

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
ADMINISTRATIVE SUPPORT OFFICES  
OFFICE OF GENERAL COUNSEL**

*(Dollars in Thousands)*

	<b>FY 2017 Actuals</b>	<b>FY 2018 Annualized CR</b>	<b>FY 2019 President's Budget</b>
<b>Personnel Services</b>	<b>\$88,730</b>	<b>\$89,008</b>	<b>\$85,635</b>
<b>Non-Personnel Services</b>			
Travel	1160	1,000	1,000
Transportation of Things	9	-	-
Printing	695	800	800
Other services/Contracts	787	800	800
Training	561	500	335
Supplies	240	217	176
Claims and Indemnities	937	875	500
<b>Non-Personnel Services Subtotal</b>	<b>\$4,389</b>	<b>\$4,192</b>	<b>\$3,611</b>
Working Capital Fund	\$1,585	\$1,403	\$2,028
<b>Grand Total</b>	<b>\$94,704</b>	<b>\$94,603</b>	<b>\$91,274</b>
<b>Associated FTE</b>	<b>557</b>	<b>544</b>	<b>518</b>

**1. Program Purpose and Fiscal Year 2019 Budget Overview**

The General Counsel is the chief legal officer of the Department and is the legal advisor to the Secretary and other principal staff in the Department. The General Counsel provides legal opinions, advice, and services with respect to all programs and Departmental activities. The General Counsel defends the Department and enforces the Fair Housing Act and HUD's program requirements. The General Counsel oversees the Departmental Enforcement Center (DEC), an organization of financial and enforcement analysts who enforce the Department's program requirements and protect the Department's assets.

In addition to conventional work performed by most cabinet level offices of general counsel, HUD's Office of General Counsel (OGC) conducts high-dollar value insured loan closings for multifamily housing, nursing homes, hospitals, and elderly and disabled housing programs. In fiscal year 2017, OGC closed over 1,300 insured loans valued at over \$18B. OGC also conducts a legal review of all

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Rental Assistance Demonstration (RAD) transactions. In fiscal year 2017, OGC reviewed 255 RAD transactions, involving approximately over 26K units valued at almost \$5B. OGC generates recovery income for the Federal Housing Administration (FHA) Fund and pursues programmatic and fair housing enforcement actions.

The fiscal year 2019 President's Budget of \$91,274K is \$3,329K less than the fiscal year 2018 Annualized CR level.

**Personnel Services (PS)**: Funding of \$85,635K will support 518 Full Time Equivalent (FTE), an overall decrease of 26 FTE from OGC's fiscal year 2018 Annualized CR staffing levels. OGC plans to achieve the reduction in FTE through attrition.

**Non-Personnel Services (NPS)**: Funding of \$3,611K, and overall decrease of \$581K from OGC's fiscal year 2018 Annualized CR staffing levels, provides support for travel, printing, supplies, contracts, training, and claims and indemnities (attorney's fees for personnel litigation). Travel funding remains constant due to the reduced staffing levels for attorneys and the need to cover the legal work in HUD field offices where counsel is no longer physically present. Printing funding supports the Department's printing costs for Federal Register publications. NPS funding supports access to online legal research and databases, these services include Lexis/RELX, PACER, West LegalEdcenter, cyberFeds, and Congressional Quarterly.

**Working Capital Fund**: OGC's fiscal year 2019 request includes an allocation of \$2,028K to pay Working Capital Fund (WCF) fees for shared services and other investments as determined by the Secretary.

OGC dedicates resources to specific Departmental priority goals in the following ways:

**Priority 1**: OGC provides legal advice to HUD's Regulatory Task Force and serves the Regulatory Reform Officer. In January and February of 2017, the President issued two executive orders directing deregulation and other regulatory reforms. OGC facilitates and drafts the deregulatory actions as identified by HUD's Task Force. Departmental deregulatory actions are published in the Federal Register using the requested \$800K in Printing funding to support departmental deregulatory efforts.

**Priority 2**: RAD transactions are expected to increase and require a significant amount of legal review. In fiscal year 2017, counsel reviewed over 255 RAD transactions. In fiscal year 2019, OGC expects the RAD workload to continue to grow.

**Priority 3**: OGC continues to provide legal support for the development and implementation of the Secretary's signature initiative, the Envision Centers. The Envision Centers are based on public-private partnerships that present complex legal questions involving governmentwide ethics standards, the HUD Reform Act, questions of administrative law and contractual issues.

**Priority 4**: OGC leads the Department's efforts to enforce HUD program requirements and protect HUD assets. In fiscal year 2017, OGC's enforcement efforts returned over \$590M to the FHA Fund and returned almost \$30M to Public and Indian Housing (PIH) and

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Community Planning and Development (CPD) programs and activities. OGC suspended 140 irresponsible parties from participation in federal programs and debarred 167 irresponsible parties from participation in all federal programs. OGC handled over 11K legal actions to protect the single-family inventory.

**Priority 5:** OGC continues to provide a full array of legal support to the Department, including defending the Department's programs against over \$490M in claims; defending against \$900B in tort claims against the Department; reviewing over 160 Ginnie Mae Multiclass Securities transactions valued at over \$58B; issuing charges of discrimination under the Fair Housing Act; handling bid protests and procurement claims at the Civilian Board of Contract Appeals; reviewing procurements in excess of \$10M; managing the Department's ethics program for 175 278-filers and 2,274 450-filers; defending the Department in personnel and labor actions; processing regulatory waivers; drafting legislative amendments, reviewing draft interagency legislative documents; drafting Federal Register documents; reviewing and drafting sub-regulatory directives; drafting regulations; reviewing transfers of physical assets; reviewing interest rate reduction documents; representing the Department's interests in Multifamily foreclosures; and reviewing FOIA packages and handling FOIA appeals.

## 2. Key Operational Initiatives

In the last 10 years, OGC has reduced staffing by reducing the number of Offices of Chief Counsel in HUD field offices from 44 to 24. In fiscal year 2017, OGC closed legal operations in Hartford, CT and Columbus, OH and anticipates closing an additional Office of Chief Counsel in fiscal year 2019. These efforts have realized operational efficiencies by consolidating legal operations in OGC Offices of Regional Counsel or other Offices of Chief Counsel and facilitating the reductions in OGC staffing levels. In fiscal year 2019, OGC plans to conduct additional peer technical assistance reviews in four Offices of Chief Counsel to ensure the quality of legal services being provided to HUD clients and the quality of HUD insured loan closings.