

Press Releases

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OTS 10-015 - OTS Issues Information to Help Consumers Find the Right Mortgage Loans

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Washington, D.C. — The Office of Thrift Supervision (OTS) issued information today in support of Financial Literacy Month to educate consumers about a new mortgage process required by the Real Estate Settlement Procedures Act and about the impact of a consumer's credit score on the interest rate of a mortgage loan.

The information, entitled "What to Expect When You Apply for a Mortgage Loan," informs consumers who are shopping for a home loan about the importance of good credit; it also describes changes to the mortgage process that should help consumers find a loan that best fits their needs.

"Buying a home involves some of the most important financial decisions a consumer will ever make," noted OTS Acting Director John E. Bowman. "At the OTS, we want to make sure consumers have the information they need to make the best choices for themselves and their families."

An important element of the mortgage process is the "Good Faith Estimate" (GFE) of settlement costs that lenders are required to provide. Under rules recently issued by the Department of Housing and Urban Development, charges listed on the new standardized GFE cannot change much at settlement. As a result, consumers should no longer be confronted with unexpected charges at settlement, when it is often too late to question the charges or walk away.

The consumer information is available on the OTS website at <http://www.ots.treas.gov/?p=ConsumerResources>.