

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT

BUDGET ACTIVITY 3: HOUSING PROGRAMS

The consolidated discussion for the appropriation "Salaries and Expenses, HUD" is shown in Part 3 of these Justifications. All data are presented on a comparable basis for the three fiscal years: 2001, 2002, and 2003.

SUMMARY OF BUDGET REQUEST

For fiscal year 2003, Housing's Salaries and Expenses Budget request is for \$4,202 thousand in contract funds and \$4,463 thousand in travel funds. This represents a continuation of the FY 2002 budget level, which included funds for Multifamily Housing Assistance Restructuring functions, following the transfer of OMHAR functions to Housing in fiscal year 2002.

SCOPE OF ACTIVITY

The Housing staff is responsible for implementing legislation which authorizes the Department to assist projects for occupancy by very low-income, low-income and moderate-income households, to provide capital grants to nonprofit sponsors for the development of housing for the elderly or handicapped, to underwrite mortgage or loan insurance to finance new construction, rehabilitation or the purchase of existing dwelling units, and to conduct several regulatory functions. The legislation includes:

- The U.S. Housing Act of 1937, as amended, which authorizes rental assistance to certain lower-income households under Section 8 of the Act;
- The National Housing Act, as amended, which authorizes the provision of mortgage or loan insurance for single family and multifamily housing and for health care facilities such as hospitals and nursing homes;
- Sections 201 and 203 of the Housing and Community Development Amendments of 1978, as amended, which govern the management and disposition of multifamily housing projects;
- Section 202 of the Housing Act of 1959, as amended, which authorizes capital grants and rental assistance for the development of housing for the elderly or handicapped;
- Section 811 of the National Affordable Housing Act of 1990, as amended, which authorizes capital grants and rental assistance for the development of housing for the disabled;
- Title IV of the Housing and Community Development Amendments of 1978, as amended, which authorizes the Congregate Housing Services program;
- Section 542 of the Housing and Community Development Act of 1992 governing Multifamily risk-sharing programs;
- Section 101 of the Housing and Urban Development Act of 1965, as amended, which authorizes rent supplements on behalf of needy tenants living in privately owned, privately operated and privately financed housing;
- Title VI of the fiscal year 1999 Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, which governs FHA Single Family property disposition reform;
- The Interstate Land Sales Full Disclosure Act, as amended, which requires developers of subdivisions to file registration statements with the Secretary;

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- The National Manufactured Home Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, which authorizes HUD to develop and enforce construction and safety standards for all manufactured homes sold in the United States;
- The Real Estate Settlement Procedure Act of 1974, as amended, which authorizes the regulation of certain lending practices and settlement and closing procedures in Federally related mortgage transactions to eliminate unnecessary costs and to minimize difficulties of settlement;
- The Multifamily Assisted Housing Reform and Affordability Act of 1997, which governs the renewal of Section 8 project-based rental assistance and contains the authority for multifamily mortgage restructuring; and
- Title XIII of the Housing and Community Development Act of 1992 pertaining to mission regulation of Government Sponsored Enterprises (GSEs).

WORKLOAD

The principal workload for Housing staff, partners and contractors is:

- providing, increasing, maintaining and preserving home ownership, especially for underserved and unserved populations, by insuring mortgages and loans used for the acquisition, rehabilitation or improvement of existing homes;
- preserving home ownership for elderly Americans through the insurance of "reverse" mortgages that allow elderly homeowners to remain in their homes by converting the equity in their homes to a stream of income;
- encouraging the development of affordable rental housing by insuring mortgages on both new and existing apartment buildings;
- implementing Multifamily Accelerated Processing (MAP), new procedures for processing applications for HUD multifamily mortgage insurance more efficiently, with the support of qualified mortgage lenders;
- implementing the Development Application Processing (DAP), an automated underwriting system to support the processing and tracking of applications for HUD multifamily grants and mortgage insurance, for use both by HUD staff and qualified mortgage lenders;
- supporting the provision of community-based health care and economic development by insuring mortgages on hospitals and other health-care facilities, such as nursing homes and assisted living facilities;
- reengineering the portfolio of project-based Section 8 assistance so that FHA losses will be minimized and all projects will be financially viable with market-rate rents;
- developing underwriting standards, making actuarial determinations, and establishing fees and premiums for mortgage insurance for homes and projects and other financial and related assistance authorized by the National Housing Act;
- collecting FHA mortgage insurance premiums, processing and accounting for premiums, refunds to lenders/homeowners and insurance claims, providing financial/accounting services for assigned loans, HUD-insured/ HUD-held mortgages/notes, real property acquisitions/dispositions and note sales for Single Family/Multifamily/Title I insured programs;
- servicing first and second mortgages assigned to HUD, including monitoring contractor performance;
- manning the predatory lending hotline and other customer service hotlines and program e-mail boxes;

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- managing FHA financial assets through loan sales, debt restructuring and other loss mitigation initiatives;
- performing property disposition activities which include monitoring and surveillance of contractors, that manage the property inventory and market the properties;
- providing debt management and collection services to recover debts owed to the Federal Government arising from FHA insurance programs, loan programs, and other HUD programs;
- performing preapplication and other review activities through to construction completion, execution and closing of contracts and mortgages;
- participating in the analysis, review, and evaluation of HUD-insured and other multifamily projects during the construction and occupancy stages;
- reviewing and monitoring multifamily projects including analyzing operating statements, annual financial reports and inspecting the physical condition of projects to ensure that appropriate management activities are conducted as well as enforcing the terms and conditions of contracts between HUD and participants;
- reviewing and monitoring State agency administration of Federal housing programs;
- setting standards and providing oversight for servicing and managing the disposition of HUD-insured and HUD-held mortgages for Single Family and Multifamily insurance programs, negotiating forbearance agreements, and handling assignments of mortgages;
- developing and managing housing programs for the elderly and disabled;
- developing new instructions and issuances and revising existing issuances;
- managing contract renewals, opt-outs and replacement subsidies for expiring Section 8 project-based subsidy contracts;
- directing special initiatives such as Neighborhood Networks, which require coordination with owners, managers, residents, community groups, local businesses and providers of social and educational services;
- providing regulatory oversight of the mortgage finance activities of the Government Service Enterprises (GSE) by establishing, monitoring and enforcing housing goals, developing regulations, approving new programs, monitoring compliance with fair lending requirements, and promoting awareness of the GSEs' mortgage purchase activities;
- monitoring and reviewing the performance of mortgage lenders and other program participants for compliance with Federal housing program requirements under the National Housing Act, including approving lenders for participation;
- endorsing mortgages which have been processed by approved FHA Title II lenders for Single Family;
- performing policy and program support for FHA Title I, including interpretation of regulations, answering questions from lenders, and addressing consumer complaints and concerns;
- awarding and administering grants made to non-profit agencies to provide housing counseling services, including paying grantees and reviewing supporting documentation;
- approving housing counseling agencies;
- developing and enforcing the Manufactured Home Construction and Safety Standards which require extensive coordination with State agencies, industry and consumer

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groups to regulate over one-third of the total U.S. Single Family housing production;

- examining registration statements and other required material from developers of subdivisions involved in interstate commerce to determine their formal and legal adequacy and issuing exemption orders and advisory opinions under the Interstate Land Sales Registration Act;
- protecting consumers from high settlement costs and certain servicing practices by administering the Real Estate Settlement Procedures Act.
- performing post endorsement reviews of single family case files to ensure compliance with laws and regulations;
- providing technical support to HUD counterparts, non-profits as well as State and local governmental entities;
- certifying or recertifying private non-profit organizations for participation in single family programs;
- developing and implementing the FHA Technology Open To All Lenders (TOTAL) Scorecard Program, a scorecard deployed for use through approved automated underwriting systems, which provides a convenient, fast and low cost service to both lenders and borrowers; and
- reengineering the data flow and work processes to maximize the use of Internet technology;
- developing plans to upgrade FHA business systems; and
- approving non-profits to participate in FHA single family mortgage insurance programs.

STAFF FUNCTIONS

1. HEADQUARTERS STAFF FUNCTIONS

Headquarters staff have the responsibility for the following principal functions:

- developing, revising and evaluating program and policy recommendations for Housing programs;
- directing and coordinating the administration of Housing programs and providing technical assistance and procedural guidance to the field staff;
- monitoring, reviewing, and evaluating field program operations and reviewing administrative practices of local agencies to ensure that programs are managed efficiently and that services and assistance are provided as intended;
- developing, promulgating and evaluating national origination and asset disposition strategies;
- monitoring and reviewing the performance of mortgage lenders through the Credit Watch/Termination initiative and the Neighborhood Watch system;
- providing Credit Reform loan and loan guarantee cost estimates, GPRA performance measures, accounting services following GAAP and financial reporting to comply with requirements of laws and regulations pertaining to FHA programs, financial reporting, and financial audits;
- providing actuarial and debt management support for FHA programs to ensure the fiscal health of these funds;

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- providing human resources, procurement, communications and outreach, training and other administrative support for Housing programs;
- administering regulatory functions of the Department as required; and
- providing budget formulation and execution support for Housing programs and Salaries and Expenses allotment to ensure proper fiscal control and effective resource management.

2. FIELD STAFF FUNCTIONS

a. PRODUCTION

(1) Single Family

- working in partnership with lenders, home builders, real estate brokers, State and local governments, non-profits and other members of the residential mortgage market to expand and maintain affordable homeownership opportunities for minority populations and communities by insuring mortgages on existing and new one-to-four family homes;
- providing technical assistance to lenders and other participants regarding origination requirements;
- monitoring and reviewing the mortgages originated and underwritten by approved lenders, monitoring and disciplining appraisers and other parties to the transaction, and providing support and technical assistance associated with loan production; and
- certifying and recertifying non-profit organizations and administering grants.

(2) Multifamily

- working directly with mortgage lending partners and reinsurers, sponsors, developers, state and local governments, and mortgagees in the preparation, review, and approval of applications for grants, and mortgage insurance; and
- processing the initial inquiry about obtaining program assistance and continuing through the review and approval of applications, the execution of assistance contracts, the inspection and completion of construction, and the closing of loans and grants, execution of Project Rental Assistance contracts, issuance of FHA commitments and endorsements of mortgage insurance.

b. ASSET MANAGEMENT, REAL ESTATE OWNED and QUALITY ASSURANCE

(1) Single Family (Including Outstationed HQ Staff)

- preserving the quality and value of FHA assets, including the disposition of Secretary-owned properties and mortgages;
- providing technical assistance to lenders on loss-mitigation techniques and procedures;
- monitoring lenders' loss-mitigation performance;
- managing and monitoring contractors responsible for the servicing of Secretary-held mortgages;
- providing technical assistance to lenders on the servicing of FHA-insured mortgages;

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- managing and disposing of HUD-owned properties, including the managing and monitoring of Management and Marketing (M&M) contractors, brokers and other parties; and
- reviewing mortgagees for compliance with FHA guidelines and statutory requirements and initiating administrative sanctions.

(2) Multifamily

- working with residents, owners and communities to make every HUD assisted/insured property a better place to live and an asset to the surrounding neighborhood;
- preserving the housing quality and fiscal integrity of HUD assisted/subsidized/insured housing programs; and
- managing and servicing HUD-insured and HUD-held mortgages, including the disposition of HUD-held properties and mortgages, managing Housing's subsidized programs, and managing the Direct Loan and grants portfolios.

c. FINANCIAL OPERATIONS

- providing asset recovery services including debt management and collection of FHA assets;
- providing asset management services to Headquarters and the field including identifying causes of delinquency and debt, and recommending methods to improve debt management and increase collections; and
- providing servicing support for the Title I Program.

OTHER SERVICES

The principal Salaries and Expenses contract categories for the Office of Housing are: technical services, data and statistical services, and general support. The table below identifies the estimated costs in Housing, including Multifamily Housing Assistance Restructuring functions, for these Other Services categories and a description of the 2003 estimate. All data are represented on a comparable basis for the three fiscal years: 2001, 2002, and 2003.

	ACTUAL 2001	ENACTED 2002	ESTIMATE 2003	INCREASE + DECREASE - 2003 vs 2002
	(Dollars in Thousands)			
Technical Services	\$1,637	\$3,649	\$3,575	-\$74
Data and Statistical Services .	\$336	\$278	\$350	+\$72
General Support	\$351	\$275	\$277	+\$2
Total.....	\$2,324	\$4,202	\$4,202	....

1. Technical Services.....\$3,575
 Thousand

a. Home Mortgage Disclosure Act (HMDA) ADP Support Service (IAA with the Federal Reserve).....\$425 Thousand

HUD is required by Congress to collect HMDA data from all mortgage banking organizations not regulated by a Federal financial organization and provide data to the Federal Reserve Board (FRB). Associated FRB's costs are allocated back to Housing through the IAA. (Funding for 2002: \$380 thousand)

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b. Non-Citizen Rule Implementation.....\$50 Thousand

This is a contract for gaining access to the Immigration and Naturalization Service database to implement the statutory requirement of determining the citizenship/resident status of persons receiving or applying for Housing assistance. (Funding for 2002: \$36 thousand)

c. Effectiveness of ECHO Demo.....\$0 Thousand

This contract would provide a broad-based survey of project-owners/managers and residents or focus groups to determine the feasibility of incorporating Elders' Cottage Housing Opportunity (ECHO) units into the Section 202 Program. HUD has been directed to determine whether ECHO units are durable enough for continued use over the life of a capital advance (40 years). (Funding for 2002: \$175 thousand)

d. Residential Relocation Services.....\$250 Thousand

When it is determined that resident families in Housing projects must be relocated, this contract furnishes them with relocation data as well as assistance/services to physically move them to new decent, safe, and sanitary housing that meets the requirements of any Section 8 certificate or voucher. (Funding for 2002: \$225 thousand)

e. Government Sponsored Enterprises (GSE) Audit and Financial Services\$250 Thousand

This contract would provide the Office of GSE Oversight with a performance review, evaluation and independent audit opinion on the accuracy of reporting data required under the Federal Housing Enterprise Financial Safety and Soundness Act of 1992. (Funding for 2002: \$215 thousand)

f. GSE Financial Consulting Services.....\$500 Thousand

This contract will identify emerging technologies with the potential to change the delivery of mortgage finance and will provide HUD with a framework for evaluating the GSEs' activities in this area. It will also create an inventory of potential markets that could be incorporated by the GSEs as new business lines or profit centers. (Funding for 2002: \$500 thousand)

g. RESPA Investigative Services..... \$500 Thousand

This contract would provide the investigative services needed to implement the provision of the Real Estate Settlement Procedures Act (RESPA) including investigative support associated with complaints, asset searches and other activities in the field. (Funding for 2002: \$500 thousand)

h. RESPA Legal Services.....\$350 Thousand

This contract would provide legal services for the implementation of the provisions of the Real Estate Settlement Procedures Act (RESPA), supporting the processing of complaints, asset searches and other activities in the Field. This is part of the Annual Performance Plan, which is a component of the Government Performance and Results Act of 1993. (Funding for 2002: \$325 thousand)

i. MF BPR of Asset Management.....\$275 Thousand

This contract in support of the Business Process Review (BPR) provides analysis, evaluation and strategic planning of the procedures governing asset management. (Funding for 2002: \$375 thousand)

j. Multifamily Technical Advisory Services (OMHAR)\$575 Thousand

This contract would provide technical assistance in the development of strategies that integrate technology into multifamily mortgage restructuring implementation. (Funding for 2002: \$568 thousand)

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
<u>Headquarters Employment (Office of the FHA Commissioner—A/S for Housing)</u>									
Office of the FHA Commissioner—A/S for Housing									
Provide Policy and Program Support	NA		...	...	13.0		...	...	13.0
Provide General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					17.0				17.0
Office of Insured Health Care Facilities									
Manage Insured Health Care Facilities in Loan Portfolio	Number of Loans in Portfolio		77	189.82	7.0	12	89	189.82	7.0
Provide General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					9.0				9.0
Office of Government Sponsored Enterprises									
Provide Support and Coordination	NA		...	...	6.0		...	...	6.0
Subtotal					6.0				6.0
Office of the FHA Commissioner—A/S for Housing Total					32.0	32.0			
<u>Headquarters Employment (DAS for Finance and Budget)</u>									
DAS for Finance and Budget									
Perform Program Management and Policy Evaluation	NA		...	...	2.0		...	...	2.0
General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					4.0				4.0
FHA Office of Asset Sales									
Provide Asset Sales Support	NA		...	...	4.0		...	...	4.0
Subtotal					4.0				4.0
Housing-FHA Comptroller									
Perform Program Management and Policy Evaluation	NA		...	...	1.0				1.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
General Direction	NA		...	...	3.0				3.0
Subtotal					4.0				4.0
Office of Financial Services									
Provide Program and Policy Analysis	NA		...	...	2.0		...	...	2.0
Provide General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					4.0				4.0
Single Family Insurance Operation Division									
Manage Systems	Number of Systems		6	5,900.00	17.0		6	5,900.00	17.0
Process Insurance in Force	Number of Cases (in Thousands)		6,563	7.00	22.0		6,563	7.00	22.0
Process Claims	Number of Mortgages		73,614	0.63	22.2		73,614	0.63	22.2
Subtotal					61.2				61.2
Single Family Post Insurance Division									
Process Claims	Number of mortgages		73,614	0.65	22.9		73,614	0.65	22.9
Manage Notes Portfolio	Number of Notes in Portfolio		26,000	0.16	2.0		26,000	0.16	2.0
Manage Property Portfolio	Number of Properties in Portfolio		75,000	0.25	8.8		75,000	0.25	8.8
Subtotal					33.7				33.7
Multifamily Operation Division									
Provide Notes Servicing	Number of Notes		1,823	5.68	5.0		1,823	5.68	5.0
Process Insurance in Force	Number of Mortgages		14,648	1.71	12.0		14,648	1.71	12.0
Process Claims	Number of Multifamily Mortgage Claims		227	82.90	9.0		227	82.90	9.0
Subtotal					26.0				26.0
Office of Financial Analysis and Reporting									

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Perform Financial Analysis and Funding Controls	NA		...	...	12.0		...	...	12.0
Perform General Ledger Activities	Number of Financial Statements		1	48,103.00	23.0		1	48,103.00	23.0
Perform Cash Controls Functions	Number of Disbursements		40,000	0.63	12.1		40,000	0.63	12.1
Perform Reporting and Audit Monitoring Functions	Number Of Audits		318	45.90	7.0		318	45.90	7.0
General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					56.1				56.1
Office of Evaluation									
Perform actuarial, credit and policy analysis	NA		...	...	12.0		...	...	12.0
Manage and monitor FHA investments	NA		...	...	1.5		...	...	1.5
Perform contract administration	NA		...	...	0.5		...	...	0.5
Perform General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					17.0				17.0
Office of Budget & Field Resources									
Perform Housing Budget Formulation	NA		...	...	5.0		...	...	5.0
Perform Housing Budget Execution	NA		...	...	12.0		...	...	12.0
Perform Contract Administration	NA		...	...	0.5		...	...	0.5
Produce Legislative Proposals, Referral Memoranda, implementation of laws and research and policy development	NA		...	...	1.5		...	...	1.5
Perform General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					22.0				22.0
Office of Systems and Technology									

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide Systems Support (I.e. Manage/Formulate Systems Budget, Strategic Plans and Perform Contract Administration, Perform Maintenance Current Systems and Support Development of New Systems)	Manual		48	393.00	9.0		48	393.00	9.0
Perform General Direction	NA		...	...	1.0		...	...	1.0
Subtotal					10.0				10.0
Field Employment (DAS for Finance and Budget)									
Albany Financial Operation Center - Office of the Director									
Provide Special Projects Support for Divisions	NA		...	...	1.0		...	...	1.0
Perform General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					4.0				4.0
Albany Financial Operation Center - Asset Recovery Division									
Process Notes Portfolio	Number of Notes in Portfolio		5,409	11.57	30.0		5,409	11.57	30.0
Perform General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					32.0				32.0
Albany Financial Operation Center - Insurance Operations Division									
Process Insurance in Force	Number of Insurance in Force		290,721	0.03	4.2		290,721	0.03	4.2
Process Claims	Number of Claims Processed		13,003	1.58	9.8		13,003	1.58	9.8
Perform General Direction	NA		...	...	1.0		...	...	1.0
Subtotal					15.0				15.0
Total, Finance and Budget					293.0				293.0

Headquarters Employment (Housing Operations)

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
DAS for Operations									
Provide Policy and Program Support	NA		...	...	2.0		...	...	2.0
Provide General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					6.0				6.0
Office of Management									
Provide Policy and Program Support	NA		...	...	2.0		...	...	2.0
Provide General Direction	NA		...	...	2.0		...	...	2.0
Subtotal					4.0				4.0
Resource Management Division									
Provide General Support Services	Number of Employees Supported		3,377	10.50	17.0		3,377	10.50	17.0
Subtotal					17.0				17.0
Procurement Management Division									
Perform Contract Administration	Number of requests for contract services		209	160.00	16.0		209	160.00	16.0
Perform Procurement Management	NA		...	...	6.0		...	...	6.0
Subtotal					22.0				22.0
Organizational Policy, Planning and Analysis Division									
Perform Policy Development, Planning and Analysis Functions	NA		...	...	8.0		...	...	8.0
Subtotal					8.0				8.0
Office of Business Development									
Provide Policy and Program Support	NA		...	...	3.5		...	...	3.5
Provide General Direction	NA		...	...	1.5		...	...	1.5

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Subtotal					5.0				5.0
Communication and Marketing Division									
Perform Communications Initiatives	Number of Program Offices Supported		81	430.00	16.7		81	430.00	16.7
Perform Marketing Initiatives	Number of Program Offices Supported		81	110.00	4.3		81	110.00	4.3
Subtotal					21.0				21.0
Systems and Technology Division									
Perform Web Management Activities	NA		...	...	2.0		...	...	2.0
Perform Office Technology Coordination	Number of Systems Users		900	6.96	3.0		900	6.96	3.0
Subtotal					5.0				5.0
Housing Operations Total					88.0	88.0			
<u>Headquarters Employment (Office of Single Family Program Development)</u>									
DAS for Single Family Housing									
Perform National Program Management	NA		...	...	4.0		...	...	4.0
General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					8.0				8.0
Office of Single Family Program Development									
Provide Home Mortgage Insurance Services	Number of customer contacts	15,850	48,250	1.03	16.0	15,850	48,250	1.03	16.0
Provide Program Support Services	Number of HOCs		4	3,654.00	7.0		4	3,654.00	7.0
Provide General Direction Services	NA		...	...	5.0		...	...	5.0
Subtotal					28.0				28.0
Office of Single Family Asset Management									

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide Asset Management and Disposition Services (HQ)	Respond to customer and Congressional inquiries/ contacts		7,500	5.40	19.4		7,500	5.40	19.4
Provide Asset Management and Disposition Services (HQ)	Perform Policy related work		...	...	4.6		...	...	4.6
Provide Servicing Mitigation Services (OK)	Number of cases	4,765	10,400	12.06	32.5	4,765	10,400	12.06	32.5
Provide Loss Mitigation Services to Homeowners (OK)	Number of Inquiries		9,625	3.59	16.5		9,625	3.59	16.5
Provide General Direction Services (HQ)	NA		...	...	4.0		...	...	4.0
Subtotal					77.0				77.0
Office of Lender Activities and Program Compliance									
Provide Lender Approval and Recertification Services	Number of Applications Received		3,545	10.60	18.0		3,545	10.60	18.0
Provide Quality Assurance Services	Number of QA Reviews for Title I and Title II cases		900	18.56	8.0		900	18.56	8.0
Provide General Direction Services	NA		...	...	4.0		...	...	4.0
Subtotal					30.0				30.0
Interstate Land Sales/ RESPA Division									
Perform Developer Registration Service	Number of Registrations		850	9.83	4.0		850	9.83	4.0
Perform Monitoring through Developer Registry, Investigation and case resolution	Number of Cases		890	23.46	10.0		890	23.46	10.0
Perform General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					18.0				18.0
Manufactured Housing and Standards Division									

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Perform Technical Reviews	Number of Evaluation Reports, reviews or cases	88	350	119.31	15.0	172	435	119.31	15.0
Perform General Direction	NA		...	...	6.0		...	...	6.0
Subtotal					21.0				21.0
Field Employment (Single Family Home Ownership Center)									
Office of the HOC Director									
Provide General Direction	NA		...	...	17.0		...	...	17.0
Subtotal					17.0				17.0
Customer Service and Operations Division									
Provide Customer Service Support	Number of Calls	60,200	682,266	0.28	82.0	60,200	682,266	0.28	82.0
Perform Operations Functions	NA		...	...	30.0		...	...	30.0
Provide General Direction	NA		...	...	8.0		...	...	8.0
Subtotal					120.0				120.0
Quality Assurance Division									
Perform Reviews of Lenders and of Reviews of Monitoring Reports	Number of On-Site Lender Reviews	83	900	380.48	148.9	83	900	380.48	148.9
Provide General Direction	NA		...	...	8.0		...	...	8.0
Subtotal					156.9				156.9
Processing and Underwriting Division									
Process DE Cases submitted for Endorsement	Number of cases endorsed	286,000	1,260,040	0.18	84.0	115,000	1,123,323	0.18	86.9
Provide Technical Assistance to lenders, appraisers, builders and others	Number of cases endorsed	446,100	1,260,040	0.29	113.0	265,000	1,123,323	0.29	119.2
Perform Post-Endorsement Technical Reviews	Number of reviews	14,000	126,236	0.13	7.0	14,500	126,236	0.13	7.0
Perform General Administrative work	NA		...	...	8.0		...	...	8.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide General Direction	NA		...	...	8.0		...	...	8.0
Subtotal					220.0				229.1
Program Support Division									
Review and approve SuperNOFA Housing Counseling Grant Applications	Number of Applications Approved	10	362	924.00	155.8	10	362	924.00	155.8
Perform M&M contract monitoring	Number of Contracts		18	6,426.40	55.4		18	6,426.40	55.4
Perform Support to other Divisions/ Ad Hoc Duties	NA		...	...	[16]		...	...	[16]
Perform Other Administrative Duties	NA		...	...	8.0		...	...	8.0
Provide General Direction	NA		...	...	8.0		...	...	8.0
Subtotal					227.2				227.2
Real Estate Owned Division									
Perform Monitoring of Properties	Number of Acquisitions		77,572	0.69	25.6		76,205	0.69	25.2
Perform Property Management and Sales	Number of Closings/ Property Sales	1,000	54,801	1.53	39.4		41,880	1.53	30.7
Perform Contract Monitoring	Number of Contracts		18	2,552.00	22.0		18	2,552.00	22.0
Perform Other Administrative Duties	NA		...	...	4.0		...	...	4.0
Provide General Direction	NA		...	...	8.0		...	...	8.0
Subtotal					99.0				89.9
Single Family Total					1,022.1	1,022.1			
Headquarters Employment (Office of Multifamily Housing Programs)									
Office of the DAS									
Policy Staff	NA	3	(projected need = 9)		6.0	3	(projected need = 9)		6.0
General Direction	NA		...	...	4.0		...	...	4.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Subtotal					10.0				10.0
Office of Housing Assistance and Contract Administration									
Provide Neighborhood Networks Support	NA	2	(projected need = 5)		3.0	2	(projected need = 5)		3.0
Provide Subsidy policy support to field	Number of Hubs supported		18	925.00	8.0		18	925.00	8.0
Provide Grants policy to field offices	Number of Hubs supported		18	1,044.00	9.0		18	1,044.00	9.0
Provide Grant Management	Number of Grants Processed		568	36.76	10.0		568	36.76	10.0
Provide Guidance for RHIP	NA		...	...	8.0		...	...	8.0
Provide General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					42.0				42.0
Office of Housing Assistance Contract Administration Oversight									
Provide Technical Assistance to field offices	Number of Hubs Supported		18	1,510.00	13.0		18	1,510.00	13.0
Compliance Monitoring/QA	PBCA Contracts		43	97.00	2.0		43	97.00	2.0
Provide Financial Services for Section 8 programs	Number of Hubs supported		18	928.00	8.0		18	928.00	8.0
Provide General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					26.0				26.0
Office of Program Systems Management									
Provide Program Systems Management	NA		...	...	11.0		...	...	11.0
Provide General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					14.0				14.0
Office of Multifamily Development									
Provide Policy Guidance	NA		...	...	2.0		...	...	2.0
Evaluate lender qualifications	Number of lenders qualified	29	80	287.10	7.0	29	80	287.10	7.0
Provide Technical Assistance to field offices	NA		...	...	10.0		...	...	10.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide Policy Support for Multifamily development	NA	4	(projected need = 11)		7.0	4	(projected need = 11)		7.0
Provide General Direction	NA		...	...	3.0		...	...	3.0
Subtotal					29.0				29.0
Office of Asset Management									
Provide Services and Support for Previous Participation Process	Number of Form 2530s	715	1,000	29.23	4.0	715	1,000	29.23	4.0
Provide Policy Support for Asset Management	NA				7.0				7.0
Provide Property Field Asset Management Services	Number of properties maintained in M/F Portfolio		31,780	0.72	11.0		31,780	0.72	11.0
Compliance Monitoring/QA	Number of active mortgagees (number to be reviewed)		24	173.00	2.0		24	173.00	2.0
Procurement Management	Number of contracts		4	520.00	1.0		4	520.00	1.0
Provide Business Relationship Services	NA		...	...	8.0		...	...	8.0
Provide General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					37.0				37.0
Subtotal, Headquarters					158.0				158.0
Field Employment (Multifamily Housing)									
Multifamily Property Disposition Center									
General Direction	NA		...	...	4.0		...	...	4.0
Subtotal					4.0				4.0
Management Team									

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide inventory management and relocation (insured and uninsured) services	Number of properties in the inventory at the beginning of the month	25	100	522.00	18.8	25	100	522.00	18.8
PD Boston Dispo/Demo	Number of Boston Dispo/Demo project monitored		1	5,220.00	2.5		1	5,220.00	2.5
Completion of Environmental	Number of PD properties requiring environmental reviews		43	9.71	0.2		43	9.71	0.2
Foreclosure Recommendation	Number of MIP properties and foreclosures in PD Center		75	2.78	0.1		75	2.78	0.1
Relocation	Number of PD properties requiring relocation		22	408.11	4.3		22	408.11	4.3
Subtotal					25.9				25.9
Sales Team									
Process Foreclosures	Number of foreclosures completed		32	913.50	14.0		32	913.50	14.0
Process Sales	Number of HUD-owned sales		30	1,113.60	16.0		30	1,113.60	16.0
Subtotal					30.0				30.0
HUB Operations									
GTR	Number of contracts monitored		2	2,088.00	2.0		2	2,088.00	2.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
202/811	Number of Section 202/811 project monitored		226	12.93	1.4		226	12.93	1.4
MAP	Number of MAP applications processed		500	30.07	7.2		500	30.07	7.2
Construction Monitoring	Number of 202/811 and MAP projects monitored		726	60.11	20.9		726	60.11	20.9
TDC/Purchase Orders (invoices)	Number of invoices reviewed		450	9.28	2.0		450	9.28	2.0
TDC/Purchase Orders (contracts)	Number of active contracts monitored		450	0.46	0.1		450	0.46	0.1
Information Technology	NA		...	...	36.0		...	...	36.0
Performance-Based Section 8 CA Monitoring	Number of CA contracts monitored		51	720.56	17.6		51	720.56	17.6
HUD-Administered Section 8 Contract Monitoring	Number of HUD-Administered Section 8 contracts monitored		6,500	1.67	5.2		6,500	1.67	5.2
CAOM Oversight	Number of CA contracts monitored		51	1,326.49	32.4		51	1,326.49	32.4
Project Management (Field)	Number of EC/PD properties managed		1,495	34.63	24.8		1,495	34.63	24.8
RHIIIP Implementation	NA				20.0				20.0
Other Administration	NA	34	(projected need = 59)		25.0	34	(projected need = 59)		25.0
General Direction	NA		...	...	18.0		...	...	18.0
Subtotal					212.6				212.6

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
ASSET DEVELOPMENT									
TAP	Number of insured TAP applications		350	692.02	116.0		350	692.02	116.0
MAP	Number of MAP applications		500	442.66	106.0		500	442.66	106.0
202/811	Number of Section 202/811 applications		226	577.43	62.5		226	577.43	62.5
Previous Participation	Number of total applications (except Special Purpose Grants) processed by the end of each month		14,000	4.08	27.4		14,000	4.08	27.4
Special Purpose Grants (Other Programs)	Total number of grants/loans administered (includes risk sharing, hospitals)		100	179.57	8.6		100	179.57	8.6
Initial Endorsement /Closing	Total number of initial closings (MAP, TAP, 2102/811)		1,076	125.12	64.5		1,076	125.12	64.5
Construction Management	Total number of projects under construction		1,408	146.81	99.0		1,408	146.81	99.0
Process Final Closings	Total number of final closings		300	22.97	3.3		300	22.97	3.3
DAP System data input and maintenance to support underwriting and REMS	Number of applications: MAP, DAP, 202/811,...		1,800	14.25	12.3		1,800	14.25	12.3
Other Administration	NA	73	(projected need = 233)		160.0	73	(projected need = 233)		160.0
General Direction	NA		...	...	102.0		...	...	102.0

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----			
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Subtotal					761.6				761.6
ASSET MANAGEMENT									
Performance-Based Section 8 Monitoring	Number of PBCA Contracts Monitored		51	777.88	19.0		51	777.88	19.0
Management Liaison Activities	Number of MIP and HUD-owned properties		75	174.41	6.3		75	174.41	6.3
Coordination with PD Centers	Number of PD properties in foreclosure		75	30.63	1.1		75	30.63	1.1
HUD-Admin Section 8 Contracts (includes OMHAR Activities)	Number of HUD-Admin. Section 8 contracts monitored		6,500	11.86	36.9		6,500	11.86	36.9
Project Financial Management	Total number of projects in portfolio		29,000	8.26	114.7		29,000	8.26	114.7
Project Management	Total number of projects in portfolio		29,000	14.04	195.0		29,000	14.04	195.0
Mortgage Servicing	Total number of Insured and 202/811 projects		27,257	3.51	45.8		27,257	3.51	45.8
Contract Administration	Number of Section 8 contracts Administered by the CA		13,400	15.10	96.9		13,400	15.10	96.9
Grant Administration	Number of Grants monitored		2,600	53.32	66.4		2,600	53.32	66.4
Flexible Subsidy	Number of Flexible Subsidy Grants		140	134.22	9.0		140	134.22	9.0
Compliance Monitoring/QA			500	53.00	12.7		500	53.00	12.7
Other Administration	NA	43	(projected need = 104)		61.0	43	(projected need = 104)		61.0
Subtotal					664.8				664.8

Detail of Housing Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2002 -----				----- Fiscal Year 2003 -----				
		Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Underfunded Workload/ Allocation	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	
Subtotal, MF Field					1,698.9					1,698.9
Multifamily Housing Total					1,856.9					1,856.9
<u>Headquarters Employment (Office of Multifamily Housing Assistance Restructuring)</u>										
OMHAR Headquarters										
Provide Multifamily Housing Assistance Restructuring Support Services	Number of Full Restructurings	192	460	280.80	36.0	38	306	280.80	36.0	
Perform General Direction	NA		...	...	2.0		...	...	2.0	
Subtotal					38.0					38.0
OMHAR Outstationed Staff										
Provide Multifamily Housing Assistance Restructuring	Number of Completed/ Closings Restructures	310	750	175.81	37.0	60	500	175.81	37.0	
Perform General Direction	NA		...	...	10.0		...	...	10.0	
Subtotal					47.0					47.0
Total, Office of Multifamily Housing Assistance Restructuring					85.0					85.0
Grand Total Housing					3,377.0					3,377.0

Detail of Housing Staff Requirements

	Estimate 2002	Estimate 2003	Increase + Decrease - 2003 vs 2002
Headquarters Employment			
Office of the FHA Commissioner—A/S for Housing			
Office of the FHA Commissioner—A/S for Housing	17.0	17.0	0.0
Office of Insured Health Care Facilities	9.0	9.0	0.0
Office of Government Sponsored Enterprises	6.0	6.0	0.0
Subtotal	32.0	32.0	0.0
Office of Finance and Budget			
DAS for Finance and Budget	4.0	4.0	0.0
FHA Office of Asset Sales	4.0	4.0	0.0
FHA Comptroller	4.0	4.0	0.0
Office of Financial Services	4.0	4.0	0.0
Single Family Insurance Operation Division	61.2	61.2	0.0
Single Family Post Insurance Division	33.7	33.7	0.0
Multifamily Operation Division	26.0	26.0	0.0
Office of Financial Analysis and Reporting	56.1	56.1	0.0
Office of Evaluation	17.0	17.0	0.0
Office of Budget & Field Resources	22.0	22.0	0.0
Office of Systems and Technology	10.0	10.0	0.0
Subtotal	242.0	242.0	0.0
Housing Operation			
DAS for Operations	6.0	6.0	0.0
Office of Management			
Office of Management	4.0	4.0	0.0
Resource Management Division	17.0	17.0	0.0
Procurement Management Division	22.0	22.0	0.0
Organizational Policy, Planning and Analysis Division	8.0	8.0	0.0
Subtotal	51.0	51.0	0.0
Office of Business Development			
Office of Business Development	5.0	5.0	0.0
Communication and Marketing Division	21.0	21.0	0.0
Systems and Technology Division	5.0	5.0	0.0
Subtotal	31.0	31.0	0.0
Subtotal	88.0	88.0	0.0
Office of Single Family Program Development			
DAS for Single Family Housing	8.0	8.0	0.0
Office of Single Family Program Development	28.0	28.0	0.0
Office of Single Family Asset Management	77.0	77.0	0.0
Office of Lender Activities and Program Compliance	30.0	30.0	0.0
Office of Consumer and Regulatory Affairs			
Interstate Land Sales/ RESPA Division	18.0	18.0	0.0
Manufactured Housing and Standards Division	21.0	21.0	0.0
Subtotal	39.0	39.0	0.0
Subtotal	182.0	182.0	0.0
Office of Multifamily Housing Programs			
Office of the DAS	10.0	10.0	0.0
Office of Housing Assistance and Contract Admin.	42.0	42.0	0.0
Office of Housing Assistance Contract Administration Oversight	26.0	26.0	0.0
Office of Program Systems Management	14.0	14.0	0.0
Office of Multifamily Development	29.0	29.0	0.0
Office of Asset Management	37.0	37.0	0.0

Salaries and Expenses, Housing and Urban Development
 Budget Activity 3: Housing Programs

Subtotal	158.0	158.0	0.0
Office of Multifamily Housing Assistance Restructuring			
OMHAR Headquarters	38.0	38.0	0.0
OMHAR Outstationed Staff	47.0	47.0	0.0
Subtotal	85.0	85.0	0.0
Total, Headquarters	787.0	787.0	0.0
Field Employment			
Office of Finance and Budget			
Albany Financial Oper. Cntr. - Office of the Director	4.0	4.0	0.0
Albany Financial Oper. Cntr - Asset Recovery Division	32.0	32.0	0.0
Albany Financial Operation Cntr. - Insurance Operations Div.	15.0	15.0	0.0
Subtotal	51.0	51.0	0.0
Single Family Home Ownership Center			
Office of the HOC Director	17.0	17.0	0.0
Customer Service and Operations Division	120.0	120.0	0.0
Quality Assurance Division	156.9	156.9	0.0
Processing and Underwriting Division	220.0	229.1	9.1
Program Support Division	227.2	227.2	0.0
Real Estate Owned Division	99.0	89.9	-9.1
Subtotal	840.1	840.1	0.0
Multifamily Housing			
Multifamily Property Disposition Center			
Multifamily Property Disposition Center	4.0	4.0	0.0
Management Team	25.9	25.9	0.0
Sales Team	30.0	30.0	0.0
Subtotal	59.9	59.9	0.0
HUB Operations	212.6	212.6	0.0
Asset Development	761.6	761.6	0.0
Asset Management	664.8	664.8	0.0
Subtotal	1,698.9	1,698.9	0.0
Total, Field	2,590.0	2,590.0	0.0
Total, Housing	3,377.0	3,377.0	0.0

Salaries and Expenses, Housing and Urban Development
 Budget Activity 3: Housing Programs

Detail of Housing Staff Requirements

	FTE			
	Actual	Estimate	Estimate	Increase + Decrease -
	2001	2002	2003	2003 vs 2002
Headquarters.....	711.0	787.0	787.0	0.0
Field	2,550.0	2,590.0	2,590.0	0.0
	3,261.0	3,377.0	3,377.0	0.0

Salaries and Expenses, Housing and Urban Development
Budget Activity 3: Housing Programs

The projected staffing requested to implement Federal Housing Administration (FHA) and other Housing programs is based on an analysis of the staffing requirements associated with projected workload levels. Over the past several years, at the request of Congress, HUD has conducted an exhaustive work measurement study encompassing all aspects of Housing's responsibilities. It is the results of this study, referred to as the Resource Estimation and Allocation Process (REAP), updated to include the current best judgment of Housing management, which were used in analyzing and projecting Housing's staffing needs for fiscal years 2002 and 2003.

The structure of the REAP staffing table mirrors Housing's organization structure and, within each organization, lists the set of workload indicators determined by REAP to be the best available measures of workload-based staffing needs.

Some of the REAP line items have entries under the column headed "Unfunded Workload Allocation." These entries represent projected workload which, if it materializes as projected, *might* suffer in quality or quantity given the total level of staffing being requested. However, where the stress of staffing constraints will actually occur will ultimately depend on the number and urgency of competing priorities, the need to balance short-term and long-range results and consequences, and the availability of staffing and other resources in each of over 50 geographically separate Housing locations on each working day of the fiscal year.

HEADQUARTERS EMPLOYMENT

EXPLANATION OF CHANGES FROM THE 2002 ESTIMATE TO THE 2003 ESTIMATE

For Housing, the fiscal year 2003 Estimate of 787 FTE for Headquarters reflects no change in total staffing from the fiscal year 2002 Estimate. Some possible consequences of constrained staffing as indicated by entries in the "Unfunded Workload Allocation" column of the REAP staffing table are:

- Reduced levels of quality control in underwriting Mark-to-Market (M2M) project restructurings, M2M compliance monitoring, and support to HUD partners regarding M2M issues; all of which have the potential to affect savings in appropriated Section 8 funds.
- Reduced oversight of lenders participating in FHA programs and reduced capacity for quality control and monitoring of project underwriting and management, both of which increase the risk to the health of the FHA funds.
- Diminished potential for comprehensive program management and guidance to assure consistent processing in compliance with current procedures and requirements and to support activities such as training, mentoring, and strategic planning.

FIELD EMPLOYMENT

EXPLANATION OF CHANGES FROM THE 2002 ESTIMATE TO THE 2003 ESTIMATE

For Housing, the fiscal year 2003 Estimate of 2,590 FTE for the field reflects no change in total staffing from the fiscal year 2002 Estimate. Some possible consequences of constrained staffing indicated by entries in the "Unfunded Workload Allocation" column of the REAP staffing table are principally in the area of:

- Reduced capacity for review, monitoring and other quality control safeguards to promote the long-term actuarial soundness of the FHA and other Housing program funds and for oversight to ensure compliance with existing administrative and statutory requirements.
- Reduced capacity to manage carefully and efficiently the acquisition, maintenance and sale of properties in the HUD-owned portfolio thus potentially lessening the FHA and other program funds which can be recovered.

Salaries and Expenses, Housing and Urban Development
Budget Activity 3: Housing Programs

- Reduced capacity to provide service to prospective homeowners, lenders, non-profit sponsors and other HUD partners.