

GAO

Briefing Report to Selected
Congressional Committees

April 1994

HOUSING FINANCE

Characteristics of Borrowers of FHA-Insured Mortgages





United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

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April 6, 1994

Congressional Committees

This briefing report, mandated by the Housing and Community Development Act of 1992, provides information on the characteristics of borrowers with single-family home loans insured by the Federal Housing Administration (FHA) through its Mutual Mortgage Insurance fund. Specifically, as agreed with your offices, this briefing report examines how the income, age, and race of borrowers of FHA-insured mortgages—or FHA borrowers—and the location of their homes have changed since the 1970s when FHA began collecting data on these characteristics. This report serves to formalize the information presented in a series of briefings with your staff concluded on March 31, 1994.

FHA was created in 1934 to insure lenders against losses on home mortgages and to expand opportunities for home ownership, particularly for low- and moderate-income home buyers. FHA has been an important insurer of home mortgages: As of September 30, 1992, FHA had a total of \$329.5 billion in mortgages outstanding. FHA insured 5.6 percent of all single-family mortgages originated in 1992.

In summary, our analysis of FHA's data on single-family mortgages provided the following information about the people FHA serves:

- In 1991, more of the mortgages originated through FHA were for low- and moderate-income families than in any other year we examined in our analysis of income levels—1971, 1976, 1981, or 1986.¹ The 345,000 mortgages originated for these families in 1991 made up 65 percent of FHA's originations in that year. Although mortgages for low- and moderate-income families made up the greatest proportion of all of FHA's originations in 1991, a greater number of low- and moderate-income families (393,000) were served in 1986 than in any other year we examined (See sec. 1.)
- While FHA served a lower proportion of home buyers under the age of 30 in 1991 than in 1976 (38 percent compared to 57 percent), they consistently made up a larger proportion of FHA borrowers than of all home buyers in

¹We defined a family's income as "low" if it is at or below 80 percent of the U.S. median family income, "moderate" if it is greater than 80 percent but at or below 120 percent of the U.S. median, and "high" if it is greater than 120 percent of the U.S. median. Since we did not use data on the median income in local areas, our analysis may not precisely indicate how the income of borrowers of FHA-insured mortgages compares to the income of others in the same locality.

the United States.² As with FHA borrowers, the percentage of all U.S. home buyers under 30 also declined during this period.³ (See sec. 2.)

- Minority borrowers made up a greater portion of FHA borrowers than they did of all U.S. home buyers in virtually every year between 1976 and 1991. The percentage of all FHA-insured mortgages originated for minority borrowers fluctuated up and down between 1976 and 1991, reaching a low point of 11 percent in 1986 and a high point of 29 percent in 1988. In 1991, the percentage was 17. Of all U.S. home buyers, the percentage that were minorities increased by a third between 1976 and 1991, from 9 percent to 12 percent. (See sec. 3.)
- The percentage of new FHA-insured mortgages used for homes in urban areas was lower in 1991 (41 percent) than in 1976 (57 percent). (See sec. 4.)

The characteristics of FHA borrowers, such as their income, age, and race, and the location of their homes, may have changed from year to year for a number of reasons. These may include changes in the economy, such as interest rate fluctuations, and changes in the way the FHA program operates, such as insurance premium modifications. Demographic changes, such as trends in the average age of the U.S. population, may also cause FHA's clientele to change.

In conducting our review, we examined FHA's data on the income, age, race, and location of FHA borrowers. These data were obtained from FHA's annual reports entitled Characteristics of Single-Family Mortgages. Although we collected data on borrowers' income for 1971 to 1991, we collected data on borrowers' age, race, and location for 1976 to 1991 because these data were not included in reports for the early 1970s. We also examined the automated data base from which these reports are generated. Although we did not assess the reliability of the data, we determined that in some years they were gathered for only a small percentage of the mortgages FHA designated to be in the sample. However, these are the only data available on the characteristics of borrowers who took out FHA-insured mortgages between 1971 and 1991. We are currently

²The earliest year for which we collected data on the age and race of FHA borrowers and the location of their homes is 1976.

³To compare changes in the characteristics of FHA borrowers with more widespread trends among all home buyers, we used the American Housing Survey's data on recent movers into owner-occupied units. However, unlike FHA's data, the American Housing Survey's data do not focus exclusively on households that took out a mortgage to buy their home and do not include households that refinanced their mortgage while staying in the same home. In spite of these inconsistencies, the American Housing Survey's data show whether trends in FHA's data are similar to broader demographic trends.

looking more closely at the manner in which these data are collected and maintained.

To compare the family incomes of FHA borrowers with those of the general population, we obtained data from the Department of Commerce's Bureau of Economic Analysis on the U.S. median income. To analyze trends in the age and race of FHA borrowers and the location of their homes, we supplemented data on FHA borrowers with data on all U.S. home buyers. We obtained data on all U.S. home buyers from the American Housing Survey for the United States, conducted by the Bureau of the Census for the Department of Housing and Urban Development (HUD). The American Housing Survey is the only source that includes data from the 1970s and that represents all home buyers. However, as explained in footnote 3, there are some inconsistencies between the American Housing Survey's data and FHA's data.

We examined the proportion and number of FHA borrowers by income category for 1971, 1976, 1981, 1986, and 1991. We examined the data at five-year intervals because doing so seemed sufficient: As a test, we performed calculations to transform FHA's income data to correspond to income categories for every year from 1986 to 1991. This test, which revealed no unexpected fluctuations, led us to conclude that performing such arduous calculations for every year from 1971 to 1991 would add little valuable information. Unlike our analyses of income categories, our analysis of the median family income of FHA borrowers covered every year between 1971 and 1991. We also examined the age, race, and location of FHA borrowers for every year between 1976 and 1991. See appendix I for more detailed discussion of our methodology.

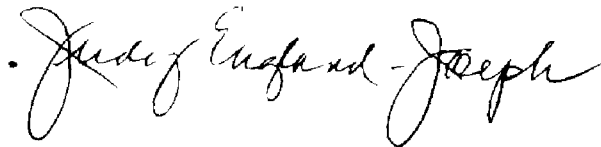
In response to the same legislative mandate for this report, we are also issuing a separate report on the conforming loan limit—a limit on the size of mortgages that the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation can purchase.

We discussed the contents of this briefing report with HUD's General Deputy Assistant Secretary for Housing, the FHA Comptroller, and other officials from the Office of Housing-FHA Comptroller. They generally concurred with our description of FHA's clientele, and we have incorporated their comments where appropriate. Although the officials found our results useful for understanding how the characteristics of FHA borrowers have changed over time, they were concerned about the quality of FHA's data on these characteristics. As discussed previously, we plan to

look more closely into FHA's management of this data base. As requested, we did not obtain written agency comments.

We conducted our work between June 1993 and March 1994. We are providing copies of this briefing report to the Secretary of Housing and Urban Development, the Director of the Office of Management and Budget, and other interested parties. Copies are available to others upon request.

Please contact me on (202) 512-7631 if you or your staff have any questions about this briefing report. Major contributors to this briefing report are listed in appendix III.

A handwritten signature in cursive script that reads "Judy A. England-Joseph".

Judy A. England-Joseph
Director, Housing and Community
Development Issues

List of Committees

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Abbreviations

FHA	Federal Housing Administration
GAO	General Accounting Office
HUD	Department of Housing and Urban Development

The Federal Housing Administration Served a Higher Proportion of Low- and Moderate-Income Families in 1991

Mortgages for low- and moderate-income families made up a higher proportion of the Federal Housing Administration's (FHA) originations in 1991 than at any other point we examined in the preceding 20 years.¹ Specifically, in the five years we examined (1971, 1976, 1981, 1986, and 1991), the proportion of FHA's originations that went to low-income families was lowest in 1981—about 9 percent—and highest in 1991—24 percent.² Similarly, the proportion going to moderate-income families has also risen since its low point in 1981, though not as dramatically, back to about the same level as in 1971. That is, while moderate-income families represented 29 percent of FHA's 1981 originations, these families represented 41 percent of FHA's 1991 originations. In 1991, moderate-income families accounted for roughly the same proportion of FHA's originations as they had in 1971.

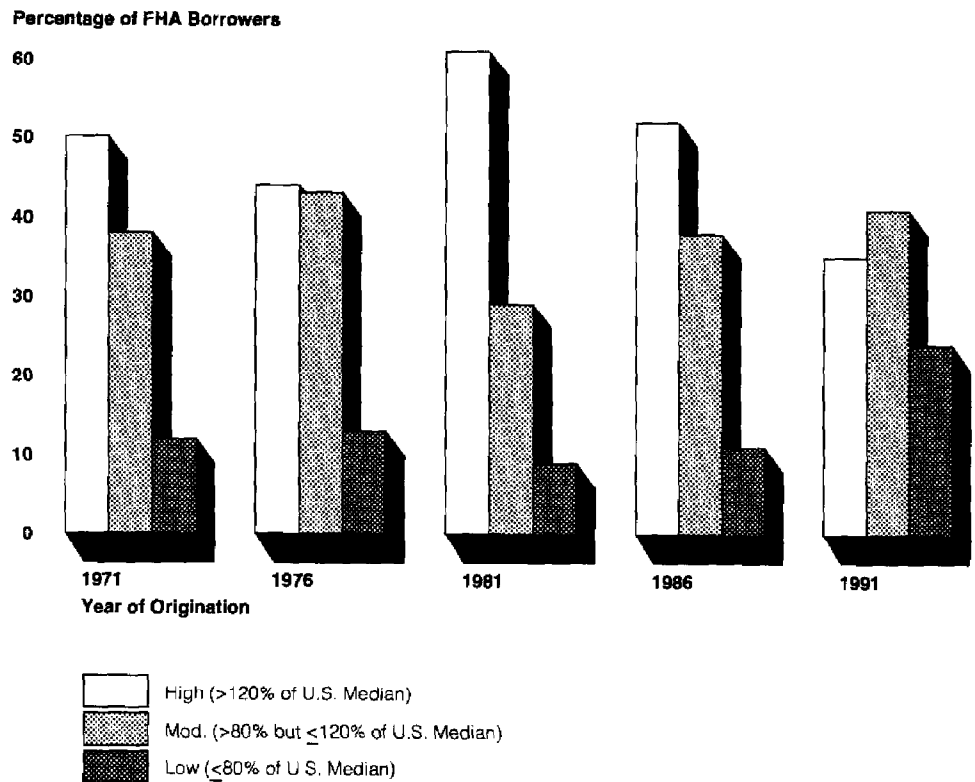
While mortgages for families with low and moderate income represented a larger proportion of FHA's originations in 1991 than they did in 1981, families with high income represented a much smaller proportion of FHA's 1991 originations than they did in 1981. (See fig. 1.1.)

¹This analysis focuses on the income of borrowers and their families. If a borrower did not live with family members, his "family income" would be limited exclusively to his income. We defined a family's income as "low" if it is at or below 80 percent of the U.S. median family income, "moderate" if it is greater than 80 percent but at or below 120 percent of the U.S. median, and "high" if it is greater than 120 percent of the U.S. median.

²We examined the income of FHA borrowers at five-year intervals because such intervals appeared to adequately represent trends concerning FHA borrowers' income.

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The Federal Housing Administration Served
a Higher Proportion of Low- and
Moderate-Income Families in 1991

Figure 1.1: Income Categories of FHA Borrowers Nationwide



Note: For the data corresponding to this figure, see table II.1. The family income of FHA borrowers is categorized as low, moderate, or high on the basis of the U.S. median family income for that year and not the median in the local area. Therefore, our analysis may not precisely indicate how the family income of FHA borrowers compares to that of others in the same locality. The percentage of borrowers in each category is an estimate based on interpolations of FHA's family income ranges.

Sources: Based on data from FHA and the Bureau of the Census.

In absolute numbers as well, more low- and moderate-income families took out FHA-insured mortgages in 1991 than in 1971. FHA assisted approximately 345,000 low- and moderate-income families in 1991—more than double the 1971 level of about 165,000, and several-fold over the approximately 46,000 such borrowers it served during the recessionary year of 1981. However, FHA did not serve as many low- and moderate-income borrowers in 1991 as it did in the peak year of 1986, when it served 393,000 such borrowers. Low-income families more than

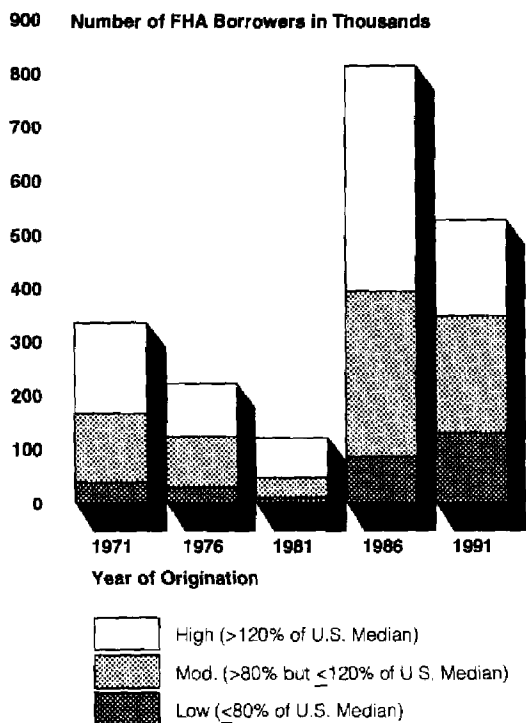
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tripled in number since 1971, reaching nearly 130,000 in 1991. While low-income families used FHA in greater numbers in 1991, the number of moderate-income families slid some from its peak in 1986 of about 309,000 borrowers to 215,000 in 1991.

While the number of low- and moderate-income families who took out FHA mortgages was substantially greater in 1991 than in 1971, the number of high-income families was only slightly greater in 1991 than in 1971. The greatest number of high-income families were assisted in 1986—419,000—but by 1991 the number had declined to less than half as much—181,000. FHA served fewer families in all income categories in 1981 than in any other year we observed. (See fig. 1.2.)

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Figure 1.2: Number of FHA Borrowers, by Income Category



Note: For the data corresponding to this figure, see table II.2. The family income of FHA borrowers is categorized as low, moderate, or high on the basis of the U.S. median family income for that year and not the median in the local area. Therefore, our analysis may not precisely indicate how the family income of FHA borrowers compares to that of others in the same locality. The number of borrowers in each category is an estimate based on interpolations of FHA's family income ranges.

Sources: Based on data from FHA and the Bureau of the Census.

Because a national analysis may disguise differences in income in individual states, we also examined the income of FHA borrowers in three low-cost states—Michigan, Missouri, and Texas—and three high-cost states—Maryland, New York, and California.³ We looked specifically at the portion of FHA borrowers with income under the states' median income during 1971, 1976, 1981, 1986, and 1991. We found that for all of FHA's

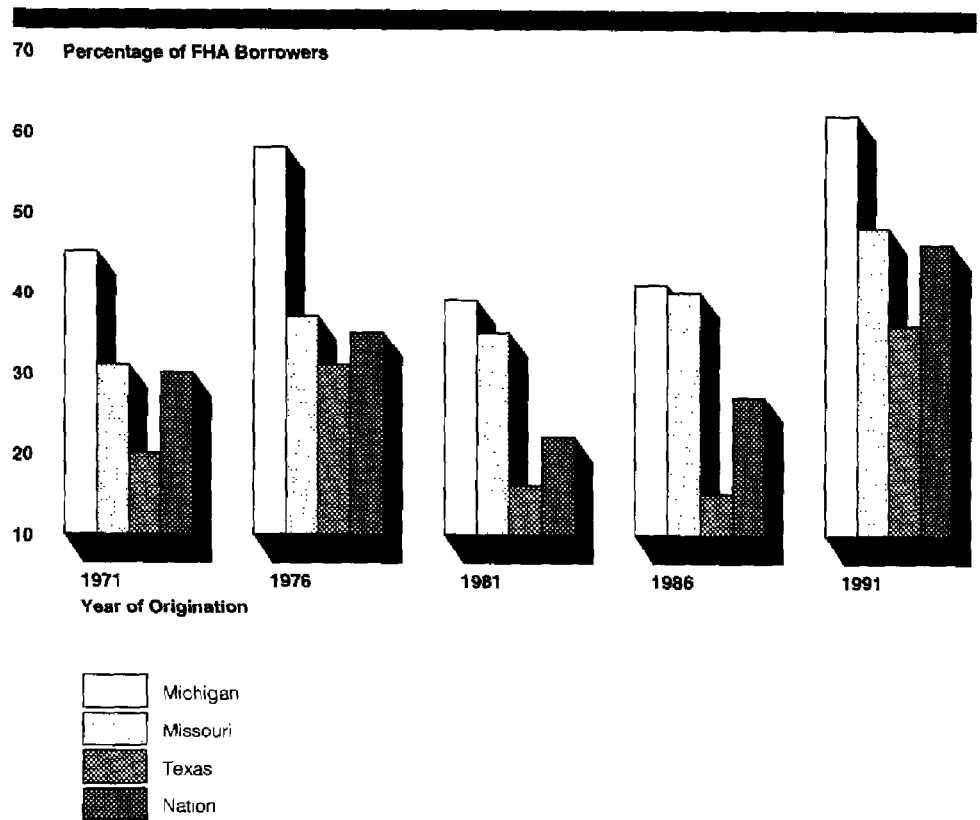
³When selecting low-cost and high-cost states, we considered for each state (1) the price of new homes there in 1991, (2) the number of FHA-insured mortgages originated in the state in 1991, and (3) the geographic region of the country in which the state is located. We selected states that had new home prices well above and well below the national median, that had more originations than most states, and that provided geographic balance.

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originations in both low-cost and high-cost states, the portion of families with income under the state median rose and fell in a roughly similar fashion, although exceptions existed. In Michigan, Missouri, and Texas, the proportion of families served by FHA with income at or below the state median family income was higher in 1976 than in 1971, was lower in 1981 than in 1976, and had rebounded back beyond its 1971 level by 1991. For California, Maryland, and New York, 1981 also tended to be one of the low points for FHA serving families with income below the state median. For every state we examined except New York, a higher percentage of FHA borrowers had income below the state median in 1991 than in any other year we observed. In the low-cost states examined, FHA was not consistently more or less likely to serve families with incomes below the state median than in the high-cost states. (See figs. 1.3 and 1.4.)

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Figure 1.3: Percentage of FHA Borrowers in Low-Cost States With Income Below the State Median Income

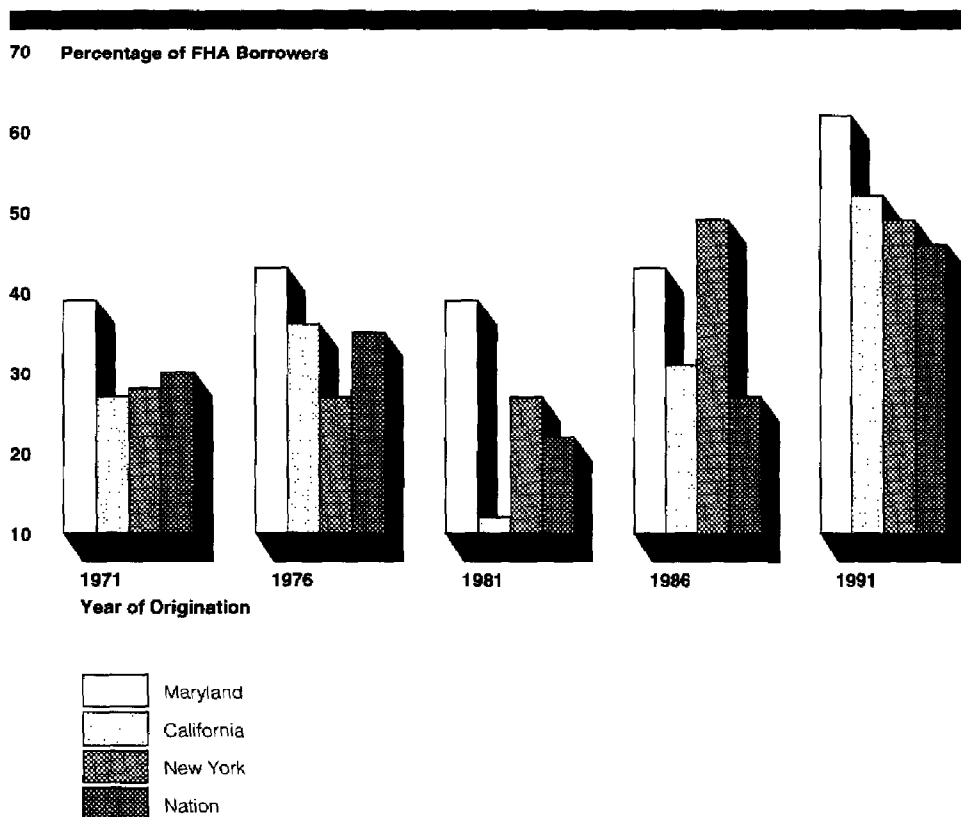


Note: For the data corresponding to this figure, see table II.3 and table II.5. State figures are based on the current year's median family income for the state; national figures, on comparable U.S. data. All figures are estimates based on interpolations of FHA's family income ranges. Differences in the distribution of the U.S. population and FHA's originations are not controlled for. The states shown were selected because (1) the price of new homes in these states in 1991 was well below the national median, (2) more FHA-insured mortgages were originated in these states in 1991 than in most states, and (3) the states were from different geographic regions of the country.

Sources: Based on data from FHA, the Bureau of the Census, and the Bureau of Economic Analysis.

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Figure 1.4: Percentage of FHA Borrowers in High-Cost States With Income Below the State Median Income



Note: For the data corresponding to this figure, see table II.4 and table II.5. State figures are based on the current year's median family income for the state; national figures, on comparable U.S. data. All figures are estimates based on interpolations of FHA family income ranges. Differences in the distribution of the U.S. population and FHA's originations are not controlled for. The states shown were selected because (1) the price of new homes in these states in 1991 was well above the national median, (2) more FHA-insured mortgages were originated in these states in 1991 than in most states, and (3) the states were from different geographic regions of the country.

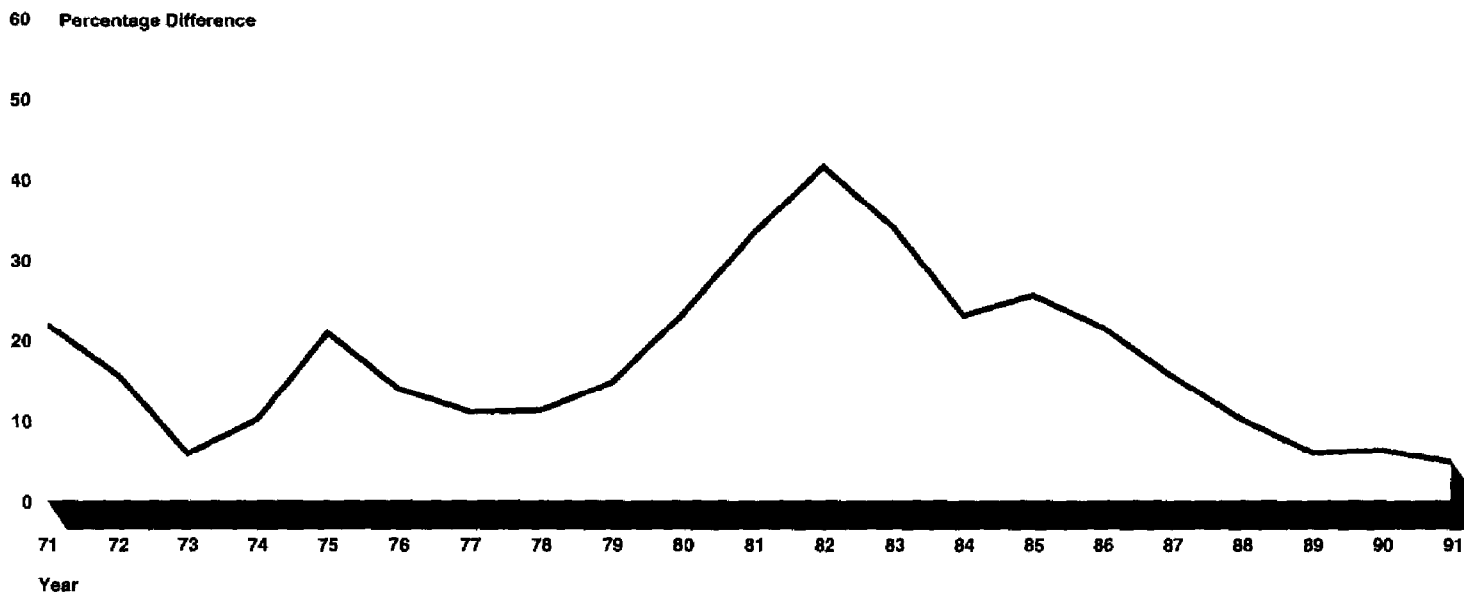
Sources: Based on data from FHA, the Bureau of the Census, and the Bureau of Economic Analysis.

The median family income of FHA borrowers was closer to that of the general population in 1991 than in any preceding year since 1971. Although the median income of FHA borrowers was higher than that of the general population for all years between 1971 and 1991, the general population

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includes renters, who typically have lower income than homeowners.⁴ In 1991, the median income of FHA borrowers was \$37,645, and the median income of the U.S. population was \$35,939, a difference of only 5 percent. The greatest difference occurred in 1982, when the median income of FHA borrowers was \$33,166, and the median income of the general population was \$23,433—a 42-percent difference. (See fig. 1.5.)

Figure 1.5: Difference Between the Median Income of FHA Borrowers and the U.S. Median Income



Note: For the data corresponding to this figure, see table II.6. Although our other analyses of the family income of FHA borrowers are based on data for selected years (1971, 1976, 1981, 1986, and 1991), this figure is based on data collected for every year between 1971 and 1991.

Sources: Based on data from FHA and the Bureau of the Census.

⁴The median family income of renters was lower than that of homeowners by an average of 43 percent between 1976 and 1991.

FHA Served a Smaller Percentage of Borrowers Under 30 in 1991

Of all borrowers taking out FHA single-family mortgages each year, the portion under the age of 30 decreased between 1976 and 1991. Specifically, as shown in figure 2.1, the percentage of FHA's originations with borrowers under 30 decreased by almost one-third during this period, from 57 to 38 percent. Of all U.S. home buyers (not just those with FHA-insured mortgages), the percentage who were under 30 also decreased.¹ However, the decrease among all home buyers—from 31 to 24 percent—was less substantial than the decrease among FHA borrowers.²

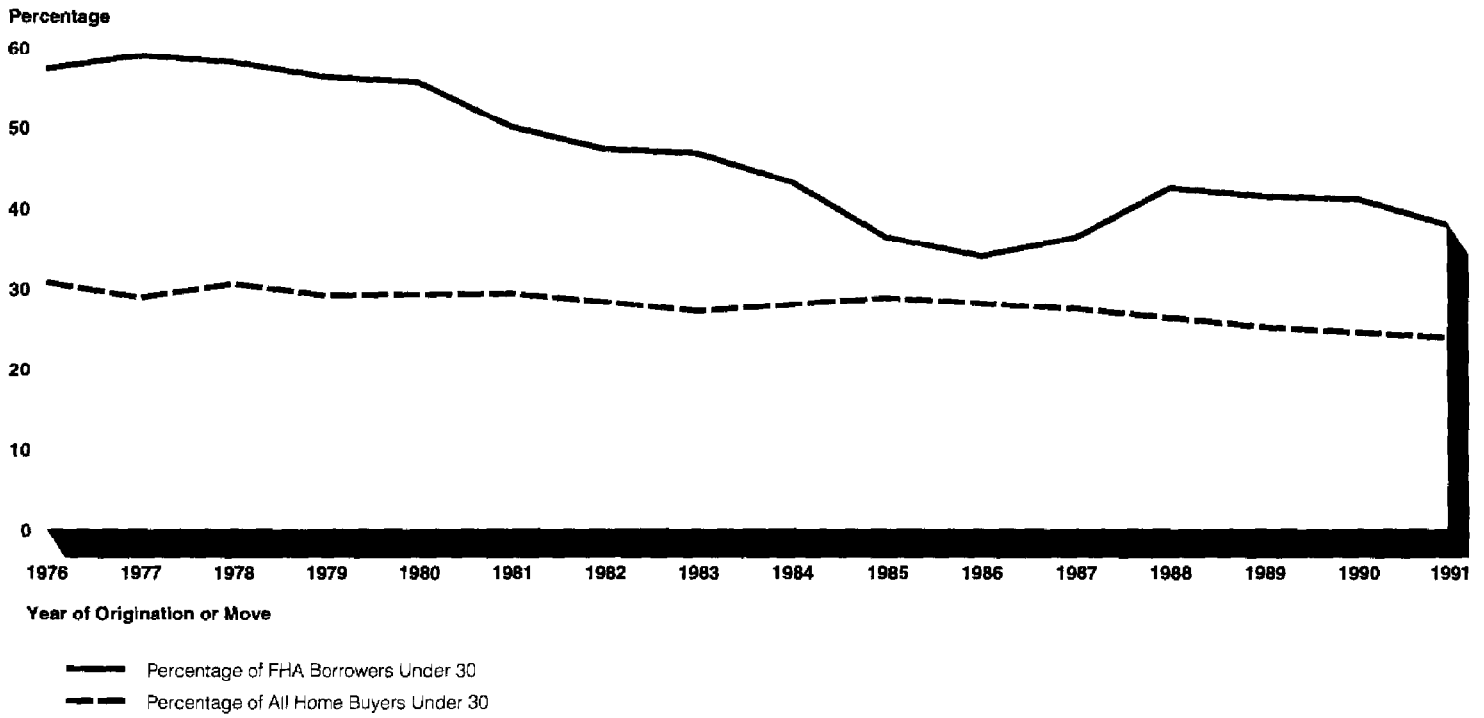
While FHA was serving a smaller percentage of borrowers under 30 in 1991 than in 1976, buyers under 30 consistently made up a larger portion of FHA borrowers than of all home buyers in the United States. For example, half of all the FHA borrowers who took out loans in 1981 were under 30, while fewer than one-third of all home buyers that year were under 30.

¹To compare changes in the characteristics of FHA borrowers with more widespread trends among all U.S. home buyers, we used the American Housing Survey's data on recent movers into owner-occupied units. However, unlike FHA's data, the American Housing Survey's data do not focus exclusively on households that took out a mortgage to buy their home and do not include households that refinanced their mortgage while staying in the same home. In spite of these inconsistencies, the American Housing Survey's data show whether trends in FHA's data are similar to broader demographic trends.

²The difference in trends among FHA borrowers and all home buyers may exist partly because FHA's data include some FHA borrowers who refinanced loans but stayed in the same home. However, data on characteristics such as borrowers' age are often not collected for refinanced FHA-insured loans.

Section 2
FHA Served a Smaller Percentage of
Borrowers Under 30 in 1991

Figure 2.1: Percentage of FHA Borrowers and of All Home Buyers Under 30



Note: For the data corresponding to this figure, see table II.7. Figures for all home buyers for 1980, 1982, 1984, 1986, 1988, and 1990 were interpolated from the data for the previous and subsequent years.

Sources: Based on data from FHA and the American Housing Survey.

Minorities Have Made Up a Higher Proportion of FHA Borrowers Than of All U.S. Home Buyers

Minorities made up a higher proportion of FHA borrowers than of all U.S. home buyers for virtually all years between 1976 and 1991, as shown in figure 3.1.¹ For example, in 1983, the percentage of FHA's originations that went to minorities was 14 percent, while the percentage of all home buyers in 1983 who were minorities was 9 percent.

The percentage of FHA's originations that went to minority borrowers fluctuated up and down between 11 and 29 percent between 1976 and 1991. Of all home buyers, the percentage who were minorities increased from 9 to 12 percent.

Figure 3.1: Percentage of FHA Borrowers and of All Home Buyers Who Are Minorities



Note: For the data corresponding to this figure, see table II.8. "Minority" refers to black or hispanic households only. Figures for all home buyers for 1980, 1982, 1984, 1986, 1988, and 1990 were interpolated from the data for the previous and subsequent years.

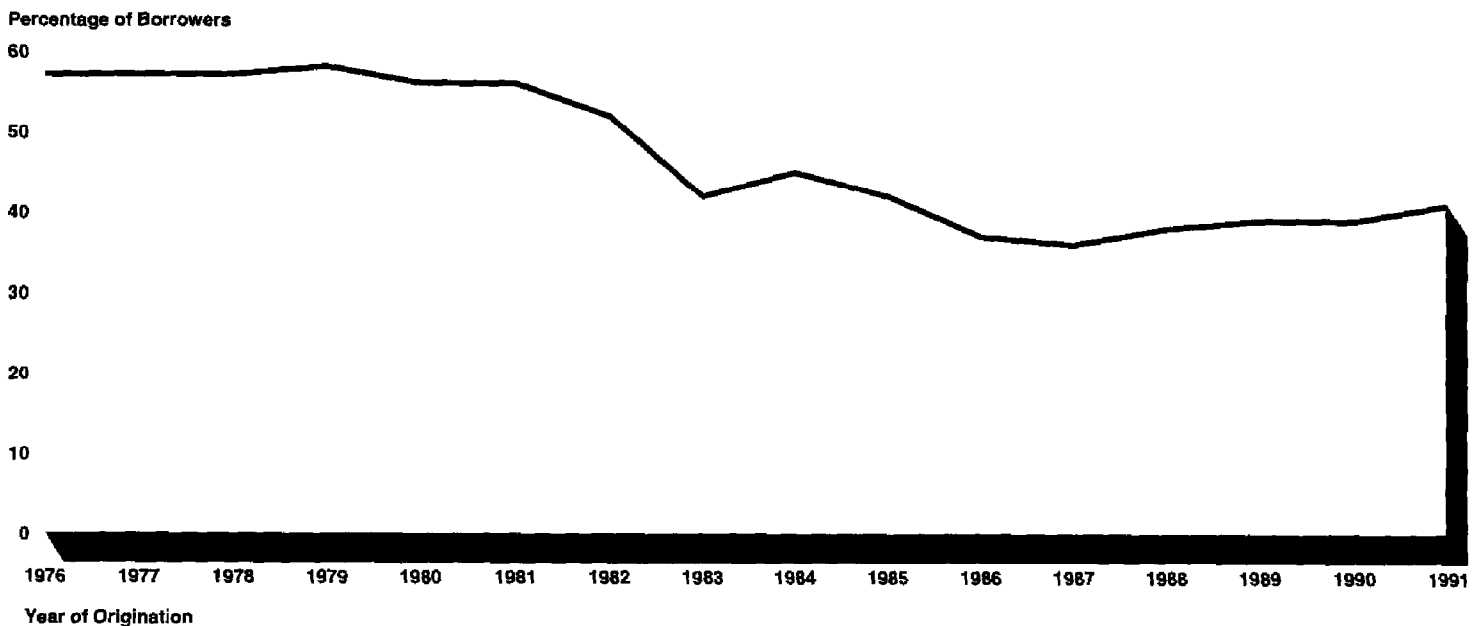
Sources: Based on data from FHA and the American Housing Survey

¹For this analysis, we again used data from the American Housing Survey, described in section 2.

The Percentage of FHA's Originations in Urban Neighborhoods Was Smaller in 1991

Of all FHA-insured mortgages originated each year, the percentage of those used for homes in urban neighborhoods was smaller in 1991 than in 1976.¹ As shown in figure 4.1, the percentage of FHA's originations used for homes in urban neighborhoods was 57 percent in 1976, but by 1991, the percentage used for these homes had fallen to 41 percent. Conversely, the percentage of FHA's originations used for homes in nonurban neighborhoods increased during this period.

Figure 4.1: Percentage of FHA's Originations in Urban Neighborhoods



Note: For the data corresponding to this figure, see table II.9.

Source: Based on data from FHA.

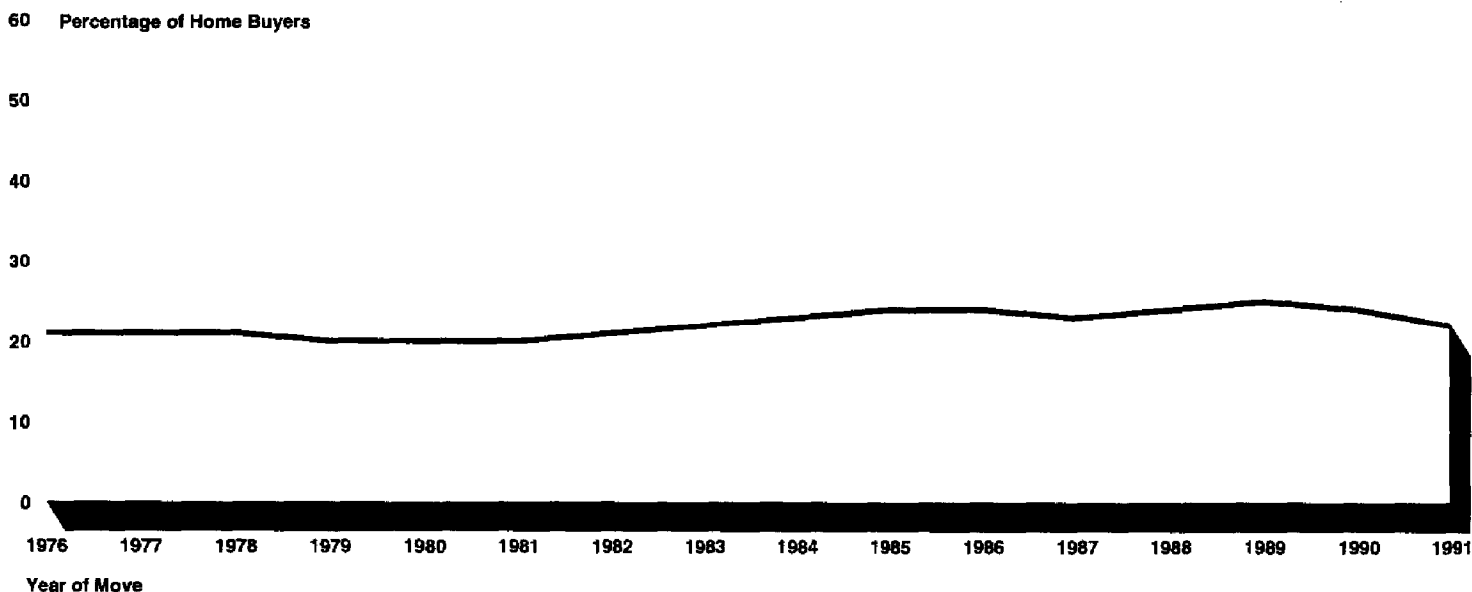
We could not compare the portion of FHA borrowers buying homes in urban neighborhoods with trends among all U.S. home buyers because FHA and the American Housing Survey use different definitions of "urban."

¹According to FHA, a neighborhood is considered "urban" if it is located within the deteriorating downtown or old town portions of a city or in the remaining portion surrounding the core of the city and within city limits.

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The Percentage of FHA's Originations in
Urban Neighborhoods Was Smaller in 1991

However, the percentage of all home buyers in central cities stayed about the same between 1976 and 1991, as shown in figure 4.2.²

Figure 4.2: Percentage of All Home Buyers in Central Cities



Note: For the data corresponding to this figure, see table II 10. Figures for 1980, 1982, 1984, 1988, and 1990 were interpolated from the data for the previous and subsequent years.

Source: Based on data from the American Housing Survey.

²According to the American Housing Survey, a geographic area must meet specific population and commuting requirements to be considered a "central city."

Objectives, Scope, and Methodology

This report, mandated by the Housing and Community Development Act of 1992, provides information on the characteristics of borrowers with single-family mortgages insured by FHA. Specifically, as agreed with congressional committees, our objectives were to examine how the income, age, and race of FHA borrowers and the location of their homes have changed since the 1970s. In response to the same legislative mandate, we are also issuing a separate report on the conforming loan limit—a limit on the size of mortgages that the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation can purchase.

To identify trends in the characteristics of FHA borrowers and the location of their homes, we used data from FHA's annual reports entitled Characteristics of Single-Family Mortgages. These reports include data on borrowers' income for all years between 1971 and 1991 and on age, race, and location for the years between 1976 and 1991. We did not assess the reliability of these data. In fact, the data for some years were gathered for only a small percentage of the mortgages FHA designated to be in the sample. However, these are the only data available that cover the characteristics of borrowers taking out FHA-insured loans since the 1970s. We are currently looking more closely at the manner in which these data are collected and maintained.

We compared the family income of FHA borrowers who took out loans during 1971, 1976, 1981, 1986, and 1991 with the U.S. median family income for those years. We obtained data on the U.S. median income from the Bureau of the Census. Because FHA's annual reports presented the distribution of its borrowers by income ranges, we used interpolation to estimate the percentage of low-, moderate-, and high-income families. We defined a family's income as "low" if it is at or below 80 percent of the U.S. median family income, "moderate" if it is greater than 80 percent but at or below 120 percent of the U.S. median, and "high" if it is greater than 120 percent of the U.S. median. Since the income levels of FHA borrowers were computed as a percentage of the U.S. median income and not correlated with local income levels, they may not give a precise indication of how FHA borrowers' income levels compare to those of others in the same locality. Furthermore, the definition of family income used by FHA and the Census Bureau may differ slightly.

We also compared the income of FHA borrowers who took out mortgages during 1971, 1976, 1981, 1986, and 1991 in three low-cost and three high-cost states with the state median income for these years. We selected Michigan, Missouri, and Texas as low-cost states because they had new

home prices well below the national median, had a volume of FHA-insured mortgage originations higher than most other states, and represented different geographic regions. We selected California, Maryland, and New York as high-cost states because they had new home prices well above the national median, had a volume of FHA-insured mortgage originations higher than most other states, and represented different geographic regions. We obtained data on state median incomes from the Census Bureau's decennial censuses and from the Department of Commerce's Bureau of Economic Analysis.

To analyze trends in the age and race of FHA borrowers, we supplemented data on FHA borrowers with data on all U.S. home buyers who moved. We obtained data on all U.S. home buyers from the American Housing Survey for the United States, conducted by the Census Bureau for the Department of Housing and Urban Development. However, there are some inconsistencies between the American Housing Survey's data and FHA's data. First, the American Housing Survey's data pertains to all recent movers into owner-occupied units. The data are not necessarily about households that took out a mortgage in a particular year. For this reason, unlike FHA's data, the American Housing Survey's data do not include households that refinanced their loans but stayed in the same home. Similarly, the American Housing Survey's data might include some households that moved but did not take out a mortgage to acquire their home.

Owing to difficulties in obtaining data that used the same definition of "urban," we could not directly compare trends in FHA's originations in urban neighborhoods with trends occurring for all home buyers.

We examined the proportion and number of FHA borrowers by income category for 1971, 1976, 1981, 1986, and 1991. We examined the median income of FHA borrowers for every year between 1971 and 1991. We analyzed trends in the age and race of FHA borrowers and the location of their homes for every year between 1976 and 1991.

Data for Figures

Table II.1: Income Categories of FHA Borrowers Nationwide (Figure 1.1)

Year of origination	Percentage of FHA borrowers, by income category		
	Low	Moderate	High
1971	12	38	50
1976	13	43	44
1981	9	29	61
1986	11	38	52
1991	24	41	35

Note: We defined a family's income as "low" if it is at or below 80 percent of the U.S. median family income, "moderate" if it is greater than 80 percent but at or below 120 percent of the U.S. median, and "high" if it is greater than 120 percent of the U.S. median. Also, FHA borrowers' income is categorized as low, moderate, or high on the basis of the U.S. median family income for that year and not the median in the local area. Therefore, our analysis may not precisely indicate how FHA borrowers' income compares to that of others in the same locality. The percentage of borrowers in each income category is an estimate based on interpolations of FHA's income ranges.

Sources: Based on data from FHA and the Bureau of the Census.

Table II.2: Number of FHA Borrowers, by Income Category (Figure 1.2)

Year of origination	Number of FHA borrowers, by income category		
	Low	Moderate	High
1971	37,976	126,795	167,724
1976	29,166	93,623	96,422
1981	10,363	35,794	74,332
1986	83,994	308,695	419,117
1991	129,316	215,232	180,803

Note: We defined a family's income as "low" if it is at or below 80 percent of the U.S. median family income, "moderate" if it is greater than 80 percent but at or below 120 percent of the U.S. median, and "high" if it is greater than 120 percent of the U.S. median. Also, FHA borrowers' income is categorized as low, moderate, or high on the basis of the U.S. median family income for that year and not the median in the local area. Therefore, our analysis may not precisely indicate how FHA borrowers' income compares to that of others in the same locality. The number of borrowers in each income category is an estimate based on interpolations of FHA's income ranges.

Sources: Based on data from FHA and the Bureau of the Census.

**Appendix II
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Table II.3: Percentage of FHA Borrowers in Low-Cost States With Income Below State Median Income (Figure 1.3)

Year of origination	Percentage of FHA borrowers		
	Michigan	Missouri	Texas
1971	45	31	20
1976	58	37	31
1981	39	35	16
1986	41	40	15
1991	62	48	36

Note: Figures are based on the current year's median family income for the state and are estimates based on interpolations of FHA's income ranges. Differences in the distribution of the U.S. population and FHA's originations are not controlled for. The states shown are those with relatively low new home prices as of 1991.

Sources: Based on data from FHA and the Bureau of Economic Analysis.

Table II.4: Percentage of FHA Borrowers in High-Cost States With Income Below State Median Income (Figure 1.4)

Year of origination	Percentage of FHA borrowers		
	Maryland	California	New York
1971	39	27	28
1976	43	36	27
1981	39	12	27
1986	43	31	49
1991	62	52	49

Note: Figures are based on the current year's median family income for the state and are estimates based on interpolations of FHA's income ranges. Differences in the distribution of the U.S. population and FHA's originations are not controlled for. The states shown are those with relatively high new home prices as of 1991.

Sources: Based on data from FHA and the Bureau of Economic Analysis.

Table II.5: Percentage of FHA Borrowers With Income Below U.S. Median Income (Figures 1.3 and 1.4)

Year of origination	Percentage of FHA borrowers
1971	30
1976	35
1981	22
1986	27
1991	46

Note: All figures are estimates based on interpolations of FHA's income ranges. Differences in the distribution of the U.S. population and FHA's originations are not controlled for.

Sources: Based on data from FHA and the Bureau of the Census.

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Table II.6: Difference Between the Median Income of FHA Borrowers and the U.S. Median Income (Figure 1.5)

Year	Percentage difference
1971	21.9
1972	15.6
1973	5.8
1974	10.1
1975	20.8
1976	13.9
1977	11.0
1978	11.2
1979	14.7
1980	23.1
1981	33.2
1982	41.5
1983	33.9
1984	23.0
1985	25.5
1986	21.5
1987	15.4
1988	10.0
1989	5.9
1990	6.2
1991	4.7

Sources: Based on data from FHA and the Bureau of the Census

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Data for Figures**

Table II.7: Percentage of FHA Borrowers and of All Home Buyers Under 30 (Figure 2.1)

Year of origination/move	Percentage under 30	
	FHA borrowers	All home buyers
1976	57.26	30.71
1977	58.94	30.62
1978	58.11	30.53
1979	56.26	29.06
1980	55.60	29.19
1981	50.00	29.31
1982	47.29	28.20
1983	46.76	27.08
1984	43.16	27.91
1985	36.35	28.73
1986	33.99	28.05
1987	36.35	27.37
1988	42.41	26.23
1989	41.40	25.08
1990	41.08	24.45
1991	37.86	23.81

Note: Figures for all home buyers for 1980, 1982, 1984, 1986, 1988, and 1990 were interpolated from the data for the previous and subsequent years.

Sources: Based on data from FHA and the American Housing Survey.

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Table II.8: Percentage of FHA Borrowers and of All Home Buyers Who Are Minorities (Figure 3.1)

Year of origination/move	Percentage who are minorities	
	FHA borrowers	All home buyers
1976	20.46	8.96
1977	19.74	9.06
1978	21.94	9.15
1979	20.50	9.59
1980	21.54	9.43
1981	24.41	9.27
1982	20.95	9.25
1983	13.77	9.23
1984	21.05	9.99
1985	17.59	10.74
1986	10.73	10.93
1987	14.51	11.12
1988	28.72	11.40
1989	16.70	11.67
1990	16.39	11.96
1991	17.35	12.25

Note: "Minority" refers to black or hispanic households only. Figures for all home buyers for 1980, 1982, 1984, 1986, 1988, and 1990 were interpolated from data for the previous and subsequent years.

Sources: Based on data from FHA and the American Housing Survey.

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Table II.9: Percentage of FHA's
Originations in Urban Neighborhoods
(Figure 4.1)

Year of origination	Percentage of FHA's originations in urban neighborhoods
1976	57
1977	57
1978	57
1979	58
1980	56
1981	56
1982	52
1983	42
1984	45
1985	42
1986	37
1987	36
1988	38
1989	39
1990	39
1991	41

Source: Based on data from FHA.

**Appendix II
Data for Figures**

Table II.10: Percentage of All Home Buyers in Central Cities (Figure 4.2)

Year of move	Percentage of all home buyers in central cities
1976	21
1977	21
1978	21
1979	20
1980	20
1981	20
1982	21
1983	22
1984	23
1985	24
1986	24
1987	23
1988	24
1989	25
1990	24
1991	22

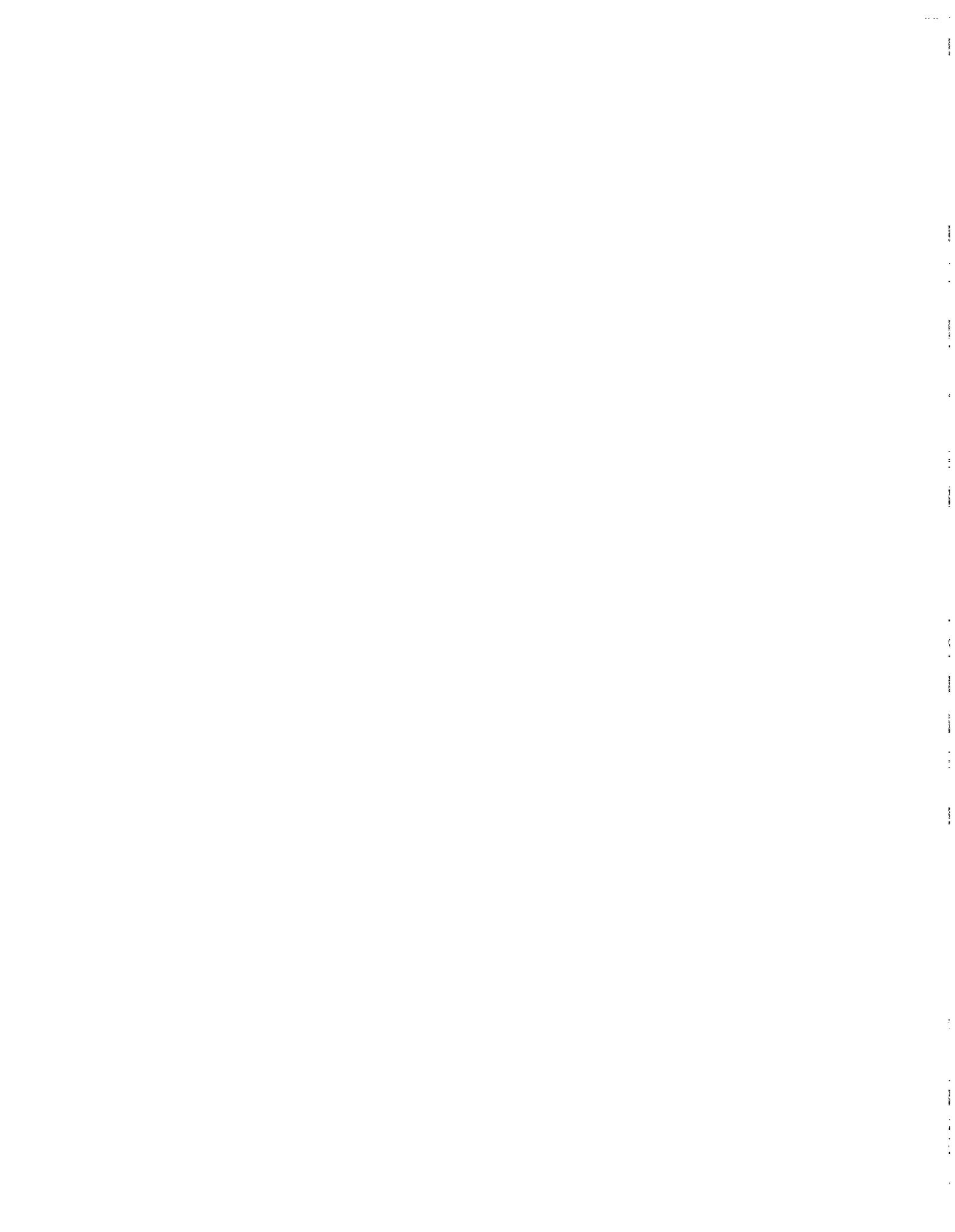
Note: Figures for 1980, 1982, 1984, 1986, 1988, and 1990 were interpolated from the data for the previous and subsequent years.

Source: Based on data from the American Housing Survey.

Major Contributors to This Briefing Report

Resources,
Community, and
Economic
Development
Division, Washington,
D.C.

Robert Procaccini, Assistant Director
Mathew J. Scire, Assignment Manager
Leslie Black-Plumeau, Evaluator-in-Charge
C. Bernard Myers, Staff Evaluator
Karen Bracey, Supervisory Operations Research Analyst
Judy K. Pagano, Senior Operations Research Analyst



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