



STATEMENT BY FHA COMMISSIONER DAVID H. STEVENS ON PASSAGE OF H.R.5981

Thursday, August 5, 2010

WASHINGTON – Yesterday, Congress passed H.R. 5981, which gives the FHA authority to adjust its annual mortgage insurance premium. This legislation enables FHA to raise its annual premium which will provide approximately \$300 million of additional insurance income per month to its Mutual Mortgage Insurance Fund.

Following is a statement by Commissioner Stevens:

“I thank Congress for giving FHA the flexibility to adjust its annual premium at a time when our reserves are perilously low. With this authority, FHA is in a better position to address the increased demands of the marketplace and return the MMI fund to its congressionally mandated level without disruption to the housing market.

“While we appreciate and applaud this recent action, there is still work to be done. HUD remains steadfast in its commitment to comprehensive FHA reform legislation, similar to the FHA Reform Act passed earlier this year by the House, which would further enhance FHA’s lender enforcement capabilities and risk management efforts. We hope Congress will take swift action to pass a broader FHA reform bill when they return from the August recess. FHA’s risk management efforts will not be complete without the ability to monitor lender performance and ensure compliance with our rules.”