

Preserve the Mission and Purpose of the FHA Program

CONGRESSIONAL ACTION NEEDED

Ensure that the Federal Housing Administration (FHA) single-family program has the tools and policies in place to meet its mission of providing access to safe, affordable mortgage financing to qualified borrowers nationwide.

CONGRESSIONAL ACTIONS TO DATE

- The House Financial Services Committee has held a number of hearings on FHA reform, including one that featured NAR President Gary Thomas.
- Reps. Waters (D-CA) and Capuano (D-MA) have introduced H.R. 1145, the “FHA Emergency Fiscal Solvency Act of 2013.” NAR supports this legislation. Additional legislation is expected to be introduced by the Committee leadership.
- The Senate Banking Committee has held a hearing on FHA reform, at which NAR President Gary Thomas testified.

WHAT TO TELL YOUR REPRESENTATIVES AND SENATORS

- FHA’s single-family mortgage insurance program helps preserve private financing options for homebuyers regardless of local, regional or national economic conditions.
- Without FHA, our nation’s housing recovery would never have begun.
- Do no harm to that recovery. Do not enact FHA reform legislation that unfairly restricts homebuyer access to safe, affordable mortgage credit.

ISSUE BACKGROUND

FHA, like every other holder of mortgage risk, has incurred financial losses as a result of high foreclosure rates. FHA has taken a number of steps to recoup its financial stability. These include increasing premiums five times in the last two years, increasing down payments on some borrowers, and increasing risk management. Congress should NOT impose any additional cost or qualification burdens on consumers. Further mandated increases to premiums or down payments will disenfranchise American families and hurt our nation’s housing *and* economic recovery.

Provide FHA With Tools but Don’t Disqualify Potential Homeowners.

NAR supports H.R. 1145, a bill identical to bipartisan legislation that passed the House of Representatives last year by a vote of 402-7. This legislation provides FHA with flexibility to make necessary changes to the program, provides taxpayer protections against lenders who make errors of material fact, and improves program oversight.