



Mortgage Loan Prequalifications

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TO: CHIEF EXECUTIVE OFFICER and COMPLIANCE OFFICER
SUBJECT: *Help Guide for Financial Institutions*

The FDIC's Division of Compliance and Consumer Affairs (DCA) has produced the enclosed financial institution help guide entitled Mortgage Loan Prequalifications: Applications or Not? The guide answers many questions about mortgage loan prequalification programs frequently posed to DCA examiners, regional managers and community affairs staff by lenders, consumers and others.

The guide will assist FDIC-regulated financial institutions to develop mortgage loan prequalification programs and services that provide good customer service and comply with important components of fair lending laws and regulations, including the Equal Credit Opportunity Act (ECOA), the Fair Housing Act (FHA), and the Home Mortgage Disclosure Act (HMDA). The guide will also help institutions minimize technical and substantive violations commonly encountered in routine compliance examinations.

DCA's mission is to promote compliance with fair lending and other consumer protection laws and regulations, and to increase public understanding of and confidence in the deposit insurance system. While the division's mission is accomplished in part through compliance examinations, DCA hopes to further its goals by assisting financial institutions with fair lending compliance through education and guidance. If this guide proves useful to financial institutions, DCA will consider developing other help guides on topics of current interest or concern.

Please contact your DCA Regional Office for more information about compliance with fair lending laws and regulations for specific mortgage loan prequalification programs.

Carmen J. Sullivan
Director

Attachment:

The attachment to this Financial Institution Letter is not currently available in electronic format. Until it is in a form that will allow us to post it to the internet, you may obtain hard copy (fax not available) from:

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