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United States General Accounting Office
Washington, DC 20548

February 1, 2002

The Honorable Marge Roukema
Chairwoman, Subcommittee on Housing and
Community Opportunity
House of Representatives

Subject: Multifamily Housing Finance: Funding FHA's Subsidized Credit Programs

Dear Madam Chairwoman:

To facilitate the construction and rehabilitation of multifamily rental housing, several programs administered by the Federal Housing Administration (FHA) provide lenders with mortgage insurance, or guarantees, for multifamily loans. To cover the costs of some of these programs (credit subsidy costs), Congress provides budget authority as part of FHA's budget each fiscal year.[1] FHA estimates the subsidy cost of each program by calculating a credit subsidy rate that takes into account factors such as fees, defaults, and recoveries. FHA then applies this subsidy rate to the total dollar amount of mortgages the agency anticipates insuring under each program to estimate the total subsidy cost. Although the agency's programs are aimed at different types of projects, a single budget account covers all the programs. In fiscal year 2001, as in earlier years, FHA provided guarantees for all multifamily projects—regardless of program—on a first-come, first-served basis until the total budget authority for the multifamily programs was exhausted. FHA had obligated approximately $81 million of the $101 million of its credit subsidy budget authority for the fiscal year by April 2001 and suspended issuing commitments for additional loans under the multifamily programs requiring credit subsidy.[2] For fiscal year 2002, FHA made some adjustments to the credit subsidy rates for certain multifamily programs.

In response to your request, we (1) identified the reasons the subsidy budget authority was used earlier than expected and assessed the impact of FHA's suspension of its insurance programs on projects needing credit subsidy, (2) described how FHA estimates the dollar amount of the mortgages it anticipates

[1]The credit subsidy cost is the net present value of the estimated long-term costs to the federal government of extending or guaranteeing credit, calculated over the life of the loan and excluding administrative costs. Budget authority is the authority provided by law to enter into financial obligations that will result in immediate or future outlays involving federal funds. The Federal Credit Reform Act of 1990 (Pub. L. No. 101-508) requires that the budget authority for the credit subsidy cost be available before FHA guarantees any loans.
[2]Field offices could continue issuing FHA firm commitments for projects, conditioned upon the future availability of credit subsidy budget authority. On June 4, 2001, FHA discontinued authorizing commitments requiring credit subsidy.

insuring, (3) assessed the reasonableness of the methodology FHA used in estimating fiscal year 2002 credit subsidy rates, and (4) described the reasons for the revisions to these rates for fiscal year 2002. We focused on programs administered under Sections 221(d)(3), 221(d)(4), and 241(a) of the National Housing Act because they were initially expected to require more subsidy budget authority than other programs in fiscal year 2001.

Summary

The primary reason FHA obligated most of its fiscal year 2001 subsidy budget authority by April 2001 was the unexpectedly high demand—five times FHA's estimate—for mortgage insurance under the 221(d)(3) program.[3] Because this program, which is limited to nonprofit developers and cooperatives, has a higher subsidy rate than other programs, the increased demand caused FHA to obligate its subsidy budget authority more quickly than it would have for other less costly programs. According to FHA officials, some of the unanticipated demand for the 221(d)(3) program occurred because developers that were essentially for-profit entities were partnering with nonprofits to participate in the program—developers that should have participated in FHA's 221(d)(4) program, which has a lower credit subsidy rate and is designed to serve for-profit entities. FHA has since taken action designed to insure that this situation does not happen in the future. When most of the fiscal year 2001 credit subsidy budget authority was obligated, FHA placed a number of multifamily projects on a waiting list until funding became available. Most of these projects were funded using the remaining budget authority and credit subsidy from projects approved earlier that were later terminated or required less subsidy than expected, according to FHA.

According to FHA officials, the agency estimates the total dollar amount of mortgages it expects to insure each year under its multifamily insurance programs on the basis of the last year's levels. These estimates are then adjusted for inflation, the capacity of the field offices to process loan applications, and any changes or proposed changes to the programs. The estimated total amounts of insured loans often differ from actual levels, reflecting both the difficulty of estimating future mortgage activity and the fact that FHA approves loans on a first-come, first-served basis.

As part of our review of the methodology used to calculate the fiscal year 2002 credit subsidy rates for the 221(d)(4), 221(d)(3), and 241(a) programs, we assessed the cash flow model used to calculate the subsidy rates, tested underlying historical data for key cash flow assumptions,[4] and assessed the reasonableness of key cash flow assumption values. We found that the estimation process and types of data used to calculate the fiscal year 2002 credit subsidy rates for these programs were reasonable

[3]In 3 of the last 8 fiscal years, FHA obligated the credit subsidy budget authority for loan guarantees earlier than expected.

[4]The key cash flow assumptions are the assumptions that have the greatest impact on the credit subsidy estimate.

and complied with existing guidance from the Office of Management and Budget (OMB) and federal accounting standards.

The fiscal year 2002 credit subsidy rate calculations for these programs reflect a number of changes from the fiscal year 2001 calculations. These changes include an annual premium increase for the 221(d)(4) program, an anticipated increase in the use of the note sales program to dispose of acquired 221(d)(3) loans, and a change in the mix of loans included in the estimation process for the 241(a) program. According to FHA officials, FHA is currently analyzing the potential impact that various changes in economic conditions and program design have had on loan performance and the methods FHA should use to estimate subsidy rates. Additional changes to future subsidy rate estimates may result from these analyses.

Background

FHA offers multifamily mortgage insurance to facilitate the construction and substantial rehabilitation of multifamily rental housing, including for-profit, nonprofit, and cooperative projects. Nonprofit and cooperative sponsors apply for insured mortgages under Section 221(d)(3) of the National Housing Act; for-profit developers apply under Section 221(d)(4), the largest of FHA's multifamily insurance programs. The third program, Section 241(a), provides supplemental loan guarantees for repairs, additions, and improvements to multifamily rental housing and health care facilities that already have FHA-insured or HUD-held mortgages.

The programs do not lend money directly; instead, they insure loans made by FHA-approved private lenders. Loans insured under the 221(d)(3) and 221(d)(4) programs are unique in the industry because they combine construction and permanent financing. They also have the benefit of offering a fixed interest rate over the long term (up to 40 years). The terms of the 221(d)(3) program are somewhat more favorable than those of its for-profit counterpart, permitting a maximum insured loan of up to the lesser of 100 percent of the project's replacement cost or 95 percent of net income for debt servicing. For the 221(d)(4) program, the maximum insured loan is limited to the lesser of 90 percent of replacement cost or the amount that can be serviced by 90 percent of net income. Borrowers negotiate interest rates with lenders.

Supplemental guarantees under the 241(a) program are designed to extend the economic life of projects, keeping the projects competitive, and to finance the replacement of obsolete equipment. The loans may not exceed 90 percent of the estimated value of the improvements and additions.

The Federal Credit Reform Act (FCRA) of 1990 requires agencies to estimate the long-term cost to the government of extending or guaranteeing credit (the subsidy cost). Agencies calculate these costs by multiplying the expected dollar amount of

loans by that program's credit subsidy rate.[5] When FHA obligates funds to insure a loan, this rate is used to determine the subsidy cost of insuring it. New FHA multifamily housing loan insurance obligations can only be made to the extent budget authority to cover the cost is provided in appropriation acts.

The primary federal accounting standard for credit programs[6] generally mirrors guidelines for how agencies estimate credit subsidy rates under FCRA and OMB guidance, including OMB Circular A-11, *Preparation and Submission of Budget Estimates*, and OMB Circular A-34, *Instructions on Budget Execution*. Therefore, the subsidy cost included in FHA's financial statements should be based on the same data and process used to calculate subsidy costs for the agency's budget. Because the financial statements are subject to audit, this mirroring helps provide integrity to the budget estimates, as long as consistency is maintained between the processes used to estimate subsidy costs for both the budget and financial statements. Further guidance on estimating subsidy rates is provided in Technical Release 3, *Preparing and Auditing Direct Loan and Loan Guarantee Subsidies under the Federal Credit Reform Act (Technical Releases)*.[7]

Unexpected Demand for the 221(d)(3) Program Led to the Early Depletion of Multifamily Subsidies, Delaying New Lending

By April 2001, FHA had obligated $81 million of its $101 million fiscal year 2001 subsidy budget authority for projects funded under the General and Special Risk Insurance Program Account,[8] primarily because of unexpectedly high demand for its nonprofit program, Section 221(d)(3).[9] According to FHA officials, some of this demand consisted of loan applications from entities that should have been considered under FHA's Section 221(d)(4) program, which has a lower credit subsidy rate and is intended for for-profit entities. When FHA obligated most of its fiscal year 2001 budget authority, it placed a number of multifamily projects on a waiting list.

FHA Obligated its Budget Authority Early for Multifamily Programs Because of a Surge in 221(d)(3) Lending

In fiscal year 2001, FHA insured five times the dollar amount of mortgages it had expected for the 221(d)(3) program—roughly $250 million, compared with the $49 million estimate. Because the 221(d)(3) program had a 17.22 percent subsidy rate,

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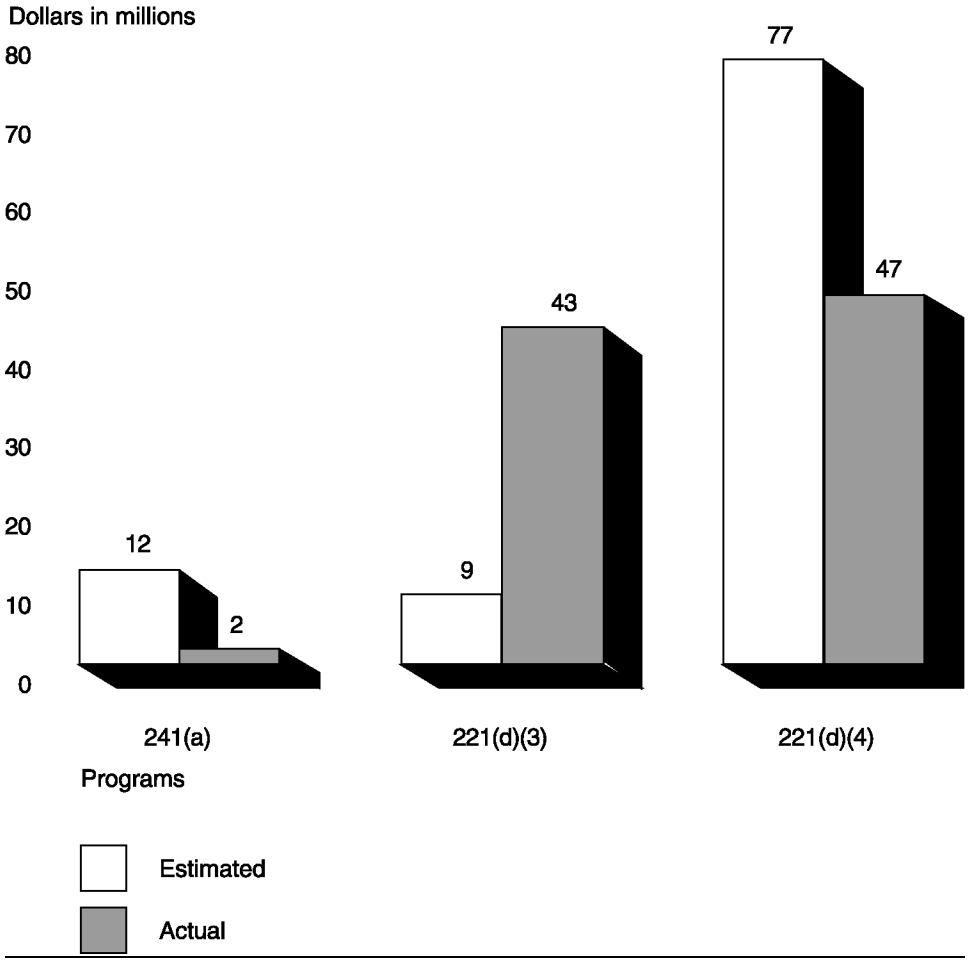
[5]The credit subsidy rate is the government's estimated long-term cost, excluding administrative costs, as a percentage of the amount of loans disbursed or guaranteed. The rate is calculated on a net present value basis over the life of the loans guaranteed in a given fiscal year.
[6]The Federal Accounting Standards Advisory Board developed the primary accounting standard for credit programs, Statement of Federal Financial Accounting Standards Number 2, *Accounting for Direct Loans and Loan Guarantees*.
[7]The Federal Accounting Standards Advisory Board's Accounting and Policy Committee issued Technical Release 3 in July 1999.
[8]FHA offers a range of insurance programs under this account, including multifamily, hospitals, and specialized single-family programs.
[9]Of the $81 million, $12 million was used to insure loans left in the pipeline from fiscal year 2000.

FHA obligated $43 million, or about 40 percent of its subsidy budget authority, to insure $250 million in loans. FHA had estimated that it would use less than 10 percent of its subsidy budget authority for this program. In comparison, the 221(d)(4) program had a significantly lower subsidy rate of 3.35 percent, allowing FHA to insure about five times the amount of mortgages it insured under the 221(d)(3) program using a similar amount of subsidy budget authority (fig. 1).

Figure 1: FHA's Estimated and Actual Obligations for 241(a), 221(d)(3), and 221(d)(4) Programs in Fiscal Year 2001



Source: HUD.

FHA has traditionally approved multifamily projects for all insurance programs on a first-come, first-served basis. FHA officials explained that they do not want to be placed in the position of judging whether projects insured under one program should be funded before projects insured under a different program or to choose between projects within a program. The conference committee report on HUD's fiscal year 2002 appropriation legislation[10] specifies the level of credit subsidy budget authority

[10]H.R. Conf. Rep. No. 107-272 at 112 (2001).

the conferees expect each of FHA's subsidized multifamily insurance programs to use during fiscal year 2002. FHA officials say they are planning to operate under the report's specifications, which require the agency to obligate funds according to the specified limits. Under this allocation, high demand for one program would not affect the availability of credit subsidy budget authority for other programs. FHA officials stated they plan to seek the flexibility to make adjustments on a program-by-program basis, depending on actual demand.

The unanticipated increase in demand for the 221(d)(3) program was fueled in part by loan applications from nonprofit borrowers that, according to FHA, lacked the recommended experience, working capital, or both. These organizations depended on for-profit entities to provide the lacking resources or capacity. During a July 2001 congressional hearing, the FHA commissioner testified that some of these projects should have been treated as having for-profit sponsors. These projects, therefore, would not have qualified for mortgage insurance under the 221(d)(3) program, which is limited to nonprofit entities.

Specifically, in February 2001 an FHA review of 18 of 24 loans insured during fiscal year 2001 under the 221(d)(3) program found that nonprofit entities with little experience in real estate development and low levels of capital were receiving insured loans. It reviewed the available documentation for these projects and questioned the eligibility of almost half. In nearly all of the cases it reviewed, FHA found that field office staff had not done any type of formal review. FHA officials attributed this problem in part to staff in field offices who lacked experience with the 221(d)(3) program. The FHA reviewer recommended that FHA develop more specific guidelines for determining eligibility.

FHA took a number of actions to ensure that only eligible entities received funding under the program. In February 2001, FHA required its field staff to provide headquarters with information on the eligibility of all 221(d)(3) applications. On March 2, 2001, FHA required approval from headquarters before field offices could issue firm commitments. In May 2001, FHA issued a directive requiring field staff to review the relevant program handbook and guidance. However, FHA officials say they have no basis for taking action against the developers of approved projects that should have been treated as for-profit, since the relationship between the for-profit and nonprofit entities was identified in the applications submitted to FHA field offices.

Depletion of Funding for Multifamily Programs Delayed or Halted Pending Projects

When FHA obligated most of its fiscal year 2001 budget authority, it placed a number of multifamily projects on a waiting list known as the "queue."[11] Between April 2001 and September 2001, it placed 48 projects on the queue. Of these projects, 31 (65

[11]The queue is a chronological listing of requests for credit subsidy and is maintained until more subsidy budget authority becomes available.

percent) received funding before the end of the fiscal year, 3 were terminated, and 14 remained on the queue at the end of the fiscal year. Of the 14 projects that remained on the queue, 10 were 221(d)(4) projects, nearly all of which were approved in fiscal year 2002.[12] Four projects that continued to require credit subsidy were also carried over to fiscal year 2002. FHA is in the process of approving credit subsidy requests for three, and the field office is awaiting the developer's acceptance of the higher annual premium before requesting credit subsidy for the fourth project, according to FHA.

According to industry officials, the suspension of FHA's subsidized insurance programs affected their ability to finance certain projects. One industry official said that his company had applied for FHA backing for large projects but had either abandoned the projects or was seeking financing elsewhere. Another official noted that alternate financing is difficult to obtain for high-risk projects and, in some instances, an FHA-insured mortgage is the only source of capital for such projects. This official noted that FHA has become the "insurer of last resort" for such projects. According to industry officials, project sponsors may expend as much as $400,000 and spend months of preparation time to complete forms, develop exhibits, and meet other requirements.

Several of the top originators of FHA loans expressed an unwillingness to begin processing loans for the FHA programs requiring subsidy because of the most recent suspension and the possibility of future suspensions. Industry officials told us that developers have an especially hard time dealing with the "on-again, off-again" nature of the multifamily insurance programs. The officials added that, because of uncertainty about FHA financing, some developers may not seek FHA mortgage insurance in the future.

FHA Uses Prior Lending Levels to Estimate Its Future Needs

The process of preparing the federal budget requires that FHA submit estimates of the dollar amount of mortgages it anticipates insuring for the multifamily programs 2 years in advance. According to FHA officials, the estimates are based on the actual amount of loans insured during the most recent fiscal year and are adjusted for inflation and other factors, such as planned or proposed changes to the programs and the field staff's capacity to process loan applications. In 1999, for example, FHA officials said that the agency generated the estimated dollar amount of mortgages it expected to insure in fiscal year 2001, taking into account the impact of a fully implemented Multifamily Accelerated Processing (MAP).[13] However, the estimated dollar amount of 221(d)(3) mortgages it expected to insure in fiscal year 2001 was the same as the actual amount of mortgages it insured under the program 2 years earlier,

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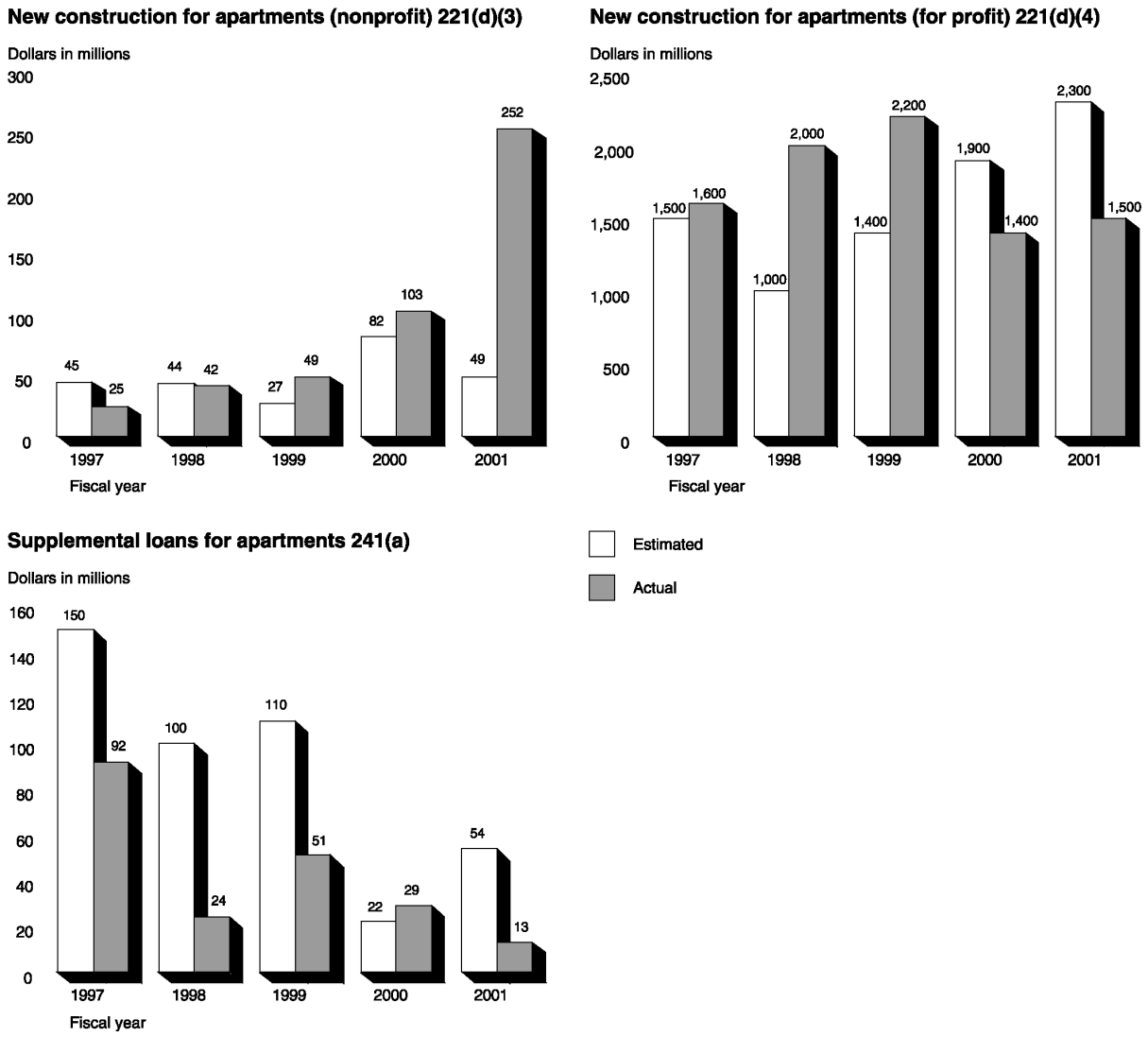
[12]Section 221(d)(4) projects approved in fiscal year 2002 do not require credit subsidy. According to FHA officials, FHA has committed to insure 97 projects under this program between October 1, 2001 and January 24, 2002.

[13]MAP is a standardized system that is intended to permit lenders to process loan applications quickly and uniformly.

in fiscal year 1999. We could not verify the process used for estimating the dollar amount of mortgages FHA expects to insure.

Estimates of the dollar amount of mortgages FHA expects to insure for each multifamily program should be viewed with caution. Industry representatives and FHA officials noted that forecasting the dollar amount of mortgages expected in a given year is difficult at best, largely because of the role of interest rates, which can significantly influence demand for credit and are often volatile. The forecasting difficulties are compounded by the narrow focus and small volumes of some of the programs and the need to make estimates so far in advance. Regardless, FHA programs operate on a demand basis—that is, loans are approved on a first-come, first-served basis. As a result, the estimated and actual dollar amounts FHA insures often diverge widely (fig. 2). In some years, FHA insures more loans for a particular program than it had estimated for the budget; in other years, it insures fewer. For example, in each of the last 4 years the actual amount of mortgages FHA insured under the 221(d)(4) program differed from the estimate by at least 25 percent.

Figure 2: Estimated and Actual Dollar Amount of Mortgages Insured for the 221(d)(3), 221(d)(4), and the 241(a) Programs, Fiscal Years 1997–2001



Source: HUD.

FHA's Process for Estimating Credit Subsidy Rates for Fiscal Year 2002 Was Reasonable

FHA calculated the credit subsidy rates included in the fiscal year 2002 president's budget using a cash flow model with numerous cash flow assumptions about future loan performance. These cash flow assumptions were related to premium receipts, claim payments when loans default, and recoveries on claims over the life of the loan guarantees to be obligated during fiscal year 2002. Cash flow assumptions were based on historical loan performance dating as far back as the 1960s and, in some cases, on

management's informed opinion.[14] As part of our review, we assessed the cash flow model, tested underlying historical data for key cash flow assumptions, and assessed the reasonableness of key cash flow assumption values. Based on our analysis, we found that the estimation process and types of data used to calculate the fiscal year 2002 credit subsidy rates for the 221(d)(4), 221(d)(3), and 241(a) programs were reasonable and complied with existing OMB guidance and federal accounting standards. In addition, FHA used the same cash flow model and key cash flow assumptions for its financial statement credit subsidy estimates. These credit subsidy estimates and their supporting data were audited by FHA's independent public accountants as part of the fiscal year 2000 financial statement audit and were determined to be reasonable.[15]

Various Changes in Program Design and Estimation Methodology Affected Subsidy Rates for the Fiscal Year 2002 President's Budget

For each year's president's budget, agencies submit subsidy rates that represent current expectations of future loan performance. These rates can vary significantly from year to year, especially as programs or the methodology used to estimate subsidy rates change. The estimated subsidy rates in the fiscal year 2002 president's budget for the 221(d)(4) and 221(d)(3) programs were lower than they were the year before, while the subsidy rate for the 241(a) program was higher.

The rate for the 221(d)(4) program decreased from 3.35 percent in fiscal year 2001 to negative 0.14 percent in the fiscal year 2002 president's budget.[16] This decrease was caused primarily by a 30 basis point[17] increase to the annual premium. Because the annual premium increase resulted in a negative subsidy for the program, credit availability for 221(d)(4) loan guarantees will not be constrained by available budget authority.

The 221(d)(3) program's subsidy rate decreased from 17.22 percent in fiscal year 2001 to 10.30 percent in the fiscal year 2002 president's budget, primarily because of an increase in estimated recoveries on defaulted loans. According to FHA officials, estimated recoveries increased due to an expected resurgence of FHA's note sales program, which generally results in higher recovery rates than FHA's other recovery methods. The subsidy rate for the 221(d)(3) program in the fiscal year 2002 president's budget reflects management's intention to sell all 221(d)(3) defaulted loan guarantees through the note sales program.

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[14]Informed opinion refers to the judgment of agency staff or others who make subsidy estimates based on their programmatic knowledge, experience, or both. Informed opinion is considered an acceptable approach under Technical Release 3 when adequate historical data do not exist.
[15]Since the president's budget is generally prepared 2 years in advance, credit program cost estimates for the fiscal year 2000 financial statements and fiscal year 2002 president's budget were prepared during approximately the same time period and should be based on the same data.
[16]A negative subsidy occurs when the subsidy costs are less than zero—that is, the present value of cash inflows to the government exceeds the present value of cash outflows.
[17]A basis point equals .01 of 1 percent.

The 241(a) program's subsidy rate increased from 22.08 percent in fiscal year 2001 to 29.31 percent in the fiscal year 2002 president's budget, primarily because of a change in the mix of loans used to estimate future claim payments. The 241(a) program provides supplemental loan guarantees to borrowers for both multifamily rental housing and health care facilities. The historical loan performance of the program's two types of borrowers differs significantly. According to FHA officials, for the fiscal year 2002 president's budget, loan guarantees associated with the better-performing 241(a) health care borrowers were budgeted primarily with the Section 232 Health Care and Nursing Homes Program and the Section 242 Hospital Program. As a result, the multifamily rental housing loan guarantees, which cost more than those for health care, were no longer offset by the stronger loan performance of the health care facilities loan guarantees. This change increased the estimated defaults for the remaining 241(a) loan guarantees.

After submitting the fiscal year 2002 president's budget, FHA officials decided to increase the annual premium associated with other multifamily programs, including the 221(d)(3) and 241(a) programs, also by 30 basis points. Since the increase in the annual premium is a change in contract terms, FCRA and OMB guidance allows for subsidy rates to be revised. Accordingly, FHA will commit loan guarantees during fiscal year 2002 at subsidy rates that are lower than those reflected in the president's budget. As a result, FHA will be able to make more loan guarantees with the budget authority provided by Congress.

According to FHA officials, FHA is currently analyzing the potential impact that various other changes in economic conditions and program design, including the Tax Reform Act of 1986[18] and changes in underwriting standards, may have had on loan performance and methods FHA should use to estimate subsidy rates. Additional changes to future subsidy rate estimates may result from these analyses.

Agency Comments

We provided a draft of this correspondence to the Department of Housing and Urban Development (HUD) for its review and comment. We received written comments and technical suggestions on the draft correspondence from the Federal Housing commissioner and his staff. The commissioner agreed with the report's findings about the reasonableness of the fiscal year 2002 credit subsidy rates for FHA's multifamily programs. Where appropriate, we also incorporated technical suggestions made by HUD.

[18]The Tax Reform Act of 1986, Pub. L. No. 99-514, made the tax treatment of rental housing less favorable. Provisions directly affecting real estate include changes in tax rates, capital gains rates, depreciation, and limitations on the deduction of losses and interest paid on funds borrowed to invest in real estate. Certain provisions of the act were retroactive in that they affected the tax treatment of existing investments.

Scope and Methodology

To identify the factors that led FHA to suspend its subsidized multifamily insurance programs and the impact on loan activity, we interviewed FHA officials. We also interviewed several mortgage bankers and industry association officials to identify the impact on the participants when the credit subsidy was suspended. In addition, we reviewed and analyzed the waiting list or "queue" that was generated when most of the credit subsidy budget authority was obligated earlier than expected in order to identify the types of programs, the dollar amounts requested, and the number of projects that were waiting for credit subsidy. We also reviewed FHA mortgagee letters, budget information, and HUD program information.

To describe how FHA estimates the expected loan levels for certain multifamily insurance programs and FHA's process for approving requests for credit subsidy, we interviewed FHA program officials and OMB personnel.

To determine the reasonableness of the methodology used to calculate the credit subsidy rates submitted with the fiscal year 2002 president's budget for the 221(d)(4), 221(d)(3), and 241(a) programs, we assessed the process used to estimate credit subsidy rates, the cash flow model, and key cash flow assumptions used to estimate the credit subsidy rates. Specifically, we discussed the overall estimation process with FHA officials. We used work performed as part of FHA's annual financial statement audit after verifying that the same cash flow model and key cash flow assumptions were used to calculate the budget and financial statement estimates. We reviewed the work of the outside auditor that related to the estimated costs of FHA's credit programs as a part of the fiscal year 2000 financial statement audit based on criteria set forth in Technical Release 3 and Statement of Auditing Standards Number 57, *Auditing Accounting Estimates*. The outside auditor's procedures included, among other things, (1) assessing the cash flow model for mathematical accuracy, (2) testing historical data used as a basis for cash flow assumptions to determine that it was relevant and reliable, (3) verifying the process used to accumulate historical data and calculate cash flow assumptions, and (4) assessing the reasonableness of key cash flow assumption values. Since FHA's outside auditor assessed the reasonableness of key cash flow assumptions related to the multifamily programs that were the most material to FHA's financial statements, which did not include the 221(d)(3) program, we performed similar procedures on the 221(d)(3) program based on the same criteria. We also compared the process and types of data FHA used to estimate the credit subsidy rates to applicable OMB guidance, including OMB Circulars A-11 and A-34.

We discussed the causes of changes in subsidy rates from the fiscal year 2001 and the fiscal year 2002 president's budgets with FHA officials. We obtained documentation for assumption values that differed between the two president's budgets. Using FHA's cash flow model and cash flow assumptions, we verified the explanations of changes in subsidy rates provided by FHA officials.

We conducted our work in Washington, D.C. between September 2001 and January 2002 in accordance with generally accepted government auditing standards.

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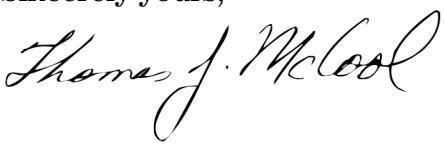
As agreed with your office, unless you publicly release its contents earlier, we plan no further distribution of this letter until 30 days from its issuance date. At that time, we will send copies of this letter to the secretary of HUD and the director of OMB. We will make copies available to others on request. The report will also be available on the General Accounting Office's (GAO) home page at http://www.gao.gov.

If you have any questions regarding this letter, please contact me; Mathew Scire, assistant director, at 202-512-8678; or Dan Blair, assistant director at 202-512-9401. This assignment was conducted under the direction of Sharon Pickup. Key contributors to this assignment were Marcia Carlsen, Emily Chalmers, Joe Hunter, Irv McMasters, and LaSonya Roberts.

Sincerely yours,



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