

### What is the fundamental issue?

FHA mortgages are used most often by first-time homebuyers, minority buyers, low- and moderate-income buyers, and buyers who cannot qualify for conventional mortgages because of high loan-to-value or payment-to-income ratios.

### I am a real estate professional. What does this mean for my business?

NAR believes the FHA single-family program is critical to meeting the needs of first-time homebuyers and all those who are underserved by the private market. Today, the role of FHA has never been more important as private lenders have been slow to return to mortgage markets.

### NAR Policy:

NAR is a strong supporter of the loan insurance programs administered by the Federal Housing Administration (FHA). Additionally, NAR supports regular adjustments to FHA's loan limits to reflect home price appreciation.

### Legislative/Regulatory Status/Outlook

In November of 2011, Congress restored the higher loan limits for FHA. These limits will revert to previous levels at 125% of local area median home price up to \$729,750 in high cost areas. These limits are in place through December 31, 2013.

### Current Legislation/Regulation (bill number or regulation)

No actions at this time.