

Press Release



AAF & Progressive Policy Institute Offer Guidelines for Federal Housing Administration Reform

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WASHINGTON – The American Action Forum (@AAF) and Progressive Policy Institute (@PPI) today released a joint paper outlining common-sense guidelines to Federal Housing Administration (FHA) reform. Jason Gold, PPI Senior Fellow and Director of the “Rebuilding Middle Class Wealth” project, and Andrew Winkler, AAF’s Director of Housing Policy, demonstrate that as the debate in Congress evolves over the future of FHAs, there is common ground for liberals and conservatives to build on.

Separate from any debate over the past policies, Gold and Winkler explain that “tools are immediately needed at the FHA to bolster the finance state of the Mutual Mortgage Insurance Fund (MMIF) and assess the FHA’s role in housing finance moving forward.”

Among the key proposals:

“Any legislative action must put in place a more transparent reporting system to show the FHA is returning to its congressionally mandated capital requirement...Assessing the FHA’s programs on a fair value basis is also important over the longer term to more adequately price the financial risk the FHA takes on through its guarantees, risk that may ultimately cost taxpayers.”

Reform should “move to confine FHA lending strictly to helping first-time homebuyers from low-to-middle income families achieve the dream of homeownership.”

“Reform should clarify the division of labor between the FHA and Freddie and Fannie (aka, the GSE’s or government-sponsored enterprises) in a system that has become dominated by government backed lending.”

Read the complete paper [here](#).