



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

December 12, 2013

Media Contact:
Jay Rosenstein (202) 898-7303
jrosenstein@fdic.gov

FDIC Consumer Newsletter Highlights New Rules and Tips for Mortgage Borrowers

Other Topics Include Information About Being Turned Down for a Checking Account and Using Social Media to Connect With Your Bank

FOR IMMEDIATE RELEASE

For anyone thinking about buying a home or shopping for a mortgage, the Fall 2013 issue of **FDIC Consumer News** features an overview of important rules taking effect soon that are intended to protect consumers from risky loans. The coverage includes practical tips when shopping for a loan and for avoiding mortgage scams. Additional articles offer suggestions on options to consider if an institution turns you down for an account based on a report of a previously closed checking or savings account, as well as information on using a financial institution's social media site to communicate or conduct business with a bank. Here's an overview of this issue, which also marks the 20th anniversary of the FDIC newsletter:

New mortgage rules: Important new rules from the Consumer Financial Protection Bureau, which will implement provisions of the 2010 Dodd-Frank financial reform law, are primarily intended to ensure that consumers are not encouraged by a lender or loan broker to take a mortgage that they don't have the ability to repay. Other provisions will help consumers do a better job of protecting themselves during the loan origination process. Most of the new rules will take effect on January 10, 2014.

Mortgage scams: **FDIC Consumer News** is reminding mortgage borrowers to watch out for scammers who falsely claim to be lenders, loan servicers, financial counselors, representatives of government agencies or other professionals wanting to "help" fix loan payment problems. The newsletter presents common warning signs of fraudulent offers.



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, by subscription electronically (go to 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-115-2013

If you're turned down for a checking account: Certain "consumer reporting" companies can legally collect information from financial institutions on aspects relating to a consumer's checking account, such as the reasons an account was closed. And just as a negative credit report can hurt someone's ability to borrow from a financial institution, a checking history that shows a closed account because of unpaid overdrafts or other mismanagement can hurt that person's ability to open a new account. **FDIC Consumer News** offers suggestions for consumers who are unable to open a new account, including the importance of reviewing a copy of the report and disputing errors.

Using financial institutions' social networking sites: Many people interact with businesses on social media sites such as Facebook, Google+ and Twitter. Banks are also using social media to advertise their products and services, obtain consumer feedback and, in some cases, provide a gateway for customers to access their accounts. There can be consumer benefits, including finding out about new products or special offers more quickly, but users also need to be careful, such as by protecting personal, confidential or account information in their posts.

The goal of **FDIC Consumer News** is to deliver timely, reliable and innovative tips and information about financial matters, free of charge. The Fall 2013 edition can be read or printed at www.fdic.gov/consumers/consumer/news/cnfall13. To find current and past issues, visit www.fdic.gov/consumernews or request paper copies by contacting the FDIC's Public Information Center toll-free at 1-877-275-3342, by e-mail to publicinfo@fdic.gov, or by writing to the FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1002, Arlington, VA 22226.

To receive an e-mail about each new issue of the quarterly **FDIC Consumer News** with links to stories, go to www.fdic.gov/about/subscriptions/index.html. The FDIC encourages financial institutions, government agencies, consumer organizations, educators, the media and anyone else to help make the tips and information in **FDIC Consumer News** widely available. The publication may be reprinted in whole or in part without permission. Please credit **FDIC Consumer News**. Organizations also may link to or mention the FDIC Web site.