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Joint Release

**Board of Governors of the Federal Reserve System  
Federal Deposit Insurance Corporation  
National Credit Union Administration  
Office of the Comptroller of the Currency  
Office of Thrift Supervision**

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For immediate release

March 4, 2009

**Federal Financial Regulatory Agencies Issue Statement In Support of the "Making Home Affordable" Loan Modification Program**

The federal bank, thrift, and credit union regulatory agencies encourage all federally regulated financial institutions that service or hold residential mortgage loans to participate in the "Making Home Affordable" loan modification program. Guidelines for the program were announced today by the Treasury Department.

The Treasury Department previously has indicated that institutions receiving financial assistance in the future under the Financial Stability Plan established under the Troubled Assets Relief Program will be required to implement loan modification programs in accordance with the Treasury Department's guidelines.

The agencies strongly support the program's goal of promoting sustainable loan modifications for at-risk homeowners that appropriately balance the interests of homeowners, servicers, and investors. The federal bank, thrift, and credit union regulatory agencies worked closely with the Treasury Department in developing the guidelines.

By providing servicers and holders of eligible residential mortgages with incentives to modify loans at risk of foreclosure, the program will promote sustainable alternatives to foreclosures on owner-occupied residential properties. These incentives should help make affordable loan modifications more attractive than foreclosure. The program also provides incentives for homeowners whose mortgages are modified to remain current on their mortgages after modification. Taken together, these incentives should help responsible homeowners remain in their homes and avoid foreclosure, thereby easing downward pressures on house prices in many parts of the country and averting the costs to families, communities, and the economy from avoidable foreclosures.

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