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SCHAKOWSKY APPLAUDS HUD FOR GIVING ILLINOIS FAMILIES AN OPPORTUNITY TO OWN PART OF THE AMERICAN DREAM

FHA TO INSURE \$29 BILLION IN HOME MORTGAGES IN ILLINOIS OVER FIVE YEARS

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today applauded the announcement by the Department of Housing and Urban Development (HUD) that will help give families in Illinois a chance to buy a home and own a part of the American dream.

At a news conference, Schakowsky was joined by Rosanna A. Marquez, HUD's representative for the Midwest, and others to announce that the Federal Housing Administration (FHA) will insure more than \$29 billion worth of home mortgages in Illinois over the next five years. The announcement was made in Schakowsky's district at a Rogers Park condominium conversion that will be marketed to FHA-eligible buyers.

"The underside of these economic good times is that escalating housing costs have put homeownership out of the reach of average families throughout the country. These additional FHA funds will put homeownership within the grasp of many of these hard working families," said Schakowsky, a member of the Banking Subcommittee on Housing and Community Opportunity.

"Under the leadership of Secretary Cuomo, we are making affordable housing a national priority again. I look forward to working with him to help meet the tremendous needs of affordable housing and homeownership among our nation's families and seniors," Schakowsky added.

Due to recent reforms, FHA can commit more funds to ensuring that families, who are not served by the conventional mortgage market, can have an opportunity to purchase a home. Some of the recent steps taken to streamline FHA and increase efficiency include installing of new technologies to speed up loan approvals, cracking down on unscrupulous lenders, and consolidating many activities to reduce cost.

FHA does not make loans directly to consumers. It insures loans made by private homebuyers to protect lenders from losses. As a result, FHA has enabled 30 million families who cannot get a loan in the conventional market to own their own home. FHA-insured loans allow for a lower downpayment and flexible credit history. In 1999, FHA insured 1.3 million mortgages worth \$125 billion. In 1999, FHA-insured loans overwhelmingly went to first-time homebuyers (80.8%). In addition, 37.7% of the loans went to minorities.