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When it Comes to FHA, Old Is New Again

Glen Carbon, Illinois — When it comes to the Federal Housing Administration (FHA) and today's mortgage market, everything old is new again. FHA-insured loans are re-emerging as a viable option for consumers looking to buy a home or refinance an adjustable-rate mortgage.

"It's a tighter mortgage market right now, but positive changes to the FHA program should prompt many people to take another look at FHA-insured loans, particularly first-time buyers or those with less than perfect credit," says Pat Walker, Chairman of the Board of the Greater Gateway Association of REALTORS®. "With the affordable housing market and reasonable interest rates, now is a great time to buy a home in Illinois, and FHA-insured loans are another tool to help consumers realize that dream," she added.

Created in 1934, FHA does not lend money directly but insures mortgages from a list of FHA-approved lenders around the country. Because the loans are backed by the federal government, it can mean lower down payments and competitive interest rates for buyers. Recently, FHA has streamlined its process and requirements to bring them more in line with conventional loan programs.

REALTORS® are supporting a federal housing stimulus bill that will not only raise loan limits but will also provide a tax credit to first-time homebuyers, modernize FHA, and help curtail the flood of foreclosures. The bill is important for consumers and the housing market, and REALTORS® are urging those in Washington, D.C. to pass the bill this summer.

To help determine if an FHA-insured loan might be right for you, speak to a REALTOR, and visit ww.fha.gov for more information.