

CONSUMER CREDIT PROTECTION ACT

THE FHA IN BRIEF

Since its establishment in 1934, the Federal Housing Administration has written mortgage and loan insurance aggregating \$107 billion, covering 8 million homes, more than a million living units in multifamily projects, and nearly 28 million property improvement loans. FHA has helped more than 37 million families improve their housing standards and conditions.

Congress provided the FHA mortgage and loan insurance system to encourage improvement in housing standards, to promote sound financing practices in the housing field, and to act as a stabilizing force in the mortgage market. The FHA is self-supporting through income derived from fees, insurance premiums, and investments, and its insurance reserves are well over a billion dollars.

The Agency does not build houses or lend money. It acts only as an insurer of privately made loans from approved lenders.

In addition to its original programs of insurance for home improvement loans, home mortgages, and multifamily rental housing mortgages, FHA now insures mortgages through its 76 field offices on land development; housing for families of low and moderate income; housing in urban renewal areas; housing for the elderly or handicapped; nursing homes; cooperative housing; condominiums; experimental housing; housing at military installations; and long-term loans for major home improvements.

In over 31 years of operation, FHA has significantly influenced the location, volume, and kind of housing built in the United States. The agency has helped to make the low-downpayment, long-term, fully amortized mortgage the standard in mortgage lending.

The soundness of the FHA concept has been demonstrated over the years, and millions of mortgage and property improvement loans insured by FHA have been made by banks, building and loan associations, mortgage companies, and other FHA-approved lending institutions. By protecting these lenders against loss, FHA insurance enables them to advance credit on more liberal terms than might otherwise be available to families with moderate means.

The FHA-insured mortgage also is marketable on a national scale. This fact helps to keep localities supplied with mortgage money by enabling lenders to sell mortgages in return for new supplies of cash.

In 1947, the Federal Housing Administration was made a constituent agency of the Housing and Home Finance Agency. In 1965, it was made a part of the Department of Housing and Urban Development.