

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
SALARIES AND EXPENSES, HOUSING AND URBAN DEVELOPMENT

BUDGET ACTIVITY 10: GENERAL COUNSEL

SCOPE OF ACTIVITY

The General Counsel, as the chief legal officer and legal voice of the Department, is the legal adviser to the Secretary and other principal staff of the Department. It is the responsibility of the General Counsel to provide legal opinions, advice and services with respect to all programs and activities, and to provide counsel and assistance in the development of the Department's programs and policies.

Through the Departmental Enforcement Center (DEC), the General Counsel focuses on and resolves the Department's most difficult housing cases by taking aggressive action against those that are in serious non-compliance with regulatory and business agreement requirements. Suspension and debarment authority is consolidated in the DEC.

Performance of all of these activities supports the accomplishment of the goals of the Department's Strategic Plan and the President's Management Agenda (PMA). The Office of General Counsel provides legal advice and guidance to all program offices so that they can meet their goals and objectives as identified in the PMA, the Strategic Plan, the Annual Performance Plan and the Departmental Management Plan. OGC support cuts across all program lines and the resources it needs to accomplish its strategic mission of providing legal support and sound legal advice is directly related to program requirements. In addition to providing cross-cutting support, through the work of the DEC, OGC has specific goals in the PMA, the Strategic Plan, the Annual Performance Plan and the Departmental Management Plan.

OGC is frequently called upon to meet with HUD policymakers early in the stages of development of new programs and initiatives not only for legal advice and guidance but also for OGC views on the feasibility and efficiency of the new programs and initiatives proposed. In addition, every year, OGC is tasked to undertake special projects on behalf of the Department that are not legal projects but OGC leadership is sought because of OGC's significant knowledge of HUD programs, and expert drafting and communication skills. Such special projects have included assisting program offices with the annual update of the Programs of HUD book, the peer review planning and reports on certain technical documents required by HUD's Information Quality Standards, implemented under the direction of OMB's Information Quality Bulletin, the documents concerning Early Registration under E-Grants, facilitating the establishment of information roundtables and public meetings for contemplated new initiatives or changes to existing initiatives (e.g PIH's "affiliates" roundtable, Housing's multifamily closing documents roundtable, and FHEO's Limited English Proficiency informational meeting), and participating on the Grants Governance Board and continuing to participate in America's Affordable Communities Initiative.

In the past decades, OGC has operated well below the staffing numbers identified in the officially recognized REAP study. This is true for both the Headquarters and Field operations. Authorized staffing numbers for OGC increased significantly in the recent past, the increase due in large part to the decision to realign the Departmental Enforcement Center under OGC. This realignment added responsibilities to OGC, but did not add any resources to accommodate the legal functions required of and by OGC.

There are critical positions currently in the process of being filled as quickly and effectively as possible. In addition to the critical positions, 126 members (18 percent) of the OGC staff will be eligible for full retirement in fiscal year 2008. Adding in the number of personnel who will be eligible for early retirement in fiscal year 2008, increases this figure to 263, which represents 40 percent of OGC's current on board staff.

OGC has been fortunate to hire legal honors interns in recent years and plans to continue to pursue the intern program. This program, which is highly competitive and nationally renowned, has been the cornerstone of OGC's new attorney recruitment efforts. The intern program helps ensure a steady stream of highly skilled and public service-focused attorneys to serve as the future managers and leaders of OGC. While the interns effectively address some staffing shortages, because of their lack of practicing experience, the interns do

not address senior and middle management needs identified as a result of pending retirements. These needs have to be addressed through training and recruitment of senior staff to shadow and learn from personnel in place before they retire.

Another priority within OGC for fiscal year 2008 is to increase the resources allocated to program enforcement. Over the past year, the enforcement initiatives of OGC's Office of Program Enforcement have resulted in tens of millions of dollars of savings for HUD and the American people. Among other successes, the Office of Program Enforcement, together with the Office of Inspector General, helped secure a settlement with a major FHA lender of over \$40 million, the largest settlement of its kind in the history of the FHA program. An important element in HUD's ability to successfully continue its program enforcement activities is the active engagement of the Department of Justice and the U.S. Attorneys around the country. Many of these U.S. Attorney offices have cut back on resources allocated to enforcement of the laws and regulations applicable to Federal programs so that they can focus more resources on higher priority issues such as the war against terrorism and threats to homeland security. In order to continue the active engagement of the Department of Justice in prosecuting fraud, waste and abuse committed with respect to HUD's programs, OGC is seeking to increase the number of attorney advisors in the Office of Program Enforcement by ten attorney advisors and to then detail each of these attorney advisors to U.S. Attorney offices with the greatest concentration of HUD-related matters (e.g., New York City, Boston, Philadelphia, Chicago, San Francisco, Atlanta, Denver, Kansas City, Seattle, and Dallas). These attorney advisors would be detailed as Special Assistant U.S. Attorneys and would only work on HUD-related program enforcement matters, either on the civil or criminal side. These types of details are very common and many other agencies have entered into these types of arrangements with either main DOJ or the various U.S. Attorney offices. As a result of these details, we would expect to see an increase in the number of successful enforcement cases brought by main DOJ and the U.S. Attorney offices and a reduction in fraud, waste and abuse committed against HUD.

The attached charts display detailed staffing and workload estimates based on the Resource Estimation and Allocation Process (REAP) baseline data.

#### KEY PRIORITIES

1. Expand Homeownership Opportunities. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 42 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as any new or enhanced homeownership initiatives planned for the new fiscal year, including the rebuilding of Hurricane disaster areas (a long-term effort) and increased use of FHA mortgage insurance programs, and for the production of well-reasoned, thoroughly researched and timely written legal opinions that establish a record of legal advice provided. In particular, the expansion of vouchers for homeownership leveraged with other HUD and non-HUD assistance will be staff intensive. OGC will continue to provide legal advice to the Office of Community Planning and Development (CPD) in carrying out the American Dream Downpayment Act, for which final regulations, following interim regulations, are projected to be issued in fiscal year 2007. OGC will continue to provide legal advice to the Office of Public and Indian Housing (PIH) in pursuing regulations that provide homeownership opportunities (for example, implementation of section 8(y) of the U.S. Housing Act of 1937), including regulations that will permit families to purchase homes not yet under construction with voucher homeownership assistance. OGC will continue to provide legal support for the Department's RESPA responsibilities and RESPA Reform efforts to simplify and make less costly the home mortgage settlement process thereby facilitating homeownership. OGC will continue to review any legislation that may address, in whole or in part, restructuring the regulation and oversight of the Government Sponsored Enterprises (GSEs), and to assist in drafting any Administration amendments to such legislation. OGC will continue to provide legal advice to the Office of Housing on whether further regulatory changes may be needed or appropriate to the GSE housing goals regulations, specifically with respect to achieving the goals during high refinance periods. OGC will also provide legal assistance to the Offices of Housing and PD&R in reviewing issues related to the GSEs' housing goals performance, including any issues presented by the GSEs' Annual Housing Activities Reports (AHARs). OGC will continue to provide legal advice with regard to Departmental reviews of GSE activities to determine compliance with the GSEs' charter acts, and the Federal Housing Enterprises Financial Safety and Soundness Act (FHEFSSA). OGC will support Government National Mortgage Association (Ginnie Mae) in connection with its Mortgage-Backed Securities Program, its Multiclass Program, and in connection with the Targeted Lending Initiative. OGC will continue to assist the Office of Housing with developing and implementing Congressionally mandated national programs for the Manufactured Housing Dispute Resolution program and the Manufactured Housing Installation program; with analyzing and implementing regulatory recommendations of the Manufactured Housing Consensus Committee (MHCC); as well as with the administration and enforcement of the manufactured housing program and of the Interstate Land Sales Full Disclosure Act. OGC will continue to provide legal support to FHA in drafting legislation to reform FHA multifamily mortgage insurance programs, if such legislation is pursued; endorsing loans for FHA single family mortgage

insurance, including implementation of legislative proposals (e.g., "FHA Manufactured Housing Loan Modernization Act of 2006" and "Expanding America Home Ownership Act of 2006," if enacted); providing a more flexible FHA single family mortgage product, including mortgage with 100 percent loan-to-value ratios; for insuring mortgages for higher risk borrowers; for continued legal assistance with use of its TOTAL Scorecard by mortgagees, including loans to first-time and minority homebuyers as well as homebuyers in underserved areas; on issues relating to loss mitigation, including the implementation of treble damages regulations; to increase the number of homebuyers who receive purchase counseling and homeowners who receive default counseling to avoid foreclosure; and for single family real-estate owned (REO) sales to owner-occupants. OGC will continue to provide legal advice and drafting assistance to FHA in its comprehensive update of its regulations for the single family property disposition program and related initiatives, including Dollar Home Sales, and Accelerated Claim Disposition, and the implementation of such regulations following promulgation. OGC will continue to provide assistance in the implementation of HUD's America's Affordable Communities Initiatives, on matters relating to the reduction of regulatory barriers to affordable housing.

2. Expand homeownership opportunities for minorities and persons with disabilities. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 18 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as any new or enhanced homeownership initiatives for minorities and persons with disabilities planned for the new fiscal year, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will provide advice in establishing legally appropriate mechanisms for asset management, including foreclosures, in the section 184 loan guarantee program for Native Americans; in ensuring that barriers to housing opportunities for minorities and persons with disabilities are addressed; in increasing insurance endorsements for first-time and minority homebuyers as well as homebuyers in underserved areas; in ensuring grantee compliance with affirmatively furthering fair housing; and in carrying out the Department's statutory authority to ensure compliance by the GSEs, in their operations, with Fair Housing/Fair Lending requirements. OGC's legal assistance to the Department to combat predatory lending also assists the Department in achieving its goal of expanding homeownership opportunities for minorities and persons with disabilities.
3. Improve management accountability for public and assisted housing. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective to improve HUD management and performance by improving housing quality and intermediary performance. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 70 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as implementation of asset-based management in public housing, additional changes contemplated for the Operating Fund program, and continued efforts by PIH to improve and enhance the voucher program, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. This staffing will also provide for DEC staffing to ensure project funds in insured and assisted multifamily housing are properly spent and that risks to the insurance fund are mitigated. Every proposed shift of old Section 8 project-based assistance to other existing structures presents case-specific, staff-intensive demands. Further, the working out of the revised public housing operating subsidy formula and its corollary project-based accounting promises rigorous, specialized staff demands, with consequential legal implications. OGC will provide legal advice to the Offices of Housing and PIH regarding enhanced vouchers, statutory limitations, and other legal matters bearing on expiring Section 8 contracts, including debt restructuring under Multifamily Assisted Housing Reform and Affordability Act of 1997 (MAHRA). OGC will continue to assist Housing in its approval and monitoring of Section 8 Project-Based Contract Administrators. OGC will also provide legal support to program offices on income verification, including participation in RHIIP. OGC will continue to provide legislative and regulatory support to PIH to improve the administration of public housing and assisted housing, including any continued work on the State and Local Housing Flexibility (voucher) legislation or its successor, which may involve continued work on enactment on parts of this legislation or implementation through regulations.
4. Improve physical and related conditions in public and assisted housing. The performance of the functions associated with this priority also directly supports the President's Management Agenda's objective to improve HUD management and performance by improving housing quality and intermediary performance. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 47 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as the evaluation of energy efficient utilities in public housing consistent with the Energy Policy Act of 2005, increased quality in multifamily closings, and the rebuilding of assisted and public housing in the Hurricane disaster areas, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. Section 30 security interest approvals, in connection with not only the issuance of bonds for accelerated modernization but also other entrepreneurial initiatives by PHAs, are necessarily case specific. Mixed finance is new to the Section 202 program and will

call for attorneys' hands-on work like that utilized in transitional work for HOPE VI and for Section 108 loan guarantees. OGC will continue to provide legal advice and drafting assistance to PIH in the development of regulations establishing the full regulatory framework for the Capital Fund program. OGC will continue to provide legal counsel and regulatory drafting assistance to PIH in support of full implementation of the Operating Fund formula and the transition to asset management by PHAs, a key feature of the new Operating Fund formula as well as full implementation of the Indian Housing Block Grant formula, revised through a 2005-2006 negotiated rulemaking. OGC will continue to provide support to PIH in revising its regulations governing the Public Housing Assessment System (PHAS) to ensure they remain up-to-date with modern practices and reporting requirements imposed on PHAs allow to the extent possible for electronic submission. OGC will continue to provide support to PIH with any continuing issues that may need to be addressed with respect to housing needs resulting from the hurricanes of 2005. OGC will provide legal clearance for Public Housing demolition/disposition actions in the Field and at Headquarters; advice to PIH on HOPE VI demolitions and relocations; legal guidance for program guidance and case applications of use of Capital Funds as security for bonds for accelerated modernization of public housing; legal counsel to PIH in implementing PHAs' ability to mortgage and grant other security interests in public housing property under section 30 of USH Act of 1937; and training of HUD Field Counsel in uses of both the Capital Fund for accelerated modernization and the granting of PHA security interests under section 30 for accelerated modernization and other entrepreneurial initiatives by public housing authorities. In support of HOPE VI/Mixed Finance, OGC will maximize model documentation and accomplish timely closings in accordance with PIH schedules pursuant to streamlined procedures OGC will develop with PIH. OGC will continue to provide legal assistance to Housing in implementing statutory mixed finance opportunities for Section 202 elderly housing. OGC will work with PIH and Housing to ensure compliance with HUD's Section 504 regulatory requirements, particularly those regarding accessibility. By the end of fiscal year 2008, OGC will maintain the percentage of residents living in acceptable insured and/or assisted multifamily housing at no less than 95 percent by taking aggressive civil or administrative enforcement actions.

5. Increase the availability of affordable rental housing. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 94 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. Preservation efforts like Section 318 of the fiscal year 2006 appropriations law will require individual case attention by HUD attorneys as HUD implements new ways of transferring budget authority. Further, the ever-increasing use of HUD funds with LIHTC and other resources calls for intensive participation by HUD attorneys. OGC will provide legal support to Ginnie Mae in connection with the securitization of multifamily mortgages in the Ginnie Mae Mortgage-Backed Securities Program and Multiclass Program and in connection with the securitization of multifamily mortgages guaranteed by the Rural Housing Service under Section 538 of title V of the Housing Act of 1949. OGC will provide legal support to FHA with issues related to endorsing loans for FHA multifamily mortgage insurance; with legal issues associated with ensuring that HUD-held loans 90 or more days delinquent are brought under control; and in connection with sales and closings of HUD-owned multifamily projects to third parties. Transfers of project-based assistance under section 318 of the fiscal year 2006 appropriations law and successor legislation involve highly individualized case attention by HUD attorneys, as HUD implements new legal ways of transferring budget authority. OGC will work with the Office of Healthy Homes and Lead Hazard Control, to develop a comprehensive plan for ensuring compliance with revisions to lead-based paint regulations for HUD-assisted and HUD-owned housing. OGC will continue to provide support to CPD in its pursuit of legislation to revise funding under the Housing Opportunities for Persons With AIDs program. The funding will provide more flexibility to the Department to ensure that sufficient funding is available for those communities with the greater need, or if legislation is enacted to assist CPD with regulatory implementation of this legislation.
6. Support community and economic development efforts. The performance of the functions associated with this priority supports the President's Management Agenda's objective to improve HUD management and performance by improving the consolidated Community Planning Process. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 24 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as continuing support to community and economic development issues arising from the Hurricane disaster areas, which are expected to be a long-term effort, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. In broad-based reform of the Community Development Block Grant (CDBG) program HUD lawyers will have new and extra calls for legal advice. OGC will provide legal guidance for the implementation of fundamental changes in the CDBG program legislation that target funding more to distressed communities, infuse the program with grantee performance measures, and authorize supplementary challenge grants for good performing, distressed cities. OGC will continue to provide legal assistance to CPD to support ongoing efforts to help the Gulf Coast states recover from the hurricanes of 2005, and in accordance with the parameters of such recovery efforts

established by over \$16 billion in emergency supplemental appropriations. To provide capital to create and retain jobs and improve economic conditions in distressed communities, OGC will provide legal advice to CPD on monitoring of EZs/ECs in its provision and oversight of over \$3 billion of special disaster relief appropriations for New York City's post-9/11 recovery. In support of this effort, OGC will also provide legal assistance to FHEO in enforcing Section 3 of the Housing and Urban Development Act of 1968. To help communities more readily access revitalization resources, OGC will provide legal review of variable rate interim financing and fixed-rate financing of section 108 loan guarantees; provide legal advice on the development and drafting of the SuperNOFA as well as on case problems in the competition and thereafter; review and provide counsel regarding the expected clearance and publication of revisions to update HUD's environmental regulations in 24 CFR Parts 50, 51, 55 and 58, along with conforming amendments to program regulations; and continue to work with CPD to implement regulations that will clarify the use of CDBG assistance for the cleanup, development or redevelopment of brownfields.

7. Address homelessness. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 21 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section as well as expected introduction and passage of HUD's Homeless Consolidation legislation, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided, and allow for improved succession planning as OGC faces the prospect of high retirement numbers. This program is HUD's largest discretionary grant program. Either fine-tuning its competitive distribution of funds to make it more manageable or finally achieving legislative consolidation will mean extra work for OGC. OGC will continue to provide legal assistance to CPD in support of enactment of legislation to consolidate HUD's homeless assistance programs if not enacted prior to 2008, and if enacted, OGC will provide legal support in implementing the legislation through regulations and guidance that may be needed to achieve successful implementation. OGC will continue to provide legal advice to CPD in the development of its annual Continuum of Care component of the SuperNOFA, and with respect to case problems that may arise under competition; will provide counsel to optimize opportunities for flow of base closure property to homeless persons in collaborative exercise with the Department of Defense.
8. Ensure equal opportunity and access to housing. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 52 FTEs in support of this priority. These FTEs will provide legal support and guidance in connection with Department efforts to increase housing opportunities, particularly for minorities and persons with disabilities, on a nondiscriminatory basis pursuant to the Fair Housing Act and other civil rights laws and will provide assistance to FHEO in reducing the time for the investigation of complaints and for the commencement of enforcement activity where discriminatory conduct is found. To help reduce housing discrimination, OGC will continue to issue Fair Housing Act charges of discrimination; litigate those Fair Housing Act charges before the Office of Administrative Law Judges; provide substantial legal assistance to FHEO during its investigation of Fair Housing Act complaints; work with the Department of Justice's (DOJ) Housing and Civil Enforcement Section on Fair Housing Act election cases and appellate activity involving Fair Housing Act cases; work with DOJ and FHEO to develop legal guidance to housing providers on how to comply with the substantive provisions of the Fair Housing Act; provide legal assistance to FHEO in its efforts to increase the public's knowledge of the design and construction requirements of the Fair Housing Act; review the First Amendment implications of certain fair housing claims; resolve impasse cases between Regional Counsel and FHEO Hub Directors; and assist FHEO in increasing the number of certified state and local fair housing enforcement agencies. OGC will work with the model code organizations to ensure that the Fair Housing Act design and construction requirements for accessibility are incorporated into the model building codes and provide legal review of training modules and Internet questions and answers for multifamily home builders, developers, and architects developed in connection with the Fair Housing Accessibility FIRST project. OGC will provide support and advice to all program offices, as needed, to ensure compliance with various civil rights statutes, including Title VI, Section 504, Section 109, as applicable to the programs and activities recipients of HUD financial assistance. OGC will review all HUD issuances, including rules, regulations, notices, the SuperNOFA, handbooks and guidebooks and proposed legislation for consistency with, and accurate incorporation of civil rights requirements. OGC will work with FHEO, as needed, in conducting compliance reviews and follow-up activities, legal analysis and advice relating to issuing determinations and negotiating of Voluntary Compliance Agreements, or if either no agreement can be reached or such an agreement is breached, taking other appropriate action including hearings before HUD ALJs, pursuing limited denials of participation or referral to the Department of Justice for enforcement. OGC will work closely with FHEO in conducting Section 504 compliance reviews of major public housing authorities and large assisted multifamily housing providers to increase the numbers of accessible housing units, where necessary.
9. Strengthen and expand Faith-Based and community partnerships. The performance of the functions associated with this priority directly supports the President's Management Agenda's faith-based and community initiative. In fiscal years 2007 and 2008, it is

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estimated that OGC will expend approximately 17 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will continue to provide legal advice to program offices and to the Center for Faith-Based and Community Initiatives on constitutional and other legal support issues for HUD initiatives to equalize participation by faith-based organizations in HUD programs. This includes providing legal guidance in the implementation of CPD and HUD wide programs equalizing faith-based entities' participation in programs. OGC will continue to work with the Department's Center for Faith-Based and Community Initiatives and program offices in fashioning legal guidance on these regulations and other guidance materials that support the Administration's Faith-Based Initiative and further implement the President's Executive Order 13279, so that the faith-based and community organizations are able to compete on an equal footing for HUD funding. OGC will also provide legal advice to the Center for Faith-Based and Community Initiatives and to administering program offices on case problems that are presented in this arena.

10. Ensure compliance with HUD program requirements. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective to improve HUD management and performance by improving housing quality and intermediary performance. In fiscal year 2007, it is estimated that OGC will expend approximately 149 FTE in support of this priority. In fiscal year 2008, it is estimated that this will decrease by 12 FTE to a total of 137 FTE. These FTEs will allow OGC to continue to provide support to the key priorities listed in this section, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. Eleven FTE of this decrease reflects the transfer of the FOIA processing function to the Office of the Assistant Secretary for Administration. OGC will provide support to all program offices, as needed, to ensure compliance by their participants with HUD requirements. Support will be provided through continued efforts to undertake good guidance practices, practices intended to facilitate compliance with HUD laws and regulations by HUD program participants and regulated entities. Support will be provided through administrative enforcement proceedings or assisting the Department of Justice in Federal court litigation. OGC is continuing to assist the Office of Housing with investigating and bringing appropriate enforcement actions under the Manufactured Housing Construction and Safety Standards Act the Real Estate Settlement Procedures Act and the Interstate Land Sales Full Disclosure Act, and assisting the Office of Healthy Homes and Lead Hazard Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act. OGC will also provide assistance in developing regulations or other requirements, such as mortgagee letters designed to promote greater integrity in HUD programs, or in assisting with other Departmental enforcement priorities. OGC will maintain the percentage of residents living in acceptable insured and/or assisted multifamily housing at no less than 95 percent by taking aggressive civil or administrative enforcement actions. OGC will defend HUD initiatives, statutes, rules and regulations that are challenged in the Federal courts.
11. RESPA Reform. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 7 FTEs in support of this priority. RESPA reform is a major priority of the Department--a priority in which OGC has played a critical part. These FTEs will allow OGC to provide legal support to this effort including assisting reform proposals in a timely manner. In past years, OGC has had a leading role in the development and drafting of the Department's RESPA Reform proposals, requiring a dedication of significant OGC staff time, and anticipates the same role with regard to future proposals. The Department's RESPA reform effort, with OGC's assistance, will help the Department achieve its goals of making the mortgage settlement process less complicated, the associated paperwork less demanding and the mortgage settlement process less expensive for consumers.
12. Predatory Lending. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective to improve HUD management and performance by mitigating FHA risk and by improving housing quality and intermediary performance. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 19 FTEs in support of this priority. These FTEs will provide support to the key priorities listed in this section, many of which will be directed to protecting America's increasing elderly population, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will continue to provide legal support to the Federal Housing Administration (FHA) in any additional amendments to its Property Flipping regulations and with the implementation of these regulations. Final regulations were issued in fiscal year 2006, but new predatory practices arise and experience may show additional amendments are needed. OGC will continue to assist the Department in implementing anti-predatory lending initiatives including HUD program initiatives and guidance. OGC will continue to work with the Office of Housing in developing regulations and other guidance that strengthen accountability in several areas of the FHA mortgage insurance process and to provide legal advice on civil rights implications of predatory lending practices. OGC will provide legal support in interpreting program requirements to

address issues raised in monitoring reviews of FHA approved mortgagees. OGC further supports this area through the use of administrative sanctions against those who engage in improper activities.

13. Improve HUD's management and internal controls, including FHA's financial management, and resolve audit issues. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective for improved financial performance and to improve HUD management and performance by mitigating FHA risk. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 57 FTEs in support of this priority. These FTEs will result in continued support to FHA in connection with increased financial soundness of FHA programs, modernization of multifamily closing documents, provide support to the key priorities listed in this section, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will provide legal support to FHA to help maintain the 2 percent capital ratio for Mutual Mortgage Insurance Fund (MMIF), to help achieve its goal of averaging a set dollar amount as a net recovery per single family REO property sale, and to help achieve its goal of exceeding the rate of recovery received through the Accelerated Claims Demonstration Program compared to single family REO property sales. OGC will review proposed Limited Denials of Participation (LDPs), debarments, and suspensions as well as settlements of LDPs, debarments and suspensions and provide counsel to field offices regarding the issuance and settlement of LDPs under 24 CFR Part 24. OGC will prepare legal representations letters in support of FHA's and Ginnie Mae's goals to complete their annual financial audits in accordance with the CFO Act of 1990. In support of improved debt management, OGC will continue with work on regulatory revisions to 24 CFR Part 17, subpart C, HUD's rule that governs collection, compromise and write-off of debt owed to the Department and assist the Albany Financial Operations Center and selected Field Counsel in overseeing the Department's Administrative Wage Garnishment program. OGC will continue to assist the Office of Chief Financial Officer and relevant program offices to finalize action on longstanding, outstanding audits, especially those with Department of Justice involvement. OGC will continue to work with the Office of Administration to bring the Department into full compliance with the Paperwork Reduction Act. OGC will continue to work with the program offices to maintain up-to-date delegations and to ensure timely quarterly publication of regulatory waivers granted by the Department, as required by the HUD Reform Act. OGC will continue to provide assistance to the program offices to ensure compliance with the requirements for competition under the HUD Reform Act, as well as under appropriations acts as may be the case, and to ensure publication of all funding awards made by the program offices (competitive and non-competitive) in accordance with the HUD Reform Act. OGC will work to enhance the requirements imposed on HUD program participants to conduct business in accordance with the Department's core values and ethical standards. OGC will also continue to provide assistance to the Office of Housing on revising multifamily housing closing documents by incorporating policy decisions made in response to public comments received on draft documents, to obtain the necessary approvals to use new and revised MAP documents, provide drafting assistance for any revisions to closing documents or closing procedures, and to implement corresponding regulatory revisions.
14. Improve accountability, service delivery and customer service of HUD and our partners. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective to improve HUD management and performance by improving housing quality and intermediary performance. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 49 FTEs in support of this priority. The FTEs supporting this priority will result in improved FHA single family appraisals, increased use of electronic media in FHA programs, provide support to the key priorities listed in this section, expanded legislative reference services to include law library services and enhanced legislative research, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will assist CPD in developing legally appropriate sanctions and other actions flowing from grantee monitoring. OGC will continue to provide to support to the Department to improve disclosure of Department information in accordance with the President's Executive Order relating to agencies' improvement of Freedom of Information Act operations. In support of the Department's Fair Housing initiatives, OGC will continue assisting FHEO in reviewing and revising handbook guidance to enhance credibility of enforcement efforts and conduct national training for HUD Fair Housing attorneys. OGC will assist FHEO in achieving its goal to continue to reduce its aged inventory of Fair Housing Act complaints. OGC will provide any continued legal support and guidance to Housing's Office of Affordable Housing Preservation that may be needed in connection with a transition to the September 30, 2006 sunset date for the Mark-to-Market statute and with legal issues related to reducing rents and preserving affordable housing, and where appropriate, providing legal support for debt restructurings. OGC will provide legal support to FHA for ensuring that appraisals of single family properties that are to be security for FHA insured mortgages meet FHA standards and for monitoring mortgagee compliance with FHA loan origination and loan servicing requirements. OGC will also continue to provide legal advice and regulatory drafting assistance in the development of new regulations that, to the extent permitted by statute, will make the government wide grant requirements apply equally to all grant recipients, therefore simplifying and providing uniformity in HUD's

grant requirements, as well as establishing an equal playing field for all potential grantees. OGC will provide legal advice to all program officials and staff on regulatory, statutory interpretation, and operational matters, including assisting the Office of Housing interpreting and implementing the amendments to authorizing statutes. Because HUD programs, along with those of the Department of Transportation (DOT), account for so much of the application of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, OGC will participate actively with DOT in the implementation of its government wide orchestration of an overall revision of the underlying regulatory requirements for this law, and with subsequent consideration of legislative modifications. OGC will continue to provide regulatory and other legal support for the Department's electronic government efforts, including collaborative efforts with other federal agencies to establish a website where the public may review and submit comments on rules and other Federal Register documents, and the implementation of a new rule requiring the electronic submission of applications for HUD grant assistance. OGC also continues to help ensure the availability of training offered by other federal agencies (such as OMB and SBA) for new HUD staff on statutory requirements impacting HUD's rulemaking and other programmatic efforts, including the requirements of the Paperwork Reduction Act and the Regulatory Flexibility Act.

15. Increase FHA Market Share. The performance of the functions associated with this priority directly supports the President's Management Agenda's objective to improve HUD management and performance by mitigating FHA risk. In fiscal years 2007 and 2008, it is estimated that OGC will expend approximately 7 FTEs in support of this priority. These FTEs will result in increased FHA market share, provide support to the key priorities listed in this section, and for the production of well-reasoned, thoroughly researched, timely legal opinions that establish a record of legal advice provided. OGC will provide legal support that may be needed to assist FHA in exploring and implementing additional proposals to increase FHA's share in the single-family residential mortgage market. FHA's market share has dropped in the last few years and FHA may continue to explore new mortgage products that may require statutory changes other than those already proposed through legislation transmitted in fiscal year 2006. OGC will continue work with Housing to explore whether existing programs can be modified by rulemaking or by appropriate administrative issuance in order to increase market share for FHA mortgage insurance products. This effort will include use of authority in existing regulations (e.g., implementing the Lender Insurance program authorized under section 256 of the National Housing Act) as well as assisting in the implementation of new statutory authority, if enacted.

Headquarters staff performs the following principal functions in support of the accomplishment of these goals:

- Drafting the Department's legislation, regulations, and other regulatory and legislative policy documents and managing and overseeing the Department's legislative and regulatory agendas;
- Assisting in the development and initial implementation of statutory, regulatory, and other administrative policy; this includes providing written opinions, oral advice, and drafting of regulations;
- Interpreting statutes, regulations, administrative guidance, and case law that govern the operation of Departmental programs; including providing oral and written legal guidance, preparation of correspondence on program legal matters, and drafting contracts and other legal documentation;
- Providing legal services to the Department's program offices including assisting program staff in their preparation of the administrative record; researching relevant case law; drafting affidavits, briefs and other filings; attending depositions, hearings and trials; coordinating with the Department of Justice, contracted counsel, and opposing counsel; responding to requests for discovery from third party litigants and DOJ; handling subpoenas for employee testimony from third party litigants and preparing authentications of documents in lieu of such testimony; and initiating and responding to settlement offers;
- Working with the program offices on regulatory enforcement including drafting subpoenas; conducting subpoena hearings; interviewing witnesses, preparing pleadings; and negotiating settlements;
- Performing legal work with respect to affirmative Federal Court litigation, administrative hearings, and sanctions initiated by the Department to enforce statutory, regulatory and contractual requirements applicable to participants in HUD programs and to other persons subject to HUD's programs;



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- Taking enforcement action against property owners, management agents or contract administrators in cases where physically distressed multifamily properties are referred from the Real Estate Assessment Center, the Office of Housing, and other Program offices;
- Taking enforcement action against property owners and management agents for non-compliance with financial requirements, including improper distributions and the failure to timely submit audited financial statements.
- Using administrative sanctions (suspension and debarment) to remove irresponsible participants who violate or abuse HUD's requirements;
- Advising the Chief Financial Officer and other Headquarters organizations on debt collection policies and strategies and enforcing collection in administrative and Federal Court forums;
- Reviewing and soliciting requests for new programs from the Department's program offices;
- Providing legal services for the Secretary's regulation of the Government-Sponsored Enterprises (Federal National Mortgage Association and Federal Home Loan Mortgage Corporation);
- Providing environmental review of Departmental regulations, funding notices, and directives and draft provisions respective to environmental requirements;
- Providing legal services to the programs and functions of the Assistant Secretary for Administration, the Inspector General, the Assistant Secretary for Public Affairs, and Assistant Secretary for Policy Development and Research;
- Recommending and implementing Departmental policy to ensure compliance with the Ethics in Government Act, the HUD Reform Act of 1989, the Federal criminal conflict of interests statutes under 18 U.S.C., and the Standards of Ethical Conduct regulation for employees of the Executive Branch, the HUD Supplemental Standards of Conduct, the Procurement Integrity Act, and the Federal Acquisition Regulations.
- Serving as Agency Representatives in administrative hearings before the Merit Systems Protection Board, the Office of Special Counsel, the Equal Employment Opportunity Commission, and the Federal Labor Relations Authority and assisting Assistant U.S. Attorneys in litigation actions filed in the Federal Courts;
- Performing all legal work in connection with compliance and enforcement activities under Department civil rights authorities, including Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act, the Fair Housing Act, and Section 3 of the Housing and Urban Development Act of 1968, as amended;
- Providing legal and technical guidance on FOIA issues to Headquarters program offices and to HUD field offices; and
- Performing a central, coordinating role with respect to all litigation brought against the Department.

Legal support to the Department's field components is provided by 10 Legal Service Centers (each headed by a Regional Counsel) and 40 subordinate field offices. The staff in these offices performs the following principal functions in support of the accomplishment of OGC's goals:

- Working with the U.S. Attorneys in handling cases to which HUD is a party and participating with local government or private attorneys in handling cases involving HUD-assisted local governmental activities;
- Providing legal services with respect to the enforcement of civil rights laws and equal opportunity requirements applicable to HUD programs;

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 Budget Activity 10: General Counsel

- Providing legal advice on a variety of administrative law issues including procurement, contract administration, Freedom of Information Act, Privacy Act, and delegations of authority;
- Providing legal advice and services on personnel issues, including misconduct, unsatisfactory performance, labor relations, equal employment opportunity, and other employment-related matters;
- Through the Federal Tort Claims Center, providing centralized handling of tort claims filed against HUD from throughout the country; and
- Providing legal support and assistance to all Program offices' field staffs especially for the closing of transactions involving insured loans or capital advances.

TRAVEL

The table below identifies travel requirements unique to this activity.

	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u> (Dollars in Thousands)	<u>ESTIMATE</u> <u>2008</u> (Dollars in Thousands)	INCREASE + DECREASE - <u>2008 vs 2007</u>
Travel (HQ) .....	\$636	\$729	\$780	+\$51
Travel (Field) .....	<u>70</u>	<u>81</u>	<u>87</u>	<u>+6</u>
Total .....	706	810	867	+57

The proposed travel budget of \$867 thousand for the Office of General Counsel in fiscal year 2008 will support travel for both the Headquarters and Field offices and will be used for travel supporting the Secretary's priorities associated with litigation activities, fair housing enforcement, program enforcement, ethics, maintaining and expanding the Office of General Counsel's role as the enforcement arm of the Department and to facilitate interaction between Headquarters and all field legal and satellite offices. Travel will be required for multiple site visits; detailed evaluations; and to meet with owners, management agents, Assistant U.S. Attorneys, and Department of Justice attorneys. The requested funding will also provide for witness travel. Witnesses may be called to appear in enforcement proceedings in U.S. Courts throughout the country. The requested increase in funding will accommodate anticipated increases in travel associated with litigation, meetings with industry groups, and management reviews of field offices. It will also provide the increased flexibility in training opportunities for OGC staff that is needed to ensure the successful transfer of knowledge required to minimize the impact of impending retirements.

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CONTRACTS

The table below identifies contract requirements unique to this activity.

	<u>ACTUAL</u> <u>2006</u>	<u>ESTIMATE</u> <u>2007</u>	<u>ESTIMATE</u> <u>2008</u>	<u>INCREASE +</u> <u>DECREASE -</u> <u>2008 vs 2007</u>
	(Dollars in Thousands)			
Technical Services .....	\$888	\$889	\$906	+\$17
General Support .....	546	470	802	+332
Training .....	<u>206</u>	<u>100</u>	<u>150</u>	<u>+50</u>
Total .....	1,640	1,459	1,858	+399

The proposed funding level for fiscal year 2008 is \$1,858 thousand. The following are descriptions of the type of workload that will be outsourced:

Technical Services The requested increase in funding for technical services is needed to cover the costs of expanded legal research services. These services are being expanded to offset the reduction in research available through the HUD legal library.

- Legal Services contracts provide legal support services that will assist attorneys in pursuing affirmative litigation against project owners receiving the benefit of FHA-insured financing and/or Section 8 assistance.
- Westlaw and Lexis-Nexis legal research services, training for other on-line services and related web links to replace hard copy publications no longer available from HUD library services. NOTE: There will be an increase in Lexis/Nexis usage due to reduced library services.
- Technical assistance contracts for Assessment and Analysis Services will also be used to provide histories of the ownership of projects; descriptions of the projects' physical condition; analysis of current financial status; and recommendations for resolving the problems identified by the contractor.
- Contracts for court reporting services and transcripts are essential in deposing witnesses and taking affidavits in preparation for evidentiary proceedings.
- Financial analysis at various levels of expertise, including the analysis of financial statements, financial forecasting, and forensic accounting.

These funds will also be used, in support of the President's Management Agenda objective of improved management of human capital, to provide training intended to address identified skill gaps and to facilitate high quality succession planning. Planned training includes:

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Training

- Training in the proper procedures for closing multifamily loans and hospital loans.
- Personnel Law training, Fair Housing training, paralegal and legal technician training.
- Trial Advocacy and Administrative Proceedings and other legal specific courses. Also included in this category are courses in legal research, paralegal training, and legal skills for secretaries.
- Fraud Detection/Prevention generally offered through the Mortgage Bankers and USDA Graduate School, and basic FHA single family and multifamily loan origination and servicing training for attorneys assigned to handle such legal matters.
- Executive/Managerial/Supervisory training including Personnel Practices for Supervisors and a good introduction to supervision for a number of new supervisors.
- Training on various automated systems including Real Estate Management System (REMS), the Enforcement Center Program Compliance Integrated System (ECPCIS), and the Departmental Enforcement Center Management System (DECMS).
- A series of courses such as Uniform Physical Standards training and Certified Housing Managers training.

General Support

This funding principally provides for contract temporary services for clerical, administrative and legal support in areas where a short-term critical need is identified. The increase is requested in anticipation of increased needs for temporary services to cover the interim staffing gaps resulting from projected personnel losses or interim increased staffing needs resulting from unexpected projects that require additional staffing (for example additional workload related to disaster situations).

OFFICE OF GENERAL COUNSEL  
 Personal Services  
 Summary of Change  
 (Dollars in Thousands)

<u>Personal Services</u>	<u>FTE</u>	<u>S&amp;E Cost</u>
2006 Actual.....	672	\$76,621
2007 Request.....	673	81,123
<u>Changes Due To</u>		
Additional Workdays (2) .....		602
2008 January Pay Raise.....		1,409
2007 January Pay Raise.....		475
Staffing increase/decrease.....	-12	-1,429
Other benefit changes.....		-681
2008 Request.....	661	\$81,499

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OFFICE OF GENERAL COUNSEL  
 Summary of Requirements by Grade  
 Salaries and Expenses  
 (Dollars in Thousands)

	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Request</u>	<u>Increase/ Decrease</u>
Grade:				
Executive Level	1	0	1	1
Executive Service	13	12	13	1
GS-15	106	105	103	-2
GS-14	212	205	207	2
GS-13	141	137	137	0
GS-12	45	42	44	2
GS-11	68	72	66	-6
GS-10	10	10	10	0
GS-9	29	23	28	5
GS-8	26	28	25	-3
GS-7	19	27	19	-8
GS-6	0	1	0	-1
GS-5	3	3	3	0
GS-4	5	7	5	-2
GS-3	0	0	0	0
GS-2	0	0	0	0
GS-1	0	1	0	-1
Total Positions	678	673	661	-12
Average ES Salary	\$153,939	\$158,980	\$162,796	\$3,815
Average GS Salary	\$91,631	\$92,318	\$94,534	\$2,217
Average GS Grade	12.7	12.5	12.7	.1

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OFFICE OF GENERAL COUNSEL  
 Summary of Requirements by Object Class  
 Salaries and Expenses  
 (Dollars in Thousands)

<u>Object Class</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2008 Request</u>	<u>Increase/Decrease</u>
Personal Services.....	76,621	81,123	81,499	376
Travel and Transportation of Persons.....	706	810	867	57
Transportation of Things.....	9	0	0	0
Rent, Communication & Utilities.....	7	3	3	0
Printing and Reproduction.....	1,208	395	1,035	640
Other Services.....	1,640	1,459	1,858	399
Supplies and Materials.....	487	647	661	14
Furniture & Equipment.....	0	0	0	0
Insurance Claims & Indemnities.....	464	900	900	0
Total Obligations.....	\$81,142	\$85,337	\$86,823	\$1,486

**OFFICE OF GENERAL COUNSEL  
 Performance Measurement Table**

Program Mission: The Departmental Enforcement Center (DEC) promotes program integrity, management accountability and the physical and financial viability of HUD insured and assisted housing by taking effective and aggressive civil or administrative enforcement action against those who violate or abuse HUD's requirements.					
Performance Indicators	Data Sources	Performance Report		Performance Plan	
		2006 Plan	2006 Actual	2007 Plan	2008 Plan
Issue notices of suspension and/or notices of proposed debarment for cases referred for indictment, civil judgment or conviction and for fact-based cases.	CTS/ECPCIS	80 percent	86 percent	83 percent	83.5 percent
By the end of the fiscal year, the DEC will increase the percentage of residents living in acceptable insured and/or assisted housing, by reducing the number of multifamily physical cases in the DEC as of the end of the previous fiscal year.	REAC data - PASS	Acceptable Housing: 95 percent Cases: 85 Percent	Acceptable Housing: 95 Percent Cases: 89 Percent	Acceptable Housing: 95 percent Cases: 87 percent	Acceptable Housing: 95 percent Cases: 89 percent

**Explanation of Indicators**

- REMS: Real Estate Management System.
- CTS-ECPIS: Compliance Tracking System/Enforcement Center Program Compliance Integration System.
- REAC: Real Estate Assessment Center.
- PASS: Physical Assessment Sub System.



**Overall Summary of General Counsel Staff Requirements**

	<b>Estimate 2006</b>	<b>Estimate 2007</b>	<b>Estimate 2008</b>	<b>Increase + Decrease - 2008 vs 2007</b>
Headquarters.....	370.5	367.0	371.0	+4.0
Field .....	301.1	306.0	290.0	-16.0
<b>Total .....</b>	<b>671.6</b>	<b>673.0</b>	<b>661.0</b>	<b>-12.0</b>

**Summary of General Counsel Staff Requirements**

	<b>Estimate 2006</b>	<b>Estimate 2007</b>	<b>Estimate 2008</b>	<b>Increase + Decrease - 2008 vs 2007</b>
<b><u>Headquarters Employment</u></b>				
<b>General Counsel</b>				
Office of General Counsel Immediate Office	8.0	7.0	7.0	0.0
Office of Deputy General Counsel for Operations	27.0	28.0	28.0	0.0
Office of Litigation	34.5	34.5	23.5	-11.0
Office of Assisted Housing and Community Development	25.0	24.5	24.5	0.0
Office of Finance and Regulatory Compliance	36.0	33.0	33.0	0.0
Office of Insured Housing	27.0	28.0	28.0	0.0
Office of Legislation and Regulations	18.0	17.0	19.0	+2.0
Office of Human Resources Law	29.0	30.0	34.0	+4.0
Office of Fair Housing	19.0	18.0	18.0	0.0
Office of Program Enforcement	24.0	28.0	37.0	+9.0
<b>Enforcement Center</b>				
Immediate Office	6.0	3.0	3.0	0.0
Operations Division	8.0	8.0	8.0	0.0
Compliance Division	7.0	7.0	7.0	0.0
<u>Satellite Offices (Atlanta, Chicago, Fort Worth, Los Angeles, New York)</u>	102.0	101.0	101.0	0.0
<b>Total</b>	<b>370.5</b>	<b>367.0</b>	<b>371.0</b>	<b>+4.0</b>
<b><u>Field Employment</u></b>				
<b>General Counsel</b>				
Field Legal Service	301.1	306.0	290.0	-16.0
<b>Total</b>	<b>671.6</b>	<b>673.0</b>	<b>661.0</b>	<b>-12.0</b>

Detail of General Counsel Staff Requirements

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----			
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)
<b>Headquarters Employment (General Counsel)</b>											
<b>Offices of General Counsel</b>											
<b>Immediate Office</b>											
Providing program and policy support	NA			8.0				7.0			7.0
<b>Subtotal</b>				<b>8.0</b>				<b>7.0</b>			<b>7.0</b>
<b>Office of Deputy General Counsel for Operations</b>											
Provide OGDGC Program and Policy Support	NA			1.0				1.0			1.0
Provide Field Legal operational guidance	NA			2.0				2.4			2.4
Provide administrative and HR support to OGC	# of OGC staff supported	675	18.50	6.0		673	18.54	6.0		673	18.54
Manage OGC correspondence	NA			4.0				4.0			4.0
Provide OGC IT support	NA			5.0				5.6			5.6
Provide budget/Financial/Procurement Support	NA			6.0				6.0			6.0
Provide Training Support to OGC	NA			3.0				3.0			3.0
<b>Subtotal</b>				<b>27.0</b>				<b>28.0</b>			<b>28.0</b>
<b>Office of Litigation</b>											
Provide litigation legal and administrative support	NA			3.0				3.0			3.0
Provide Ass't Hsg/Fair Housing litigation services	NA			5.5				5.5			5.5
Provide Insured Hsg & Comm. Dev. litigation services	NA			11.0				11.0			11.0
Process HUD HQ FOIA Requests	NA			15.0				15.0			4.0
<b>Subtotal</b>				<b>34.5</b>				<b>34.5</b>			<b>23.5</b>
<b>Office of Assisted Housing and Community Development</b>											
Provide Assisted Housing/Community Development program and policy support	NA			3.0				2.0			2.0
Provide assisted housing legal advice & counsel	NA			12.0				12.0			12.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
	Prividing community development legal advice & counsel	NA		10.0			10.5					10.5
	<b>Subtotal</b>			<b>25.0</b>			<b>24.5</b>					<b>24.5</b>
<b>Office of Finance and Regulatory Compliance</b>												
	Provide Finance and Regulatory program and policy support	NA		3.0			3.0					3.0
	Provide legal services regarding GSEs and RESPA	NA		10.0			9.0					9.0
	Provide program compliance related legal services	NA		13.0			12.0					12.0
	Acting as GNMA corporate counsel	NA		10.0			9.0					9.0
	<b>Subtotal</b>			<b>36.0</b>			<b>33.0</b>					<b>33.0</b>
<b>Office of Insured Housing</b>												
	Provide Insured Housing program and policy support	NA		3.0			2.0					2.0
	Provide SF insurance-related legal advice and counsel	NA		11.0			12.0					12.0
	Provide MF insurance-related legal advice and counsel	NA		13.0			14.0					14.0
	<b>Subtotal</b>			<b>27.0</b>			<b>28.0</b>					<b>28.0</b>
<b>Office of Legislation and Regulations</b>												
	Provide Legislation/Regulation program and policy support	NA		2.0			2.0					2.0
	Provide legal counsel regarding legislation	NA		6.0			5.0					5.0
	Provide compliance assistance	NA										12.0
	Coordinate the Department's regulatory agenda	NA		10.0			10.0					10.0
	<b>Subtotal</b>			<b>18.0</b>			<b>17.0</b>					<b>19.0</b>
<b>Office of Human Resources Law</b>												
	Provide HR Law program and policy support	NA		4.0			4.0					4.0
	Provide personnel law-related legal advice	NA		8.0			8.0					10.0
	Provide ethics-related legal advice	NA		8.0			8.0					8.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplish- ment	Projected Unit Cost (Hrs)	FTE
Provide legal services concerning contracts and grants	NA			9.0				10.0				12.0
<b>Subtotal</b>				<b>29.0</b>				<b>30.0</b>				<b>34.0</b>
<b>Office of Fair Housing</b>												
Provide Fair Housing Law program and policy support	NA			2.5				2.0				2.0
Enforce the Fair Housing Act	NA			8.5				8.0				8.0
Provide legal and compliance services to FHEO	NA			8.0				8.0				8.0
<b>Subtotal</b>				<b>19.0</b>				<b>18.0</b>				<b>18.0</b>
<b>Office of Program Enforcement</b>												
Provide Program Enforcement program and policy support	NA			2.0				2.0				2.0
Provide Program Enforcement legal representation and support	NA			6.0				8.0				8.0
Provide legal assistance to Assistant US Attorneys	NA											9.0
Conduct Administrative Hearings	NA			16.0				18.0				18.0
<b>Subtotal</b>				<b>24.0</b>				<b>28.0</b>				<b>37.0</b>
<b>Departmental Enforcement Center</b>												
<b>Immediate Office</b>												
Manage the Departmental Enforcement Center	NA			6.0				3.0				3.0
<b>Subtotal</b>				<b>6.0</b>				<b>3.0</b>				<b>3.0</b>
<b>Operations Division</b>												
Provide management and administrative support	NA			8.0				8.0				8.0
<b>Subtotal</b>				<b>8.0</b>				<b>8.0</b>				<b>8.0</b>
<b>Compliance Division</b>												
Process Notices and Fact Based Cases	NA			7.0				7.0				7.0
<b>Subtotal</b>				<b>7.0</b>				<b>7.0</b>				<b>7.0</b>
<b>Satellite Offices (Atlanta, Chicago, Fort Worth, Los Angeles, New York)</b>												
Provide DEC Satellite program policy and guidance	NA			5.0				5.0				5.0

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Review and Process Financial Case Referrals (FASS/EF)	Number of FASS/EF cases closed	2500	39.10	47.0		2500	39.10	47.0		2500	39.10	47.0
Review and Process Physical Case Case Referrals (PASS/PE)	Number of PASS/EP cases closed	1000	45.76	22.0		1000	45.76	22.0		1000	45.76	22.0
Review and Process Annual Financial Statement Cases	Number of AFS cases closed	4300	6.31	13.0		4300	6.31	13.0		4300	6.31	13.0
Perform special projects/general administrative functions	NA			15.0				14.0				14.0
<b>Subtotal Satellite Offices</b>				<b>102.0</b>				<b>101.0</b>				<b>101.0</b>
<b>Subtotal OGC HEADQUARTERS</b>				<b>370.5</b>				<b>367.0</b>				<b>371.0</b>
<b><u>Field Employment (General Counsel)</u></b>												
<b>Regional Field Legal Services Centers</b>												
Provide legal services regarding administrative law issues	# of administrative law issues opened	517	61.22	15.2		579	57.08	15.9		545	57.08	15.0
Provide legal services regarding CPD issues	# of CPD cases opened	1150	11.03	6.1		1051	13.34	6.7		1051	13.34	6.7
Provide legal services regarding enforcement issues	# of enforcement issues opened	423	78.42	15.9		524	55.20	13.9		524	55.20	13.9
Provide legal services regarding civil rights issues	# of Fair Housing cases opened	4597	13.06	28.9		5034	12.28	29.7		4600	12.28	27.2
Provide legal services regarding MF insurance issues	# of multifamily issues opened	5515	24.14	64.0		6154	22.71	67.2		6154	22.71	67.2
Provide litigation support	# of litigation issues opened	3600	17.79	30.8		3823	17.32	31.8		3823	17.32	31.8
Provide legal services regarding Native American programs	# of ONAP cases opened	270	17.26	2.2		302	20.61	3.0		302	20.61	3.0
Provide legal services regarding personnel law	# of personnel law issues opened	710	30.02	10.2		450	25.42	5.5		450	25.42	5.5
Provide legal services regarding ethics law	# of ethics law issues opened	1716	4.73	3.9		2000	3.95	3.8		2000	3.95	3.8
Provide legal services regarding procurement/contracting issues	# of procurement/contracting cases opened	175	40.48	3.4		150	45.76	3.3		0	42.00	0.0
Provide legal services regarding public housing issues	# of public housing cases opened	2012	18.74	18.1		2953	13.69	19.4		2953	13.69	19.4
Provide legal services regarding Section 8 issues	# of Section 8 issues opened	487	19.57	4.6		517	21.69	5.4		517	21.69	5.4

Workload Guideline	Workload Indicator	----- Fiscal Year 2006 -----			----- Fiscal Year 2007 -----			----- Fiscal Year 2008 -----				
		Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE	Unfunded (FTE)	Projected Accomplishment	Projected Unit Cost (Hrs)	FTE
Provide legal services regarding 202/811 issues	# of 202/811 issues opened	3059	22.35	32.9		2889	21.03	29.2		2889	21.03	29.2
Provide legal services regarding SF Housing issues	# of SF Housing issues opened	2476	8.25	9.8		3780	7.25	13.2		3780	7.25	13.2
Provide supervisory, management, and administrative support to Regional Counsel	NA			49.4				51.3				42.0
Provide legal services regarding MF Property Disposition	# of MF PD cases opened	33	360.90	5.7		20	696.80	6.7		20	696.80	6.7
<b>Subtotal</b>				<b>301.1</b>				<b>306.0</b>				<b>290.0</b>
<b>Total</b>				<b>671.6</b>				<b>673.0</b>				<b>661.0</b>

EMPLOYMENT

EXPLANATION OF CHANGES FROM 2006 BUDGET ESTIMATE TO 2007 ESTIMATE

OGC's FTE level of 673 FTE for fiscal year 2007 is one FTE more than the actual FTE used during fiscal year 2006. This increase of FTE will improve OGC's ability to provide legal advice and assistance to the Department. It will also have a positive impact on our efforts to hire and train the new employees needed to help ensure a smooth succession in the face of a substantial number of impending retirements. Each year, OGC attempts to hire a substantial number of newly graduated law school students as interns. To be successful in this effort, OGC must have the FTE ceiling available to hire and funds available for travel and training to provide these interns with the broadest possible exposure to the various functions that OGC performs in support of the achievement of Departmental goals. Inability to provide adequate opportunities for newly hired interns could have long-term negative effects and reduce our credibility with the law schools from which we recruit these interns. The FTE numbers requested for each office represent an effort to staff each component of OGC as close to their identified REAP requirement as is possible. Shown below are specific numbers for each office showing a change from the fiscal year 2006 levels.

The 7 FTE requested for the Immediate Office of the General Counsel is 1 FTE less than the 8 FTE used by this office in fiscal year 2006. This decrease represents the reassignment of one support FTE from this office to the Office of the Deputy General Counsel for Operations.

The 28 FTE requested for the Office of the Deputy General Counsel for Operations is 1 FTE more than the 27 FTE used by the office in fiscal year 2006. This increase reflects the reassignment of the support FTE from the Immediate Office.

The 33 FTE requested for the Office of Finance and Regulatory Compliance is 3 FTE less than the 36 FTE used by this office in fiscal year 2006. This decrease will result in a degraded capacity to provide program compliance related legal services.

The 28 FTE requested for the Office of Insured Housing is 1 FTE more than the 27 FTE used by this office in fiscal year 2006. This increase in FTE will result in an improved ability to provide Insured Housing program and policy support.

The 17 FTE requested for the Office of Legislation and Regulations is 1 FTE less than the 18 FTE used by this office in fiscal year 2006. The decrease will result in a degraded capacity to provide legal advice regarding legislation.

The 30 FTE requested for the Office of Human Resources Law is 1 FTE more than the 29 FTE used by this office in fiscal year 2006. This increase will result in an improved ability to provide legal services regarding contracts and grants.

The 18 FTE requested for the Office of Fair Housing is 1 FTE less than the 19 FTE used by this office in fiscal year 2006. This decrease in FTE will reduce the capacity for Fair Housing program and policy support.

The 28 FTE requested for the Office of Program Enforcement is 4 FTE more than the 24 FTE used by this office in fiscal year 2006. This increase in FTE will result in an improved ability to provide program enforcement legal representation and support and to conduct administrative hearings.

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The 101 FTE requested for the Departmental Enforcement Center is 1 FTE less than the 102 FTE used by this organization in fiscal year 2006. This decrease will result in a degraded ability to process notices and fact-based cases, physical and financial referrals and annual financial statement cases.

The 306 FTE requested for the Regional Field Legal Services Centers is 5 FTE more than the FTE used by these offices in fiscal year 2006. This increase in FTE will improve the offices' capacities to provide legal services on civil rights issues, on multifamily insurance issues, on personnel/ethic law issues, on 202/811 issues, and litigation support.

EXPLANATION OF CHANGES FROM 2007 BUDGET ESTIMATE TO 2008 ESTIMATE

OGC's FTE level of 661 FTE for fiscal year 2008 is 12 FTE less than the request for fiscal year 2007. However, 11 FTE are being transferred to the Office of the Assistant Secretary for Administration along with the Freedom of Information Act (FOIA) processing function. The net decrease of 1 FTE will result in a lower than desired ability to provide assistance to the Assistant U.S. Attorneys. This function is described in more detail below. Each year, OGC attempts to hire newly graduated law school students as interns. To be successful in this effort, OGC must have the FTE ceiling available to hire and funds available for travel and training to provide these interns with the broadest possible exposure to the various functions that OGC performs in support of the achievement of Departmental goals. Inability to provide adequate opportunities for newly hired interns could have long-term negative effects and reduce our credibility with the law schools from which we recruit these interns. The FTE numbers requested for each office represent an effort to staff each component of OGC as close to their identified REAP requirement as is possible while accommodating changes in workload volumes and priorities. Shown below are specific numbers for each office showing an increase from the fiscal year 2007.

The 23.5 FTE requested for the Office of Litigation is 11 FTE less than the fiscal year 2007 staffing level. This decrease represents the transfer of the FOIA processing function to the Office of the Assistant Secretary for Administration.

The 29 FTE requested for the Office of Legislation and Regulations represents an increase of 2 FTE from the fiscal year 2007 level. This increase will provide the ability to effectively communicate the regulatory requirements associated with HUD programs to active and potential program participants.

The 34 FTE requested for the Office of Human Resources represents an increase of 4 FTE from the fiscal year 2007 level. This increase will result in an increased capacity to provide legal advice on personnel law and ethics and legal services concerning contracts and grants. These additional FTE will result in a reduction in backlogs and processing times, help ensure that new backlogs and processing times are not created as OGC provides support to the Department's key priorities, and greater opportunities for the production of well-reasoned, thoroughly researched and timely written legal opinions that establish a record of legal advice provided.

The 37 FTE requested for the Office of Program Enforcement represents an increase of 9 FTE from the fiscal year 2007 staffing level. This increase will provide the capacity to detail staff to work with and provide legal assistance to Assistant US Attorneys that are assigned to take action on HUD related cases. This initiative is intended to help reduce the length of time required to achieve resolution on these issues.

The 290 FTE requested for OGC's field offices represents a decrease of 16 FTE from the fiscal year 2007 staffing level. This decrease reflects the transfer of FTE from the field offices to Headquarters. 9 of these FTE will be assigned to the Office of Program Enforcement to continue the active engagement of the Department of Justice in prosecuting fraud, waste and abuse committed with respect to HUD's programs. Each of these attorney advisors will be detailed to those U.S. Attorney offices with the greatest concentration of HUD-related matters (e.g., New York City, Boston, Philadelphia, Chicago, San Francisco, Atlanta, Denver, Kansas City,



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Seattle, and Dallas) and would only work on HUD-related program enforcement matters, either on the civil or criminal side. As a result of these details, we would expect to see an increase in the number of successful enforcement cases brought by main DOJ and the U.S. Attorney offices and a reduction in fraud, waste and abuse committed against HUD at a relatively small cost. 2 FTE will be reassigned to the Associate General Counsel for Human Resources to increase our capability in the area of procurement law. In order to ensure more centralized control of the procurement law function and better training of the attorneys in the procurement law office, OGC anticipates centralizing that function in headquarters and establishing "tiger teams" to address complicated procurements or bid protests. In addition, to better ensure 100% compliance with the Procurement Integrity Act and other government-wide laws and regulations applicable to procurement and to ensure better client service, we are anticipating increasing the staffing of the procurement office and setting up teams to focus on particular types of procurement. 2 FTE will also be reassigned to the Associate General Counsel for Human Resources and dedicated to labor relations law. Each year, the Department incurs significant costs in attorney fees and compensatory damages related to personnel actions. This staffing will provide significantly improved ability to provide sound legal advice to HUD's managers on personnel issues. This in turn will result in reduced financial and manpower costs associated with avoidable mediation or litigation. It will also result in improved productivity by making HUD's managers more informed as to what actions can be taken to address poor or non-performing employees.