

FEDERAL TRADE COMMISSION**Public Workshop: Protecting Consumers in the New Mortgage Marketplace**

AGENCY: Federal Trade Commission ("FTC" or the "Commission").

ACTION: Notice Announcing Public Workshop and Requesting Participation.

SUMMARY: The FTC is planning to host a public workshop, *Protecting Consumers in the New Mortgage Marketplace*. The workshop will explore consumer protection issues arising from the emergence of "nontraditional" or "alternative" mortgage products in the United States residential mortgage marketplace. The workshop will provide an opportunity for government regulators, industry participants, consumer advocates, and other interested parties to discuss the impact of these products on consumers and the marketplace.

The event is open to the public and there is no fee for attendance. For admittance to the workshop, all attendees will be required to show a valid form of photo identification, such as a driver's license.

Additional information about the workshop will be posted on the FTC's Web site at <http://www.ftc.gov/bcp/workshops/mortgage/index.html>.

Date and Location: The workshop will be held on May 24, 2006, from 8:30 a.m. to 5:30 p.m., at the Federal Trade Commission's Satellite Building Conference Center located at 601 New Jersey Avenue, NW., Washington, DC.

Requests to Participate as Workshop Panelists: FTC staff will identify and invite individuals with relevant expertise to participate as panelists. In addition, the FTC staff may invite other persons to participate as panelists who submit requests in response to this **Federal Register** notice. Requests to participate as panelists in the workshop must be received on or before Wednesday, April 12, 2006. Persons filing requests to participate as panelists will be notified whether they have been invited on or before Wednesday, April 26, 2006. For further instructions, please see the "Requests to Participate as Workshop Panelists" section under **SUPPLEMENTARY INFORMATION** below.

Workshop Agenda: Additional information about the workshop will be posted on the FTC's Web site at <http://www.ftc.gov/bcp/workshops/mortgage/index.html>. An agenda will be posted there in advance of the workshop.

FOR FURTHER INFORMATION CONTACT: Julie Bush, (202) 326-3608, or Delores

Thompson, (202) 326-2264, FTC, Bureau of Consumer Protection. The FTC staff contacts can be reached by e-mail at: mortgageworkshop@ftc.gov, and by mail or overnight delivery at: Federal Trade Commission, 601 New Jersey Avenue, NW., Mail Stop NJ-3158, Washington, DC 20580.

SUPPLEMENTARY INFORMATION:**Background**

As housing prices throughout the United States have soared in recent years, a variety of alternative mortgage products have grown increasingly prevalent in the mortgage marketplace. Among the most significant products are "interest-only" loans and payment option adjustable rate mortgage (ARM) loans (or "pick-a-payment" loans). The proportion of new mortgages consisting of interest-only and pick-a-payment loans rose dramatically over the last few years. In 2000, such loans made up less than one percent of the home mortgage market. By 2005, they reportedly comprised as much as fifty percent of all new mortgage loans.

These mortgage products may provide benefits for many consumers. Consumers may gain the ability to purchase homes at prices they could not afford using traditional thirty-year, fixed rate mortgages, because the minimum monthly payments required during the initial periods of these loan products are much lower. Moreover, these mortgage products may be especially well suited for certain consumers, such as those with an uneven pattern of income or those anticipating a rise in income.

These mortgage products may also present unexpected risks for consumers. Consumers may not adequately understand that such mortgages could result in "payment shock," when minimum monthly payment amounts jump by as much as 100% upon expiration of a loan's initial period. They also may not understand that some of these loans may yield *negative amortization*, i.e., a rise in the loan balance because mortgage payments are less than the interest due. Additionally, because these products permit borrowers to defer repayment of principal, borrowers build no equity except to the extent that their homes appreciate in value. Therefore, such loans may be particularly risky in the face of changing market conditions.

Workshop Goals

The workshop will focus on the consumer protection issues that arise in connection with the prevalence of nontraditional mortgage products. Specifically, the FTC will explore various aspects of the current residential

mortgage marketplace, including how these mortgage products have evolved, the benefits and risks they pose for consumers, how market forces shape the prevalence of particular mortgage products, and current consumer understanding of the terms, features, risks, and benefits of these loans.

Among the many issues the workshop may address are:

- What are the mortgage product alternatives offered today? Who are the typical borrowers for each product type? What are the trends in this new marketplace?

- What are the benefits and risks to consumers of products such as interest-only and pick-a-payment loans? Are consumers aware of the risks and benefits?

- To what extent are such loans marketed or made to low-income consumers or consumers with low credit scores? Do loans made to such consumers differ in important ways from those made to consumers with higher incomes or better credit scores?

- Why have these products become so prevalent in recent years? What are the roles of lenders, brokers, government-sponsored entities, and secondary market investors in determining which loan products are offered?

- How well does the current regulatory framework address these loan products?

- How well do consumers understand the terms and features of these loans? What do they understand about the risks, such as payment shock or negative amortization?

- How significant is the issue of payment shock? How will it affect the marketplace in the coming years?

- How can consumers who hold these loans best prepare for, or avoid, payment shock?

- How can lenders, loan holders, servicers, or others participate in planning and developing solutions for the consumers who now hold these loans?

- What are best practices for consumers, lenders, and other participants in the loan marketplace?

- What is the FTC's role in protecting consumers in this new mortgage marketplace?

Requests To Participate as Workshop Panelists

The FTC staff will identify and invite individuals with relevant expertise to participate as panelists. In addition, the FTC staff may invite other persons to participate as panelists who submit requests in response to this **Federal Register** notice.

Parties seeking to nominate themselves as potential panelists in the workshop must notify the FTC in writing of their interest in participating on or before Wednesday, April 12, 2006. Requests to participate as workshop panelists should refer to "Mortgage Workshop—Panelist Participation Request." A request to participate filed in paper form should include this reference both in the text and on the envelope, and should be mailed or delivered to the following address: Mortgage Workshop, c/o Julie Bush, FTC, 601 New Jersey Avenue, NW., Mail Stop NJ-3158, Washington, DC 20580. If the request to participate contains any material for which confidential treatment is requested, it must be filed in paper (rather than electronic) form, and the first page of the document must be clearly labeled "Confidential."¹ The FTC prefers that any request to participate filed in paper form be sent by courier or overnight service, if possible, because U.S. postal mail in the Washington area is subject to delay due to heightened security precautions. Please include an original and two copies of each document submitted in paper form.

In the alternative, parties may e-mail requests to participate as workshop panelists (except requests containing any confidential material) to mortgageworkshop@ftc.gov and should caption them: "Mortgage Workshop—Panelist Participation Request."

Requests to participate as workshop panelists should include the following information:

- (1) A brief biographical description, including name and affiliation;
- (2) A statement setting forth the potential panelist's expertise in or knowledge of one or more issues likely to be addressed by the workshop;
- (3) A list of the topic(s) that the potential panelist would like to address, and a one-paragraph summary of the potential panelist's unique perspective or knowledge of each such topic; and
- (4) Contact information, including a daytime telephone number, facsimile number, and e-mail address (if available).

Parties filing requests to participate as workshop panelists will be notified

¹ Commission Rule 4.2(d), 16 CFR 4.2(d). The request to participate must be accompanied by an explicit request for confidential treatment, including the factual and legal basis for the request, and must identify the specific portions of the request to participate to be withheld from the public record. The request for confidential treatment will be granted or denied by the Commission's General Counsel, consistent with applicable law and the public interest. See Commission Rule 4.9(c), 16 CFR 4.9(c).

whether they have been invited on or before Wednesday, April 26, 2006.

The FTC Act and other laws the Commission administers permit the collection of requests to participate as workshop panelists, to consider and use in this proceeding as appropriate. More information, including routine uses permitted by the Privacy Act, may be found in the FTC's privacy policy, at <http://www.ftc.gov/ftc/privacy/htm>.

General Participation

The event is open to the public and there is no fee for attendance. For admittance to the workshop, all attendees will be required to show a valid form of photo identification, such as a driver's license.

By direction of the Commission.

Donald S. Clark,

Secretary.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2005N-0395]

Agency Information Collection Activities; Announcement of Office of Management and Budget Approval; Guidance for Industry on Formal Meetings With Sponsors and Applicants for Prescription Drug User Fee Act Product

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that a collection of information entitled "Guidance for Industry on Formal Meetings With Sponsors and Applicants for Prescription Drug User Fee Act Product" has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995.

FOR FURTHER INFORMATION CONTACT: Karen Nelson, Office of Management Programs (HFA-250), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-1482.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of January 24, 2006 (71 FR 3858), the agency announced that the proposed information collection had been submitted to OMB for review and clearance under 44 U.S.C. 3507. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it

displays a currently valid OMB control number. OMB has now approved the information collection and has assigned OMB control number 0910-0429. The approval expires on March 31, 2009. A copy of the supporting statement for this information collection is available on the Internet at <http://www.fda.gov/ohrms/dockets>.

Dated: March 20, 2006.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. E6-4424 Filed 3-27-06; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. 2005N-0507]

Agency Information Collection Activities; Announcement of Office of Management and Budget Approval; Guidance on Informed Consent for In Vitro Diagnostic Device Studies Using Leftover Human Specimens That are Not Individually Identifiable

AGENCY: Food and Drug Administration, HHS.

ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing that a collection of information entitled "Guidance on Informed Consent for In Vitro Diagnostic Device Studies Using Leftover Human Specimens That are Not Individually Identifiable" has been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995.

FOR FURTHER INFORMATION CONTACT: Karen L. Nelson, Office of Management Programs (HFA-250), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-1482.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of January 9, 2006 (71 FR 1429), the agency announced that the proposed information collection had been submitted to OMB for review and clearance under 44 U.S.C. 3507. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB has now approved the information collection and has assigned OMB control number 0910-0582. The approval expires on September 30, 2006. A copy of the supporting statement for this information collection is available on the Internet at <http://www.fda.gov/ohrms/dockets>.