



2023 BUDGET IN BRIEF

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



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Message from the Secretary



As I reflect on my first year as HUD Secretary, I am honored to have the privilege to see the tireless work put into upholding HUD's fundamental mission to ensure that every American has a fair chance to thrive in this Nation. HUD's mission is critical to achieving the President's vision to build a better America—one where we are ensuring that every person has a shot to get ahead and addressing longstanding systemic challenges, including racial injustice, rising inequality, and the climate crisis.

Housing remains at the forefront of these challenges and the opportunities for continued action. We must continue efforts to alleviate the housing crisis, reduce the number of people experiencing homelessness, and ensure that our communities are getting the resources needed to meet their urgent needs, from economic opportunities to resilient building. The 2023 President's Budget provides the increased investments and vision to meet the challenges our Nation faces and deliver progress for the American people.

The Budget emphasizes HUD's commitment to enforcing our primary responsibilities—such as significantly expanding affordable housing and services to end homelessness, supporting sustainable economic development in our communities, and ensuring that our communities are more resilient to shocks like natural disasters and the impacts of climate change.

The priorities in the Budget include: expanding HUD vouchers and assistance for those fleeing from domestic violence and those experiencing homelessness; ensuring that every person has the security of a safe home, free from dangerous health hazards; strengthening our resilience to climate change and making energy efficiency improvements in public and assisted housing; increasing HUD staff's capacity to redress discriminatory housing practices; and investing in critical staffing and information technology needs to strengthen HUD's ability to deliver on its mission.

At HUD, we understand that when we invest in housing, we invest in people. This Budget tells the American people that the President, and our agency, view housing as a foundational platform to help address the most urgent challenges facing our Nation. This Budget will help us meet our mission to provide security and stability for those who live on the outskirts of hope, advance opportunity and equity on behalf of marginalized communities, and meet the existential threats posed by natural disasters and climate change.

Sincerely,

A handwritten signature in black ink that reads "Marcia L. Fudge". The signature is written in a cursive, flowing style.

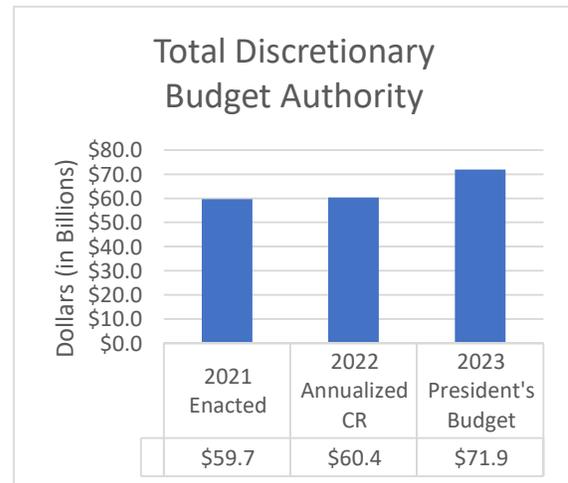
Marcia L. Fudge
Secretary

Overview

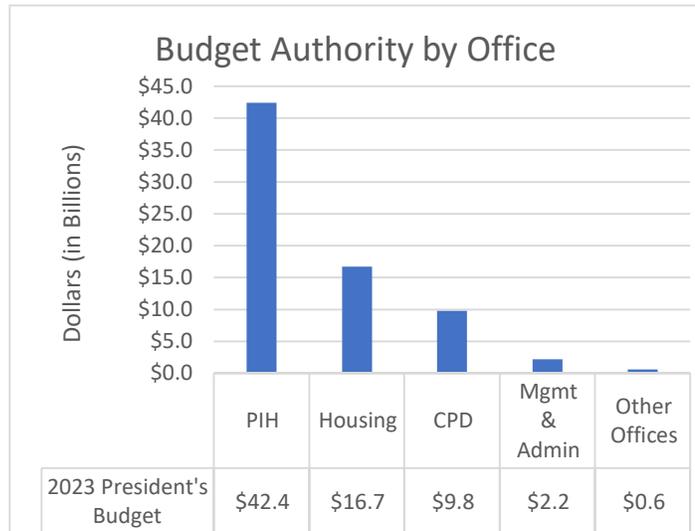
The 2023 President's Budget requests \$71.9 billion for the Department of Housing and Urban Development (HUD), approximately \$11.6 billion more than the 2022 annualized continuing resolution (CR) level. In addition, it requests \$35 billion for the **Housing Supply Fund**, a new mandatory program providing grants to State and local housing finance agencies and their partners to invest in strategies to increase the supply of affordable housing. The Budget outlines an ambitious agenda to address challenges our Nation faces, ranging from climate change to housing discrimination to ending homelessness.

The priorities in the Budget include:

- \$32.1 billion for the **Housing Choice Voucher (HCV) Program**, which accommodates 200,000 new vouchers, prioritizing those fleeing from domestic violence and households experiencing homelessness.
- \$3.6 billion to provide housing and services to individuals and families experiencing homelessness, including a focus on survivors of domestic violence and youth experiencing homelessness;
- \$1.1 billion in targeted climate resilience and energy efficiency improvements in public housing, tribal housing, and other assisted housing;
- \$400 million to remove dangerous health hazards from homes, including mitigating threats from fire, lead, carbon monoxide, and radon;
- \$86 million for **Fair Housing programs**, and increased HUD staff capacity to redress discriminatory housing practices; and
- \$2.2 billion for **Management and Administration** expenses, investing in critical staffing and information technology needs to strengthen HUD's capacity to deliver on its mission.
- The President's 2023 Budget supports authorizing the **Community Development Block Grant—Disaster Recovery (CDBG-DR)** program. For more than twenty years, the Congress has appropriated emergency supplemental funds to HUD in response to major disasters to address the unmet long term disaster recovery needs of States, territories, local governments, and Tribes. Authorization would improve the transparency and predictability of CDBG-DR funds for impacted communities.
- Housing-related challenges can trigger significant mental health distress. HUD will provide training and technical assistance resources to support Department-wide efforts to reduce the impacts of housing-related challenges on mental and emotional well-being and improve the experience of the Department's customers.



HUD's proposed Budget allocates budget authority across programs and for staffing and other management and administrative expenses. Most of the budget authority funds programs to help vulnerable, low-income households—many elderly or disabled—pay their rent. The Office of Public and Indian Housing (PIH), the Office of Housing, and the Office of Community Planning and Development (CPD) administer these programs.



This request dovetails with funds provided by the CARES Act of 2020 and the American Rescue Plan Act of 2021, which allocated \$12.4 billion and \$10.7 billion, respectively, across multiple HUD programs for urgently needed housing and services due to the COVID-19 pandemic and the housing crisis. The 2023 President's Budget extends this comprehensive approach to address these challenges, identifies funding priorities to achieve HUD's strategic goals, and invigorates the Nation's response through program budget increases and policy interventions.

Strategic Goals¹

STRATEGIC GOAL 1: SUPPORT UNDERSERVED COMMUNITIES

Fortify support for underserved communities and support equitable community development for all people

HUD will bolster Fair Housing compliance and enforcement, implement a Housing First approach to reducing homelessness, and drive equitable community development. The Department is committed to building an inclusive future that promotes wealth-building for all people and lifts underserved communities to share in the Nation's prosperity.

The following investments will help HUD achieve this goal:

- **Tenant-Based Rental Assistance (TBRA):** \$1.6 billion for a 200,000-voucher expansion of the HCV program, the largest one-year increase in vouchers since the program was authorized.
- **Homeless Assistance Grants:** An increase of \$576 million to provide housing and services for vulnerable individuals and families who are homeless or at risk of homelessness. Such an increase will provide capacity and support to communities as they work to coordinate an effective homeless response system in a trauma-informed and equitable way.
- **Fair Housing Programs:** \$86 million, a \$13.4 million increase over the 2022 annualized CR level, for targeted and coordinated enforcement, education, and outreach.

¹ HUD's 2022 – 2026 Strategic Plan is available at: https://www.hud.gov/program_offices/spm/pmd

- **Community Development Block Grant (CDBG) Program:** \$3.8 billion, including \$195 million in targeted resources to remove barriers and revitalize 100 of the most historically underserved neighborhoods in the United States.
- **Indian Housing Block Grant (IHBG) Program:** \$772 million, a \$125 million increase over the 2022 annualized CR level, for grants to finance affordable housing construction and related community development. This increase will support the production and preservation of affordable housing in Indian Country.
- **Indian Community Development Block Grant (ICDBG) Program:** \$70 million funds community development-related projects in Indian Country, such as the construction of community buildings and the infrastructure necessary for housing developments.
- **Mobility-Related Services initiative under TBRA:** \$445 million to fund cost-effective housing mobility strategies to assist families with children to move from areas of extreme poverty to areas of higher opportunity. The funding will also address impediments to public housing agency collaboration, with a goal of reversing the effects of residential segregation adversely impacting people of color.

STRATEGIC GOAL 2: ENSURE ACCESS TO AND INCREASE THE PRODUCTION OF AFFORDABLE HOUSING

Ensure housing demand is matched by adequate production of new homes and equitable access to housing opportunities for all people

Increasing the availability of safe, high quality, and affordable housing will help ensure equitable access to housing opportunities and benefit families and communities. This can be achieved through increasing access to rental assistance and the supply of affordable housing. Accomplishing this goal includes evaluating HUD's programs to identify ways the Federal Government can make affordable housing and related services work better for families. These efforts aim to give families real, viable housing choices in where they live.

The following investments will help HUD achieve this goal:

- **Housing Supply Fund:** A new \$35 billion mandatory program that will provide resources for State and local housing finance agencies and their partners to provide grants, revolving loan funds and other streamlined financing tools, as well as grants to advance State and local jurisdictions' efforts to remove barriers to affordable housing development.
- **HOME Investment Partnerships (HOME) Program:** This program has long served as an anchor of this Nation's affordable housing finance system. The 2023 President's Budget has the opportunity to make a significant impact, at \$2.0 billion – \$600 million more than the 2022 annualized CR level.
- **Rental Assistance Demonstration (RAD) Program:** \$100 million under the **TBRA** and **Project-Based Rental Assistance (PBRA) Programs** for public housing agencies (PHAs) to transition public housing units, and \$10 million under **PBRA** to transition Section 202-supported properties to the Section 8 platform. This program preserves and improves public housing properties and holistically addresses critical property needs, environmental hazards, and energy inefficiencies, while increasing housing choice for residents.
- The **Housing for the Elderly (Section 202) Program** proposes \$100 million for new Capital Advances to increase the supply of affordable housing for seniors by

approximately 1,100 units. **The Housing for Persons with Disabilities (Section 811) Program** proposes \$80 million, which will support approximately 900 new units to expand the supply of affordable housing for very low- and extremely low-income persons with disabilities to live independently in the community with connections to critical supportive services. Combined, these programs provide a total of \$180 million to support a total of 2,000 new units for vulnerable populations.

- The Budget provides full funding for contract renewals in the **Section 202 and Section 811 Programs, TBRA and PBRA** – two of HUD’s largest programs that increase access to affordable housing – and the operating subsidy formula in the **Public Housing Fund**.
- **Ginnie Mae Securitization of Risk-Sharing Loans:** The Budget proposes Ginnie Mae authority to securitize affordable multifamily housing loans made by Housing Finance Agencies (HFAs) and insured under the Federal Housing Administration’s (FHA) Section 542(c) Risk-Sharing program. As an interim measure that will sunset in 2024, three years after implementation, HUD has resumed its partnership with Treasury’s Federal Financing Bank (FFB) to provide “Ginnie Mae-like” financing for HFA Risk-Sharing loans. The proposed Ginnie Mae securitization authority would provide a permanent source of lower-cost capital and enhance market liquidity for these affordable housing loans once FFB Risk-Sharing financing expires.

STRATEGIC GOAL 3: PROMOTE HOMEOWNERSHIP

Promote homeownership opportunities, equitable access to credit for purchase and improvements, and wealth-building in underserved communities

Homeownership is vital to promoting viable, inclusive economic opportunities to all. HUD is dedicated to helping individuals develop wealth by improving access to affordable homeownership. This will be achieved by maximizing the extension of credit for low-to-moderate income homebuyers and those underserved by the conventional mortgage market. The Department will ensure the housing finance system serves all people equitably and fairly – from the FHA underwriting process through Ginnie Mae’s engagement of capital markets.

The following investments will help HUD achieve this goal:

- **Home Equity Accelerator Loan (HEAL) Pilot:** \$15 million of credit subsidy through FHA that would test new loan products designed to lower barriers to homeownership for first-generation and/or low-wealth first-time homebuyers.
- **FirstHOME Downpayment Assistance initiative:** A new \$100 million set-aside under the HOME Program that would provide funding to States and insular areas to better support sustainable homeownership for first-generation and/or low-wealth first-time homebuyers.
- **Indian Housing Loan Guarantee Fund (Section 184) Program:** \$5.5 million of credit subsidy, which is \$3.5 million more than the 2022 annualized CR level. This program encourages private lending by guaranteeing home mortgage loans, which assists Native American families in becoming homeowners.

STRATEGIC GOAL 4: ADVANCE SUSTAINABLE COMMUNITIES

Advance sustainable communities by strengthening climate resilience and energy efficiency, promoting environmental justice, and recognizing housing's role as essential to health

Everyone deserves a safe and healthy place to live. The Department will work to eliminate socioeconomic disparities by addressing environmental health hazard exposures while strengthening health and safety regulations and policies. HUD seeks to integrate best practices in the areas of community health, customer experience, and equity to effectively adapt policies to the individual needs of local communities. Lastly, HUD will guide investment in climate preparedness and resilience to reduce financial burdens on residents and preserve our world's finite resources.

The following investments will help HUD achieve this goal:

- **Public Housing Fund:** \$300 million for the installation of measures to increase energy efficiency, reduce water consumption, and promote climate resilience in public housing. In addition, the Budget proposes a general increase of 15 percent for public housing capital funds (under the Public Housing Fund), for a total of \$3.2 billion, which will be critical to improving the quality of public housing.
- **Native American Programs:** \$150 million awarded to eligible Indian Tribes and Tribally Designated Housing Entities (TDHEs) that rehabilitate and construct new housing units with the focus on increasing energy efficiency, improving water conservation, and furthering climate resilience in housing developments within Indian Country.
- **Choice Neighborhoods:** \$250 million to help communities develop and implement locally driven comprehensive neighborhood plans to transform underserved neighborhoods. The program advances climate resilience and environmental justice by redeveloping and replacing distressed public and multifamily housing and neighborhood amenities with resilient and energy-efficient structures. Up to \$10 million will be used to support revitalization in communities in proximity to Superfund sites through a pilot of the **Revitalization and Empowerment of Communities near Contaminated Lands through Assistance, Investment, and Mitigation (RECLAIM) program.**
- **Green and Resilient Retrofit Program:** \$250 million to rehabilitate multifamily HUD-assisted properties to be more energy- and water-efficient, healthier, and more resilient to extreme weather events. This increased investment will improve the stock of affordable housing available to many low- and extremely low-income families, often from marginalized communities.
- **Lead Hazard Control and Healthy Homes:** \$400 million, an increase of \$40 million over the 2022 annualized CR level, to mitigate lead hazards in low-income, non-supported households, as well as identify and mitigate multiple health hazards.

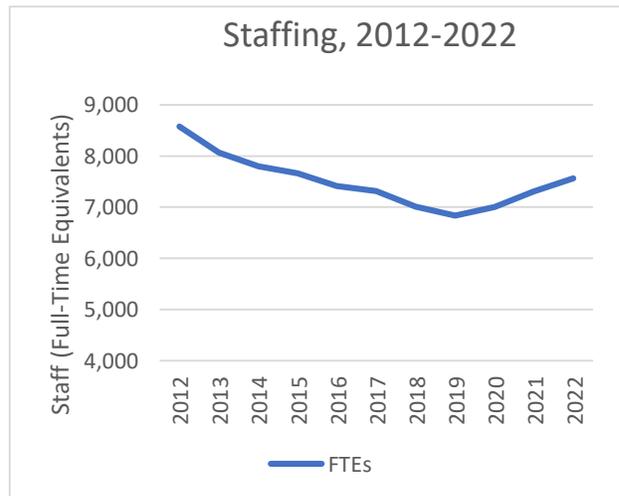
Together, these investments will decrease the financial burden on tenants, help to address inequities, reduce carbon emissions, and increase the climate resilience of HUD's housing stock while improving indoor air quality and creating healthier and safer homes for families.

STRATEGIC GOAL 5: STRENGTHEN HUD'S INTERNAL CAPACITY

HUD will strengthen its internal capacity and efficiency to better ensure delivery of HUD's mission

Strengthening HUD's workforce is vital to the successful delivery of HUD's mission of creating strong, sustainable, inclusive communities and quality affordable homes for all. Without talented staff, HUD would not be able to provide housing programs that many individuals rely on across the U.S. As such, HUD is committed to bolstering and enabling its workforce through hiring, training, providing opportunities for growth, and promoting a more inclusive work environment. Improvements to HUD's information technology infrastructure will also be instrumental to strengthening the Department's internal capacity and efficiency.

In the period between 2012 and 2019, the number of full-time equivalent (FTE) employees at HUD declined from 8,576 to 6,837, a reduction of 20 percent. Although a focus on the hiring process and the salaries and expenses (S&E) budget has enabled HUD to regain some of the ground lost, attrition has resulted in imbalanced program offices and the loss of expert staff with the knowledge to effectively administer some programs. For example, HUD's review of enterprise risks found that due to the decline, HUD lost staff in critical disaster mitigation posts, the institutional memory within its environmental programming, and specialized skills necessary to administer contracts critical to the functioning of the agency. In addition, inadequate staffing due to numerous retirements threatens HUD's vital cybersecurity capabilities. Overall, these enterprise issues and risks weaken HUD's ability to deliver strong, sustainable, inclusive communities and quality affordable housing.



The 2023 Budget requests \$1.8 billion toward **S&E**, \$306 million more than the annualized CR level for 2022, which, in combination with carryover of 2022 funding, will support 8,326 FTEs.^{2,3} The 2023 Budget will support the gains made in 2021 and projected for 2022 and provide for continued increases in staffing, which will enable the Department to better and more efficiently serve households and communities across the country.

The Budget also proposes \$382 million for the **IT Fund**, to continue to invest in much needed modernization of HUD's IT systems, infrastructure, and cybersecurity. These investments will help ensure that HUD has the resources and capacity to rise to meet the critical work ahead.

² Including Ginnie Mae two-year funding only; excluding Office of Inspector General.

³ The "Salaries and Expenses" chart only includes enacted/requested budget authority for each year; it does not include carryover. It also includes Ginnie Mae (two-year funding only).

Salaries and Expenses

(Dollars in thousands)

| Program Office | 2022 | | 2023 | | Change from 2022 | |
|---------------------------------------|-----------------------|--------------|--------------------|--------------|------------------|------------|
| | Annualized CR Funding | Total FTE* | Requested Funding | Total FTE* | Funding | FTE |
| Public and Indian Housing | \$243,056 | 1,443 | \$285,900 | 1,448 | \$42,844 | 5 |
| Housing | \$404,194 | 2,386 | \$488,500 | 2,673 | \$84,306 | 287 |
| Community Planning and Development | \$131,107 | 775 | \$154,100 | 835 | \$22,993 | 60 |
| Fair Housing and Equal Opportunity | \$79,763 | 552 | \$105,800 | 630 | \$26,037 | 78 |
| Lead Hazard Control and Healthy Homes | \$10,303 | 56 | \$11,300 | 60 | \$997 | 4 |
| Policy Development and Research | \$36,250 | 177 | \$41,600 | 208 | \$5,350 | 31 |
| Executive Offices | \$17,292 | 97 | \$18,000 | 111 | \$708 | 14 |
| Administrative Support Offices | \$576,689 | 1,886 | \$690,900 | 2,163 | \$114,211 | 277 |
| HUD TOTAL | \$1,498,654 | 7,372 | \$1,796,100 | 8,128 | \$297,446 | 756 |
| Ginnie Mae | \$33,500 | 191 | \$42,400 | 198 | \$8,900 | 7 |
| Office of Inspector General | \$137,200 | 520 | \$149,000 | 535 | \$11,800 | 15 |

Note: Total FTE supported by both Enacted/Requested and carry over funding.

Summary Table

| Program | | 2021 Enacted (millions) | 2022 Annualized CR (millions) | 2023 President's Budget (millions) |
|--|---|-------------------------------|-------------------------------------|--|
| Public & Indian Housing | Tenant-Based Rental Assistance | \$25,082 ⁴ | \$25,777 | \$32,130 |
| | Public Housing Fund | \$7,806 | \$7,806 | \$8,780 |
| | Choice Neighborhoods | \$200 | \$200 | \$250 |
| | Self-Sufficiency Programs | \$155 | \$155 | \$175 |
| | Native American Programs (formerly Housing Block Grants) | \$825 | \$825 | \$1,000 |
| | Native Hawaiian Housing Block Grant | \$2 | \$2 | \$10 |
| | Indian Housing Loan Guarantee Fund (Section 184) | \$2 | \$2 | \$6 |
| | Native Hawaiian Loan Guarantee Fund (Section 184A) | \$0 | \$0 | (\$6) |
| Subtotal PIH | | \$34,072 | \$34,767 | \$42,345 |
| Housing | Project-Based Rental Assistance | \$13,465 | \$13,465 | \$15,000 |
| | Housing for the Elderly (Section 202) | \$855 | \$855 | \$966 |
| | Housing for Persons with Disabilities (Section 811) | \$227 | \$227 | \$288 |
| | Mutual Mortgage Insurance Program/FHA Administrative Contracts and Credit Subsidy | \$130 | \$130 | \$165 |
| | Housing Counseling Assistance (Section 106) | \$78 | \$78 | \$66 |
| | Green and Resilient Retrofit Program | \$0 | \$0 | \$250 |
| | Rental Housing Assistance (Other Assisted Housing) | (\$14) | \$0 | \$0 |
| | Manufactured Housing Fees Trust Fund—General Fund | \$13 | \$13 | \$14 |
| | Manufactured Housing Fees Trust Fund—Receipts | (\$16) | (\$16) | (\$16) |
| Subtotal Housing | | \$14,738 | \$14,752 | \$16,733 |
| Community Planning & Development | Housing Opportunities for Persons with AIDS | \$430 | \$430 | \$455 |
| | Community Development Fund | \$3,475 | \$3,475 | \$3,770 |
| | HOME Investment Partnerships Program | \$1,350 | \$1,350 | \$1,950 |
| | Self-Help and Assisted Homeownership Opportunity Program | \$60 | \$60 | \$60 |
| | Homeless Assistance Grants | \$3,000 | \$3,000 | \$3,576 |
| Subtotal CPD | | \$8,315 | \$8,315 | \$9,811 |
| Other | Policy Development & Research (Research and Technology) | \$105 | \$105 | \$145 |
| | Fair Housing & Equal Opportunity (Fair Housing Activities) | \$73 | \$73 | \$86 |
| | Lead Hazard Control & Healthy Homes (Lead Hazard Reduction) | \$360 | \$360 | \$400 |
| Subtotal Other | | \$538 | \$538 | \$631 |
| Mgmt & Admin | HUD Salaries and Expenses | \$1,499 | \$1,499 | \$1,796 |
| | Government National Mortgage Association (Ginnie Mae) ⁵ | \$34 | \$34 | \$42 |
| | Information Technology Fund | \$300 | \$300 | \$382 |
| Subtotal Mgmt & Admin | | \$1,833 | \$1,833 | \$2,220 |
| | Office of Inspector General | \$137 | \$137 | \$149 |
| Discretionary Total (Gross) | | \$59,633 | \$60,342 | \$71,889 |

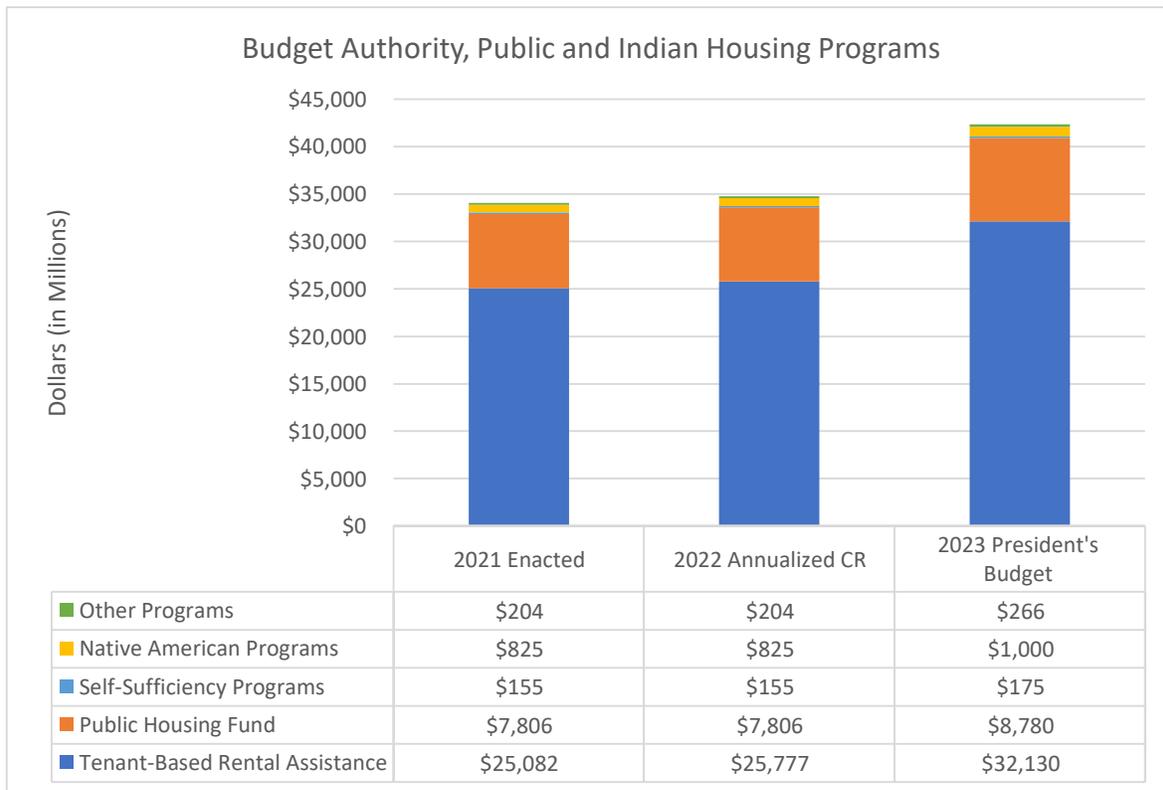
⁴Excludes \$695 million of emergency funding in TBRA.

⁵Excludes Ginnie Mae x-year budget authority of \$3 million in 2021 and \$3 million in 2022.

Office of Public and Indian Housing

The Office of Public and Indian Housing (PIH) oversees and monitors a range of programs that ensure stable housing is accessible to our most vulnerable and disadvantaged households. These programs provide rental assistance to low-income families, fund grants that improve public housing while reducing carbon emissions and health hazards, provide grants and loan guarantees that support affordable rental and owner-occupied housing for Native American and Native Hawaiian families, and increase employment opportunities and participants' earned income so that families are able to reduce or eliminate their need for assistance.

The 2023 President's Budget requests \$42.4 billion for PIH, which is nearly \$7.6 billion more than the annualized CR level for 2022.⁶



Providing \$40.9 billion to help Americans pay rent, expanding housing and services to more households and modernizing HUD-funded housing.

The Budget requests \$40.9 billion for rental assistance programs managed by the Office of Public and Indian Housing, including Tenant-Based Rental Assistance and the Public Housing Fund.

⁶ In the "Budget Authority, Public and Indian Housing" chart, "Other Programs" includes Choice Neighborhoods, the Indian Housing Loan Guarantee Fund (Sec. 184), Native Hawaiian Housing Loan Guarantee Fund (Sec. 184A), and Native Hawaiian Housing Block Grants programs.

TENANT-BASED RENTAL ASSISTANCE

Tenant-Based Rental Assistance (TBRA), commonly known as the Housing Choice Voucher (HCV) program, helps around 2.3 million extremely low- to very low-income households to rent housing in the private market. The Budget requests \$32.1 billion for TBRA, which is approximately \$6.4 billion more than the 2022 annualized CR level. The HCV program seeks to: provide greater access to housing choice and better housing opportunities for very low- and extremely low-income families; reduce the number of homeless individuals, families, and veterans; and reverse the effects of residential segregation in the pursuit of racial equity. The 2023 Budget proposes approximately \$1.6 billion for a 200,000-voucher expansion of the HCV program, the largest one-year increase in vouchers since the program was authorized. This expansion will support underserved communities and equitable community development by providing greater access to affordable housing for very low-income families. The new incremental vouchers will prioritize individuals and families that are experiencing or at-risk of homelessness and individuals and families fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking.

About 2,100 State and local Public Housing Agencies (PHAs) administer the HCV program, and it is the largest income-targeted rental assistance program. HUD's *Worst Case Housing Needs: 2021 Report to Congress* reveals that among very low-income renter households that lacked assistance, 7.77 million had worst case housing needs resulting from severe rent burdens (paying more than one-half of their monthly income for rent) or living in severely inadequate housing units.⁷ Without rental assistance, these households would be at immediate risk of homelessness or would be forced to choose between decent housing and other life necessities, such as food, clothing, and medicine.

HCV rental assistance is primarily tenant-based assistance, which means HUD ties the assistance to an individual household rather than a unit or property. If the family moves, it can use its rental assistance at another property that participates in or is willing to begin participating in the program.

In October 2016, HUD published the results of the Family Options Study.⁸ Launched in 2008, the study's goal was to determine which housing and service interventions work best for families with children experiencing homelessness. The study determined that the HCV program was the most effective intervention of the approaches tested. HCV intervention reduced most forms of residential instability by more than one half, reduced food insecurity, and improved multiple measures of adult and child well-being.

PUBLIC HOUSING FUND

The Budget requests \$8.8 billion for the Public Housing Fund, which is \$974 million more than the 2022 annualized CR level. In prior years, the Congress enacted funds separately to the Public Housing Operating Fund and Public Housing Capital Fund. However, in the 2021 Appropriations Act, the Congress consolidated the activities of the two funds into the Public Housing Fund.

The Public Housing Fund supports the Public Housing program by providing Federal grants necessary for PHAs to operate, maintain and make capital improvements to approximately 935,000 affordable public housing units in 2023, serving nearly 1.7 million residents. Investing in public housing addresses racial inequities as over two-thirds of public housing residents are

⁷ HUD's Worst Case Housing Needs Report, 2021 Report to Congress (<https://www.huduser.gov/portal/sites/default/files/pdf/worst-case-housing-needs-2021.pdf>)

⁸ Family Options Study: Short-term Impacts of Housing Services Interventions for Homeless Families (https://www.huduser.gov/portal/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf)

people of color. In addition to decreasing the financial burden on tenants, through investments in energy conservation and climate resilience measures – both through regular modernization activities and through energy incentives, like energy performance contracts and rate reduction incentives – the program supports the goal of reducing the Nation’s reliance on fossil fuels and serves to reduce HUD’s carbon footprint.

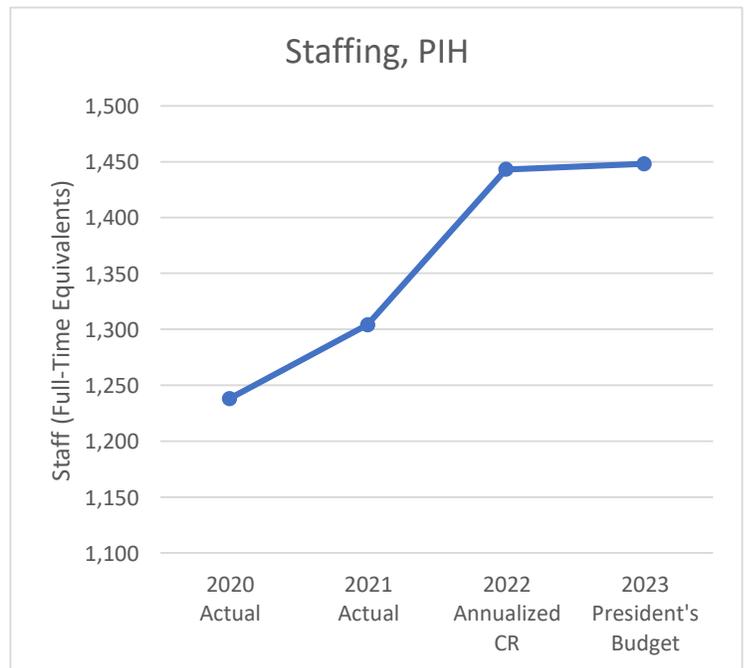
NATIVE AMERICAN PROGRAMS

The Office of Native American Programs (ONAP) provides grants, loan guarantees, and technical assistance to Native Americans throughout the country to help address their housing and community development needs. The 2023 Budget requests \$1 billion for Native American Programs, which is \$175 million more than the 2022 annualized CR level. The Indian Housing Block Grant program (IHBG)—which is the single largest source of Indian housing assistance—funds affordable housing activities. The Budget requests \$772 million for IHBG, which is \$125 million more than the 2022 annualized CR level. In addition, the Budget includes \$150 million for competitive grants to be administered through IHBG, with a priority to award grants to projects that seek to increase energy efficiency, improve water conservation, and further climate resilience improvements to be sustained over a longer period. The Budget requests \$5.5 million of credit subsidy for the Indian Housing Loan Guarantee Fund (also known as Section 184) program, which is \$3.5 million more than the 2022 annualized CR level. This program encourages private lending by guaranteeing home mortgage loans, which supports Native American families endeavoring to become homeowners.

Other Highlights

- **Mobility-Related Services:** HUD requests \$445 million under TBRA to enable PHAs to provide approximately 148,000 families with children with evidence-based Mobility-Related Services, expanding families’ housing choices and improving their access to communities with high-performing schools, better jobs, and higher-quality housing options.
- **Rental Assistance Demonstration (RAD):** A program of the Office of Housing, RAD is HUD’s primary mechanism for leveraging private sector funds to fund needed repairs. The 2023 President’s Budget requests \$110 million – \$50 million in TBRA and \$60 million in PBRA – for conversions that promote the energy efficiency or climate resilience of properties. The RAD program allows public housing properties to shift to the Section 8 Project-Based Voucher (PBV) or PBRA platform. These project-based Section 8 programs can leverage private financing for modernization, generally resulting in higher quality housing for the assisted families. This will support the green modernization of public housing properties that are unable to fund such improvements using only resources currently provided through Public Housing appropriations.
- **Climate Resilience and Energy Efficiency in Public Housing:** Within the Public Housing Fund, HUD proposes \$300 million to fund cost-effective, energy efficient, green, and healthy retrofits of HUD-supported affordable housing. This includes \$276 million for competitive grants to fund utility conservation and climate resilience measures in public housing, with an estimated allocation of \$176 million for energy efficiency and \$100 million for climate resilience. It also includes \$24 million for Public Housing Fund Utility Benchmarking.

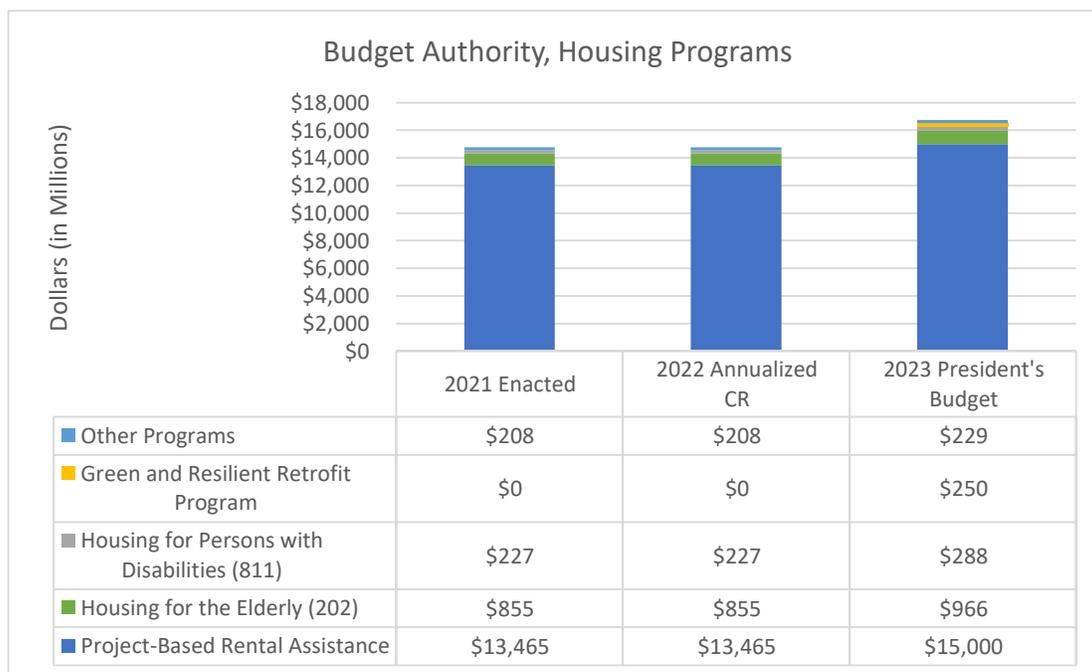
- Health Hazards in Public Housing:** Within the Public Housing Fund, \$25 million is designated for grants to remove lead-based paint hazards from public housing and \$60 million to help PHAs identify and eliminate other housing-related health and safety hazards, such as fire, mold, carbon monoxide, pest infestation, radon, and other housing hazards.
- Self-Sufficiency Programs:** The Budget proposes \$175 million for Self-Sufficiency Programs. This includes three programs: Family Self-Sufficiency (FSS), Jobs Plus Initiative (JPI), and the Resident Opportunity and Self-Sufficiency (ROSS). The Budget proposes \$120 million for FSS, which will fund approximately 1,500 coordinators to support the FSS program aim of increasing participants' earned income and reducing or eliminating their need for assistance. The Budget proposes \$20 million to fund up to 10 grants for JPI, which is a program that increases employment opportunities and earnings of public housing residents through a three-pronged approach of employment services, rent-based work incentives, and community support for work. The Budget proposes \$35 million to fund existing ROSS service coordinators who provide vital services to over 65,000 public and Indian housing residents. ROSS assists not just families, but also elderly and disabled residents. In addition to funding PHAs, ROSS has the unique ability to provide grant funding to Tribes, non-profits, and Residents Associations.
- Salaries & Expenses:** The Budget requests \$285.9 million for PIH S&E. The Budget supports 1,448 FTEs.



Office of Housing

The Office of Housing provides essential support to the Nation’s housing economy, homeowners, renters, and communities. Its major programs: insure mortgages for single-family homes, multifamily properties, and healthcare facilities; provide rental assistance to low- and very low-income households, including the elderly and persons with disabilities; and regulate the design and construction of manufactured homes across the country. Because of this work, the Office of Housing is in a unique position to help address housing instability.

The 2023 President's Budget requests \$16.7 billion for the Office of Housing, which is \$2 billion more than the annualized CR level for 2022.⁹



Providing \$16.3 billion to help America’s most vulnerable obtain decent, safe, and affordable housing.

The Budget requests \$16.3 billion for rental assistance programs managed by the Office of Housing, including Project-Based Rental Assistance, Housing for the Elderly (Section 202), and Housing for Persons with Disabilities (Section 811). This funding level provides over 1.2 million low-income households and vulnerable populations with rental assistance, as well as funding the construction of 2,000 additional Section 202 and Section 811 units, giving some of the Nation’s most vulnerable populations access to safe and affordable rental homes.

PROJECT-BASED RENTAL ASSISTANCE (PBRA)

The Budget requests \$15 billion for PBRA, which is \$1.5 billion more than the annualized CR level for 2022. The PBRA program provides over 1.2 million low-income and very low-income families with decent, safe, and affordable housing. Without this assistance, many currently

⁹ In the "Budget Authority, Housing Programs" chart, "Other Programs" includes the following programs: MMI Contract Expenses, the Home Equity Accelerator Loan pilot program, Manufactured Housing (including Manufactured Housing Fee Collections), and Housing Counseling Assistance.

affordable properties would either convert to market rates or would be unable to generate enough rental income to be maintained in good condition. PBRA supports safe and affordable rental homes for some of the Nation's most vulnerable populations. Approximately 51 percent of assisted households in the PBRA program are headed by elderly persons, 16 percent by non-elderly persons with disabilities, and 23 percent by females with children.

HOUSING FOR THE ELDERLY (SECTION 202)

The Budget requests \$966 million for the Section 202 Housing for the Elderly program, which is \$111 million more than the annualized CR level for 2022. The Section 202 program supports nonprofit entities in building and operating affordable housing for approximately 123,000 households headed by very low-income elderly tenants. Housing through Section 202 provides seniors with options that allow them to live independently and in an environment that provides connection to supportive services such as cleaning, cooking, and transportation. The Budget includes \$100 million for Capital Advances to increase the supply of affordable housing for seniors by approximately 1,100 units.

HOUSING FOR PERSONS WITH DISABILITIES (SECTION 811)

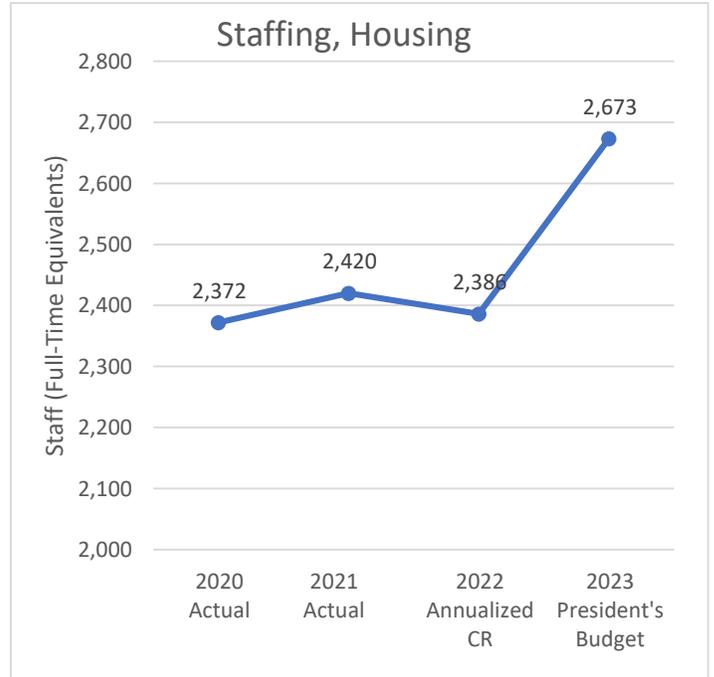
The Budget requests \$287.7 million, which is \$60.7 million more than the annualized CR level for 2022. The Section 811 Housing for Persons with Disabilities program provides project-based rental assistance to very low- and extremely low-income persons with disabilities to live independently in integrated housing settings with community-based support and services. Funding will provide renewal rental assistance for approximately 33,000 existing units. Funding will also expand the supply of affordable housing for this population by approximately 900 units through \$80 million in Capital Advances and Project Rental Assistance to State Housing Finance Agencies (HFAs).

Other Highlights

- **Climate Resilience and Energy Efficiency:** The Budget requests \$250 million for the new Green and Resilient Retrofit Program. This funding enables owners of multifamily HUD-assisted properties to rehabilitate approximately 5,000 to 10,000 housing units to be more energy- and water-efficient, healthier, and more resilient to extreme weather events. This investment will improve the existing affordable housing available to many low- and extremely low-income families, often from marginalized communities.
- **Housing Counseling Assistance:** The Budget requests \$65.9 million for Housing Counseling Assistance. Funding at this level will allow the HUD-approved network of 1,600 housing counseling agencies to serve over 1 million consumers annually across the Nation. Many of these clients are traditionally from marginalized, rural, underserved, and tribal communities that have been most negatively impacted by COVID-19. Funding at this level includes \$3.5 million that will be used to continue increasing the participation of Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) in HUD's Housing Counseling program.
- **Federal Housing Administration (FHA):** The Budget requests \$400 billion in loan guarantee commitment authority to provide mortgage insurance for single-family loans under the Mutual Mortgage Insurance (MMI) Fund. It also requests \$35 billion in loan guarantee commitment authority under the General and Special Risk Insurance (GI/SRI) Fund to insure mortgages for multifamily housing, residential healthcare facilities and acute care hospitals, and Title I properties. In addition, it requests \$15 million of credit

subsidy for the new Home Equity Accelerator Loan (HEAL) Pilot program. The HEAL program will offer new loan products to increase access to homeownership and facilitate faster accumulation of home equity for first-generation and/or low-wealth first-time homebuyers.

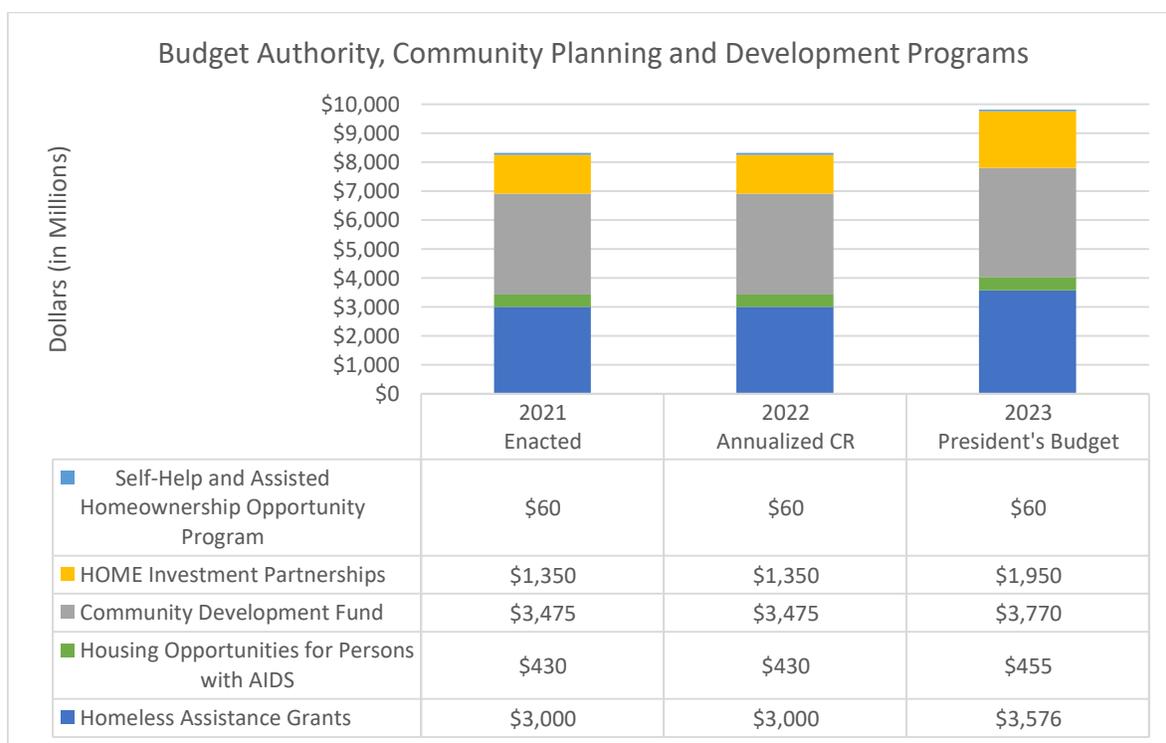
- **Salaries & Expenses:** The Budget requests \$488.5 million for Office of Housing S&E. The Budget supports 2,673 FTEs, including FHA personnel. This funding will provide essential resources for staff to effectively manage subsidized and insured properties and protect the housing safety net for millions of families nationwide, including a team to support troubled property resolution.



Office of Community Planning and Development

The Office of Community Planning and Development (CPD) promotes viable communities by developing partnerships with State and local governments and the private sector, including for-profit and non-profit organizations. CPD seeks to encourage empowerment of local residents by helping to give them a voice in the future of their neighborhoods, stimulating the creation of community-based organizations, and enhancing the management skills of existing organizations so they can achieve greater production capacity. Housing and community development are not viewed as separate programs, but rather as among the myriad elements that make up a comprehensive vision of community development. These groups are at the heart of a bottom-up housing and community development strategy.

The 2023 President's Budget requests \$9.8 billion for CPD, which is \$1.5 billion more than the annualized CR level for 2022.



Providing \$9.8 billion to create greater access for individuals and families to safe and decent housing, necessary services, and economic opportunity within communities.

HOMELESS ASSISTANCE GRANTS

The Budget requests \$3.6 billion for Homeless Assistance Grants (HAG), which is \$576 million more than the annualized CR level in 2022. HAG funds are key to addressing homelessness nationwide, which declined by 9 percent between 2010 and 2020.¹⁰ HAG funds allow HUD to serve vulnerable individuals and families who are homeless or at risk of homelessness through evidence-based housing and services interventions, including rapid re-housing, transitional housing, and permanent supportive housing.

¹⁰ Department of Housing and Urban Development. The 2020 Annual Homeless Assessment Report to Congress, Part 1.

HAG funds have been a critical resource to addressing the threat of COVID-19 to people experiencing homelessness. These efforts have demonstrated the importance of coordinating with key partners, especially in the mainstream housing and healthcare sectors. These partnerships will be more important than ever to address rising number of people experiencing unsheltered homelessness. Through HAG funding, HUD is implementing best practices to guide people from homelessness to stability and dignity.

The Budget includes:

- \$3.145 billion to renew grants under the Continuum of Care (CoC) Program, which will allow HUD to continue to serve over 750,000 people experiencing homelessness each year; including \$20 million for CoC planning to provide CoCs additional support in coordinating with homeless response system partners;
- \$134 million for new Continuum of Care Program grants that will allow communities to leverage mainstream housing and healthcare resources to reduce homelessness;
 - Not less than \$82 million for new Youth Homelessness Demonstration Program grants, which will support additional communities to develop a comprehensive and collaborative approach to address youth homelessness;
 - At least \$52 million for grants that provide critical housing and services to survivors of domestic violence, dating violence, sexual assault, or stalking.
- \$290 million for the Emergency Solutions Grants Program, which supports homelessness prevention, emergency shelters, and other services; and
- \$7 million for data analysis and Homeless Management Information System (HMIS) Technical Assistance through the National Homeless Data Analysis Project.

COMMUNITY DEVELOPMENT FUND

The Budget requests \$3.8 billion for the Community Development Fund, which is \$295 million more than the 2022 annualized CR level. The Community Development Block Grant (CDBG) Entitlement and Non-Entitlement Programs account for \$3.5 billion requested, with an increase of \$195 million targeted to spur revitalization in 100 of the most historically underserved neighborhoods in the United States.

CDBG funding is often used in association with other HUD grants for projects that further the Administration's policy priorities. In 2021 alone, the CDBG program: served 53,000 families through providing direct homeownership assistance and funding for the rehabilitation of homes; provided benefits to nearly 10,000 people through improvements to homeless facilities; and helped more than 20,000 individuals find permanent employment or keep the full-time jobs they were at risk of losing. Funding also assisted more than 1.4 million people, providing operating costs of homeless and HIV/AIDS patients programs, senior services, food banks, services for the disabled, and general health or mental health services.

The proposed \$195 million in targeted resources will advance the Administration's priority to support underserved communities and incentivize grantees to identify and address regulatory, structural, and capacity barriers to revitalize targeted neighborhoods. This will provide additional funds via formula to up to 100 grantees that opt-in and agree to use the funds for more geographically targeted, potentially transformational activities that address Administration priorities of promoting equity and economic mobility. Furthermore, the increase will help

underserved communities create new models for revitalization, which can inform community development efforts across the CDBG grantee's jurisdiction.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME PROGRAM)

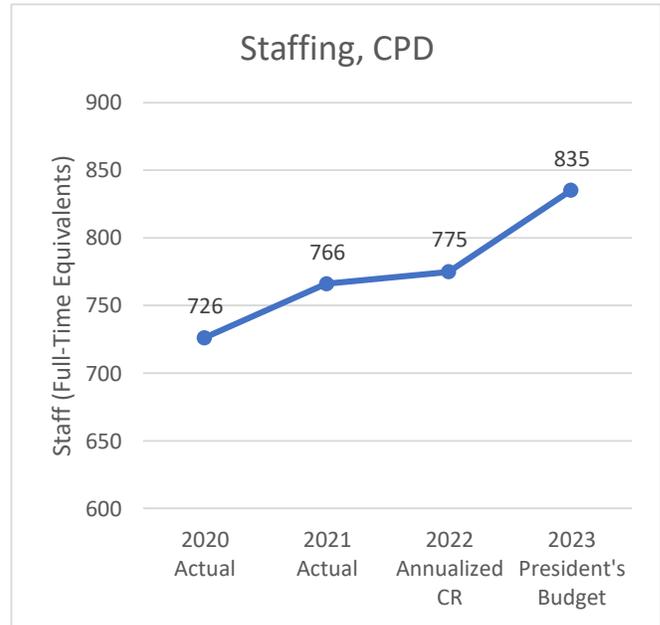
The 2023 President's Budget requests \$1.95 billion for the HOME Investment Partnerships Program (HOME), which is \$600 million more than the 2022 annualized CR level. HOME is the primary Federal tool of States and local governments for the production of affordable rental and owner-occupied housing for low-income to extremely low-income families, including mixed-income housing and housing for homeless and persons with HIV/AIDS. HOME funds at the requested funding level will over time: result in 17,909 units of affordable housing for new homebuyers; provide 15,169 units of newly constructed and rehabilitated affordable rental units; allow 8,547 units of owner-occupied rehabilitated housing for low-income homeowners; and provide 15,244 low-income households assisted with HOME tenant-based rental assistance. In addition, the 2023 Budget of \$1.95 billion for HOME would preserve or create approximately 34,847 jobs.

The HOME Investment Partnerships Program Budget includes a \$100 million set-aside for the FirstHOME Downpayment Assistance initiative. It aims to support sustainable homeownership among first-generation and/or low-wealth first-time homebuyers while piloting programmatic flexibilities and innovations in subsidy delivery. The funding, which would go to States and insular areas, would help households with one of the most significant obstacles to homeownership – the required downpayment. The home equity established at time of purchase reduces the likelihood of default and foreclosure, creating stability for both the household and the community.

Other Highlights

- **Housing Opportunities for Persons with AIDS (HOPWA):** The Budget requests \$455 million for HOPWA, which is \$25 million more than the 2022 annualized CR level. HOPWA provides stable and permanent housing assistance and supportive services to low-income persons living with HIV/AIDS, who may face barriers to stable housing. With this level of funding, HUD estimates that communities will be able to provide access to affordable housing for approximately 45,640 economically vulnerable households living with HIV infection. In addition to affordable housing, an estimated 62,430 households will receive supportive services and 236,531 households will receive housing information services to ensure housing stability.
- **Self-Help and Assisted Homeownership Opportunity Program (SHOP):** The Budget requests \$60 million for the Self-Help and Assisted Homeownership Opportunity Program (SHOP). Included in this amount:
 - The Section 4 Capacity Building for Community Development and Affordable Housing Program and the Rural Capacity Building Program provide grants for enhancing the capacity of local organizations to provide affordable housing and community development activities that benefit low- and moderate-income families and persons.
 - SHOP also awards grant funds to eligible non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed for sweat equity and volunteer-based homeownership programs for low-income individuals and families.

- The Veterans Housing Rehabilitation and Modification Pilot Program provides grants to nonprofit organizations that may be used to modify or rehabilitate eligible veterans' primary residences or to provide grantees' affiliates with training support in connection with those services.
- **Salaries & Expenses:** The Budget requests \$154.1 million for CPD S&E. The Budget supports 835 FTEs. The increase will allow CPD to better manage its core workload relating to grant administration, homeless assistance, disaster management, and recovery.

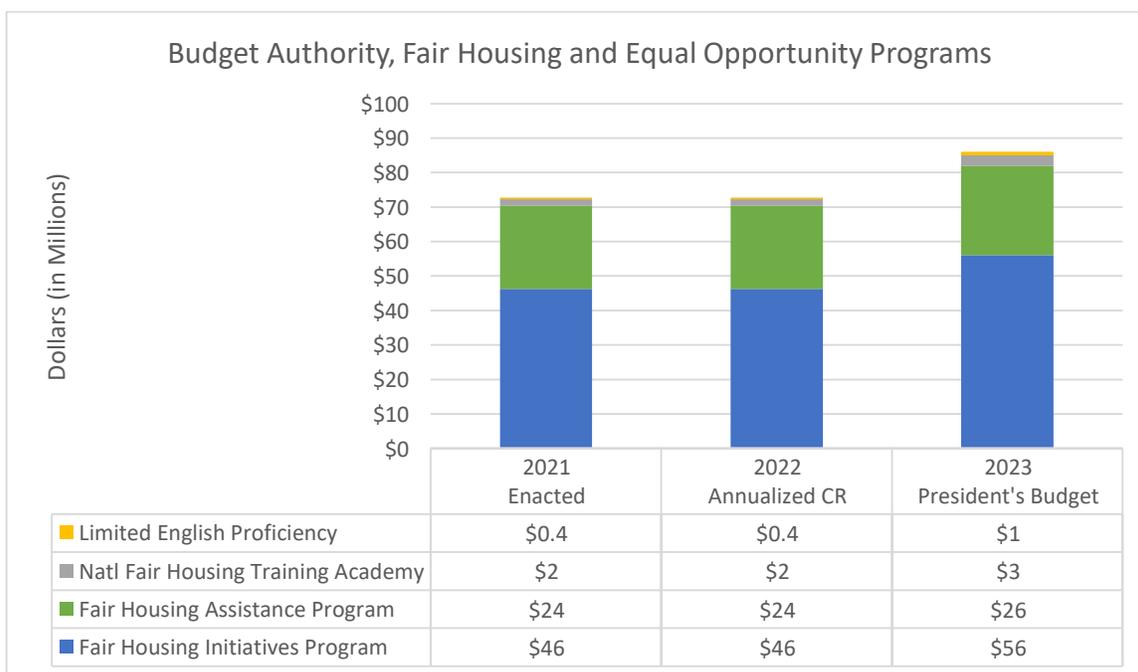


Office of Fair Housing and Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) fights housing discrimination, promotes economic opportunity, and strives to achieve diverse, inclusive communities that are free from discrimination. It leads the Nation in the enforcement, administration, development, and public understanding of Federal fair housing and civil rights laws and policies. These laws protect people from discrimination based on race, color, religion, sex (including sexual orientation and gender identity), national origin, age, disability, and familial status, and provide remedies for victims of discrimination. In addition, FHEO ensures HUD's federally conducted programs and grantees comply with Federal fair housing and civil rights laws and requirements. FHEO responsibilities include:

- Investigating fair housing, fair lending, and civil rights complaints from the public;
- Ensuring civil rights compliance in HUD's federally conducted and assisted programs;
- Administering a program that provides funding, support, and oversight to State and local agencies enforcing substantially equivalent fair housing laws;
- Increasing public awareness of housing and community development-related civil rights and responsibilities;
- Awarding and monitoring competitive grants to fair housing organizations; and
- Advancing environmental justice and enhancing economic opportunity for low-income populations.

The 2023 President's Budget requests \$86 million for fair housing programs, which is \$13.4 million more than the annualized CR for 2022.



Providing \$86 million to advance housing equity and fight housing discrimination.

FAIR HOUSING INITIATIVES PROGRAM (FHIP)

The Budget requests \$56 million for FHIP, an increase of \$9.6 million from the 2022 annualized CR level, which will provide support for fair housing enforcement and education and outreach

activities conducted by approximately 128 private fair housing organizations. FHIP provides funding to eligible organizations under three initiatives: the Private Enforcement Initiative, the Fair Housing Organization Initiative, and the Education and Outreach Initiative. Additionally, FHIP funds are awarded for the Fair Housing Accessibility FIRST program that addresses accessible fair housing design and construction matters.

FAIR HOUSING ASSISTANCE PROGRAM (FHAP)

The Budget requests \$26 million for FHAP, \$1.6 million more than the 2022 annualized CR level, which provides funds for State and local civil rights enforcement agencies that administer fair housing laws. These laws provide rights, remedies, and procedures that are substantially equivalent to those in the Fair Housing Act. This funding will maintain HUD’s commitment to this coordinated intergovernmental partnership to protect the fair housing rights of individuals and families.

NATIONAL FAIR HOUSING TRAINING ACADEMY (NFHTA)

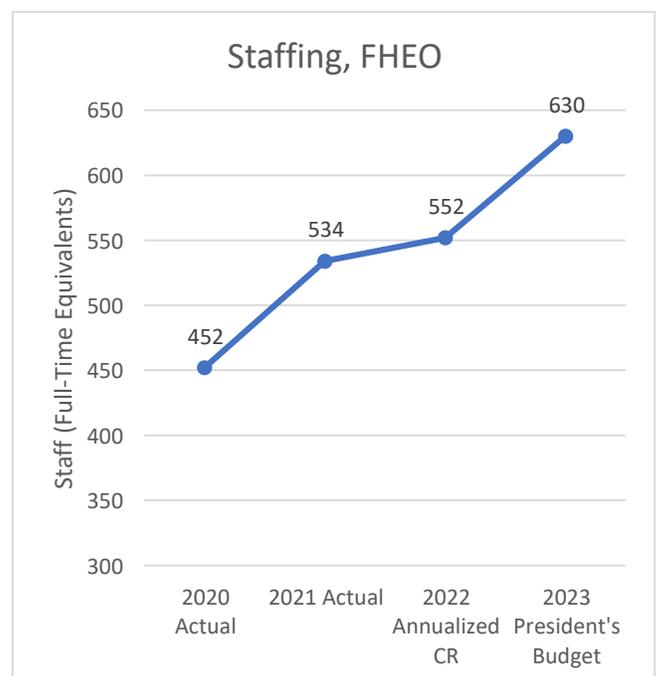
The Budget requests \$3 million for NFHTA, which is \$1.5 million more than the 2022 annualized CR level. This will allow NFHTA to expand beyond its current foundational courses and offerings to offer intermediate and advanced trainings on emerging issues of national importance. Increased investment in NFHTA means increased investment in fair housing practitioners’ knowledge, skills, and capacity to ensure equal access and fair housing opportunities for all.

LIMITED ENGLISH PROFICIENCY INITIATIVE (LEPI)

The Budget requests \$1 million for LEPI, an increase of \$650 thousand over the 2022 annualized CR level. This will allow LEPI to expand language assistance services, provide targeted customer-centric outreach materials in multiple languages, and expand community-focused outreach efforts. This funding furthers HUD’s commitment to maintain accessibility of HUD housing, services, programs, and activities to LEP individuals.

Other Highlights

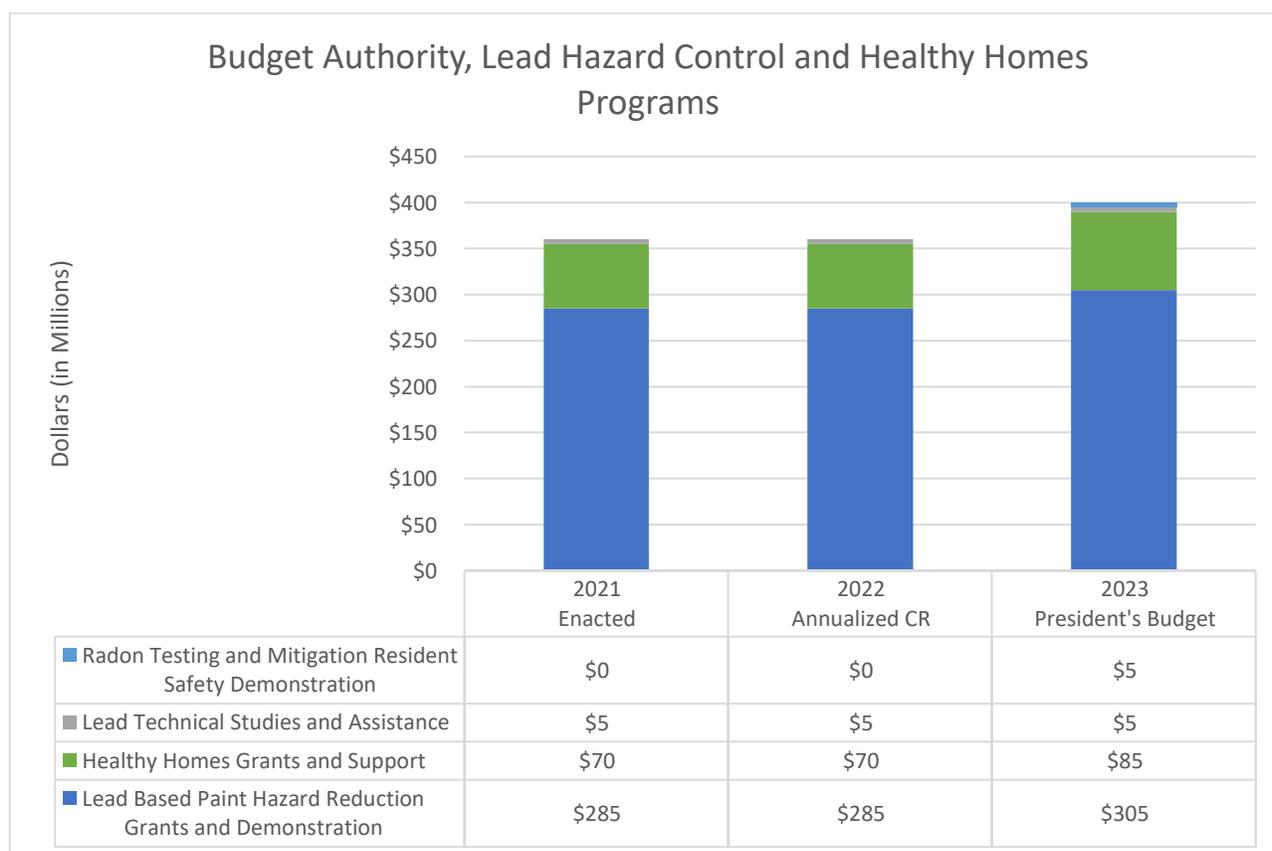
- **Salaries & Expenses:** The Budget requests \$105.8 million for FHEO S&E. The Budget supports 630 FTEs.



Office of Lead Hazard Control and Healthy Homes

The Office of Lead Hazard Control and Healthy Homes (OLHCHH) provides funds to State and local governments and nonprofit organizations to develop and implement cost-effective ways to reduce lead-based paint and other housing-related health and safety hazards in homes of low-income families. In addition, OLHCHH enforces HUD’s lead-based paint regulations, provides public outreach and technical assistance on issues regarding housing and health, and conducts technical studies to develop and evaluate cost-effective methods to protect children and their families from health and safety hazards in the home.

The 2023 President's Budget requests \$400 million for OLHCHH, which is \$40 million more than the annualized CR level in 2022.



Removing dangerous hazards from homes with \$485 million in grants and technical development.¹¹

Every family deserves a safe and healthy home. The Budget will reduce lead-based paint hazards, carbon monoxide exposure risks, and radon levels, and promote climate resilience and environmental justice, resulting in safer and healthier homes.

¹¹ The Budget includes \$400 million within the Lead Hazard Control account. An additional \$25 million related to lead-based paint, and \$60 million related to housing-related health and safety hazards is also requested in PIH's budget for public housing, producing a total of \$485 million within HUD's budget proposal.

LEAD HAZARD REDUCTION GRANTS AND TECHNICAL DEVELOPMENT

Lead-based paint in housing presents one of the largest threats to the health, safety, and future productivity of America's children, with over 29 million homes (44 percent of the homes built before 1978, when its new use was banned) having significant lead-based paint hazards.¹²

The Budget requests \$305 million in funding for the OLHCHH's two main programs, Lead-Based Paint Hazard Control and Lead Hazard Reduction Demonstration grant programs, which is \$20 million more than the annualized CR level for 2022. The programs share the same goal to make privately owned low-income unassisted older housing lead safe. The Lead Hazard Reduction Demonstration grant program (begun in 2003) focuses on cities, counties, parishes, and other units of local government with the most pre-1940 rental housing and highest rates of childhood lead poisoning cases. In contrast, the original Lead Hazard Control grant program (begun in 1993) is open to a broader range of States, Native American Tribes, and communities. Funding is projected to make the housing units enrolled in these programs lead-safe at an average of \$12,000 per unit. In rigorous evaluations, HUD has determined that these programs reduce children's blood lead levels and that the hazard controls are effective in the long term.^{13,14}

For the Lead Technical Studies and Support program, the Budget requests \$5 million to develop detection, evaluation, and control technologies regarding lead and other residential hazards, and provide the basis for the building, housing, scientific, and public health communities to address the hazards more efficiently and broadly. The technical studies and assistance activities are conducted through grants, cooperative agreements, and contracts, and include technical support and training, grant management and evaluation tools, and interagency collaboration projects.

HEALTHY HOMES GRANTS AND SUPPORT

The Budget requests \$85 million for Healthy Homes Grants and Support, which is \$15 million more than the annualized CR level for 2022. This includes \$28 million for Healthy Homes Supplements to the Lead Hazard Control and Lead Hazard Reduction Demonstration grant programs to mitigate multiple health hazards that contribute to asthma, cancer, and unintentional injuries in 9,300 homes. This also includes \$37 million in grants and contracts for the Healthy Homes Production Grant Program to identify and correct housing-related health and safety hazards besides lead-based paint in another 7,000 homes.

The remaining \$20 million of the Healthy Homes funding includes:

- \$10 million in Aging in Place Modification grants to make safety and functional repairs and renovations of the homes of low-income elderly homeowners to help them remain in their primary residence;
- \$5 million in grants to demonstrate whether the coordination of Healthy Homes remediation and weatherization activities achieves cost savings and better outcomes; and

¹² As determined by OLHCHH's American Healthy Homes Survey II (2021).

¹³ Clark S, et al. Effects of HUD-supported lead hazard control interventions in housing on children's blood lead. *Env. Research.* 111(2):301–311 (2011).

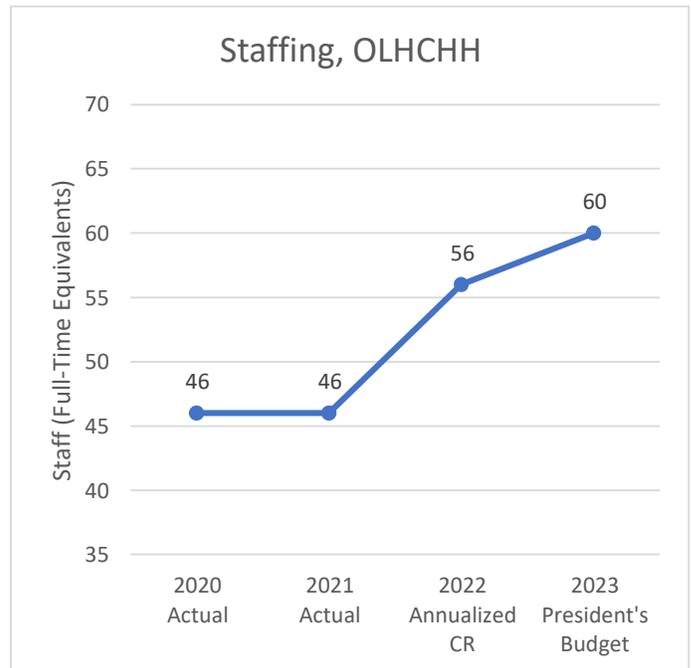
¹⁴ Dixon SL, et al. Window replacement and residential lead paint hazard control 12 years later. *Env. Research.* 113(1):14-20 (2012).

- \$5 million in grants and contracts to develop detection, evaluation, and control technologies regarding housing-related health and safety hazards other than lead-based paint hazards.

The Budget also funds \$5 million in grants for radon testing and mitigation in public housing. The continuation of this resident safety demonstration would allow more public housing agencies to mitigate elevated radon levels and provide HUD with additional implementation information for consideration of subsequent steps in addressing radon in public housing.

Other Highlights

- **Salaries & Expenses:** The Budget requests \$11.3 million for OLHCHH S&E. In combination with carryover of 2022 funding, the Budget supports 60 FTEs.



Government National Mortgage Association

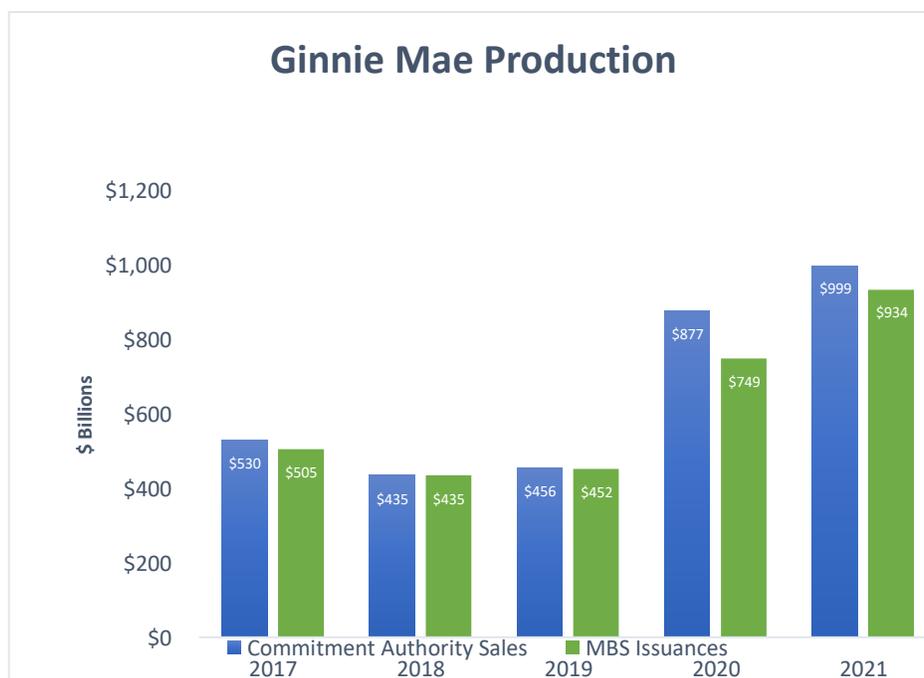
The mission of the Government National Mortgage Association (GNMA or Ginnie Mae) is to link the United States housing market to the global capital markets, thus providing low-cost financing for Federal housing programs.

Chartered as a government corporation within HUD, Ginnie Mae is the only Federal Agency tasked with the administration and oversight of an explicit full faith and credit guarantee on mortgage-backed securities (MBS). The Ginnie Mae guaranty of timely payment of principal and interest to MBS investors enables mortgage lenders to obtain favorable prices for their mortgage loans in the secondary mortgage market. Lenders can then use the proceeds to make new mortgage loans to first-time homebuyers, veterans, rural homeowners, low- to moderate-income borrowers, and others who are served under the Federal mortgage programs administered by HUD, the Department of Veterans Affairs, and the Department of Agriculture.

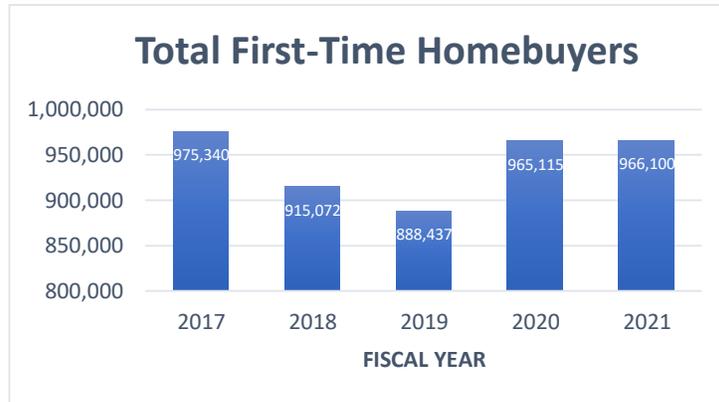
The 2023 President's Budget requests \$900 billion in commitment authority for Ginnie Mae, which is \$400 billion lower than the 2022 annualized CR level.

MEETING INCREASED DEMAND AND RESPONDING TO THE COVID-19 PANDEMIC

Over the last several years, Ginnie Mae has seen steady demand for its MBS issuances. Driven largely by the decline in interest rates (which allowed more first-time homebuyers to enter the market) and the resulting increase in refinance activity, Ginnie Mae experienced record growth in 2021 with more than \$934 billion in MBS issuances (nearly 25 percent more than the previous highpoint of \$749 billion set in 2020). The Budget projects a lower but historically elevated MBS issuance level of \$615 billion in 2023.



Largely as a result of the record-low interest rates brought on by the COVID-19 pandemic, Ginnie Mae and its insuring and guaranteeing partners financed homeownership for more than 966,100 first-time homebuyers.



2023 INITIATIVES

The 2022-2026 HUD Strategic Plan contains an ambitious agenda for Ginnie Mae to drive change in support of Administration priorities. Below are the main areas of focus:

Digital Collateral and other digitalization of the MBS program: In 2021 Ginnie Mae oversaw the securitization of over \$2 billion of loans having digital notes, under its digital collateral pilot program. Ginnie Mae is committed to expanding the program to more participants and loans, toward the long-term goal of mainstreaming digital loan instruments. Ginnie Mae will also advance other initiatives for digitalization of the MBS program, such as transitioning the infrastructure so that key functions operate at the loan level, rather than the pool level.

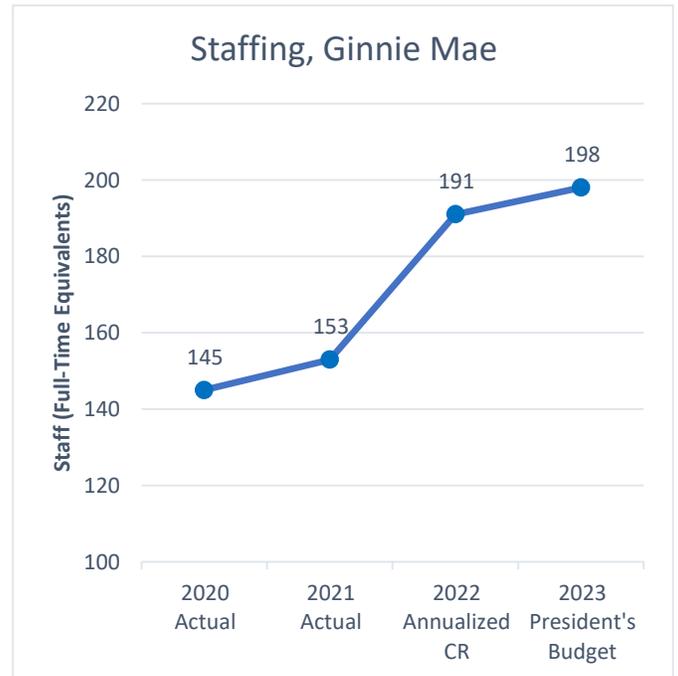
Enhancing security value through improved Environmental, Social, and Governance disclosure: Ginnie Mae will build on well-received initial steps in 2021 to provide additional disclosure of Environmental, Social and Governance information to security investors and analysts. This aims to meet a desire for government-provided data that allows these criteria to be incorporated into investment decisions.

Reaching underserved communities: Ginnie Mae is creating or expanding existing programs and products that allow government-supported lending programs to benefit market segments that have previously not had adequate access – particularly in ways that can address housing supply obstacles. Examples of this are:

- Preparing for transition of liquidity support of the multifamily risk-share program utilized by Housing Finance Authorities from the Federal Financing Bank to Ginnie Mae.
- Reforming FHA Title I program standards so that they are utilized by a wider range of institutions and serve more borrowers.
- Expansion of the extended term pool for modifications.

Other Highlights

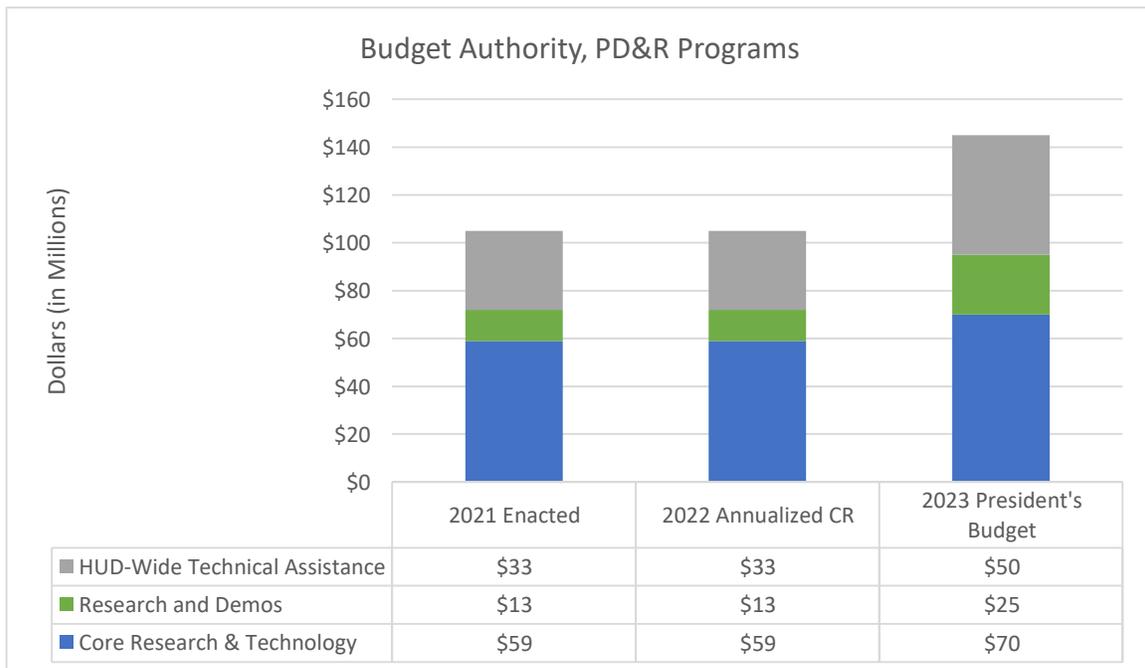
- **Commitment Authority:** The Budget requests commitment authority of \$900 billion (non-cash) to guarantee securities backed by federally insured mortgages.
- **Salaries & Expenses:** The Budget requests \$42.4 million in spending authority from offsetting collections (\$241.0 million) for Ginnie Mae S&E. The Budget supports 198 FTEs.



Office of Policy Development and Research

The Office of Policy Development and Research (PD&R) provides fundamental support for the mission of the Department through policy analysis, research, surveys, and program evaluations. PD&R's work enables the Congress, the Secretary, and other HUD principal staff to make informed decisions on budget and legislative proposals and strengthens housing and community development policy.

The 2023 President's Budget requests \$145 million for Research and Technology (R&T), \$40 million more than the annualized CR level for 2022. These funds will provide objective evidence to support policy and program outcomes in the areas below.



Providing \$145 million towards advancing research and technical assistance to support decision-making for both HUD and its stakeholders.

CORE RESEARCH AND TECHNOLOGY (CORE R&T)

The Budget requests \$70 million for Core R&T, which is \$11 million more than the annualized CR level for 2022. Core R&T comprises three components: Housing Data Infrastructure; Knowledge Management, Dissemination, and Outreach; and Technical Expertise and Innovation.

American Housing Survey (AHS): The Budget requests funding to support HUD's collaboration with the Census Bureau to conduct the AHS. The AHS is the most detailed source of data about the housing stock, housing finance, and characteristics of markets, neighborhoods, and occupants, as well as housing insecurity.

RESEARCH, EVALUATION, AND DEMONSTRATIONS

The Budget requests \$25 million, which is \$11.8 million more than the annualized CR level for 2022. PD&R seeks to prioritize these activities: (1) complete multi-year program demonstrations and evaluations; (2) inform and evaluate existing Departmental initiatives; and (3) advance strategic evidence-building priorities established in the agency learning agenda.

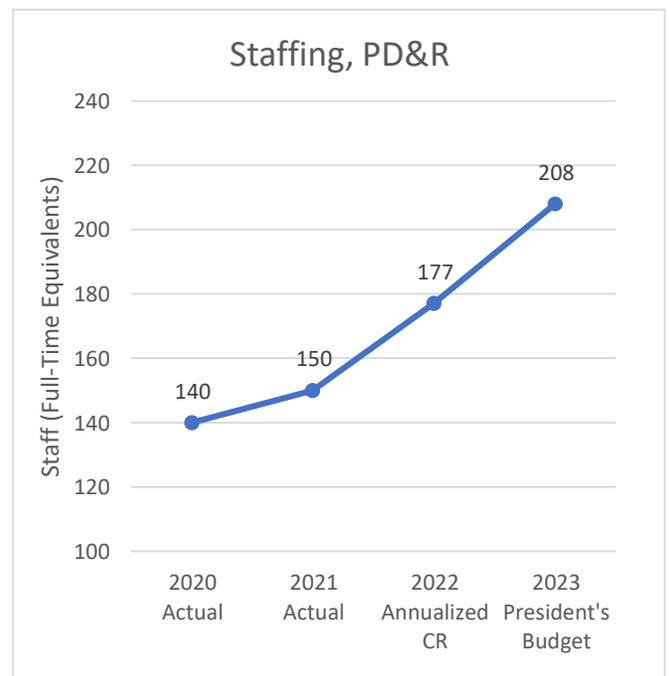
Climate Research: The Budget includes up to \$5 million of dedicated funding for climate-related research, which could include studies of opportunities to mitigate the risks to HUD properties and HUD-assisted households from climate change and natural disasters, evaluations of existing programs supporting recovery from and resilience to environmental threats, and research on energy efficiency and environmental justice.

TECHNICAL ASSISTANCE

The Budget requests \$50 million for technical assistance, which is \$17.2 million more than the annualized CR level for 2022. This funding ensures that HUD's partners receive the guidance, tools, and knowledge needed to implement programs and respond to the challenges of housing and community development practice.

Other Highlights

- **Salaries & Expenses:** The Budget requests \$41.6 million for PD&R S&E. In combination with carryover of 2022 funding, the Budget supports 208 FTEs. The increase from 2022 largely reflects the realignment of the Technical Assistance Division (24 FTEs) from CPD.



Management and Administration

HUD operational infrastructure related to people, processes, and technology remains a top priority of the Department. The 2023 President's Budget proposes strategically investing in staffing and IT modernization to best manage and reduce risks associated with the continued growth of HUD's programs. The Budget requests \$1.8 billion for S&E, \$306 million above the 2022 annualized CR level.^{15,16} In combination with carryover of 2022 funding, the Budget will support 8,326 full-time equivalents (FTEs).^{17,18}



STAFFING AND RISK

HUD experienced a decline in staffing of approximately 20 percent during the period from 2012 through 2019. This decline significantly eroded HUD's ability to monitor compliance on properties, loans, grants, public housing authorities, and other areas of responsibility, as well as greatly limited its ability to address systemic issues inside the Department. Further, this staffing decline has adversely impacted long-term productivity improvements and innovation within HUD's programs.

The Enterprise Risk Management program has provided a line of sight and revealed trending and emerging risks. These risks reveal agency-wide exposures that could prevent the agency from accomplishing its mission, vision, and program outcomes. While new hires have helped bolster declining staffing numbers, attrition, in the form of retirements, separations, and transfers to other Federal agencies, places the Department in an increasingly vulnerable position for

¹⁵ The 2022 President's Budget realigned \$11.8 million from the Information Technology (IT) Fund to support End-user IT Devices and wireless support paid via the Working Capital Fund. Adding this \$11.8 million to the 2022 base results in the net increase of \$189 million year over year. For this calculation, the 2021 and 2022 Budget levels include funding for Ginnie Mae (two-year funding only) but exclude Office of Inspector General.

¹⁶ Including Ginnie Mae; excluding Office of Inspector General.

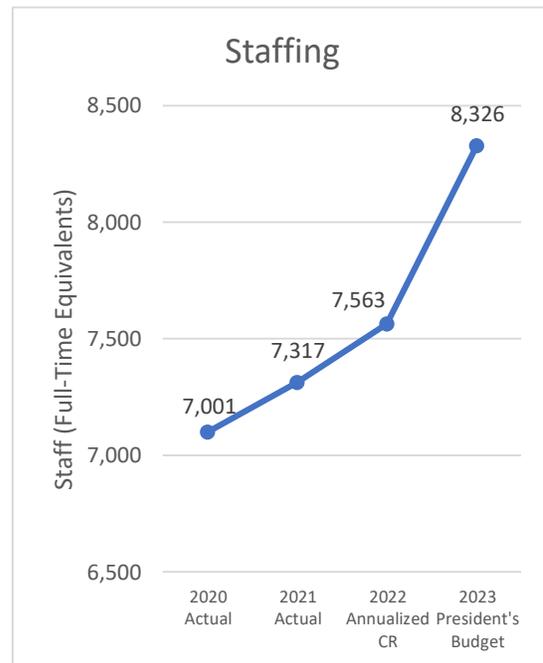
¹⁷ Including Ginnie Mae; excluding Office of Inspector General.

¹⁸ The "Salaries and Expenses" chart only includes enacted/requested budget authority for each year; it does not include carryover. It also includes Ginnie Mae (two-year funding only).

managing programmatic and operational responsibilities and will further compromise readiness for disaster recoveries.

To address these risks and mission degradation, HUD began a focused effort beginning in 2019 to prioritize the Department's S&E budget and reverse the decade-long decline in staffing. As a result of these efforts, HUD ended 2019 with a slightly higher number of employees than at the beginning of the year for the first time since 2011. The Department continued its focus on increasing staffing in 2020 and 2021, resulting in gains of 2.1 and 4.5 percent, respectively. HUD continues to prioritize staffing gains in 2022 and under an annualized CR level projects a 3.4 percent increase over 2021 levels.

In 2023, HUD's requested funding levels will support the gains made in 2020, 2021, and projected for 2022, and provide for a continued steady growth in staffing. These staffing increases will allow the Department to better and more efficiently serve households and communities across the country. Using workforce succession strategies, the Department intends to execute this increase to ensure that additional staffing results in the right people allocated to the right jobs, providing the biggest impact toward achieving HUD's priorities.



INFORMATION TECHNOLOGY FUND

The 2023 President's Budget requests \$382 million for the Information Technology (IT) Fund, which is \$82 million more than the 2022 annualized CR level. This funding level provides \$43 million for new capabilities, which will deliver enterprise and programmatic level improvements. The IT funding level excludes end-user IT devices and wireless support, for which \$11.8 million is requested as a new activity in the Working Capital Fund with funding provided within HUD S&E accounts. The Department also continues its proposal to allow transferring up to \$10 million of S&E funding to the IT Fund.

The Budget continues the modernization of IT systems and supports an expanded cybersecurity program. HUD is implementing recommendations from current-state assessments by using modern technologies to improve public experience, strengthen business processes, and increase operational efficiency. These efforts will accelerate IT modernization and maximize the impact to the public and return on investment to taxpayers.

HUD's Office of the Chief Information Officer (OCIO) is prioritizing new capabilities across the IT portfolio. These capabilities support a broad variety of business priorities and enterprise needs. They represent the most critical IT investments identified across the Department's program and support offices. They are designed to improve delivery of HUD's programs and services, digitize manual processes to improve operational capabilities, and strengthen the stewardship of taxpayer dollars by consolidating obsolete technology and replacing it with newer solutions that support greater integration between systems. The new capabilities allocation also includes resources to expand and strengthen cybersecurity at HUD by continuing implementation of a comprehensive cybersecurity program that addresses critical security deficiencies related to cyber risk management, governance, and data protection.

OCIO's approach to system modernization will identify common areas of functionality required by the HUD enterprise and provide IT solutions aligned to those functions, allowing program offices and lines of business to share solutions. By using an agile approach, HUD will deliver new functionality incrementally, while maximizing flexibility and minimizing risk.

WORKING CAPITAL FUND

The Working Capital Fund (WCF) provides shared services to HUD offices with the goal of increasing transparency into costs and operations, improving service delivery, and encouraging efficiency and economy of operations. In 2023, the WCF proposes to expand its services through three new service lines: 1) Printing Services, 2) HR Platform Licenses, and 3) End-user IT Devices and Wireless Support. By incorporating these services into the WCF, HUD will improve the service quality, transparency, and operational efficiency that is delivered to WCF customers by:

- **Incentivizing Program Offices:** Delivery of these services in a WCF model incentivizes program offices to utilize WCF services efficiently by aligning service costs with service usage.
- **Promoting Consistent IT Modernization and Service Flexibility:** By providing these services through the WCF, HUD will promote regular, routine employee device refreshes that improve efficiency and decrease risk by using up to date technology. Additionally, the Printing Services and HR Platform Licenses Service will provide for more contract scalability to meet the changing needs of each HUD office.
- **Increasing Transparency:** Finally, delivery of these services under the WCF model will drive transparency into the operation and management of all three service lines and into the overall costs to administer these services.

Office of Inspector General

The Office of Inspector General (OIG) for HUD is an independent and objective organization, conducting and supervising audits, evaluations, investigations, and reviews relating to the Department's programs and operations. The OIG promotes economy, efficiency, and effectiveness in these programs and operations while also preventing and detecting fraud, abuse, and mismanagement. The OIG works to ensure that its resources and activities encompass the issues and concerns most critical to the Department.

The 2023 President's Budget requests \$149 million for the OIG, which is \$11.8 million more than the 2022 annualized CR level.

OVERSIGHT PRIORITIES AND ORGANIZATIONAL INITIATIVES

The OIG has continued to implement a robust oversight planning process that identifies the most pressing needs of the Department and immediate program vulnerabilities that could jeopardize HUD's success. Focusing the work of the OIG in these areas enables the OIG to partner with the Department in achieving the Administration's priorities.

To deliver the critical and necessary oversight in the most vital areas of HUD operations, the OIG is undertaking an array of initiatives that will improve organizational effectiveness. These include:

- Proposing to realign the Planning, Performance, Risk Management & Engagement Division (PPRIME) within the Office of Evaluation to create the office of the Chief Strategy Officer (CSO) within the Immediate Office of the Inspector General to assist the IG with developing and executing strategic plans and initiatives, centralize oversight strategy, manage OIG organizational risk, and increase OIG quality assurance.
- Increased utilization of analytics to improve organizational strategy and the identification of emerging threats to the Department. Effectively leveraging this information can save valuable time, resources, and help the organization focus on the most important investigations, audits, evaluations, and reviews.
- The OIG continues to strategically align our oversight to focus on the top management challenges facing the Department including eliminating hazards in HUD-assisted housing, mitigating counter party risk in mortgage programs, access to and availability of affordable housing, grants management, fraud risk management, sustaining progress in financial management, managing human capital, management and oversight of information technology, increasing efficiency of procurement.

CONSULTING SERVICES AND TECHNOLOGY REQUIREMENTS

The OIG is requesting additional funding to support small inflationary increases and investment in specific organizational needs, including:

- Expert consulting and legal services costs of \$500 thousand to educate and advise OIG staff to enhance oversight of HUD's housing finance and mortgage insurance programs. This support will supplement the current legal and program oversight staff in such a way that is more cost effective than hiring full-time government personnel with this experience.
- IT network costs of \$500 thousand associated with achieving Trusted Internet Connect (TIC) compliance. TIC secure networks will improve the OIG's information security posture, ensuring constant network monitoring against external threats and bring the

OIG into compliance with OMB mandates. This project will commence in 2022 and become fully operational in 2023.

HUD CONSOLIDATED FINANCIAL STATEMENT AUDIT

Beginning in 2020, the Congress has required the OIG to outsource the annual financial statement audit. The OIG utilizes two contracts to achieve this, one supporting the Ginnie Mae audit effort, and the other providing for the FHA and the HUD consolidated portion of the financial statement audit. At present, all contractors are performing adequately, and the expectation is that these contracts will continue to remain active and in place for the remainder of their period of performance. The 2023 total cost to support the financial statement audit is \$5.9 million.

Other Highlights

- **Salaries & Expenses:** The 2023 Budget proposes an additional 15 FTEs, for a total of 535 FTEs, which roughly represents the current OIG onboard staff. Increased funding will support inflationary costs associated with the current OIG staffing base, and increased oversight in priority areas and programs.

