

The FHA in Brief

Since its establishment in 1934, the Federal Housing Administration has written mortgage and loan insurance in a total amount of well over a hundred billion dollars. This amount covers mortgage insurance on millions of homes, on more than a million living units in multi-family projects, and on many millions of property improvement loans. Altogether, FHA has helped between 35 million and 40 million families to improve their housing standards and conditions.

Congress provided the FHA mortgage and loan insurance system to help improve housing standards, to promote the use of sound financing methods, and to help keep the mortgage market steady. FHA supports itself through income derived from fees, insurance premiums, and investments. Its insurance reserves are well over a billion dollars.

All loans insured under FHA programs are made by private FHA-approved lenders. FHA does not lend money or build housing.

The first FHA programs dealt with insured home improvement loans, home mortgage loans, and rental housing mortgage loans. Through its 76 field offices FHA now also insures mortgages to develop land, and to provide homes for servicemen and their families, housing for people 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 or near military centers; and long-term loans for major home improvements.

FHA has had a marked influence on the location, volume, and kind of housing built in the United States. It has helped to make the low-downpayment, long-term, fully amortized mortgage the standard in mortgage lending.