



# NEWS

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## TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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NOTE: Photos are available online at [www.tdhca.state.tx.us/ppa/media/index.htm](http://www.tdhca.state.tx.us/ppa/media/index.htm)

### **FHA, state housing agency sign agreement to enhance safe mortgage lending practices, products, services in Texas**

#### ***Partnership supported by State Senator, industry representatives***

(AUSTIN) – In response to consumer caution and concern regarding today’s mortgage products and services, Brian D. Montgomery, US Department of Housing and Urban Development’s Assistant Secretary for Housing-Federal Housing Commissioner, joined Texas Department of Housing and Community Affairs’ (TDHCA) executive director Michael Gerber today in signing a Memorandum of Understanding (MOU) to promote safer, affordable government-insured mortgages in Texas.

The MOU forges a working relationship and commitment by the federal and state governments to help Texans continue to access safer and more secure FHA-insured mortgages. Both were joined by State Senator Royce West who also expressed his support of the partnership.

“Now more than ever, it is vital that those pursuing the American dream of home ownership are protected from the type of lending practices that have contributed to the current foreclosure crisis,” said Senator West. “This landmark partnership between FHA and TDHCA will help stabilize communities and provide homebuyers with a sense of security. Buying a home is one the most important decisions that many will ever make. I applaud and support what TDHCA and FHA are doing to promote homeownership for Texans.”

The Senator’s sentiment was echoed by both Montgomery and Gerber.

Commissioner Montgomery said, “This MOU is a landmark, a unique blueprint for cooperative action. It will help people in need right now by harmonizing the work of FHA and TDHCA, and by making FHA loans more available to qualified borrowers.”

“TDHCA is dedicated to helping responsible families secure the dream of homeownership through greater financial literacy and safe, affordable mortgage products,” said Gerber. “This MOU establishes a framework for a closer cooperative working relationship between the State of Texas and the federal government that will enhance our efforts to provide Texas families access to secure alternatives to unaffordable, exotic, or predatory mortgage products.”

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The MOU includes the following points:

- All underwriting for mortgages insured through FHA's mortgage insurance programs will be in accordance with FHA underwriting requirements.
- TDHCA and FHA will cooperate in lender outreach and education by providing training regarding the origination of FHA loans.
- TDHCA and FHA will cooperate in providing outreach to homebuyer education counselors to help buyers find affordable housing options and alternatives to foreclosure, while adequately preparing first time homebuyers to be homeowners.
- TDHCA and FHA will cooperate in a back-to-basics approach to educating homebuyers, preparing families for the home buying process and helping steer them away from unaffordable or exotic mortgages and predatory lending practices.
- TDHCA and FHA will work together to help participating lenders become familiar with, and achieve a greater understanding of, fair lending practices.
- FHA will solicit, when appropriate, TDHCA to participate in pilot programs for new mortgage products designed to increase homeownership opportunities.
- TDHCA will utilize FHA logos, when appropriate, in accordance with FHA co-branding procedures.
- FHA will assign a designed representative to assure the successful achievement of the objectives spelled out in this Memorandum of Understanding.
- TDHCA and FHA agree to assist one another in achieving the objectives spelled out in this Memorandum of Understanding.
- FHA agrees to coordinate with the HUD Fort Worth regional office and HUD field office staff throughout the state to implement the terms of this understanding.

Commissioner Montgomery and Gerber signed the MOU during an official ceremony at the Federal Home Loan Bank (FHLB) of Dallas. Greg Hettrick, Director of Community Investment, Federal Home Loan Bank of Dallas opened the event, attended by representatives of the federal and state agencies.

### **About The Texas Department of Housing and Community Affairs**

*The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, and colonia housing programs. The Department annually administers more than \$400 million through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.*