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Chairman Hensarling Comments on Obama Administration's Confirmation of \$1.7 Billion Taxpayer-Funded Bailout for FHA

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Washington, Sep 27 - Financial Services Committee Chairman Jeb Hensarling (R-TX) released the following statement after receiving confirmation from the Obama administration on Friday that the Federal Housing Administration (FHA) will require a taxpayer-funded bailout of \$1.7 billion:

"As Americans approach the five-year anniversary of the Wall Street bailouts that were forced on hardworking taxpayers, the Obama administration's mismanagement of the economy took a new but predictable turn today with confirmation that taxpayers will now have to bail out yet another failed Washington housing program, the FHA.

"In April, the Obama administration estimated the FHA would need a taxpayer bailout of \$943 million. As bad as that was, now we learn – just five months later – that the bailout will be almost twice that amount. The FHA's \$1.7 billion taxpayer-funded bailout is a shortfall equal to an astonishing 10 percent of the revenue the FHA collected this fiscal year.

"If the FHA was a private financial institution, likely somebody would be fired, somebody would be fined, or the institution would find itself in receivership. Instead, the FHA is merrily on its way to becoming the recipient of the next great taxpayer bailout.

"The FHA is clearly headed toward financial disaster and taking taxpayers along for the ride. Unless Congress enacts sustainable housing finance reform, it's possible taxpayers will be forced to write blank bailout checks to the FHA indefinitely. That is unacceptable, and it is further evidence Congress needs to pass the sustainable housing finance reforms found in the PATH Act."

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Note: [Click here](#) (.pdf) to read an executive summary of the reforms that make up the PATH Act, including reforms to the FHA.

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