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NCRC Opposes Increase to FHA Down-payment

Washington, DC – John Taylor, President & CEO of the National Community Reinvestment Coalition, released this statement today about the Republican proposal to raise the Federal Housing Administration (FHA) minimum loan down payment to five percent. The proposal will be discussed at a House Financial Services Subcommittee hearing today. NCRC opposes an increase in the FHA down payment. It also opposes increases in credit score requirements for FHA loans, which many banks have instituted in violation of agency guidelines. NCRC has [filed 23 complaints against lenders](#) with the U.S. Department of Housing and Urban Development for credit score violations, and has challenged.

"Raising the FHA down payment does not provide any benefit to taxpayers; it only punishes first-time homebuyers and working class families. Unlike the banks and Wall Street, FHA never had to be bailed out by the taxpayers. FHA is serving its original purposes of providing credit during countercyclical times, with a primary mission to serve people of modest means. Over time, the private market will recover its market share as the economy improves. Congress shouldn't meddle with an agency that has performed its role well since the Great Depression.

"Before Wall Street colluded to drive up their profits and compensation on the backs of everyday Americans, the housing mortgage system worked for first-time homebuyers and working class people. It can work again if we provide safe and sound housing products and if regulators do their jobs. Raising down payments – as well as minimum credit score requirements -- is a punitive solution for a problem that doesn't exist."

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About the National Community Reinvestment Coalition (NCRC):

The National Community Reinvestment Coalition is an association of more than 600 community-based organizations that promote access to basic banking services, including credit and savings, to create and sustain affordable housing, job development, and vibrant communities for America's working families.
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