

DATE: February 22, 2007

SUBJECT: The Federal Reserve Board on Friday alerted the public to instances of questionable solicitations directed at homeowners.

HIGHLIGHTS: The Federal Reserve has received inquiries and complaints from recipients of direct mail solicitations that suggest there is a "Community Reinvestment Act (CRA) program" that entitles certain homeowners to cash grants or equity disbursements. Some of these solicitations may be read to indicate that the Federal Reserve endorses or supports the offers they contain. These solicitations appear to be a deceptive effort to encourage consumers to apply for a mortgage loan secured by the consumer's home. The Federal Reserve cautions the public about loan solicitations or other offers from lenders or mortgage brokers that offer consumers cash grants or equity disbursements as part of a "CRA Program." No such federal programs exist and these programs are not required by the CRA.

**DOCUMENT
LOCATION:**

<http://www.federalreserve.gov/boarddocs/press/other/2007/20070216/default.htm>

**FURTHER
INFORMATION:**

Timothy A. Bosch, Vice President

Banking Supervision and Regulation Department

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