



PRESS RELEASE

Federal Deposit Insurance Corporation

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Statement of FDIC Chairman Bair on Encouraging Servicers To Report Loan Modification Efforts to HOPE NOW Alliance

Federal Deposit Insurance Corporation Chairman Sheila C. Bair said, "The Financial Institution Letter released today strongly encourages state nonmember institution mortgage servicers to report their loan modification and foreclosure prevention efforts through the HOPE NOW Alliance, and to also support efforts of the State Foreclosure Prevention Working Group. Accurate reporting about loan modification efforts is essential to an improved understanding by the public and policy makers of progress in responding to growing mortgage delinquencies and foreclosures."

"In the future, I hope that the HOPE NOW reporting will incorporate the more detailed information requests included in the American Securitization Forum's Investor Reporting Standards released in December. Detailed reporting on progress in responding to growing mortgage delinquencies is vital both to measure progress and to inform the public debate about how best to achieve effective solutions to the mortgage market problems."

"Foreclosures remain unacceptably high, and mortgage loan performance continues to deteriorate. As detailed reporting information becomes available, I hope that we will see loan modifications that are long-term and sustainable. To work out of our current problems it is critical that borrowers have loans that they can afford to pay over the long term."

The other federal financial regulatory agencies (the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency and the Office of Thrift Supervision,) are issuing similar communications today to the institutions they supervise; the National Credit Union Administration will follow shortly.



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.

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