

FHA Basics for Region IV 2011 TANF Priority Update Workshop



**Presented by: U.S. Department of
Housing and Urban Development,
Office of Single Family Housing**

HUD's Mission

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.



HUD PROGRAM OFFICES

Opportunities for Partnerships

- Center for Faith Based and Neighborhood Partnerships
- Community Planning and Development
- Policy Development & Research
- Public and Indian Housing
- Housing
- Healthy Homes and Lead Hazard Control
- Office of the Inspector General
- Office of Sustainable Housing and Communities
- Fair Housing / Equal Opportunity

**** More programs and information listed on HUD's website at:**
www.HUD.gov



Public and Indian Housing Site Map

www.HUD.gov

- [Public and Indian Housing](#)
 - [About PIH](#)
 - [Public Housing](#)
 - [Asset Management](#)
 - [Senior Housing Clearinghouse Center](#)
 - [CapFund](#)
 - [HOPE VI](#)
 - [Housing Choice Vouchers](#)
 - [Public Housing Reform](#)

Public and Indian Housing Site Map

www.HUD.gov

Public and Indian Housing cont'd

- [Indian Housing](#)
- [Rental Housing Integrity Improvement Project](#)
- [Real Estate Assessment](#)
- [Grants](#)
- [Notices, Rules & Regulations](#)
- [Library](#)
- [Forums](#)
- [Online systems](#)

Section 8 Housing Vouchers

- Participant free to choose any housing that meets the program requirements
- Can use up to one year's worth of vouchers towards payment
- Subsidy may be used as income or to offset housing payment
- Public Housing Agencies (PHA) approve participants for program and provide participant documentation of that approval

FHA - One home at a time





What is FHA?

- Federal Housing Administration (FHA) is an agency under the Department of Housing and Urban Development (HUD).
- Programs operate through FHA-approved banks, mortgage companies, and other lending institutions.
- FHA does not directly make loans to help people buy homes or refinance mortgages.

FHA's Role in Mortgage Industry

- FHA pays the lender's claim for the unpaid principal balance on a delinquent loan.
- Funded through self-sustaining insurance fund.
- Insurance fund supported by Up Front (UFMIP) and Annual Mortgage Insurance Premiums paid by FHA borrowers.



FHA is Filling the Void...

- In June 2011, FHA has insured 101,469 single-family mortgages covering 17.7 billion
- Average credit score is 704, last year 698.
- In 2006, less than 2% of the market share. In 2011, FHA's market share is averaging 30% across the country.

Homeownership Centers (HOCs)

Atlanta: Alabama, Florida, Georgia, Kentucky, Illinois, Indiana, Mississippi, North Carolina, South Carolina, and Tennessee, as well as the Caribbean.

Denver: Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Wisconsin, Wyoming and Utah.

Philadelphia: Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia.

Santa Ana: Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon and Washington. We also serve the Pacific Islands of American Samoa, Guam, & the Commonwealth of the Northern Marianas.

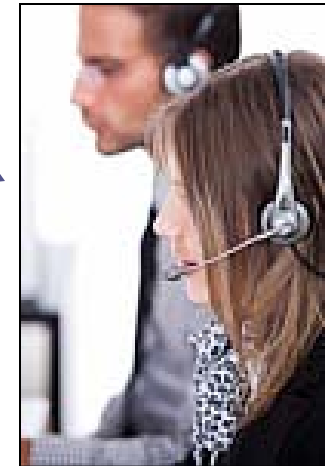


FHA PROGRAMS

- **Streamlined FHA mortgages-** decrease the amount of documentation.
 - **Good Neighbor Next Door Program** - HUD single-family homes in certain areas are listed exclusively to Fire/EMT, law enforcement and teaching professionals.
 - **HECM - Home Equity Conversion Mortgage Program-** FHA's reverse mortgage program for the older homeowner.
 - **203 (b)** - FHA's primary program for One to Four Family Homes.
 - **203 (k)** – Rehabilitation Mortgage Insurance for purchasing (or refinancing) and repairing a home.
 - **Streamlined 203 (k)** - Limited Repair Program for minor rehab and/or improvements.
 - **234 (c)** – Mortgage Insurance for Condominium Units.
- **More programs and information listed on the HUD website www.HUD.gov.**



Benefits of FHA



Why FHA?

- **FHA v. Conventional Credit Scores**
- **Low Downpayment Requirement: 3.5%**
- **Flexible Sources of Funds**
- **No Prepayment Penalties**
- **FHA and Risk Management**
- **Loss Mitigation Tools**

Loss Mitigation Options

- *Home Retention Options:*

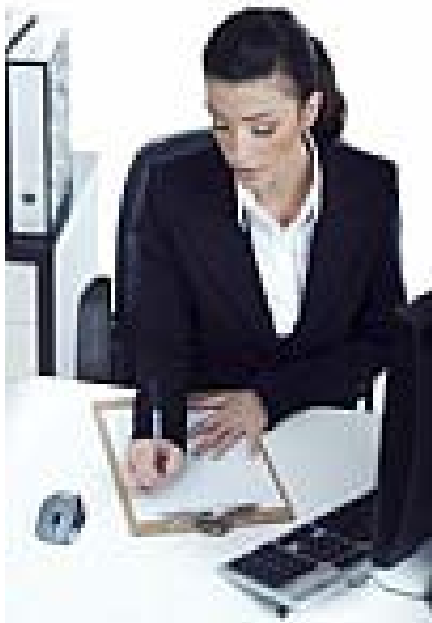
1. Special Forbearance
2. Loan Modification
3. Partial Claim
4. FHA's Home Affordable Modification Program (HAMP)

- *Disposition Options:*

1. Pre-foreclosure Sale
2. Deed-In-Lieu of Foreclosure



Resources



Mortgage Fraud

OIG HOTLINE 800-347-3735

hotline@hudoig.gov

- Lenders
- Loan originators
- Realtors
- Title Companies
- Appraisers
- Lawyers



- Fraud-
- False statements
- False documentation
- Identity theft
- Wire
- Fraudulent appraisals

Resources:



- **NSC:** http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/nschome
- **FHA Frequently Asked Questions:** <http://www.fhaoutreach.gov/FHAFAQ/>
If you are a lender, consumer, or a real estate professional with questions about buying a home or qualifying, our online knowledge base helps you find answers 24/7.
Call Center – 1-800-CALLFHA Email: info@fhaoutreach.com
- **HUD Approved Housing Counseling Agencies:** <http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm>
1- 800-569-4287 HUD sponsors housing counseling agencies throughout the country that can provide advice on buying a home, renting, defaults, foreclosures, credit issues, and reverse mortgages.
- **Find a local FHA lender:** <http://www.hud.gov/ll/code/llslcrit.cfm>
- **FHA Loan Limits:** <https://entp.hud.gov/idapp/html/hicostlook.cfm>
This page allows you to look up the FHA mortgage limits for your area or several areas, and then list them by state, county, or Metropolitan Statistical Area.
- **FHA approved condominium search:** <https://entp.hud.gov/idapp/html/condlook.cfm>
Locate approved condo projects and/or identify if your client's condo is currently approved for FHA financing.

Resources:



- HUD's Guide to Avoiding Foreclosure: <http://www.hud.gov/foreclosure/index.cfm>
- Housing Affordability and Stability Plan: www.MakingHomeAffordable.gov and www.financialstability.gov
Provides homeowners with detailed information about these programs along with self-assessment tools and calculators to empower borrowers with the resources they need to determine whether they might be eligible for a modification or a refinance under the Administration's program.
- Join HUD's email list: <http://www.hud.gov/offices/hsg/sfh/ref/hsgregst.cfm>
Receive email notification of Reference Guide revisions and updates, plus other important industry announcements such as new mortgagee letters, handbooks, FHA mortgage limit increases, events and training opportunities.

QUESTIONS?

www.hud.gov

1-800-CALL-FHA

