Federal Housing Administration

Questions 1, 2, and 3 are discussed separately for each of the seven basic programs of the Federal Housing Administration. The replies to the other questions follow and cover all the programs.

Sales Housing Programs

PART I. DESCRIPTION OF THE PROGRAM

1. Objectives

The broad objectives of the various FHA programs for sales housing mortgage insurance are contained in the Declaration of National Housing Policy, as described in section 2 of the Housing Act of 1949.

Pertinent among these are:

1. Increasing housing production to eliminate housing shortages;
2. Achieving as soon as feasible the goal of a decent house and suitable living environment for every American family, thus advancing the growth, wealth, and security of the Nation;
3. Enabling the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power.

These programs further aim to:

1. Encourage private enterprise to serve as large a part of the total need as it can;
2. Employ government assistance where feasible to enable private enterprise to serve more of the total need than it otherwise might;
3. Encourage and assist the development of well-planned, integrated, residential neighborhoods, the development and redevelopment of communities and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life.
4. To facilitate provisions of adequate housing for urban and rural nonfarm families with incomes so low that they are not being decently housed in new or existing housing—where these needs are not being met through reliance solely upon private enterprise;
5. Stabilize the housing industry at a high annual volume of residential construction.

Departing from the general language of legislation, the more specific purposes of the sales housing programs include: (1) Broadening the opportunity for home ownership to include all who seek this form of tenure and from whom there is reasonable assurance of repayment of loans, and (2) encouraging private lenders to undertake a degree of risk which they might not otherwise be willing to assume, or which they might not legally assume in the absence of insurance.

These basic purposes, in general, apply to all 10 of the FHA sales housing programs. But in addition, the individual programs each have special objectives or priorities. These special objectives are listed below, by individual program (program designations are sections of the National Housing Act):

203(b) is the basic sales housing program for financing new or existing one- to four-family dwellings, under which 80 to 90 percent of FHA's sales home volume is insured. It has no special objective over and above the basic objectives outlined above.