June 12, 2018

The Honorable Benjamin S. Carson, Sr., M.D.
Secretary
U.S. Department of Housing and Urban Development
451 7th Street, S.W.
Washington, DC 20410

Dear Secretary Carson:

As you know, the Housing Opportunity Through Modernization Act was signed into law on July 29, 2016. Section 301 of the statute makes a number of changes to the Federal Housing Administration’s (FHA) condominium rules that would streamline and simplify requirements for condominium buildings to qualify for FHA approval. On September 28, 2016, the Department of Housing and Urban Development published a proposed rule to implement those changes to better serve condominium markets. Unfortunately, nearly two years later, the final rule has yet to be issued. At a time when homeownership remains out of reach for far too many families, the FHA should expand affordable and sustainable access to home mortgage credit by issuing a final condominium rule.

FHA’s current condominium rules place significant restrictions on the purchase and sale of condominiums, even though they are often the most affordable homeownership option for first-time buyers, small families, urban and older Americans. Importantly, condominiums also offer residents access to the amenities, services, and public transportation that build stronger communities and promote sustainable homeownership.

The changes included in the Department’s proposed rule will help stabilize condominium associations, ensure that homeowners will be able to sell their units more easily, and provide homebuyers more opportunities to buy affordable properties. Specifically, these changes include spot loan approval, streamlining of certification requirements, and changes to the owner-occupancy ratio as suggested in the statute. When finalized, the rule will make it easier to finance condominium loans, while continuing to protect borrowers and maintain necessary safeguards to the FHA Mutual Mortgage Insurance Fund.

As such, we urge you to promptly issue a final rule, and continue FHA’s work to remove barriers to homeownership and ensure condominiums remain an affordable option for American families.

Sincerely,

Tim Scott
United States Senator

Robert Menendez
United States Senator
Mike Crapo  
United States Senator

Thom Tillis  
United States Senator

Catherine Cortez Masto  
United States Senator

Jon Tester  
United States Senator

Elizabeth Warren  
United States Senator

Amy Klobuchar  
United States Senator

Jeanne Shaheen  
United States Senator

Tina Smith  
United States Senator

Joni K. Ernst  
United States Senator

Johnny Isakson  
United States Senator

Sherrod Brown  
United States Senator

Heidi Heitkamp  
United States Senator

John Barrasso, M.D.  
United States Senator

Marco Rubio  
United States Senator

Margaret Wood Hassan  
United States Senator
Doug Jones
United States Senator

Dianne Feinstein
United States Senator

Cory A. Booker
United States Senator

Bill Nelson
United States Senator

John Kennedy
United States Senator

John Boozman
United States Senator

Thomas R. Carper
United States Senator

Jerry Moran
United States Senator

Claire McCaskill
United States Senator

Christopher A. Coons.
United States Senator

Ron Wyden
United States Senator

Lindsey O. Graham
United States Senator

Chris Van Hollen
United States Senator

Robert P. Casey, Jr.
United States Senator

Maria Cantwell
United States Senator