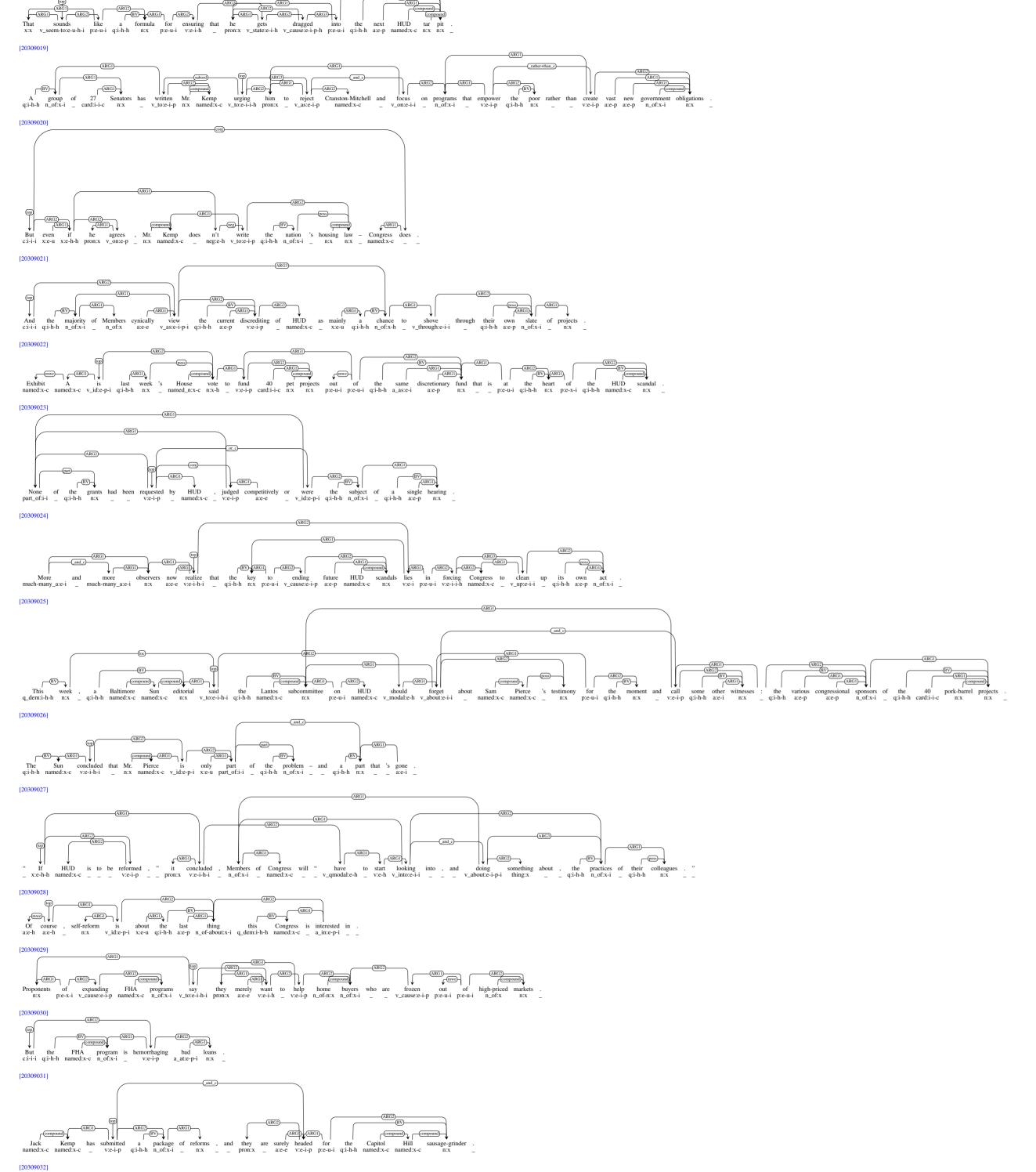
Document 0309 You 'd think all the stories about well-heeled communities and developers getting Pron:x v_modal:e-h v:e-i-h-i part_of:x-i q:i-h-h n_of:x-i p:e-u-i n:x n_of:x-i n_of No way q:i-h-h n_of:x-i ARGI -(ARG2) — (ARG2) — (DOS) — (DO ARG2 ARG1 that the only thing Congress is learning from the HUD story is how to enlarge its control of the honey pot going to special interests q:i-h-h a:e-p n_of-about:x-i named:x-c _ v:e-i-p p:e-u-i q:i-h-h named:x-c n_of:x-i v_id:e-p-i unspec_manner:e-u-x _ v:e-i-p q:i-h-h n_of:x-i _ q:i-h-h n.x n:x v:e-i p:e-u-i a:e-p n_in:x-i the largest loan the FHA can insure in high-cost housing markets is \$ 101,250 q:i-h-h a:e-i n:x q:i-h-h named:x-c v_modal:e-h v_for:e-i-p p:e-u-i n:x n:x n:x v_id:e-p-i n:x card:i-i-c . But it does that at the cost of deepening the taxpayer 's exposure if the FHA is forced to pay for more loans going sour c:i-i-i pron:x v:e-i-p x:x p:e-u-i q:i-h-h n:x p:e-x-i v_cause:e-i-p q:i-h-h n:x n=0. er mortgage ceiling is only the starter kit for what Senator Alan Cranston and Majority Leader George Mitchell have in mind for housing in n:x n:x v_id:e-p-i x:e-u q:i-h-h n_of:x-i n:x p:e-u-i thing:x n:x named:x-c n Senate named_n:x-c named:x-c named:x Other Senators want to lower the down payments required on FHA-insured loans a:e-i n:x v:e-i-h v_cause:e-i-p q:i-h-h n:x n:x v_of:e-i-p p:e-u-i v_for:e-i-p n:x That would be a formula for ensuring even more FHA red ink x:x v_modal:e-h v_id:e-p-i q:i-h-h n:x p:e-u-i v:e-i-p x:e-u much-many_a:e-i named:x-c a:i-i n:x Experience has shown that the most important element in predicting a housing-loan default is the down payment n_with:x _ v:e-i-h _ q:i-h-h superl:e-u a_for:e-p-i n:x p:e-u-i v:e-i-p q:i-h-h n:x n:x v_id:e-p-i q:i-h-h n:x n:x (ARG2) (BV) (compound) (A | 100* BV ARGI ARGI WIND UP lendi purchaser can use an FHA loan to finance all points and closing costs , the FHA can wind n:x v_modal:e-h v:e-i-i-h q:i-h-h named:x-c n:x _ v:e-i-p q:i-h-h n_of:x _ v:e-i n:x _ q:i-h-h named:x-c v_modal:e-h v_up:e-i-u-h Much the same thing happened with busted S&Ls , a problem Congress just "solved" with a \$ 166 billion bailout x:e-u q:i-h-h a_as:e-i n_of-about:x-i v:e-i p:e-u-i v_cause:e-i-p n:x _ q:i-h-h n_of:x-i named:x-c a:e-e _ v:e-i-p _ p:e-u-i q:i-h-h n:x card:i-i-c card:i-i-c n:x We hear that HUD Secretary Jack Kemp is toying with going along with some of the Cranston-Mitchell proposals pron:x v:e-i-h _ named:x-c n_of:x-i named:x-c n_amed:x-c n_sx

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Like the S&L mess before it , this is a problem Congress should be solving , not ignoring . p:e-u-i q:i-h-h n:x n:x p:e-u-i pron:x _ x:x v_id:e-p-i q:i-h-h n_of:x-i named:x-c v_modal:e-h _ v:e-i-p _ v:e-i-p _

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