

# STATE OF NEBRASKA

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**Dave Heineman**  
Governor

## DEPARTMENT OF BANKING AND FINANCE

**John Munn**

*Director*  
Commerce Court, Suite 400  
1230 'O' Street  
Lincoln, Nebraska 68508-1402

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**CONTACT:** Nora Tallmon, Public Information Officer  
Nebraska Department of Banking & Finance

**FOR IMMEDIATE RELEASE**

**PHONE: 402-471-2171**

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### **Nebraska Department of Banking and Finance Adopts Regulatory Guidance on Nontraditional Mortgage Products**

John Munn, Director of the Nebraska Department of Banking and Finance (NDBF) recently announced the adoption of a set of regulatory guidelines covering the marketing of nontraditional mortgages by state-licensed entities. These guidelines promote consistent regulation in the mortgage market and clarify how residential mortgage providers can offer nontraditional mortgage products in a way that clearly discloses the risks borrowers may assume.

Munn said, "These guidelines are designed to level the playing field in the mortgage market in order to protect consumers from taking on high-risk mortgages without having a full understanding of the terms of such loans." The guidance was developed by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) and applies to state-licensed mortgage bankers.

The CSBS/AARMR guidance parallels final guidance released on September 29, 2006 by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the National Credit Union Administration.

Munn said that CSBS and AARMR's goal is for all states to adopt the guidelines so that all consumers will be equally protected and all originators of residential mortgages will be subject to similar supervisory guidance.

If you have questions about this issue or any investing or banking matter please call the NDBF Consumer Hotline toll free at (877) 471-3445 (in Lincoln 471-2171), or visit online at [www.ndbf.org](http://www.ndbf.org).

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