



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

SINGLE FAMILY HOUSING



Denver Homeownership Center

Rural Health and Prosperity Dodge City, KS

July 11, 2023

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Agenda

FHA Background

FHA Programs & Products

Kansas Data

FHA Resources



FHA Background



FHA Background

What is the Federal Housing Administration (FHA)?

The U.S. Department of Housing and Urban Development (HUD), through the FHA, provides mortgage insurance on loans made by FHA-approved lenders throughout the U.S. and its territories for Single Family (SF) homes, Multifamily properties, and healthcare facilities.

FHA is the largest insurer of Mortgages in the world by volume, having insured almost 50 million properties since its inception in 1934.

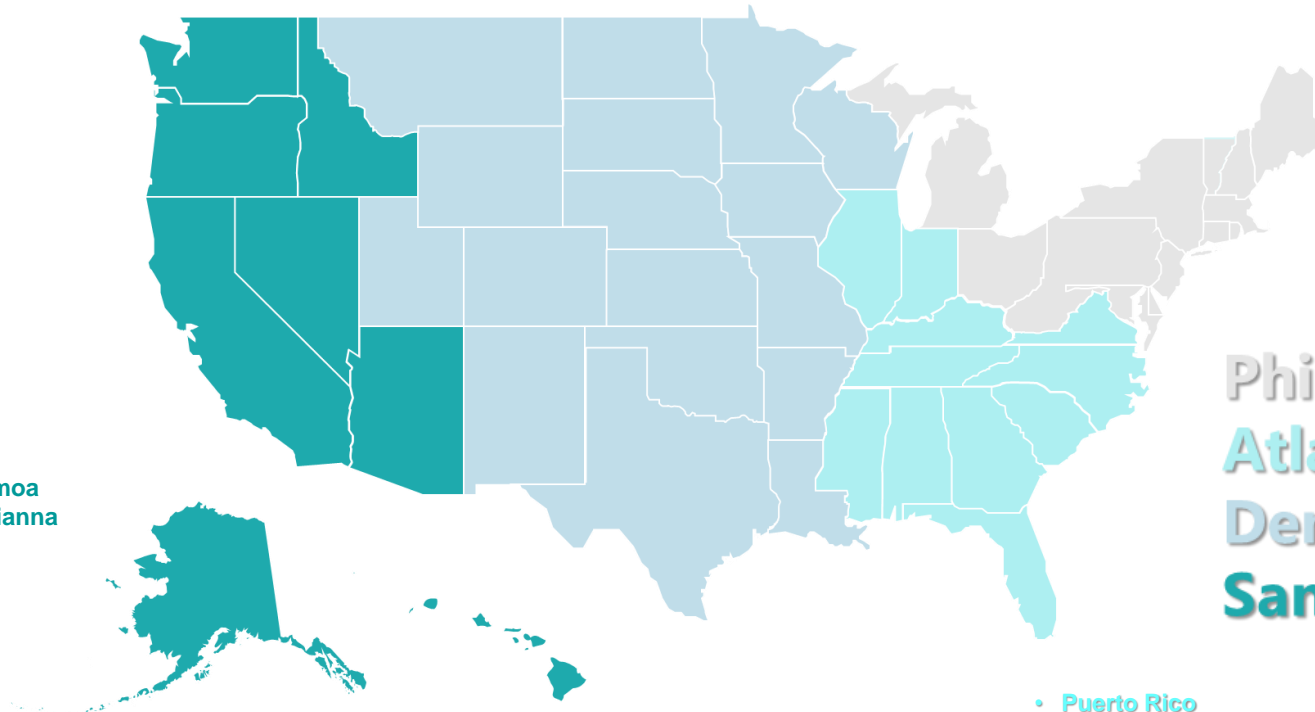


HUD Key Staff Appointments

- Secretary of Housing and Urban Development – **Marcia Fudge**
- FHA's Assistant Secretary for Housing and Federal Housing Commissioner Nomination - **Julia Gordon**
- Deputy Assistant Secretary for the Office of Single Family Housing - **Sarah Edelman**

Homeownership Centers

- Guam
- American Samoa
- Northern Mariana Islands



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FHA Programs & Products



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203(b) Forward Program: Basic Home Mortgage Loan



Standard FHA Forward Mortgage Insurance for purchase or refinance under Title II of the National Housing Act

Baseline policy for origination, underwriting, closing, post-closing, & endorsement procedures for all Single Family residences

Guidelines for special programs may contain additional requirements, or allows exceptions to standard requirements of 203(b)

- **Fixed or Adjustable Rate**
- **Maximum 30-Year Term**
- **Minimum 3.5% MRI on Purchase**

203(k) Program: Rehabilitation Mortgage Insurance

- Renovate or make repairs on an existing 1- to 4-unit residential structure through purchase or refinance.
- Funds for rehabilitation are placed in an escrow account for disbursement on repairs/improvements after closing.
- Modernize, add rooms, new heating/cooling, roof, energy improvements, or other non luxury improvements.

Standard 203(k)

Major rehab or repairs
Minimum repairs/improvements cost \$5K
FHA approved 203(k) Consultant required

Limited 203(k)

- Non-structural work up to \$35K
- Can go up to \$50,000 in Opportunity Zones
- No minimum amount of repair costs
- FHA approved 203(k) Consultant **not** required

Supplemental Programs & Products:

- 203(h) Disaster Victims Insurance
- HUD Real Estate Owned (REO)
- Energy Efficient Mortgages (EEM)
- Solar and Wind Technologies

203(h) Program: Mortgage Insurance for Disaster Victims

- Prior residence in Presidentially-Declared Major Disaster Area (PDMDA) that was destroyed or damaged to extent that reconstruction or replacement is necessary.
- Purchase, or when used with 203(k), the reconstruction of a Single Family residence.
- FHA case number must be assigned within one year of the date the PDMDA is declared.

HUD Real Estate Owned Purchasing

203(b)

- Purchase property in as-is condition with no repairs, alterations, or inspections required

203(b) with Repair Escrow

- Required repairs up to \$10K
- Escrow account established for funds
- Repairs to be completed after closing

203(k)

- Required repairs

Special Sales Incentives:

- \$100 Down
- Direct Sales

Search for HUD REO Properties at
www.hudhomestore.com

Home Equity Conversion Mortgage (HECM)

- Enables borrowers 62 years of age or older to withdraw a portion of the accumulated equity in their home or purchase of principal residence.
- Requires financial resources to continue to make payments on ongoing property charges such as property taxes, insurance and homeowners' association (HOA) fees, etc.
- Counseling session required by a HUD-approved HECM counselor.
- Adjustable Rate with varying payment plan options **OR** Fixed lump sum.

Kansas Data



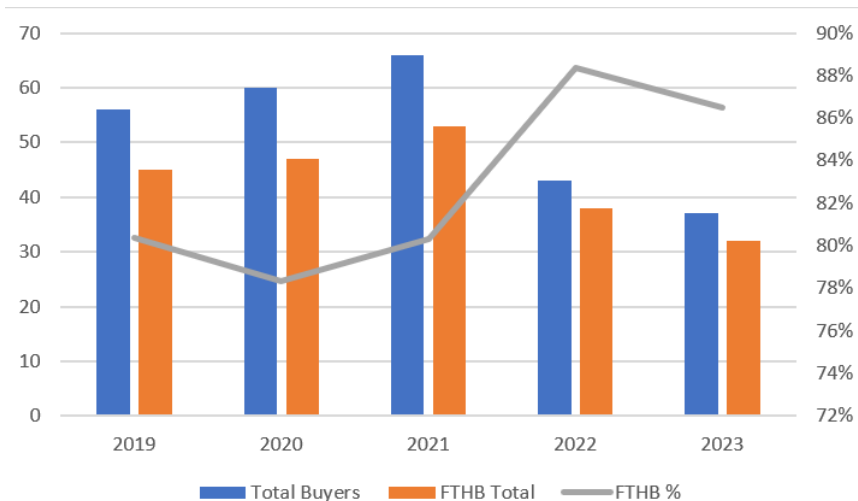
Endorsement Activity

Dodge City endorsements by year and Product Type

End FY	203(b)	HECM
	Count	Count
2019	65	0
2020	77	2
2021	83	1
2022	60	0
2023	43	0

Dodge City endorsements by year and First time Homebuyers

Endor FY	Total	Total Value	FTHB Total	FTHB Value
2019	56	\$7,665,307	45	\$6,280,853
2020	60	\$9,221,831	47	\$7,257,946
2021	66	\$10,835,672	53	\$8,581,697
2022	43	\$8,685,575	38	\$7,652,671
2023	37	\$8,853,570	32	\$7,421,331

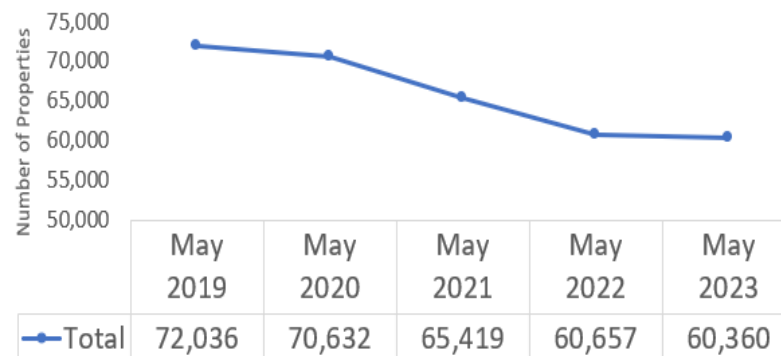


Insurance In Force and Default Activity

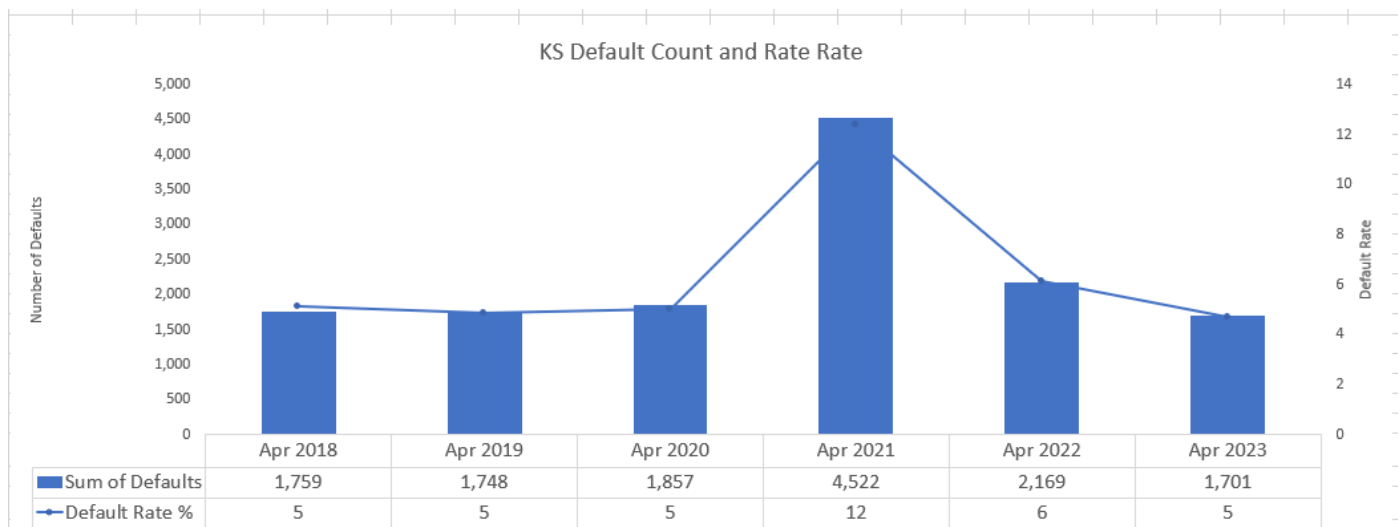
Typical
Borrower
2023

- Avg Total Monthly Income \$4,190
- Avg Total Fixed Payments \$1,660
- Avg Mortgage P&I \$1,012
- Avg Decision FICO Score 672

KS Insurance in Force



KS Default Count and Rate Rate



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FHA Resources



FHA Resource Center

	Option	Point of Contact	Hours Available	Comments
1	FHA Knowledge Base – FAQs	www.hud.gov/answers	24/7/365	Knowledge Base web page includes option to email questions.
2	Email	answers@hud.gov	24/7/365	
3	Telephone	1-800-CALL-FHA (1-800-225-5342) Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.	8:00 AM to 8:00 PM Eastern M-F	Voicemail is available after hours or during extended wait periods.
<p><i>FHA INFO</i> emails: Frequent email notifications of new policies and training opportunities for anyone who signs up. Subscribe at: https://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/FHA_INFO_subscribe</p>				



Disclaimer

The purpose of this presentation is to provide an overview and summation of recent changes to the Federal Housing Administration (FHA) policy. It introduces and explains official policy issued in Department of Housing and Urban Development (HUD) Handbooks and Mortgagee Letters. If you find a discrepancy between the presentation and Handbooks, Mortgagee Letters, etc., the official policies prevail. Please note the information provided in this training is subject to change.

Please consult HUD Handbooks and Mortgagee Letters through HUDClips for the most recent updates and current policy.



Thank you!

