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Among the changes the legislation would make to FHA are updates and expansions of the Home Equity Conversion Mortgage Program. Loans generated by this program, also known as reverse mortgages, allow individuals to borrow against the equity in their homes in order to receive monthly or lump sum payments from a lender. The bill would expand the number of reverse mortgages FHA could insure and increase the size of such mortgages. Additionally, the bill would expand the properties eligible for reverse mortgages to include cooperatives. Under existing law, co-ops are ineligible for these loans under FHA.

U.S. Rep. John Campbell (R-Irvine), a cosponsor of the bill and a one of the leading advocates for expanding access to reverse mortgages to include co-ops said, **“Reverse mortgages have been a valuable financial instrument for thousands of homeowners, especially those who are retired. By expanding these loans under FHA even more homeowners will have the opportunity to enjoy the benefits of reverse mortgages.”**

Campbell authored the language pertaining to co-ops which was included in the final version of the bill. When the House Financial Services Committee approved the bill in April, the portions of the bill which expanded access to reverse mortgages did not include language to address the issue with co-ops. Since then Campbell has worked with the Financial Services Committee and House leadership to have his language included in the final version considered in the House today.

House Financial Services Committee Chairman Michael G. Oxley (R-Ohio) said, **“Rep. Campbell’s work on lifting the reverse mortgage limitations on co-ops helps to simplify the process so that elderly homeowners can realize the equity in their homes and live comfortably.”**

In addition to making reverse mortgages more accessible, H.R. 5121 would increase the size of FHA insurable mortgages and make down payment requirements more flexible.

Since its inception in 1934, FHA has issued more than 33 million loans and is the world's largest issuer of mortgages. Additionally, it is important to note that it is one of the few government agencies to operate completely on fees collected from its activities.