

Strategic Objective 1B: Credit Access

Ensure equal access to sustainable housing financing and achieve a more balanced housing market, particularly in underserved communities.

OVERVIEW

As we recover from the recent downturn in the housing market, equal access to housing financing for creditworthy borrowers in underserved communities continues to be difficult to obtain. For existing homeowners, seriously delinquent loans and underwater loans make it difficult to sell or refinance their home.

For homebuyers, tighter underwriting standards related to additional lender requirements for FHA loans and increased down payment requirements make it harder to obtain a loan. These challenges have disproportionately affected first-time, minority and low-to-moderate income homebuyers and homeowners. HUD will work to ensure that these underserved groups have the ability to get financing.

STRATEGIES

- **Clarify underwriting standards in order to minimize uncertainty in market place.** Increased clarity will encourage access to credit and inhibit risky lender activity. HUD will improve current policies and communicate transparent enforcement and performance standards to industry and stakeholders.
- **Evaluate and align program policies with risk tolerance and mission** to ensure we can help fulfill HUD's mission of providing quality affordable housing. This will be achieved by balancing access/affordability, market factors and the Mutual Mortgage Insurance (MMI) fund in setting price and credit policy.
- **Ensure HUD's Housing Counseling Program reaches as many households as possible, particularly in underserved areas,** so that more households receive information regarding fair housing and fair lending. HUD will do this by making Housing Counseling grants available to housing counseling agencies as soon after appropriation as possible and tracking how many housing counseling clients gain access to resources to help them improve their housing situation due to counseling services.
- **Finalize prospective quality assurance framework and retrospective lender quality assurance enforcement actions** to reduce market uncertainty and improve access to credit.

LEADING THIS OBJECTIVE

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MEASURING OUR PROGRESS

To track our progress towards this objective, HUD will monitor completion of the following performance indicators.

- ▶ **Federal Housing Administration share of originations**
This measure will show the percentage of mortgage originations in the housing market that were made by Federal Housing Administration.
- ▶ **Percentage of loans endorsed with credit score < 680**
This measure will track the percentage of FHA loans endorsed that have borrowers with a credit score under 680.
- ▶ **Percentage of loans endorsed with credit score <680 that evidence successful homeownership over the first five years**
- ▶ **HUD's Housing Counseling Program clients served**
This measure will track the number of clients counseled through the HUD Housing Counseling program.
- ▶ **Percentage of housing counseling clients that gain access to resources to improve their housing situation**
This measure will track the percentage of housing counseling clients who gain access to resources to help them improve their housing situation (e.g., down payment assistance, rental assistance) as a direct result of receiving Housing Counseling Services.