

Why GAO Did This Study

The federal government plays a major role in providing housing assistance to homebuyers, renters, and state and local governments. It incurred about \$170 billion in obligations for federal assistance and estimated forgone tax revenue in fiscal year 2010. However, fiscal realities raise questions about the efficiency of multiple housing programs and activities across federal agencies with similar goals, products, and sometimes parallel delivery systems. This report assesses the (1) extent to which there is overlap or fragmentation in selected housing programs, (2) federal collaborative efforts, and (3) implications of consolidating selected housing programs.

For this report, GAO updated and expanded prior work and collected and analyzed new data, focusing on the largest programs in terms of funding. In addition to addressing these objectives, GAO developed a catalog of federal programs and activities that support rental housing and homeownership and identified what is known about the purpose, cost, eligibility, and populations served. The catalog ([GAO-12-555SP](#)) is an electronic supplement to this report.

What GAO Recommends

To enhance evaluation of coordination or consolidation of single-family programs, HUD, the Office of Management and Budget (OMB), USDA, and VA should adopt a more rigorous approach for their task force that incorporates collaborative practices. To further improve initiatives to consolidate and align requirements in multifamily programs, HUD, USDA, and Treasury should document their efforts in annual and strategic plans. As part of these collaborative efforts, these agencies also should identify specific programs for consolidation, including those requiring statutory changes. HUD, USDA, and VA generally agreed with the recommendations; however, HUD and OMB stated that actions should wait until after the housing markets stabilize. GAO noted that achieving efficiencies and cost savings also were important.

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HOUSING ASSISTANCE

Opportunities Exist to Increase Collaboration and Consider Consolidation

What GAO Found

Housing assistance is fragmented across 160 programs and activities. Overlap exists for some products offered, service delivery, and geographic areas served by selected programs—particularly in the Department of Agriculture's (USDA) Rural Housing Service (RHS) and Department of Housing and Urban Development's (HUD) Federal Housing Administration (FHA). For instance, RHS, FHA, and the Department of Veterans Affairs (VA) all guarantee mortgage loans for homeowners. According to fiscal year 2009 data (the most recent available), FHA served a larger number of households than RHS in all areas, including a larger number of low- and moderate-income households in rural areas. Although selected HUD, USDA, and Department of the Treasury (Treasury) multifamily programs had overlapping purposes, the products, areas served, and delivery methods differed. For example, HUD, RHS, and Treasury provide financing for development and rehabilitation of multifamily housing for low- and moderate-income households, but RHS-financed properties were more concentrated in rural areas and HUD's and Treasury's tax credit properties were more concentrated in urban and suburban areas.

Opportunities exist to increase collaboration among the agencies and potentially realize efficiencies. In February 2011, the Administration announced a task force to evaluate the potential for coordinating or consolidating homeownership loan programs at HUD, USDA, and VA. But the task force's efforts have not yet incorporated key collaborative practices GAO identified. Practices such as identifying goals and resources and defining strategies and outcomes will be important as the task force moves forward. HUD, USDA, and Treasury also have been working to consolidate and align requirements in rental housing programs through the Rental Policy Working Group. Although its efforts have been consistent with many key collaborative practices, the group has not taken full advantage of opportunities to reinforce agency accountability for collaborative efforts through the agencies' annual and strategic plans, or expanded its guiding principles to evaluate areas requiring statutory action to generate savings and efficiencies. Also, in 2005 and in 2011, GAO recommended coordinating reviews of tax expenditures and related spending programs. Such reviews could help reduce overlap and inconsistencies and direct scarce resources to the most effective or efficient methods to deliver federal support.

Consolidating programs carries certain implications for users, existing programs, personnel, portfolios, and associated information systems. Nevertheless, GAO suggested in 2000 that Congress consider requiring USDA and HUD to examine the benefits and costs of merging programs serving similar markets and providing similar products. Since then, certain aspects of the RHS and FHA homeownership programs have shown evidence of growing similarity, such as RHS' shift toward loan guarantees. However, the current statutory framework imposes additional challenges on the agencies' ability to further consolidate similar programs. Thus, any evaluations of which programs, products, systems, and processes to retain, revise, consolidate, or eliminate would involve complex analyses, trade-offs, and difficult policy decisions. The task force offers opportunities for these agencies to identify potential areas for consolidation or greater coordination and which actions would require statutory change.