

## Press Releases

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### OTS 08 038 - OTS Issues Guidance on Home Equity Lines of Credit

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**Washington, D.C.** — The Office of Thrift Supervision (OTS) issued guidance today to OTS-regulated financial institutions about managing programs offering home equity lines of credit, a revolving form of credit in which the borrower's home serves as collateral.

Declining home prices in parts of the country are prompting some institutions to curtail, suspend, or terminate customers' home equity line of credit. Today's guidance emphasizes that institutions taking such actions must comply with federal laws and rules designed to protect customers, including regulations implementing the Truth in Lending Act, Equal Credit Opportunity Act, Fair Housing Act and the OTS nondiscrimination rule.

"A home equity line of credit is an attractive product for many homeowners and lenders," the guidance said. "While sound underwriting and effective risk management systems are essential, associations must employ these strategies in a manner that complies with applicable consumer protection laws and regulations."

A copy of the guidance is attached (<http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2008-38a.pdf>).