

FHA 203k LOAN



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What is HUD's (Department Housing and Urban Development) involvement in a 203K loan?

The Federal Housing Administration (FHA), which is part of the Department of Housing and Urban Development (HUD), administers various single family mortgage insurance programs. These programs operate through FHA-approved lending institutions.

These lenders fund the mortgage loans in which the Department insures. **Key note:** HUD does not make direct loans, they simply insure the loan.

The FHA's 203(k) loan program is the HUD Department's primary program for the rehabilitation and repair of single family properties. It is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities. Since home rehabilitation and revitalization are one of the primary goals of HUD, the Department believes that Section 203(k) is an important program and they intend to continue to strongly support the program and the lenders that participate in it.

The Department also believes that the Section 203(k) program is an excellent means for lenders to demonstrate their commitment to lending in lower income communities.

HUD is committed to increasing homeownership opportunities for families in these communities and Section 203(k) is an excellent product to do so.

