

Resolution No. 4

Date: September 5, 1996

City: Orlando, Florida

NAHB Resolution

Title: FHA Financing of Rental Housing of Less Than Five Units
Original Sponsor: California Building Industry Association

WHEREAS, there is a significant and growing unmet need to provide affordable rental housing to families;

WHEREAS, the National Association of Home Builders predicts the need for an additional 300,000 to 350,000 multifamily housing units each year through the end of this decade, well above annual rates of production in recent years;

WHEREAS, the unmet need for affordable rental housing is greatest for families in urban areas where housing units of four or more bedrooms are not generally available and for families in rural areas where large multifamily projects may be economically unfeasible;

WHEREAS, rental units in structures with less than five housing units provide more than one-half of the rental housing stock, with single-family units alone comprising one-third of the rental stock, and in rural areas, structures containing less than five units comprise almost three-fourths of all rural rental housing; and

WHEREAS, the Federal Housing Administration (FHA) is not permitted to insure loans secured by non-owner occupied structures containing fewer than five units, and the absence of FHA mortgage insurance for purchase or construction of these units contributes to the shortfall in supply,

NOW, THEREFORE, BE IT RESOLVED that the National Association of Home Builders urge Congress to authorize the Federal Housing Administration to insure loans secured by non-owner occupied one- to four-family structures under its single family mortgage insurance program.

Board of Directors Action:	Approved
Joint Executive/Resolutions Committee Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Federal Governmental Affairs Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Single Family Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval