



U.S. Department of Housing and Urban Development 2019 Accomplishments

Advancing Economic Opportunity

Under Secretary Ben Carson, HUD is advancing economic opportunity for low-income families through homeownership, workforce training, educational advancement, and health and wellness programs. Specifically, HUD:

- Submitted a Housing Finance Reform Plan to the President, which accomplishes four objectives: refocuses FHA to its core mission; protects American taxpayers; provides FHA and Ginnie Mae with tools to appropriately manage risk; and provides liquidity to the housing finance system.
- **Served over 990,000 single-family homebuyers**, the majority of whom were first-time, low- to moderate-income and minority homebuyers through HUD's Federal Housing Administration (FHA)-insured mortgage programs in FY 2019.
- Oversaw the production or preservation of over **2.6 million insured and assisted multifamily rental units** and provided over **\$4.3 billion in insurance** for hospitals and residential care facilities in FY 2019.
- **Developed more than 19,000 homes** through the HOME Investment Partnerships Program and Self-Help Homeownership Opportunity Program (SHOP) programs. This included: 10,170 rental units completed, 8,489 homebuyer units completed, and 538 homes for individuals and families who invested "sweat equity" to the construction.
- **Rehabilitated more than 88,000 homes** through HOME, Community Development Block Grant (CDBG), and the Veterans Housing Rehabilitation and Modification Pilot Program. This included 63,670 owner-occupied units, 23,849 renter-occupied units, and 389 homes for disabled veterans.
- **Continuing to expand the Moving to Work Demonstration Program from 39 to 139 public housing authorities** across the country, encouraging innovative, locally designed strategies for housing choice, self-sufficiency, and economic opportunity for low-income families.
- **Added 18 new Family Self Sufficiency Programs** for the first time since 2012. By January 2020, we expect to have programs at 693 public housing agencies in 48 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.
- Distributed **the one-millionth book to low-income children** through the Book Rich Environments Initiative, which is **active in 39 HUD-assisted communities** across the country.
- **Expanded free or low-cost broadband internet access to 13 additional communities** through HUD's ConnectHomeUSA program.
- **Nearly doubled the number of EnVision Centers** across the nation, bringing the total number of designated sites to 35, with an additional 22 sites planned for early 2020.

Protecting Taxpayers

HUD is protecting taxpayers by reducing the FHA's exposure to risk and promoting sustainable homeownership. Specifically, HUD:

- Achieved a 4.84 percent FHA Mutual Mortgage Insurance Fund's Capital Reserve Ratio, the strongest Capital Reserve Ratio since 2007, which is attributable in part to prudent risk management actions taken through FY 2018 and FY 2019.
- Addressed concerning risk trends in the FHA's single-family forward mortgage portfolio through policy actions that balance prudent risk management to protect the Mutual Mortgage Insurance Fund. This includes addressing high debt-to-income and low-credit score combinations and reducing the allowable loan-to-value limit on cash-out refinances.
- Made previously temporary policies for reducing inflated appraised values on Home Equity Conversion Mortgage (HECM) properties permanent to further reduce risk to the FHA's Mutual Mortgage Insurance Fund, which should reduce the claim amounts by an estimated \$250.3 million per year.
- Expanded the use of the Disaster Standalone Partial Claim to assist victims of disasters in all Presidentially declared Major Disaster Areas by helping them stay current on their mortgage payments, which reduces the number of foreclosures and subsequent claims paid by the FHA.
- Began development work on a state-of-the-art technology infrastructure for FHA insurance programs, which will replace some technology that is more than 30 years old. New technology will allow both FHA and lenders access to data and analytics used to measure and manage risk.

Ginnie Mae (GNMA) implemented changes for mortgage issuers to protect taxpayers and link global capital markets to the U.S. housing system, resulting in a lower cost of homeownership for veterans, first-time homebuyers, residents of rural areas and other Americans these programs are intended to serve. Specifically, Ginnie Mae:

- Directed \$452 billion of investment capital into the federal home loan programs sponsored by FHA.
- Raised program standards to ensure private sector participants in the federal housing program maintain sound and appropriate capacity and business practices.
- Implemented new requirements addressing mortgage servicing rights, issuer financing, and other topics that relate to counterparty risk and the safety of the federal security guaranty Ginnie Mae administers.
- Revised its program requirements to constrain the ability of certain loan types that negatively impact the pricing of Ginnie Mae mortgage-backed securities, which ultimately harms consumer pricing.

HUD's Office of the Chief Financial Officer (OCFO) continues to reduce risk and streamline agency operations. The Departmental "Integrity Task Force," created by the CFO in 2018, has improved HUD's finances, IT systems, acquisition process, risk assessment capability, grant processes, and HR processing. The office of the CFO has also:

- Digitized Notice of Funds Available (NOFA) procedures which **reduced processing from 7 to 10 days to 3 days**.
- Reduced agency-wide open audit findings by over 20%.
- **Saved \$2.7 million** by lowering agency costs for shared services.
- Reduced material weaknesses from nine (2017) to two (2019).
- Began implementing a new OCFO Oversight Process for Community Development Block Grant-Disaster Recovery (CDBG-DR) funds for Puerto Rico and the U.S. Virgin Islands.

HUD's Office of the General Counsel is successfully closing pending litigation, resulting in significant taxpayer savings. OGC also:

- Worked with the Solicitor General for a favorable Supreme Court decision in *Obduskey v. McCarthy and Holthus LLP* that avoided an interpretation of the Fair Debt Collection Practices Act that would have added to FHA's costs and interfered with existing foreclosure procedures and protections.
- Worked with the Solicitor General for a favorable Supreme Court decision in *Kisor v. Wilkie* that retained reasonable deference for federal agencies when interpreting ambiguous regulations.

Reducing Regulatory Barriers

HUD is reducing regulatory burdens that stifle investment in distressed communities. Specifically, HUD:

- **Removed over 600 pieces** of outdated or unnecessary subregulatory guidance documents from external websites to make our program requirements more transparent to the public.
- Proposed revisions to **HUD's 2013 Disparate Impact Regulation** to provide clarity for plaintiffs and defendants in disparate impact cases and align HUD's regulations with the Supreme Court's ruling in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*
- Signed a **landmark agreement with the Department of Justice** on the appropriate use of the False Claims Act with FHA Single Family lenders. This Memorandum of Understanding provides more certainty to lenders participating in the FHA program.
- Collaborated across the Executive Branch to **establish the White House Council on Eliminating Regulatory Barriers to Affordable Housing**, covering eight federal agencies, led by Secretary Ben Carson. The council will engage with state, local, and tribal leaders across the country to identify and remove the obstacles that impede the production of affordable homes – namely, the enormous price tag that follows burdensome government regulations.
- Successfully defended against a challenge under the Administrative Procedures Act to HUD's suspension of the AFFH rule, pending revisions.
- Completed revisions to its FHA Single Family Annual Lender Certification and Loan Quality Assessment Methodology, both of which will provide more clarity to lenders by streamlining and aligning requirements with statute and regulation.

- **Expanded FHA financing for affordable housing by streamlining the single-family condominium project approval processes** for lenders and borrowers, which will allow for single unit approvals in non-approved projects.
- Actively engaged with members of the Manufactured Housing Consensus Committee to revise the Manufactured Housing Construction and Safety Standards to **reduce regulatory burdens for manufactured housing production** and increase affordable housing for millions of Americans.
- Developed a portal enabling Tribally Designated Housing Entities (TDHEs) to submit Tribal HUD-VASH data **electronically for the first time in HUD's history**.
- Hosted an **inaugural "Landlord Symposium"** in November 2019 to encourage landlord participation in HUD's Housing Choice Voucher program.
- Hosted the inaugural Innovative Housing Showcase on the National Mall in Washington, D.C., to featuring innovative building technologies and affordable housing options to meet the nation's housing challenges.

Funding Disaster Recovery at Historic Levels

HUD has responded to natural disasters with historic funding levels and assistance to support the long-term recovery of affected communities. Specifically, HUD:

- Strengthened permanent disaster loss mitigation options for single family homeowners with FHA-insured mortgages in Presidentially-Declared Major Disaster Areas, including streamlining income documentation requirements for Disaster Mortgage Modifications, so that homeowners can more easily obtain temporary or permanent mortgage payment assistance following a disaster.
- Offered **26 individual regulatory waivers to state and local governments** in the wake of natural disasters, giving state and local governments increased flexibility to quickly get recovery resources to the families that need them most.
- Made more than \$7.5 billion of CDBG mitigation funding available to 15 states and local governments and established requirements for the use of those funds.
- Provided 12 grantee-specific statutory or regulatory waivers to advance state and local government disaster recovery and mitigation efforts.
- Provided new authority for recent CDBG-DR grantees to use funds to reimburse low- and moderate-income homeowners for the costs paid by disaster loans borrowed from the U.S. Small Business Administration.
- Onboarded 25 new permanent/term disaster recovery staff to improve CDBG-DR oversight.

Serving the Nation's Most Vulnerable

HUD is working to break the cycle of poverty by encouraging self-sufficiency among families and administering programs that serve our most vulnerable populations. Specifically, HUD:

- **Launched the Foster Youth to Independence (FYI) Initiative** to provide youth exiting foster programs who are at risk for homelessness with Housing Choice Vouchers. In the eight months since the start of the initiative, 166 youths have received vouchers.
- Announced approximately **5,000 new HUD-VASH vouchers** to help homeless veterans and their families find and sustain permanent housing.
- Awarded more than \$2.45 billion to communities working to end homelessness.
- Awarded \$353.7 million to 140 state and local governments to provide communities with resources to assist low-income persons living with HIV/AIDS and their families in overcoming housing barriers such as affordability and discrimination.
- Reached a **major agreement with the City of New York and the New York City Housing Authority (NYCHA)** that requires NYCHA to remedy living conditions under the supervision of a Federal Monitor and obligates New York City to provide \$1.2 billion in new capital funding over the next five years to ensure the health and safety of NYCHA residents.
- Registered more than **1,500 properties for the National Standards for the Physical Inspection of Real Estate (NSPIRE) demonstration** which helps ensure safe, healthy, decent affordable housing by promoting sound property management practices.
- Expanded Safety and Security grants to include **carbon monoxide detectors**.
- Announced funding to help **build and renovate approximately 1,200 new housing units** on Indian reservations and in other Indian areas and carry out other affordable housing activities.
- Provided **\$28 million in competitive grant funding to address health hazards resulting from lead-based paint** in public housing.
- For the first time in nine years, made funding available to support the **expansion of affordable rental housing** for very low-income persons with disabilities.
- Made up to \$50 million in grant funding available for the development and operation of supportive **rental housing for extremely-low and very-low-income elderly** persons.
- Negotiated **the largest disability compliance settlement of its kind** with the City of Los Angeles over its violations of the Fair Housing Act. The agreement will put into motion a plan to retrofit and build hundreds of housing developments across the city, producing over 4,600 fully accessible homes for persons with disabilities.
- Partnered with University of Illinois at Chicago John Marshall Law School to **launch the National Fair Housing Training Academy (NFHTA)**, which will prepare fair housing advocates, lawyers, investigators, and other stakeholders on effective strategies and techniques for addressing discriminatory housing policies and practices throughout the nation.

- Undertook a **Secretary-initiated Fair Housing Act complaint against Facebook**, alleging that Facebook unlawfully discriminates based on race, color, national origin, religion, familial status, sex, and disability by restricting who can view housing-related ads on Facebook's platforms and across the internet. The Department of Justice will argue the case on behalf of HUD.
- Launched the Prevention of Sexual Harassment in Housing Training Initiative, a HUD-DOJ collaboration designed to increase awareness and prevent sexual and other harassment in housing. This **national training** reached the public, fair housing partners, housing industry groups, and approximately 4,000 public housing authorities. Since its launch, participants from 42 states and two territories have completed the training.
- Added 120 more fair housing investigators to HUD's existing investigation team, which is funded and managed by grant awardees across the country.

Spurring Reinvestment in Communities

HUD is spurring reinvestment and the construction of affordable housing in our nation's neediest communities. Specifically, HUD:

- Preserved affordable housing options by improving over **17,000 public housing units in FY2019** through the Rental Assistance Demonstration (RAD) program. Additionally, HUD expanded the RAD conversion process to include supportive housing properties for very-low income elderly persons.
- **Invested \$3.4 billion in CDBG funds in our nation's communities and insular areas**, creating 19,933 jobs and achieving an overall low/moderate income benefit of 95.81%, as compared to the 70% statutory requirement.
- **Expanded the Low-Income Housing Tax Credit (LIHTC) pilot program** for multifamily properties to include new construction and substantial rehabilitation to stimulate greater capital investment in affordable housing, including housing in Opportunity Zones.
- Implemented **six Choice Neighborhoods Grants** which exist in Opportunity Zones.
- Implemented **program incentives for lenders intending to build or refinance multifamily properties, hospitals, and residential care facilities located in Opportunity Zones** to spur investment where it's needed most.
- Established **new program incentives to facilitate purchases and rehabilitation of single-family primary residences** located in Opportunity Zones.

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