

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
PROGRAM OFFICE SALARIES AND EXPENSES  
OFFICE OF HOUSING**

*(Dollars in Thousands)*

	<b>FY 2016 Actuals</b>	<b>FY 2017 Annualized CR</b>	<b>FY 2018 President's Budget</b>
<b>Personnel Services</b>	<b>\$351,894</b>	<b>\$349,423</b>	<b>\$342,308</b>
<b>Non-Personnel Services</b>			
Travel	5,094	5,154	5,672
Transportation of Things	94	-	-
Rent and Utilities	17	2	2
Printing	59	36	25
Other services/Contracts	4,035	17,584	3,208
Household Goods and Storage	52	-	-
Training	1,721	1,842	1,854
Supplies	141	146	140
Attorney's Fees	710	50	100
<b>Non-Personnel Services Subtotal</b>	<b>\$11,923</b>	<b>\$24,814</b>	<b>\$11,001</b>
Working Capital Fund (WCF)	-		\$12,520
<b>Grand Total</b>	<b>\$363,817</b>	<b>\$374,237</b>	<b>\$365,829</b>
<b>Associated FTE</b>	<b>2,602.3</b>	<b>2,541.5</b>	<b>2,430.5</b>

**1. Program Purpose and Fiscal Year 2018 Budget Overview**

The Office of Housing facilitates the Department of Housing and Urban Development (HUD) efforts to provide vital public services through its nationally administered programs. It oversees the Federal Housing Administration (FHA), the largest mortgage insurer in the world, and regulates housing industry business. The Office of Housing, through its insurance programs, plays a countercyclical role in the market, as evidenced by the last housing crisis, and operates as a Partner in Opportunity with its stakeholders.

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The missions of the Office of Housing are to:

- Contribute to building and preserving healthy neighborhoods and communities;
- Maintain and expand homeownership, rental housing and healthcare opportunities;
- Stabilize credit markets in times of economic disruption;
- Operate with a high degree of public and fiscal accountability; and
- Recognize and value its customers, staff, constituents and partners.

In addition to Executive Direction and supporting offices that work on finance, budget and operations, there are five program offices within the Office of Housing. These consist of the Office of Multifamily Housing Programs, the Office of Healthcare Programs, the Office of Risk Management and Regulatory Affairs, the Office of Single Family Housing Programs and the Office of Housing Counseling. The request reflects the current structure for Housing.

**Office of Multifamily Housing Programs:** HUD's Office of Multifamily Housing's programs serve the nation's renters with a focus on underserved communities and market segments. The Office of Multifamily Housing Programs provides mortgage insurance and administers the Section 202, Section 811, Section 8 Project-Based Rental Assistance, and Rental Assistance Demonstration (RAD)-programs, among others.

**Office of Healthcare Programs:** HUD's Healthcare programs provide mortgage insurance on loans that finance the construction, renovation, acquisition, or refinancing of healthcare facilities such as hospitals and residential care facilities. Healthcare Asset Management and Recapitalization includes all activities associated with monitoring, loan servicing, claim prevention and (if a claim occurs) asset recovery in the insured hospital and residential care facility loan portfolio. Healthcare Production and Processing activities are associated with pre-application and full review of applications for mortgage insurance for hospitals and residential care facilities.

**Office of Risk Management and Regulatory Affairs:** The major objectives of the Office of Risk Management and Regulatory Affairs are to conduct analysis and recommend actions to reduce exposure to FHA insurance funds while meeting FHA's housing mission, ensure that FHA operates in compliance with statutory capital requirements, and promote a well-controlled operational infrastructure. The scope of the risk management staff encompasses Program Area (Single Family, Multifamily and Healthcare) activities conducted at headquarters and the field offices. The office also administers the Manufactured Housing Program, which the Department proposes to fund exclusively from fees for Program operations.

**Office of Single Family Housing Programs:** HUD's Single Family programs include mortgage insurance on loans to purchase new or existing homes, condominiums, manufactured housing, houses needing rehabilitation, and reverse mortgages under the Home Equity Conversion Mortgage (HECM) program which allows seniors to convert the equity in their home to cash. Single Family Housing is managing a high volume of endorsements and monitoring operational risk on multiple dimensions (quality assurance, lender/servicer oversight, loss mitigation, and asset disposition). Risks are measured in billions of dollars. To mitigate these risks, Single Family Housing is focused on improving operational efficiency, enhancing loan level quality assurance, and improving Real Estate Owned (REO) recoveries through a variety of actions, including:

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- Maximizing Single Family FHA recovery rates by actively monitoring contractor scorecards and implementing alternative asset disposition options.
- Continuing loss mitigation efforts to prevent foreclosures.
- Updating and streamlining Single Family Housing policy and underwriting standards by finalizing the transition from multiple handbooks to a single policy handbook.
- Evaluating policy regarding servicing and issuing appropriate Mortgagee Letters on any revisions necessary to revise FHA guidance.
- Completing and implementing components of the new quality assurance framework to provide clarity and transparency in FHA's policies and encourage lending to qualified borrowers across the credit spectrum.

**Office of Housing Counseling:** HUD's Housing Counseling programs provide counseling through intermediaries to consumers on seeking, financing, maintaining, renting, or owning a home. HUD's Housing Counseling program provides support to a nationwide network of Housing Counseling Agencies (HCAs) and counselors. HCA's are trained and approved to provide tools to current and prospective homeowners and renters so that they can make responsible choices to address their housing needs considering their financial situations.

**Office of Finance and Budget:** The Office of Finance and Budget provides critical financial and budgetary oversight for the Office of Housing. The office is responsible for all Housing-FHA accounting records, the preparation of the annual audit and Housing's budget formulation and execution activities, timely and accurate financial management reports prepared in conformity with generally accepted accounting principles, the sale and disposition of FHA mortgage notes, and managing Housing's IT investment portfolio. The office serves in an advisory role on all issues involving financial management, budgetary and accounting policy.

The office serves as the principal advisor to the FHA Commissioner on fiscal and budgetary matters and has primary leadership responsibilities for the financial integrity of the Office of Housing-FHA programs. Finance and Budget staff are responsible for the integrity of transactional data and internal controls within Housing programs. In collaboration with the Office of the Chief Financial Officer, this office works closely with Congressional Appropriation Committees on Housing's budgetary matters and assists the program offices with reviewing and interpreting program legislation language and policies for human capital and other resource needs.

**Office of Operations:** The Office of Housing Operations provides resources and services that are essential for Housing's program offices relating to: Human Resources (includes personnel, Employee Labor Relations, workforce plans, and training), Procurement, Strategic management, business process re-engineering and Web Administration, correspondence, Continuity of Operations Plan (COOP), and Environmental support.

**Executive Direction:** The immediate Office of the Assistant Secretary coordinates communication, policy implementation, and legislative tracking across the entire Office of Housing and with respect to all Housing programs. This office also engages in a variety of day-to-day business activities that support the Office of Housing, including procurement, oversight, and process management.

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The fiscal year 2018 President's Budget of \$365,829K is \$8,408K less than the fiscal year 2017 Annualized CR level. However, the fiscal year 2018 President's Budget includes \$12,520K for Office of Housing's allocation towards the Working Capital Fund (WCF), whereas the fiscal year 2017 CR level does not. When the WCF is excluded from fiscal year 2018 President's Budget request, the remaining funds available to support salaries and expenses is \$353,309K, which is \$20,928K less than the fiscal year 2017 CR level.

**Personnel Services (PS):** The Office of Housing is requesting \$342,308K to support 2,430.5 FTE. This request represents a decrease of \$19,979K and 111 FTE from fiscal year 2017 CR level.

**Non-Personnel Services (NPS):** The Office of Housing is requesting \$11,001K for Non-Personnel Service. This request primarily supports travel, contracts and training.

**Working Capital Fund (WCF):** The Office of Housing requests \$12,520K to support WCF fees for its use of shared services and other investments as directed by the Secretary.

## Program Office Salaries and Expenses – Office of Housing

### 2. Full-time Equivalents

Full-time Equivalents			
Staffing	FY 2016 FTE	FY 2017 FTE (Est)	FY 2018 FTE (Est)
Assistant Secretary	13.0	8.2	11.8
Finance and Budget	239.4	234.7	235.0
Healthcare	158.8	154.5	143.1
Housing Counseling	75.5	78.2	84.9
Multifamily	1,106.0	1,074.1	995.1
Operations	122.3	117.9	115.5
Risk	52.0	48.8	54.3
Single Family	835.3	825.1	790.8
<b>Total</b>	<b>2,602.3</b>	<b>2,541.5</b>	<b>2,430.5</b>

### 3. Key Operational Initiatives

The Office of Housing actively works to identify opportunities to streamline processes to enhance consistency, efficiency and effectiveness. The impact of the process improvement varies by process but in most cases, the savings equates to increased quality, reduced process time and increased consistency. Although there are no direct FTE savings, in the environment where we are being asked to do more with less, the process improvement frees capacity of resources to focus on other priorities and operate under a reduced FTE ceiling.

The Office of Housing is using Treasury's Bureau of Fiscal Service – Administrative Resource Center (ARC), a shared services provider for processing procurement actions. HUD's internal procurement shop does not have the capacity to process the volume or complexity of Housing contract actions. To achieve the needs of our business and obtain contracting resources in a timely manner, we are looking at the availability of optional resources. In fiscal year 2017, Housing is conducting a pilot program under an existing Interagency Agreement, supported under the Office of Policy Development and Research, to determine a recommendation on whether or not this route should be pursued.