



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-159-92 (11-20-92)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC ANNOUNCES AFFORDABLE HOUSING PURCHASE PROGRAM

The FDIC announced today that it will provide assistance for the purchase of certain affordable single-family homes in its inventory of properties retained from failed institutions. Earlier this fall, Congress appropriated \$5 million for the FDIC's affordable housing program. These funds will be used to provide discounts and rebates to low- and moderate-income home buyers and to administer the program.

The FDIC estimates that about 1,500 single-family residential properties in its nationwide inventory are available under the affordable housing program. The properties include single-family detached homes (including one- to four-unit residential properties), condominiums and townhouses. Qualified purchasers include low- and moderate-income buyers, non-profit organizations and government agencies. The FDIC will use the eligibility standards for purchasers and properties established by the U.S. Department of Housing and Urban Development. Qualification standards will vary according to geographic area.

Upon acquiring the property as receiver, the FDIC will restrict the sale of qualified properties to low- and moderate-income buyers for 180 days. After 180 days, properties can be sold to anyone. Discounts and subsidies, however, will still be available to qualified buyers after the 180-day exclusive marketing period.

Rebates and discounts will be limited to 10 percent of the purchase

(more)

price. FDIC assistance can be used in one or more of the following ways:

- Two-to-one matching of down payment money. (For example, a buyer who can contribute \$1,500 would be eligible for an additional \$3,000 from the FDIC to be applied to the down payment.)
- Maximum of \$2,000, not to exceed 10 percent limit on discounts and rebates, to cover costs of rehabilitation.
- Buying down mortgage points.
- Covering closing costs.
- Covering costs for any required buyer counseling.
- Direct discounts on purchases.

Potential purchasers who believe they may qualify for this assistance can obtain more information from the FDIC Affordable Housing Coordinator in the office nearest them on the attached list.

###