



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

SINGLE FAMILY HOUSING



*Denver Homeownership Center*

# **Kansas Rural Prosperity Workshop**

**McPherson, KS**

April 16, 2024

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Housing Program Officer

Denver Homeownership Center

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# FHA Background



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# 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.

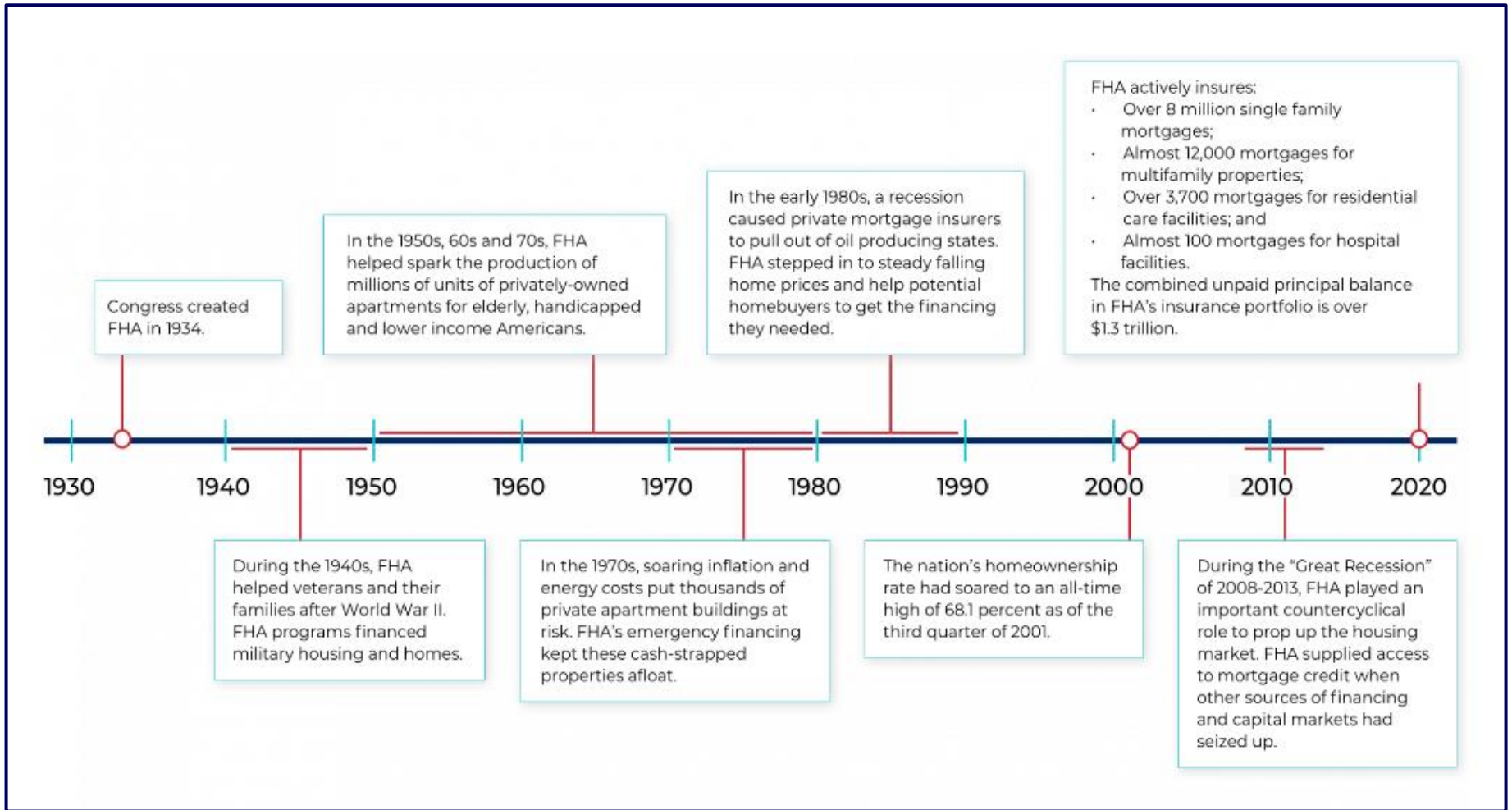
FHA is the largest insurer of Mortgages in the world by volume, having insured almost 50 million properties since its inception in 1934.



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# FHA Background



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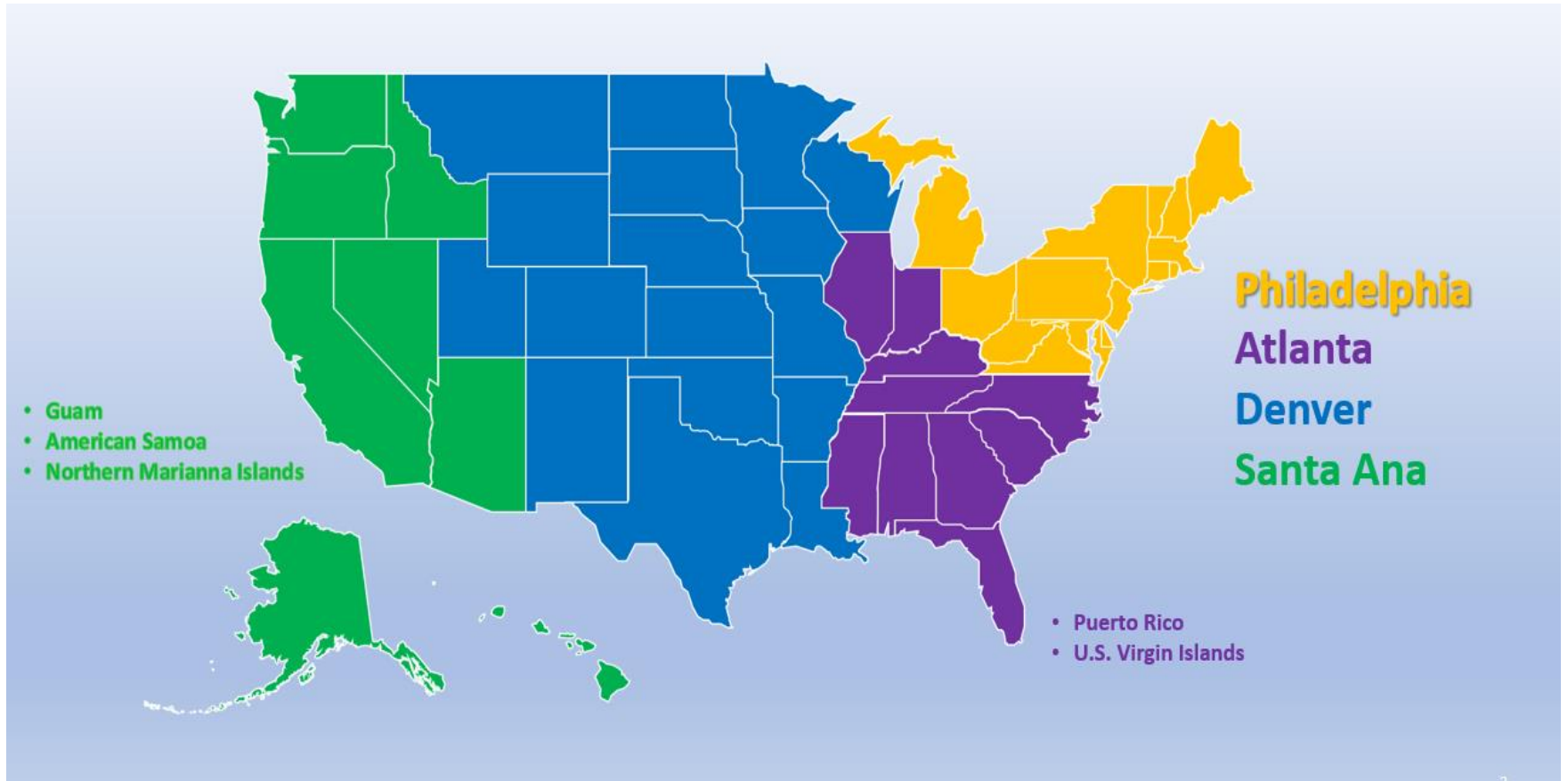
# FHA Background

## HUD Key Staff Appointments

- Acting Secretary of the Department of Housing and Urban Development – **Adrienne Todman**
- FHA's Assistant Secretary for Housing and Federal Housing Commissioner - **Julia Gordon**
- Deputy Assistant Secretary for the Office of Single Family Housing - **Sarah Edelman**



# Homeownership Centers



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# Field Office Activities



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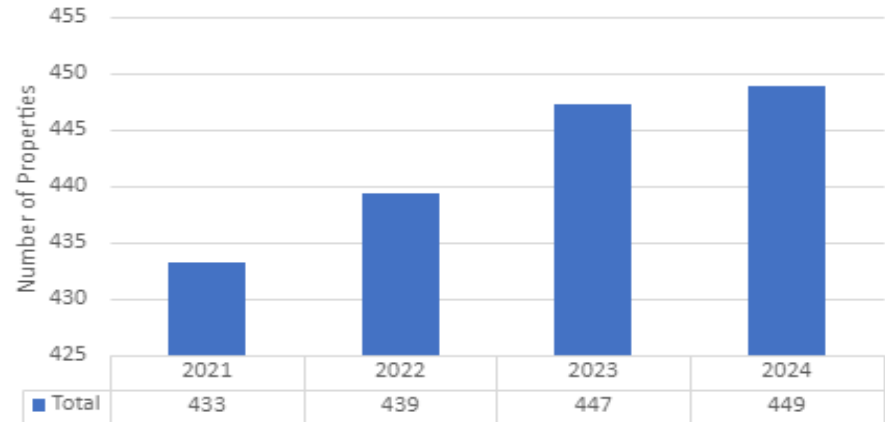


# Insurance in Force and Default Activity

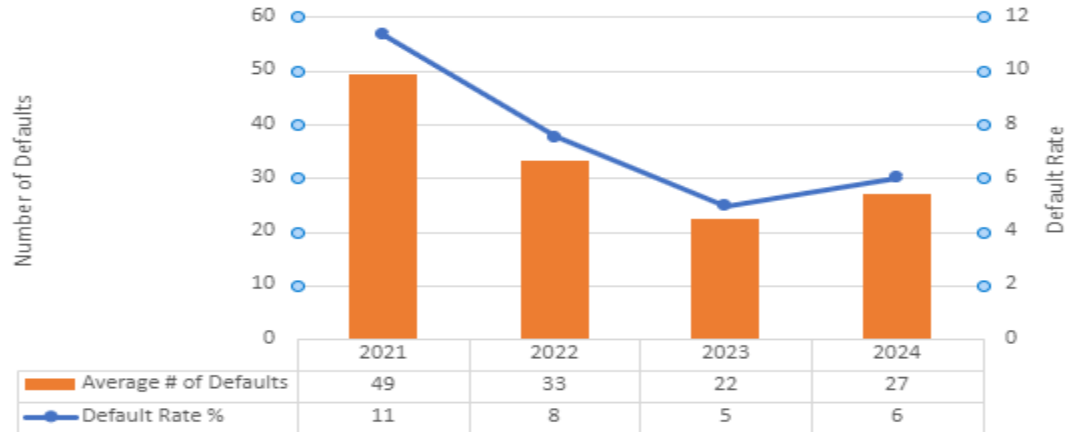
Typical Borrower 2024

- Avg Total Monthly Effective Income \$4,743
- Avg Total Fixed Payments \$1,998
- Avg Mortgage Principle & Interest \$1,101
- Avg Decision FICO Score 667

McPherson County Insurance in Force



McPherson County Default Count and Rate by Year



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# McPherson Endorsement Activity

## McPherson Total Endorsements and FT HB by Fiscal Year

Endrs. FY	Total Count	Total Value	FT HB Count	FT HB Value
2020	47	\$7,197,469	16	\$2,467,220
2021	66	\$10,108,091	23	\$3,560,542
2022	38	\$6,348,263	18	\$3,057,875
2023	24	\$4,503,317	13	\$2,595,585
2024	8	\$1,187,072	2	\$359,860
Total	183	\$29,344,212	72	\$12,041,082

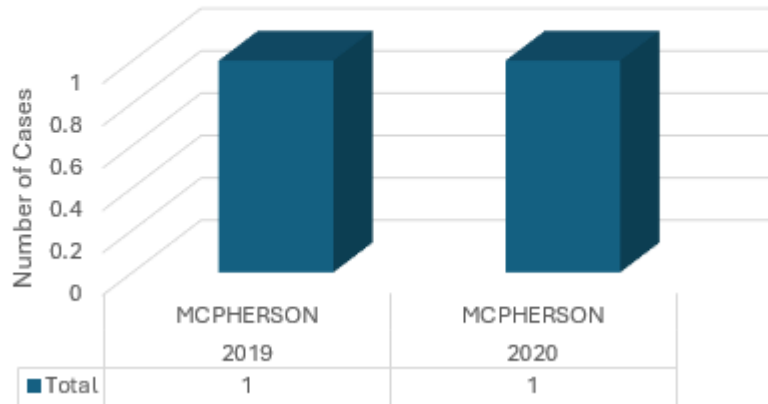
## McPherson Endorsements by Program and Fiscal Year

Endrs. FY	HECM non-condo	FHA Standard 203b		Improvements 203k	
	Count	Count	Value	Count	Value
2020	2	45	\$7,197,469	0	\$0
2021	1	65	\$10,108,091	0	\$0
2022	1	37	\$6,348,263	0	\$0
2023	1	22	\$4,356,558	1	\$146,759
2024	0	8	\$1,187,072	0	\$0
Total	5	177	\$29,197,453	1	\$146,759

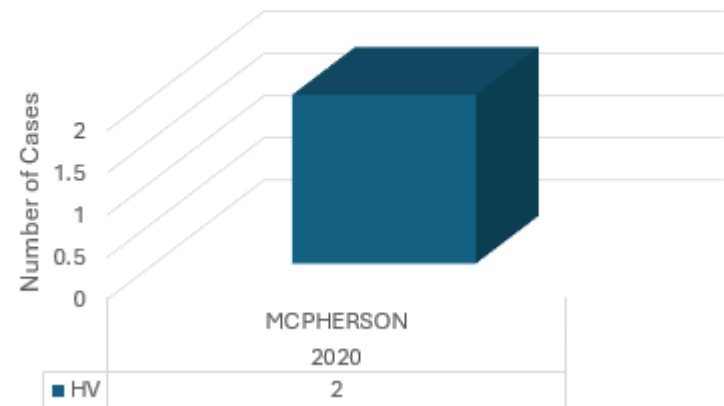


# REO Acquisitions, Closings, and Inventory

### McPherson, Kansas Acquisitions



### McPherson, Kansas Cases Closed



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# Programs and Products



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# 203(b) Forward Program: Basic Home Mortgage Loan

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Fixed or Adjustable Rate

Maximum 30-year term and fully Amortizing

Minimum 3.5% Minimum Required Investment (MRI) on Purchase



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# 203(k) Program: Rehabilitation Mortgage Insurance

## Standard 203(k)

- Major rehab or repairs
- Minimum repairs/improvements cost \$5K
- No maximum amount of renovations
- FHA approved 203(k) Consultant required

## Limited 203(k)

- Non-structural work up to \$35K
- 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



# HUD Real Estate Owned Purchasing



Search for HUD REO Properties at  
[www.hudhomestore.com](http://www.hudhomestore.com)



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# Home Equity Conversion Mortgage (HECM)

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- 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.



# Other FHA Programs

- Adjustable Rate Mortgages (ARM)
- Streamline Refinance
- Condominiums
- Manufactured Housing
- Energy Efficient Mortgages (EEM)
- Solar and Wind Technologies



# FHA Resources



# Single Family QR Code



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# Helpful Links

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- **Loss Mitigation Services for FHA** - [FHA National Servicing Center Loss Mitigation Services | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
- **Upcoming Single Family Events and Training** - [HUD FHA Single Family Housing - Events and Training | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)
- **Subscribe to FHA INFO** - [FHA INFO Subscribe | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)



# FHA Resource Center

Option	Point of Contact	Hours Available	Comments
Website	<a href="http://www.hud.gov/answers">www.hud.gov/answers</a>	24/7/365	Website includes option to email questions.
Email	<a href="mailto:answers@hud.gov">answers@hud.gov</a>	24/7/365	
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 (including all non-Federal holidays)	Voicemail is available after hours or during extended wait periods.  FHA FAQs are available after hours.



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# Disclaimer

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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.



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# Thank you!



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