

**Modeling the Budgetary Cost
of FHA's Single Family
Mortgage Insurance**



DOWNLOAD PDF

Modeling the Budgetary Cost of FHA's Single Family Mortgage Insurance

By Congressional Budget Office

Createspace, United States, 2015. Paperback. Book Condition: New. 279 x 216 mm. Language: English . Brand New Book ***** Print on Demand *****.This paper presents the simulation model that the Congressional Budget Office (CBO) uses to project the budgetary costs of the Federal Housing Administration's (FHA's) single-family mortgage insurance program. CBO simulates defaults, recoveries, and prepayments on cohorts of mortgages insured by FHA with key parameters estimated from a dataset of FHA-insured mortgages. Those simulations are used to estimate the loan guarantees subsidy rates, which are the lifetime cost of FHA's insurance claim payments minus fees, expressed as a percentage of the original loan amounts. The simulations are also used to estimate the balance in FHA's capital reserve account, which reflects the sum of all past subsidies plus accumulated interest. As of the end of fiscal year 2013, CBO estimates that the loan guarantees issued between 1992 and 2013 contributed \$3 billion to FHA's capital reserves, \$73 billion less than the amount those loan guarantees would have contributed based on their originally estimated subsidy rates. That large decline is mostly the result of the downturn in the housing market that began in 2007 and the...



READ ONLINE
[1002.4 KB]

Reviews

This publication is very gripping and intriguing. It is among the most awesome book we have go through. You can expect to like how the author compose this book.

-- Dr. Malika Bechtelar II

This ebook might be worthy of a read, and superior to other. It usually does not charge an excessive amount of. Once you begin to read the book, it is extremely difficult to leave it before concluding.

-- Arch Upton