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| **Agencies That Support Mortgage Borrowers**    Here is an explanation of what each of these government agencies or programs is and how each may affect or even benefit you personally.  **Fannie Mae, Freddie Mac and Ginnie Mae**  Fannie Mae, Freddie Mac and Ginnie Mae are corporations that are chartered by Congress to make sure there are funds available for mortgages. Without these agencies, many millions of people would not be able to get a mortgage and buy a home.  **Fannie Mae**  Fannie Mae was formed in 1938. Fannie Mae is now the nation's largest source of home mortgage funds. Fannie Mae buys residential mortgages from the institutions that originate them, such as your local bank, savings and loan, or mortgage company. After buying those mortgages, Fannie Mae keeps them as part of its investment portfolio or exchanges them for mortgage-backed securities, which they in turn guarantee for a fee. By offering these services, mortgage lenders have a constant supply of mortgage funds available to lend to the home  buyer.  **Freddie Mac**  Freddie Mac is Fannie Mae’s closest competitor. Freddie Mac has helped finance one in six American homes since it was created by Congress in 1970. Freddie Mac also provides a continuous, reliable and low-cost flow of mortgage capital to finance housing. It buys investment-quality mortgages from lenders, packages the mortgages into securities and then sells the securities to investors. Many of those investors put the money they've received from selling the loans to Freddie Mac or Fannie Mae into new mortgages, thus providing more funds for borrowers.  **The U.S. Department of Housing and Urban Development (HUD)**  The U.S. Department of Housing and Urban Development (HUD) has many functions. HUD administers aid to local public housing agencies to provide decent shelter for low-income residents at rents they can afford. HUD furnishes both technical and professional assistance in planning, developing and managing the developments. HUD also has separate Native American programs that offer support for both Native Americans and Alaska Native youth.  **Ginnie Mae**  Ginnie Mae is an agency within HUD that guarantees the investment quality of mortgage-backed securities made by approved lending institutions. Ginnie Mae ensures that adequate funds are available for mortgage loans that are insured or guaranteed by the Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA).  What do government agencies such as FHA and VA have to do with you, a private homeowner? The answer is this. Without them, it would be much more difficult for many of us to own a home.  **The Federal Housing Administration (FHA)**  The Federal Housing Administration is also part of HUD and its primary purpose is to expand home ownership and rental housing opportunities for people not adequately serviced by conventional lending guidelines. They do this by insuring mortgages, particularly for first-time and minority buyers that do not fit the borrower-credit/property guidelines that many lenders require. This insurance helps protect the lender against loss in the event of borrower default, so lenders are more comfortable extending financing to these individuals. Since it started in 1934, FHA has played a major role in changing us from a nation of renters to a nation of owners. In 1934, the home ownership rate was 40 per cent. Today it is 65 per cent.  **The Department of Veterans Affairs**  The Department of Veterans Affairs offers similar guarantees to lenders with its loan guaranty program. Loans with this guaranty (commonly called VA loans) are made available to qualified members of the armed services who often have little or no down payment. With a VA loan guaranty, the lender is protected against certain losses if the borrower fails to repay the loan. If you qualify for a VA loan, you can use it to buy, build, repair, refinance a home or condominium, or to make energy-efficient home improvements.  **United States Department of Agriculture Rural Housing Service (USDA RHS)**  The USDA RHS is The United States Department of Agriculture Rural Housing Service. It provides loans to people in rural areas with low and moderate incomes so that they can purchase, construct, repair or relocate a dwelling and its related facilities. It also makes rental housing loans, so that individuals as well as organizations in rural areas can build or rehabilitate rental units for low and moderate income residents.  **National Council of State Housing Agencies (NCSHA)**  The NCSHA or National Council of State Housing Agencies is a national, nonprofit organization that assists its members in advancing the interests of lower income and under-served people through the financing, development and preservation of affordable housing. Its members are Housing Finance Agencies (HFA) that operate in every state which provide federal and state housing assistance programs that have helped more than two million families buy their first homes.  The agencies and programs that are in place to help you get a mortgage and own a home cover the needs of most individuals. To get the phone number of the nearest agency that might be able to offer you some assistance, call the Federal Information Center at 1 (800) 688-9889. For internet users additional information can be found be setting your internet browser to any of the following addresses:   * [**http://www.fanniemae.com**](http://www.fanniemae.com/) * [**http://www.ginniemae.gov**](http://www.ginniemae.gov/) * [**http://www.hud.gov**](http://www.hud.gov/) * [**http://www.hud.gov/offices/hsg/hsgabout.cfm**](http://www.hud.gov/offices/hsg/hsgabout.cfm) * [**http://www.va.gov**](http://www.va.gov/) * [**http://www.rurdev.usda.gov/**](http://www.rurdev.usda.gov/)   Please check them out further for help in realizing your dream of owning your very own HOME. **Call Citadel Realty at 719-266-6003 to discuss your lender options.** |