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Press Release

September 15, 2009

Federal Reserve to implement consumer compliance supervision program of nonbank subsidiaries of bank holding companies and foreign banking organizations

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The Federal Reserve, under a policy announced Tuesday, will implement a consumer compliance supervision program in nonbank subsidiaries of bank holding companies (BHCs) and foreign banking organizations (FBOs) with activities covered by the consumer protection laws and regulations the Federal Reserve has the authority to enforce. The policy, which will take effect immediately, also provides for the investigation of consumer complaints against these nonbank entities.

In 2007, the Federal Reserve, along with the Federal Trade Commission (FTC), Office of Thrift Supervision (OTS), and two associations of state regulators, launched a joint pilot project that conducted targeted consumer protection compliance reviews of selected non-depository lenders with significant subprime mortgage operations. The policy announced today builds upon the groundwork of the pilot program and responds to a need for more effective supervision and consumer protection. It is designed to improve the Federal Reserve's understanding of the consumer compliance risk that certain products and services may pose to the holding companies and consumers and to guide supervisory activity for these entities.

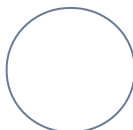
The Federal Reserve has authority to examine nonbank subsidiaries for

compliance with the Truth in Lending Act (TILA); Equal Credit Opportunity Act (ECOA); Home Ownership and Equity Protection Act (HOEPA); Fair Credit Billing Act (FCBA); Consumer Leasing Act (CLA); Fair Credit Reporting Act (FCRA); Fair Debt Collection Practices Act (FDCPA); Home Mortgage Disclosure Act (HMDA); Truth in Savings Act (TISA); any rules promulgated pursuant to the Federal Trade Commission Act (FTC Act); and the Real Estate Settlement Procedures Act (RESPA).

The Board's Consumer Affairs Letter is attached.

[CA Letter 09-08](#)

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