

DATE: May 4, 2005

SUBJECT: Accounting and Reporting for Commitments to Originate and Sell Mortgage Loans. (SR 05-10)

HIGHLIGHTS: The Federal Reserve Board, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, Office of Thrift Supervision, and National Credit Union Administration have issued the attached Interagency Advisory on Accounting and Reporting for Commitments to Originate and Sell Mortgage Loans. The advisory provides guidance on the appropriate accounting and reporting for both derivative loan commitments (that is, commitments to originate mortgage loans that will be held for resale) and forward loan sales commitments (that is, commitments to sell mortgage loans). Many institutions have experienced difficulty in reporting derivative loan commitments and forward loan sales commitments, and the Federal Reserve reminds institutions that they are expected to apply Generally Accepted Accounting Principles when accounting for these transactions.

DOCUMENT

LOCATION: <http://www.federalreserve.gov/boarddocs/srletters/2005/sr0510.htm>

**FURTHER
INFORMATION:**

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