

# Fact: FHA Works



## Here's Why:

**Fact** The Federal Housing Administration (FHA) helped our nation's struggling economy during these past 5 years, exactly the way Congress designed it to operate when it was established 80 years ago. FHA filled the market void, keeping housing values from dropping an additional 25% and American families from losing more than \$3 trillion of home values.\*

**Fact** During this time period FHA safely provided access to mortgage financing to 4 million homeowners following these principles:

- FHA did not offer risky mortgage products.
- FHA did not engage in exotic underwriting.
- FHA did not use predatory lending practices.

**Fact** To cover the additional risk, FHA has made important and necessary changes:

- Increased premiums 5 times since 2009.
- Increased down payments for borrowers with low credit scores.
- Instituted significant lender enforcement and oversight to increase return to the fund.

**Fact** FHA filled the market gap when private lending fled. Today, private lenders have yet to return, due to:

- Uncertainty about home mortgage rules (QM and QRM).
- Uncertainty about Dodd-Frank and regulatory oversight.
- Uncertainty about the future of the secondary mortgage market.

**The one million members of the National Association of REALTORS® oppose any changes to FHA that will cause a disruption to the housing sector and undermine fragile local real estate markets.**

**Let's strengthen housing markets and our national economy by working together to ensure that FHA maintains its vital role for American homeowners.**



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