDIC-sponsored Forum on Mortgage Lending for LMI Households on July 8th in Arlington, VA.

The forum – featuring leading experts in banking, investment, government, academia and the nonprofit community – will explore a framework for LMI mortgage lending in the future, including identifying market and regulatory incentives for encouraging responsible mortgage lending to LMI borrowers.

Forum participants will include the Honorable **Henry M. Paulson, Jr.**, Secretary of the Treasury; the Honorable **Ben S. Bernanke**, Chairman, Federal Reserve Board of Governors; and **James Dimon**, Chairman of the Board and Chief Executive Officer of JPMorgan Chase & Co.

Building upon the discussions from the LMI forum, the FDIC's Advisory Committee on Economic Inclusion (ComE-IN) will convene on July 9th in Washington, D.C., to examine ways to encourage mortgage credit availability to lower-income households.

The availability of credit to mortgage borrowers has sharply contracted, with total originations in the first quarter of 2008 down almost 30 percent from the first quarter a year ago. Origination volumes have fallen even more dramatically in the subprime segment and in the non-conforming so-called "Alt-A" segment - nearly 90 percent and 80 percent, respectively. Moreover, total mortgage originations are forecast to continue to decline by 18 percent in 2008 and by another 11 percent in 2009, according to the Mortgage Bankers Association.

"I remain concerned that reductions in mortgage credit availability will disproportionately affect lower-income households, who already lag the general population in homeownership rates," said FDIC Chairman Sheila C. Bair. "I look forward to hearing the issues and challenges raised at the FDIC's LMI mortgage forum and our Advisory



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Committee's views regarding how the FDIC can encourage mortgage credit availability strategies that will benefit consumers, lenders and investors, as well as the economy."

Both events can be viewed live via Webcast at <http://www.vodium.com/goto/fdic/advisorycommittee.asp>.

The July 8th forum will be held from 7:50 a.m. to 3:45 p.m. in the C Building of the FDIC's L. William Seidman Center, 3501 Fairfax Drive, Arlington, Virginia. Admission to the forum is by invitation only. The July 9th ComE-IN meeting will take place from 8:30 a.m. to noon in the FDIC Board Room, located on the sixth floor of the FDIC headquarters building at 550 17th Street, N.W., Washington, D.C., and is open to the public.

To view the July 8th forum agenda, visit <http://www.fdic.gov/about/comein/meetingJuly808.html>. For the July 9th ComE-IN meeting agenda, visit <http://www.fdic.gov/about/comein/meetingJuly908.html>.

ComE-IN was created by Chairman Bair and approved by the FDIC Board in November 2006 to provide the FDIC with advice and recommendations on important initiatives focused on expanding access to banking services by underserved populations. Chairing the committee is Diana Taylor, Managing Director, Wolfensohn & Company, L.L.C, who formerly served as Superintendent of Banks for the State of New York. For the list of committee members, visit <http://www.fdic.gov/about/comein/>.