

News Release



NATIONAL ASSOCIATION OF REALTORS®
The Voice For Real Estate®

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FHA Key to Housing Rebound, Say Realtors®

WASHINGTON (April 2, 2009) – The Federal Housing Administration is a primary source of mortgage financing for millions of America’s families and plays a key role in helping bring stability to the housing market. This is the message that the National Association of Realtors® delivered to the Senate Appropriations Subcommittee today.

“Without FHA financing, families would be unable to purchase homes and communities would suffer from continued foreclosures and blight,” said Lennox Scott, a member of NAR’s Real Estate Advisory Board and CEO of John L. Scott Real Estate in Bellevue, Washington. In his testimony, Scott shared NAR’s belief in the importance of FHA and concern for the safety and soundness of its programs due to its dramatic growth over a short period of time.

“We believe that FHA has done a good job stepping up to today’s market challenges. However, along with the dramatic growth in market share comes greater responsibility and the need for increased infrastructure and staff,” Scott said. Over the past 18 months, FHA has handled an increase in volume four times greater than 2007 levels, increasing its market share to over 30 percent.

NAR suggests a number of FHA improvements that will help maintain safe and affordable FHA loan products. These improvements include investment in staff and technology improvements; increased oversight and risk management; technical correction to help implement FHA programs; and monetizing the \$8,000 first-time home buyer tax credit to allow buyers to apply it toward downpayment requirements.

“The U.S. Department of Housing and Urban Development has made a number of important and valuable changes to FHA over the years that has enabled it to stand up to the challenges of today’s mortgage market,” Scott said. “FHA is now a principal source of financing for millions of America’s families, and without it, the economic crisis would be significantly prolonged. This is why it is so important to invest in FHA improvements and advancements.”

NAR pledged to continue to work for FHA reforms that will ensure the continued success, availability and safety of FHA mortgage insurance programs.

The National Association of Realtors®, “The Voice for Real Estate,” is America’s largest trade association, representing 1.2 million members involved in all aspects of the residential and commercial real estate industries.

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