

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Program Office Salaries and Expenses

Office of Housing

SALARIES AND EXPENSES

(Dollars in Thousands)

	2023*	2024			2025		
	Actuals	Carry Over	Annualized CR	Total	Carry Over	President's Budget	Total
Personnel Services	\$435,935	\$12,089	\$443,730	\$455,819		\$474,631	\$474,631
Non-Personnel Services							
Travel	3,694	-	2,800	2,800	-	2,800	2,800
Transportation of Things	-	-	-	-	-	-	-
Rent and Utilities	-	-	-	-	-	-	-
Printing	7	-	15	15	-	15	15
Other services/Contracts	2,386	-	2,490	2,490	-	2,490	2,490
Training	1,574	-	2,615	2,615	-	2,615	2,615
Supplies	82	-	80	80	-	80	80
Furniture and Equipment	-	-	-	-	-	-	-
Claims and Indemnities	197	-	-	-	-	-	-
Total, Non-Personnel Services	\$7,940	-	\$8,000	\$8,000	-	\$8,000	\$8,000
Working Capital Fund	15,169	3,493	13,270	16,763	-	26,369	26,369
Carryover	15,582	-	-	-	-	-	-
Grand Total	\$474,626	\$15,582	\$465,000	\$480,582	-	\$509,000	\$509,000
FTEs	2,565	68	2,483	2,551	-	2,584	2,584

*Includes 2022 carryover.

PROGRAM PURPOSE

The Office of Housing plays a vital role for the nation's homebuyers, homeowners, renters, and communities through its nationally administered programs. It includes the Federal Housing Administration (FHA), the largest mortgage insurer in the world, and regulates housing activities within the industry. The Office of Housing, through its FHA insurance programs, plays a countercyclical role in the market.

HUD's mission is critical to achieving the President's vision to support underserved communities by improving economic opportunities and addressing longstanding systemic challenges. This includes racial injustice, rising inequality, and the climate crisis. HUD's work is essential to improving the quality of life of the American people. This investment in the Office of Housing's salaries and expenses is central to ensuring that HUD can execute its responsibility to meet America's housing needs.

BUDGET OVERVIEW

The 2025 President's Budget requests \$509 million for the Office of Housing, which is \$44 million more than the 2024 Annualized CR level. The Budget reflects total funding (carryover and new authority) of \$509 million, \$28.4 million above 2024 total funding. The goal of this funding is to provide essential resources for staff to effectively manage subsidized and insured properties and protect the housing safety net for millions of families nationwide, to increase the supply of affordable housing, and to support equitable homeownership and the national housing and mortgage markets.

Personnel Services (PS)

The Budget assumes total funding of \$474.6 million for PS to support 2,584 full time equivalent (FTEs), which is 33 FTEs and \$18.8 million more than the total 2024 PS level. The requested 2025 PS funding level supports a two percent pay increase. Funding at this level will allow the Office of Housing to continue its hiring strategy intended to increase staffing in the most critical areas to support its strategic goals, including identifying and resolving concerns at troubled properties, promoting and sustaining safe and affordable housing, and increasing sustainable homeownership opportunities through education and counseling. The office has also prioritized working with stakeholders to increase the supply of affordable housing units and to provide access to credit for homebuyers who are not well-served by the conventional market. Internally, Housing has focused on enhancing financial and grants management processes.

Office of Multifamily Housing (MFH)

This Budget invests additional FTEs in MFH to provide essential staff to effectively manage subsidized and insured properties and to support the overall goal of housing safety and quality. While the vast majority of MFH's portfolio of over 30,000 properties is in excellent condition, the number of potentially troubled properties has increased in recent years. HUD's staffing shortage relative to this portfolio reduces the ability to identify property problems and remedy them proactively. Identifying property and financial issues early is key to maintaining an affordable housing stock in an acceptable condition while minimizing repair costs.

Increased FTEs within MFH will support a portfolio-wide strategy of external engagement, systems improvement, program changes, and implementation of property rehabilitation funding. Staffing in MFH's regional teams, with support from headquarters, is essential to this approach. If these actions are properly staffed and coordinated, it increases HUD's ability to be a catalyst for change across the portfolio. These actions can reduce service delays in asset management activities as well.

Office of Single Family Housing (SFH)

To increase and preserve homeownership and achieve equity, especially in underserved communities, SFH requires additional staffing resources. One important area of need is additional Program Policy Specialists to develop and analyze origination, servicing, disposition, and asset management policies. In addition, Housing Specialists, Underwriters, and Appraisers are needed to support condominium examinations, policy interpretations, post-endorsement loan reviews, and appraisal reviews that will help promote equitable and sustainable homeownership. Additional Business and Management Analysts are needed for analysis and reporting needs and to support the ongoing FHA Information Technology (IT) Modernization project. This modernization effort will open the doors to advanced data and risk analytics, cost-savings, and operational efficiencies, and the ability to provide financing that is sustainable and optimized for long-term homeownership. Analysts also support the FHA Resource Center, which serves as FHA's primary communication vehicle to external partners.

Office of Finance and Budget (FAB)

FAB is requesting additional personnel to improve essential financial management oversight, accounting services, note sales activities, claims payment and premium processing, audit oversight, and budgetary formulation and execution services for all of Housing-FHA. This level of staffing will support the management and oversight work within the immediate Office of the Deputy Assistant Secretary for Finance and Budget and FAB's three core offices: the Office of the FHA Comptroller, the Office of Asset Sales, and the Office of Budget and Field Resources.

Office of Operations (OOO)

OOO is requesting additional personnel to provide human capital and acquisition support services in support of Housing-FHA's new and expanded programs, both in headquarters and in the field. The additional FTEs will support 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, web administration, correspondence, continuity of operations plan (COOP), and environmental support.

Office of Housing Counseling (OHC)

OHC is requesting additional FTEs to increase housing counseling services and capacity through oversight, accountability, grant applications, and grant execution. While continuing to meet critical needs, OHC will improve consumer outreach, increase housing counselor training, address previous program audits related to grantee payments, and fulfil other programmatic functions. To support the expansion of agency performance reviews to HUD-Approved Intermediaries, OHC will eliminate the practice of staff performing additional duties that are outside of their assigned offices and program areas of expertise. The office has accommodated an increasing workload through the creation of teams comprised of staff from across the Office of Housing Counseling. The new staffing levels will facilitate greater efficiency and specialization in each program office's area of expertise.

Office of Healthcare Programs (OHP)

OHP requires additional FTEs to successfully meet current and expected human capital needs in underwriting, closing, and servicing loans to mitigate risks. To effectively service the Section 232 portfolio, the number of loans assigned to an Account Executive (AE) for servicing should not exceed 75 loans. Currently, AEs are servicing between 80 and 140 loans per AE. Further, AEs should be servicing a maximum of 30 troubled assets; however, many are presently servicing over 50 troubled assets each. Similarly, underwriting and closing requirements have substantially increased since 2023.

The 2025 Budget ensures adequate evaluations and oversight of portfolio healthcare properties and the efficient provision of affordable financing options to hospitals, assisted living facilities, and skilled nursing homes that provide services for members of underserved communities.

Office of Risk Management and Regulatory Affairs (ORMRA)

ORMRA requires additional FTEs to support financial, data, credit, and enterprise risk. The current staffing levels create numerous critical personnel dependencies, exposing ORMRA to risks associated with staff turnover and an inability to respond timely and thoroughly to competing demands. Having an adequate and experienced staff is critical to maintaining and strengthening HUD's internal institutional capacity to deliver on mission, and the requested FTEs will place the program office in a position to complete this mission successfully. Additionally, the increased staffing will help advance program equity for ORMRA through its service as risk mitigator across program offices.

ORMRA will be critical in assisting the Administration by analyzing, modeling, and assessing potential policies and risks.

Office of Manufactured Housing Programs (OMHP)

OMHP is requesting additional FTEs to support the OMPH's increasing role in providing full-scope support for the regulation of manufactured housing standards that cut across several functional areas within HUD and other federal agencies, such as the Department of Energy. In addition to expediting regulatory updates to better accord with rapidly changing industry trends and standards, the new office will take a more expansive role in areas such as alternative housing products (accessory dwelling units, tiny homes, factory-built structures), energy efficiency compliance and enforcement, and manufactured housing finance policy.

Non-Personnel Services (NPS)

The Budget assumes total funding of \$8 million for NPS, equal to the total 2024 NPS level. The NPS funding will primarily be allocated for training, travel, and contracts. Travel is essential to the accomplishment of Housing's nationwide mission and promise to communities. Training is essential to improve the efficiency and skills of the workforce. Housing strategically allocates funding for training to invest in our current and future workforce by providing mandatory certifications, skill development, and personal empowerment. This results in a more efficient workforce able to adapt to change, maintain all required certifications, communicate effectively, lead by example, and most importantly, meet and exceed the high standard of service required to support our customers and the President's priorities. For contracts, Housing will maintain its current services. This funding will continue to support the Office of Multifamily Housing's Recapitalization contract.

Working Capital Fund (WCF)

The Budget assumes \$26.4 million for WCF. Please see the WCF Congressional Justification for details on current and proposed WCF business lines.

KEY OPERATIONAL INITIATIVES

The 2025 Budget for the Office of Housing supports the Administration's priorities to increase the supply of housing, enhance financial and grants management, invest in the success of communities, advance sustainable homeownership, and improve rental assistance. The requested FTEs will increase Housing's ability to support each priority and implement the President's Management Agenda by delivering excellent, equitable, and secure Federal services and customer experience.

Office of Multifamily Housing (MFH)

MFH funding supports HUD Strategic Objective 2A, Increase the Supply of Housing, and Strategic Objective 2B, Improve Rental Assistance. The 2025 Budget supports HUD's efforts to ensure that properties in the portfolio are decent, safe, sanitary, in good repair, and readily available to the most vulnerable members in underserved communities.

Adequate funding will: support increased capacity to perform management and occupancy reviews (MORs) and site visits; provide capabilities to conduct counterparty risk assessments, implement new quality assurance measures, perform oversight activity, and perform fraud risk management; increase the presence/implementing of Rental Assistance Demonstration (RAD) and the Green and Resilient Retrofit Program (GRRP); and create new initiatives that will advance MFH's mission to foster safe and affordable housing for distressed citizens.

Office of Single-Family Housing (SFH)

The SFH funding request supports HUD Strategic Objective 3A, Advance Sustainable Homeownership, and Strategic Goal 5, Strengthen HUD's Internal Capacity, which also aligns with the President's Management Agenda, Priority 1, Strengthening and Empowering the Federal Workforce. The 2025 Budget mitigates risks by ensuring affordable financing is readily available, affordable, and sustainable for low-to-moderate income borrowers.

Adequate funding will support: the formulation and implementation of new policies to advance SFH's ability to support sustainable and affordable financing options for underserved communities and FHA homeowners; additional resources to administer the Home Equity Conversion Mortgage (HECM) program; improved capabilities to monitor the administration and origination of servicing policies; the information technology (IT) Modernization initiative; the FHA Resource Center project; improved performance for servicing and loss mitigation activity; recruitment and retention of staff with necessary expertise and skill sets; continued evolution of business rules and processes; the maintenance of system security and privacy; and other activities as necessary.

Office of Finance and Budget (FAB)

FAB's funding request supports HUD's Strategic Objective 3A, Advance Sustainable Homeownership, the implementation of new loss mitigation efforts, and the prevention of FHA improper insurance claim payments. The 2025 Budget mitigates risks of non-compliance with fund control requirements and ensures affordable financing is readily available, affordable, and sustainable for low-to-moderate income borrowers.

Adequate funding will support: timely collection of funds; accuracy of FHA assets on financial statements; accuracy of balance sheet details; accurate calculation of FHA's capital reserve ratio; implementation of data integrity measures; mitigation of counterparty and other third-party related risks and external threats; thorough analysis of FHA's complex credit reform financial data; implementation of IT Modernization initiatives; timely recording of claims; and timely claims of payments. It also aligns with HUD's mission of working to strengthen the housing market and bolster the economy and protect consumers.

Office of Operations (OOO)

OOO's funding request supports HUD Strategic Objective 2A, Increase the Supply of Housing, Strategic Objective 2B, Improve Rental Assistance, Strategic Objective 3A, Advance Sustainable Homeownership, and Strategic Goal 5, Strengthen HUD's Internal Capacity. The 2025 funding level mitigates risks associated with the expansion of programs and initiatives that facilitate safe, habitable, and affordable housing for underserved communities, and ensures the availability and awareness of FHA financing options for low-to-moderate income borrowers.

Adequate funding will support increased oversight of procurement activity and vendor oversight; mitigating supply chain risks; support of GRRP, RAD, and other new programs; and support for environmental clearance, human capital, and web management services.

Office of Housing Counseling (OHC)

OHP's funding request supports HUD Strategic Objective 1C, Invest in the Success of Communities. The 2025 Budget ensures adequate evaluations and oversight of healthcare facilities, fortifies OHC's ability to manage portfolio risks, and provide affordable financing options to hospitals, assisted living facilities, and skilled nursing homes that provide services for members of underserved communities.

Adequate funding will support: enhanced corporate credit reviews to reduce concentration risk with borrowers and operators; timely processing, underwriting, and funding of loan applications; and increased asset management of troubled assets to mitigate default risk.

Office of Risk Management and Regulatory Affairs (ORMRA)

ORM's funding request supports the President's Management Agenda, Priority 3, Managing the Business of Government, HUD's Strategic Objective 2A, Increase the Supply of Housing, Strategic Objective 2B, Improve Rental Assistance, and Strategic Objective 3A, Advance Sustainable Homeownership. The 2025 Budget mitigates risks associated with implementation of the reorganization and expansion of its role to identify, measure, monitor, analyze, and report risks and threats to Housing's operations, programs, and FHA insurance funds.

Adequate funding will support increased ability to ensure sound credit, modeling, and operational risk management practices. For 2025, an expansion in operational risk management practices will include increased management of vendor third-party risks, supply chain risks, and counterparty risks, fraud risk management, and consideration of the risks, compliance, and governance needs associated with generative artificial intelligence (AI). Credit and modeling risk management will continue to include management of data governance risks, risk reporting to support resource and strategic planning of decisionmakers, and risk response strategies to other obstacles to achieving Housing goals and objectives.

Office of Manufactured Housing Programs (OMHP)

OMHP funding supports HUD Strategic Objective 2A, Increase the Supply of Housing, and Strategic Objective 3A, Advance Sustainable Homeownership. The 2025 Budget supports OMHP in realigning its role in the manufactured housing and factory-built housing sector, developing manufactured housing finance policy, and increasing housing options for underserved communities. Additionally, adequate funding will support the ability to regularly update policies and standards, which ensures alignment with industry trends, facilitates an environment that promotes the innovation of products and services, and ensures manufactured homes are safe and affordable.