



PRESS RELEASE

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FOR IMMEDIATE RELEASE
May 4, 2011

Media Contact:
David Barr (202) 898-6992
dbarr@fdic.gov

FDIC Report Highlights Review of Foreclosure Practices

The Special Foreclosure Edition of *Supervisory Insights*, released today, highlights lessons learned from an interagency horizontal review of the 14 largest residential mortgage servicers. This review resulted in Consent Orders with all entities reviewed.

To date, FDIC reviews of state nonmember banks have not identified instances of "robo-signing" or other serious deficiencies in mortgage servicing operations. Nevertheless, any bank involved in residential mortgage servicing can benefit from understanding the issues identified in the interagency review. To help institutions minimize their legal and reputational risks, this Special Foreclosure Edition provides examples, derived from the lessons learned, of effective residential mortgage servicing practices.

"The best practices outlined in this publication provide important suggestions for avoiding pitfalls in servicing mortgage loans," said FDIC Chairman Sheila C. Bair. "We encourage all residential mortgage servicers to read the article and consider the best practices as they review their own servicing operations."

Supervisory Insights provides a forum for discussing how bank regulation and policy are put into practice in the field, sharing best practices, and communicating about the emerging issues that bank supervisors face. The journal is available on the FDIC's Web site

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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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