

MEMORANDUM

To: Subscribers to *Self-Paced Compliance Training for Mortgage Lenders*

From: A.S. Pratt & Sons

Subject: Highlights

This update to *Self-Paced Compliance Training for Mortgage Lenders* enhances your manual by adding coverage of the following information:

- **Subprime mortgage lending.** In July 2007, the federal banking agencies developed a *Statement on Subprime Mortgage Lending* to address emerging risks associated with certain subprime mortgage products and lending practices. In particular, the agencies were concerned about the growing use of ARM products that provide low initial payments based on a fixed introductory rate that expires after a short period, and then adjusts to a variable rate plus a margin for the remaining term of the loan. See Part 1.
- **Affiliate sharing of consumer information.** The federal regulatory agencies published final rules to implement the affiliate marketing provisions in the Fair and Accurate Credit Transactions Act of 2003, which amended the Fair Credit Reporting Act (FCRA). The rules were effective January 1, 2008 with mandatory compliance on October 1, 2008. See Part 3.