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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

OFFICE OF ADMINISTRATION

OCT 20 2009

RE: Freedom of Information Act Request
FOIA Control Nos.: 09-FI-HQ-01576 and FI-478387

This letter is in response to your Freedom of Information Act (FOIA) request dated May 9, 2009. In your letter, you asked for a copy of each weekly departmental report for the Department of Housing and Urban Development produced between January 1, 2009, and May 1, 2009.

When responding to a FOIA request, HUD searches for responsive documents existing up to the date the request is received in the Department's FOIA Office. Your request was received on May 19, 2009.

Your request is granted in full at no cost to you. Enclosed is a copy of the responsive information you have requested.

For your information, your FOIA request, including your identity and any information made available, is releasable to the public under subsequent FOIA requests. In responding to these requests, the Department does not release personal privacy information, such as home address, telephone number, or social security number, all of which are protected from disclosure under FOIA Exemption 6.

Thank you for your interest in the Department's programs and policies.

Sincerely,

A handwritten signature in cursive script, reading "Cynthia A. O'Connor", is positioned above the printed name.

Cynthia A. O'Connor
Executive Secretary

Enclosure

Cabinet Affairs Weekly Briefing
HUD
February 5, 2009

Reform Agenda

NOFAs

We are actively examining HUD's grant distribution (NOFA) process with the intent of reforming it. We are focusing on expediting grant delivery, broadening engagement with stakeholders, improving accountability and performance measures for grantees, and increasing transparency. Additional key staff members are starting on Monday and the development of the reform agenda will be a primary focus immediately.

TITLE I

As part of the FHA Modernization portions of the Housing enacted over the summer, Congress authorized HUD to reform Title I, which relates to manufactured housing underwriting, loan limits, and related issues. In response to concerns raised by Rep. Frank and Sen. Corker, among other members of Congress, regarding when and how HUD was going to issue guidance for the revised program, HUD expects (pending OMB approval) to inform the Hill that it will issue a mortgagee review letter, publish notice of this letter in the federal register, and solicit comments about the approach.

Policy Priorities

HUD is working with the National Economic Council, the Treasury Department, and the Council of Economic Advisers on a foreclosure prevention plan structured to significantly increase the number of loan modifications made, through many possible levers. With expectations currently to finalize the package by next week, we are preparing a rollout plan that includes press outreach and constituent/stakeholder outreach.

Regulations

Rule on Refinement of Income and Rent Determination Requirements: HUD will proceed to extend the effective date of a final rule signed by Secretary Preston on January 13, 2009 and published on January 27, 2009. This rule responds to a longstanding Office of Inspector General audit concerning overpayment and underpayment of subsidies, but triggered substantial concerns because ambiguous language suggested that it would permit public housing authorities to evict "mixed" households (those with and without persons with proof of legal status in the U.S.). The rule provides for use of Enterprise Income Verification (EIV) designed to increase accuracy in the verification of income based on the use of Social Security numbers, but was not intended to authorize such evictions. The final rule does not take effect until March 30, 2009, but further extension of the effective date will allow time for further review of the policy in this rule.

Major legislative activity

The Department has reviewed both the House and the American Recovery and Reinvestment Act, and has drafted technical corrections to facilitate the economic stimulus goals and achieve compliance with programmatic requirements. We hope to see those recommendations adopted in conference committee this weekend or next week.

Press Events/Hits

First Lady Michelle Obama's visit to HUD on Wednesday, February 4, generated positive and substantive press coverage of housing elements in the economic recovery bill, and the role HUD will play in implementing those programs.

Potential or expected press stories

The March 1, 2009 expiration of the Disaster Housing Assistance Program (DHAP) is beginning to draw press coverage. The Department is determining how best to manage the transition, and will be meeting with Senator Mary Landrieu next week to begin discussions with her on this issue. Secretary Donovan met with Secretary Napolitano on Thursday, February 5, to discuss DHAP and other post-disaster housing programs in the Gulf, and HUD will continue to work with Homeland Security to coordinate the federal government response.

Reports

On Friday, February 6, HUD will release the Secretary's Monthly Report on Housing and Economic Indicators for December 2008 and early January 2009. In November, housing market indicators were generally negative. Housing permits and starts, new home sales and prices, and existing house prices all declined. The most recent data on house prices based on repeat-sales indices showed declines from the previous month. Large inventories of unsold homes continue to be of concern. Mortgage interest rates decreased by 11 basis points in November to an average rate of 6.09 percent and 80 basis points in December to an average rate of 5.29.

Schedule

On Monday, February 9, the Secretary is attending an event hosted by the Rockefeller Foundation in honor of the New York City Acquisition Fund, which was developed by the Secretary when he was Commissioner of the NYC Department of Housing Preservation and Development and received the Innovations in American Government Award this year. The event is not open to the press.

On Friday, February 13, the Secretary will be participating in a conference hosted by New York University's Furman Center for Real Estate. He will be a keynote speaker and will outline his goals as HUD Secretary.

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Policy

The Department plans to transition families out of the Disaster Housing Assistance Program (DHAP), which is set to end on February 28, and into the Housing Choice Voucher (HCV) program, and to allow all income-eligible families to transition into the HCV program, in contrast with the previous administration's decision to only allow senior, disabled, and extremely vulnerable families to apply. The details of the transition program are still being finalized and we hope to announce them in the next few days. HUD staff is also working on a March 5 trip to the Gulf Coast region with Secretary Napolitano, as well as a 6-month housing plan for the Gulf Coast. Secretary Donovan was interviewed this week by the New Orleans Times Picayune and the NY Times Editorial board regarding the status of DHAP and discussed, very broadly, his plans for the transition.

Recovery

As our focus shifts to implementation of the recovery, we have established a special HUD Recovery Delivery Team, centrally coordinated through a strategic program management office within the Office of the Secretary. The Team consists of three action teams, focused on the following key areas: (1) program development and roll-out; (2) transparency and accountability; and (3) communications and public relations.

Foreclosure

HUD is finalizing work with the National Economic Council, the Treasury Department, and the Council of Economic Advisers on a foreclosure prevention plan structured to significantly increase the number of loan modifications made. With expectations currently to finalize the package by next week, we are working with Treasury and the White House to prepare a rollout plan that includes press outreach and constituent/stakeholder outreach. In partnership with Treasury and NEC, we have begun that constituent/stakeholder outreach this week, focusing on the broad goals of the plan and stakeholder recommendations for it.

Reform Agenda

HOPE FOR HOMEOWNERS

The HOPE for Homeowners Freedom of Information Act (FOIA) Act interim rule will be published in the Federal Register in the coming week. This interim rule advises the public that the Board will provide access to records of the Board in accordance with the rules and procedures (including fee schedule) adopted by HUD under the FOIA. Because the official records of the Board will be compiled and stored at the main offices of HUD, use of HUD's FOIA regulations facilitates the administration of requests to, and responses of, the Board under the FOIA, and is similar to the FOIA procedures utilized by the Oversight Board for the Troubled Asset Relief Program.

TRAINING

On February 5, 190 acquisition personnel, including contract specialists, contracting officers, procurement analysts, Government Technical Representatives, Government Technical Monitors, and

Program & Project Managers attended a Procurement workshop on Fraud, Waste and Abuse presented by the Office of the Inspector General.

Regulations

HUD published a notice on February 11, 2009, which seeks comment for a 30-day period on extending the effective date of a final rule published on January 27, 2009, as well as on the rule generally. The rule, on refinement of income and rent determination requirements, responds to a longstanding Office of Inspector General audit concerning overpayment and underpayment of subsidies, but triggered substantial concerns because ambiguous language suggested that it would permit public housing authorities to evict "mixed" households (those with and without persons with proof of legal status in the U.S.). The rule provides for use of Enterprise Income Verification (EIV) designed to increase accuracy in the verification of income based on the use of Social Security numbers, but was not intended to authorize such evictions. The final rule does not take effect until March 30, 2009. The public comment period ends on March 13, 2009, which will allow HUD further time to extend the effective date if commenters express views that such additional time would be beneficial.

Personnel

We continue to move forward with personnel decisions at HUD. This week, Peter Grace joined the HUD team as Special Assistant to the Secretary for Strategic Planning. Grace comes to HUD from the New York Department of Housing Preservation and Development. We are also excited about Fred Tombar joining the team as Special Assistant to the Secretary. Fred will oversee disaster issues and work with the DHAP team. The Secretary also made his final selections for the following appointments: Assistant Secretary of Housing-Federal Housing Commissioner; Assistant Secretary for Public and Indian Housing; and Assistant Secretary for Fair Housing and Equal Opportunity.

An update on appointees requiring Senate confirmation follows:

Ron Sims, Deputy Secretary of Housing and Urban Development Designee

As of today, Mr. Sims is still completing the Banking Committee's questionnaire. We are scheduled to hold the first briefing session with the HUD confirmation team and Mr. Sims on Tuesday, February 17th. In the meantime, we are working on scheduling courtesy visits with members of the Senate banking committee and other key members of Congress.

David Stevens, Assistant Secretary for Housing-Federal Housing Commissioner Designee

Stevens is a 25 year housing veteran with a strong mortgage banking background. He is currently in vetting.

Sandra Henriquez, Assistant Secretary for Public and Indian Housing Designee

Ms. Henriquez currently serves as the Administrator of the Boston Housing Authority. Henriquez is an African-American woman with a strong public housing background. We are awaiting her paperwork to begin the vetting process.

Mercedes Marquez, Assistant Secretary for Community Planning and Development Designee

Ms. Marquez is still undergoing the initial vet from the White House. Marquez is Latino and LGBT and is a veteran of the housing industry. She is currently in vetting.

Peter Kovar, Assistant Secretary for Congressional and Intergovernmental Relations Designee

Mr. Kovar is still in vetting. This week he began meeting with potential candidates for his team. Kovar will remain employed with U.S. Rep. Barney Frank's office until his confirmation hearing is scheduled.

John Trasvina, Assistant Secretary for Fair Housing and Equal Opportunity Designee

Mr. Trasvina currently serves as the President and General Counsel. He is a well known advocate and we are currently awaiting his paperwork to begin the vetting process.

Helen Kanovsky, General Counsel Designee

Ms. Kanovsky is currently in vetting. She currently serves as CEO and General Counsel for the AFL-CIO Housing Trust.

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American Recovery and Reinvestment Act

The American Recovery and Reinvestment invests \$13.6 billion in a range of HUD housing and community development activities. We expect to make initial announcements next week for over half of those funds. These award announcements will be quickly followed by the obligation of funds, in some cases within 30 days of the date of enactment.

The funds we expect to distribute next week are as follows:

- \$3 billion in public housing capital funds (by formula);
- \$2.25 billion in HOME funds;
- \$2 billion in Section 8 project based rental assistance;
- \$1 billion in Community Development Block Grant funds;
- \$255 million in Native American housing block grants; and
- \$100 million in lead based paint reduction and abatement activities.

We believe that HUD's implementation will be an early sign of a "new way of doing business" in the federal government – alacrity of action coupled with unprecedented transparency and accountability.

DHAP

HUD has spent the week working closely with FEMA, OMB, and DPC on an IAA and other components of an implementation plan for transitional housing assistance following the expiration of DHAP-Katrina/Rita on February 28th. This transition plan will provide an additional six months of housing assistance to families affected by the hurricanes; we will also work aggressively to enroll as many eligible families as we can in the Housing Choice Voucher program.

We expect that this plan will be announced tomorrow (Friday 2/20) as part of a larger Gulf Coast agenda, including the extension of the Executive Order creating the Office of Gulf Recovery (tk exact name) and the announcement of a trip on March 5th to the region by Secretaries Napolitano and Donovan. We have also dedicated a senior staff person on the Secretary's team to these issues and are developing a plan for engagement in the Gulf Coast region on a number of outstanding Katrina/Rita issues. One component of the plan will be a day of service sometime later this year, which the Secretary would like to use to engage thousands of Americans in the rebuilding effort.

Foreclosure

Secretary Donovan joined President Obama in Phoenix on Wednesday to announce the Housing Affordability and Stability Plan. The Secretary participated in an on the record briefing on site with Secretary Geithner, spoke to the NY Times editorial board, and also did the following one on-one interviews to discuss the plan:

- CBS Early Show with Harry Smith
- NBC Today Show with Matt Lauer

- CNN American Morning with John Roberts
- Morning Joe with Joe Scarborough and Mike Brezinski
- Fox and Friends
- Bob Keefe, Atlanta Journal Constitution
- James Thorner, St. Pete Times
- Lisa Mascaro, Las Vegas Sun
- MSNBC Live with Norah O'Donnell (from HUD studio)
- CNN The Situation Room with Wolf Blitzer (from HUD studio)

HUD is now engaged in implementing the counseling and FHA/loan modification elements of the housing plan.

Homelessness Grants

Today, the Department announced \$1.6 billion in homeless grants on a conference call with reporters from across the country. The grants announced today are being awarded through HUD's Continuum of Care programs, and will assist approximately 6,300 local homeless assistance projects throughout the U.S., Puerto Rico and the U.S. Virgin Islands.

HUD is awarding \$24 million to create new pilot programs in 23 local communities to rapidly rehouse homeless families with children, which will be critical during these difficult economic times. These local pilot programs will become the basis of a significantly expanded \$1.5 billion federal effort, through the American Recovery and Reinvestment Act of 2009, to offer quick housing assistance to homeless families and to prevent homelessness among those facing a sudden economic crisis.

Schedule

- Next Monday, Secretary Donovan will join a meeting of the nation's governors at the White House, to discuss HUD implementation of the Recovery Plan and the Housing Affordability Plan.
- Next Wednesday, he will host the first of many agency-wide town halls with HUD employees, discussing HUD's role in the Recovery Plan and the Housing Affordability Plan, and the steps we will take together to build a more effective department.
- Next Friday, he will participate in a meeting of the Middle Class Task Force in Philadelphia.

Personnel

We continue to move forward with personnel decisions at HUD. We are finalizing a diverse slate of candidates to fill Schedule C Presidential appointments in the office of Congressional and Intergovernmental Relations as well as the Office of Public Affairs. The Secretary has finalized his candidates for Assistant Secretary of Policy Development and Research. Details regarding the candidate are below.

PAS Appointments

Ron Sims, Deputy Secretary of Housing and Urban Development Designee

Mr. Sims participated in his first briefing call with the HUD confirmation team. Sims will be in DC on Monday, February 23rd participating in courtesy visits with members of the Senate banking committee and other key members of Congress.

David Stevens, Assistant Secretary for Housing-Federal Housing Commissioner Designee
Stevens is a 25 year housing veteran with a strong mortgage banking background. He is currently in vetting.

Sandra Henriquez, Assistant Secretary for Public and Indian Housing Designee
Ms. Henriquez has been assigned a vetting attorney in the White House Counsel's office.

Mercedes Marquez, Assistant Secretary for Community Planning and Development Designee
Ms. Marquez is in vetting.

Peter Kovar, Assistant Secretary for Congressional and Intergovernmental Relations Designee
Mr. Kovar is still in vetting. He has met with a number of candidates interested in positions in Congressional and Intergovernmental Relations and has made a recommendation to the Secretary regarding staffing.

John Trasvina, Assistant Secretary for Fair Housing and Equal Opportunity Designee
Mr. Trasvina currently serves as the President and General Counsel. He has submitted the required on-boarding information and is currently in vetting.

Helen Kanovsky, General Counsel Designee
Ms. Kanovsky is currently in vetting. She currently serves as CEO and General Counsel for the AFL-CIO Housing Trust.

Raphael Bostic, Ph.D., Assistant Secretary for Policy Development and Research Designee
Bostic is the director of the USC School of Policy, Planning and Development's master of Real Estate Development Program. Bostic joined USC's faculty after spending six years on the staff at the Federal Reserve Board of Governors. He enjoyed a successful tenure at the Fed, attaining the rank of Senior Economist. Bostic has done extensive research on consumer banking issues, with a primary focus on mortgage and small business lending, bank branching patterns, and credit scoring and automated underwriting. While at the Fed, he was responsible for studying and advising on fair lending and discrimination issues. His research on financial markets and institutions has focused on banks in community development, the role and effects of regulation in banking, housing and homeownership, urban economic growth, wage and earnings profiles, affordable housing, and policy analysis. He is currently conducting research on the ways in which the Community Reinvestment Act has influenced the behavior of lenders and credit markets.

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American Recovery and Reinvestment Act

On February 25th, HUD announced the allocation of \$10.1 billion, or nearly 75 percent, of its Recovery Act funding. By February 27th, we will send signed letters from the Secretary to the Governors, Mayors, County Executives and Tribal Leaders whose jurisdictions will be receiving funds through this primarily formula-based allocation. In order to meet statutory deadlines, we will also be working with those leaders and their designees over the next 60 days (and in some cases much sooner) to execute contracts and grant agreements so that the funds can be made available for spending. HUD is also drafting its competitive Notices of Funding Availability for the remaining 25 percent of funds.

Gulf Coast Trip

On Thursday and Friday – March 5 and 6 – Secretary Donovan will join Secretary Napolitano on a Gulf Coast tour, marking the Administration's first tour of the region, to assess the recovery and rebuilding efforts, tour disaster-affected areas, visit HUD-funded housing developments, and discuss the Administration's DHAP transition plan. The Secretary will continue. The Secretaries will hold a media availability during the tour on Thursday, and will meet with the New Orleans Times Picayune editorial board on Friday. Secretary Donovan will then head to Houston, TX on Friday to assess recovery efforts there. Separate media availabilities may be possible during that time.

Middle Class Task Force

On Friday, February 27, Secretary Donovan will attend the first meeting of the Middle Class Task Force, on green jobs. We expect the Vice President to announce, and the Secretary to highlight, a new HUD/Department of Energy partnership to streamline and better coordinate federal weatherization efforts, and spur a new home energy efficiency industry. The Secretary will also highlight the tens of thousands of green jobs that will result from Recovery Act investments in HUD programs.

Housing Affordability Plan and Secretary Donovan's Banking Committee Testimony

Secretary Donovan testified before the Senate Banking Committee on Thursday, February 26, regarding the Administration's Housing Affordability and Stability Plan. Senators questioned the Secretary on the effectiveness of the Plan in high-cost areas, the options available for underwater borrowers, whether investors in private-label securities would participate in the plan, and the importance of outreach to increase participation. The Secretary also discussed bankruptcy reform, possibilities for how it might be structured, and the aspiration that we would reduce the need for borrowers to enter bankruptcy through the modification plan. After the testimony, the Secretary accepted Speaker Pelosi's invitation to meet with the House Democratic Caucus on Monday night about the Housing Affordability Plan. The meeting will have 100-150 attendees (caucus members and senior staff), and will be closed to the press.

Schedule/Other Upcoming Press

Secretary Donovan will speak to the National Council of State Housing Agencies Legislative Conference on Monday March 2 where he will address the HUD's Recovery Plan implementation. Secretary

Donovan will join Secretary Geithner on Wednesday, March 4, to announce the guidelines for implementing the Homeowner Affordability Plan. The Secretaries will announce the implantation outreach, as well as consumer outreach efforts to ensure the successful execution of the Plan.

Personnel

Personnel decisions continue to move forward at HUD. We have a number of schedule C appointees starting work at the agency next week. We continue to work with PPO regarding PAS candidates. The majority of PAS candidates need to complete paperwork before we can move forward with the confirmation process.

PAS Appointments

Ron Sims, Deputy Secretary of Housing and Urban Development Designee

Mr. Sims participated in his first briefing call with the HUD confirmation team. Sims rescheduled his visit to DC. He will now be in DC March 4-6th meeting with members of the Senate Banking Committee.

David Stevens, Assistant Secretary for Housing-Federal Housing Commissioner Designee

Per PPO, we provided a more detailed recommendation memo regarding

Sandra Henriquez, Assistant Secretary for Public and Indian Housing Designee

Ms. Henriquez is currently in vetting. She needs to complete both the SF 278 and SF 86.

Mercedes Marquez, Assistant Secretary for Community Planning and Development Designee

Ms. Marquez is in vetting. She needs to complete the SF 278 and SF86.

Peter Kovar, Assistant Secretary for Congressional and Intergovernmental Relations Designee

Mr. Kovar is still in vetting. He has completed all of his forms and is currently in tax review.

John Trasvina, Assistant Secretary for Fair Housing and Equal Opportunity Designee

Mr. Trasvina is currently in vetting. He needs to complete the SF 278 and SF 86.

Helen Kanovsky, General Counsel Designee

Ms. Kanovsky is currently in vetting. She needs to return the signature page of the SF 86.

Raphael Bostic, Ph D., Assistant Secretary for Policy Development and Research Designee

Mr. Bostic is in vetting and needs to complete the SF 278 and SF 86.

Schedule C Appointments

The following schedule C appointees will begin work at HUD the week of March 2. We have listed each appointee along with their title below:

Fred Karnas, Special Assistant to the Secretary

Rebecca Koepnick, Special Assistant to the Secretary

Anna Perng, Staff Assistant to the Chief of Staff

Laura Grossman, Staff Assistant-Office of Community Planning and Development

Ashley Gammon, Staff Assistant Office of Public Affairs

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March 5, 2009

New Orleans Weekend of Service/Summer of Service Kickoff

HUD has begun internal planning for an early June weekend of service in New Orleans, which could double as the kickoff for a summer of service with a smaller number of volunteers. Goals for the weekend would include:

- Engaging tens of thousands of Americans in a New Orleans/Gulf Coast weekend of service.
- Making an immediate and substantial impact on community infrastructure in distressed Gulf Coast communities—fixing completely at least one tangible and visible problem.
- Engaging people who cannot travel to the Gulf in home-community service projects.
- Using the weekend of service as a direct recruiting opportunity for local volunteer organizations to acquire long-term volunteers, and as the kickoff for a summer-long service program for young people. This would allow for increased skilled labor and long-run projects, including tutoring, serving the homeless, and construction.
- Beginning to shift national social norms around service to one's community, creating community expectations for service as a part of life.

Details for the proposal have been shared with the White House. The president of a major philanthropy organization has offered to take a leave of absence to run the project.

During a separate meeting with Brad Pitt, Steve Bing, and directors of the Make it Right foundation to gather information on their housing development in New Orleans' Lower 9th Ward, Pitt and the foundation leaders expressed interest in joining with us in this service opportunity.

American Recovery and Reinvestment Act

HUD's American Recovery and Reinvestment Act implementation is covered in detail in our weekly report to the Vice President. We are planning for a trip to Elkhart, IN to highlight a \$3 million lead hazard grant from ARRA, and tying back to President's visit in mid-February. Elkhart County is a new awardee with no prior Lead Hazard Control funding from HUD, but the staff has strong experience in health and lead activities, and will control lead in 206 homes, reaching over 300 children. Further, the County will use a workforce investment board to recruit unemployed individuals and provide an opportunity for employment and training. Low-income individuals will be trained in lead hazard control activities.

Upcoming Schedule

- The Secretary is tentatively planning a Los Angeles trip to highlight Neighborhood Stabilization Project investments in California, and successful HUD programs in the community.
- Next Tuesday, March 10, the Secretary will speak at the National Association of Counties Legislative Conference
- Next Thursday, March 12, the Secretary will keynote a lunch for the National Community Reinvestment Coalition

Gulf Coast Trip

Today and tomorrow – March 5 and 6 – Secretary Donovan is joining Secretary Napolitano on a Gulf Coast tour, marking the Administration's first tour of the region. The Secretary is today visiting the Southern University of New Orleans, the Saint Bernard Project, Abundance Square, the New Orleans DHAP Center, an East NOLA multifamily property, and the New Orleans HUD field office. The Secretaries held a press conference today in which they announced hundreds of millions of dollars in funding to Louisiana to stimulate long-term recovery in the wake of last year's hurricane season and Hurricanes Katrina and Rita. They will meet with the New Orleans Times Picayune editorial board on Friday morning. Secretary Donovan will then head to Houston, TX on Friday to assess recovery efforts there in visits to the Houston DHAP center and Houston HUD field office. The visit to the DHAP center will be open to the press.

Middle Class Task Force/DOE Partnership

On Friday, February 27, the Vice President announced a partnership between the HUD and the Department of Energy to coordinate home weatherization efforts under the American Recovery and Reinvestment Act, and to leverage those funds to build a home energy efficiency industry in the United States. A high-level task force composed of officials at the agencies will:

- Provide a common set of guidelines and specifications for retrofitting public housing, as well as privately owned, federally-subsidized rental properties;
- Coordinate the use of weatherization assistance, energy efficiency and conservation block grant and other recovery funds in local communities;
- Lead a government-wide effort to develop a common baseline for measuring home energy use and the gains from efficiency improvements; and
- Develop new home energy financing products.

The Vice President also highlighted at the meeting that HUD had allocated \$10.11 billion – three quarters of its ARRA funds – on the Wednesday prior to the meeting, a week after the President signed the bill into law.

Housing Affordability and Stability Plan

On Wednesday, March 4, the guidelines for the Housing Affordability and Stability Plan were released, with the endorsements of Wells Fargo, Bank of America, and several other lenders. The announcement included the addition of a new program to deal with second liens, addressing a major obstacle to many homeowners receiving loan modifications to avoid foreclosure.

Personnel

On Wednesday, March 4th, the White House and HUD announced President Obama's intent to nominate Peter Kovar as Assistant Secretary for Congressional and Intergovernmental Relations. Peter is a 20-year veteran of Capitol Hill and currently serves as chief of staff to House Financial Services Committee Chair Barney Frank. He has made courtesy calls to Senate Banking Committee Chair Chris Dodd, Senate Banking Committee Ranking Member Richard Shelby and House Financial Services

Committee Ranking Member Spencer Bachus. He is working with HUD staff on scheduling courtesy Hill meetings with committee members the week of March 16th.

HUD Deputy Secretary nominee Ron Sims visited DC this week to receive issue briefings from key HUD policy staff and conduct courtesy Hill visits, including meeting with Senator Richard Shelby and Banking Committee staffers. On Wednesday, March 4th, Sims' official nomination papers were sent to the Clerk's office; we are awaiting notification of a confirmation hearing in the coming weeks.

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March 12, 2009

Testimony on Sustainable Communities

Next Wednesday, March 18, the Secretary will testify jointly with Secretary LaHood before the House Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies. The hearing is titled: Livable Communities, Transit Oriented Development, and Incorporating Green Building Practices into Federal Housing and Transportation Policy. The Secretary will, in his testimony, identify the compelling interest for housing and transportation policy and planning to be integrated, and describe how HUD will work with DOT to integrate planning, redefine affordability to include housing and transportation costs, pursue joint research and evaluation, and engage in in-depth program review to emphasize location efficiency in all that we do.

Middle Class Task Force/DOT Partnership

Secretary Donovan will travel to Minneapolis, MN for the March 19 Middle Class Task Force meeting on the implementation of the Recovery Act. At the meeting, he and Secretary LaHood expect to announce a high-level HUD/DOT task force to better coordinate federal transportation and housing investments and identify strategies to give American families:

- More choices for affordable housing near employment opportunities; and
- More transportation options, to lower transportation costs, shorten travel times, and improve the environment.
- Safe, livable, healthy communities.

The HUD/DOT task force will:

- **Enhance integrated regional housing, transportation, and land use planning and investment.** The task force will set a goal to have every major metropolitan area in the country conduct integrated housing, transportation, and land use planning and investment in the next four years.
- **Redefine affordability and make it transparent.** The task force will develop federal housing affordability measures that include housing, and transportation costs and other costs that affect location choices. The task force will redefine affordability to reflect those interdependent costs.
- **Develop Livability Measures.** The task force will research, evaluate and recommend measures that indicate the livability of communities, neighborhoods and metropolitan areas.
- **Harmonize HUD and DOT programs.** HUD and DOT will work together to identify opportunities to better coordinate their programs and encourage location efficiency in housing and transportation choices
- **Undertake joint research, data collection and outreach.** HUD and DOT will engage in joint research, data collection, and outreach efforts with stakeholders, to develop information platforms and analytic tools to track housing and transportation options and expenditures, establish standardized and efficient performance measures, and identify best practices.

Upcoming Schedule

- Next Monday, March 16, the Secretary will address and speak with the National Association of Housing and Redevelopment Officials (NAHRO) Board of Governors, and speak at the NAHRO Legislative Conference. NAHRO members administer HUD programs such as Public Housing, Section 8, CDBG and HOME.
- Next Monday, March 16, the Secretary will meet with the National Association of Realtors.
- Next Tuesday, March 17, the Secretary will speak at the MacArthur Foundation Conference on Rental Preservation.
- Next Tuesday, March 17, the Secretary will address the National League of Cities.

Iowa Recovery Funding

HUD is aware of White House interest in the Iowa recovery funding, and will work with the White House to ensure that the delegations are informed of the recovery funding decisions.

Mortgage Abuse

In light of HUD's commitment to fair lending and to address mortgage abuses, especially in light of the President's Housing Affordability and Stability Plan, Secretary Donovan will be meeting with Attorney General Holder on Tuesday to discuss how to increase fair lending and consumer protection efforts throughout the Administration. Historically, as the lead agencies on fair lending issues, DOJ and HUD have spearheaded an interagency fair lending working group which could be revitalized in light of the disproportionate concentration of subprime loans in communities of color. This initial meeting is intended to discuss this and other possible steps that might be taken.

In addition, in recognition of the rise of foreclosure rescue scams throughout the country, HUD has been in discussions with state attorneys general and state bank regulatory agencies regarding how it can most effectively contribute to addressing this issue. On a staff level, HUD has begun discussion with the Federal Trade Commission which also has regulatory authority in this area and is planning on upcoming event to announce several prosecutions of foreclosure rescue scams. It is possible that this event could showcase steps to combat mortgage abuse as an important complement to the HASP.

New Orleans Weekend of Service/Summer of Service Kickoff

HUD is awaiting White House feedback on the proposal for an early June weekend of service in New Orleans, which could double as the kickoff for a summer of service with a smaller number of volunteers.

American Recovery and Reinvestment Act

HUD's American Recovery and Reinvestment Act implementation is covered in detail in our weekly report to the Vice President.

Cabinet Affairs Weekly Briefing

HUD

March 19, 2009

Making Home Affordable

The website for the Obama Administration's housing plan, Making Home Affordable (www.makinghomeaffordable.gov), was announced on Wednesday, March 18 and debuted early Thursday morning. The President highlighted the website in his California town hall remarks.

FY2010 Budget

HUD is currently finishing Congressional justifications for its proposed FY2010 budget. On Friday, March 20, Secretary Donovan has invited Members of Congress to breakfast at the White House's request, to allay concerns that some Members may have over the President's proposed FY2010 budget.

Middle Class Task Force

On Thursday, March 19, Secretary Donovan participated in the second meeting of the Middle Class Task Force, in St. Cloud, Minnesota. The Secretary highlighted how HUD's implementation of the American Recovery and Reinvestment Act will help middle class families, and provide the housing stability necessary to give lower-income families a pathway to the middle class.

Press Summary – this week

- Secretary Donovan spoke to the following groups this week, at events open to the press:
 - National Association of Housing and Redevelopment Officials
 - National League of Cities
 - MacArthur Foundation Luncheon
 - National Conference of Black Mayors.
- Secretary Donovan held a conference call with African-American media on Monday, coordinated with the White House's Office of Media Affairs, to discuss foreclosure scam awareness and the benefits of the Making Home Affordable Plan to African Americans.
- HUD announced this week that Secretary Donovan accepted Iowa's Disaster Recovery Plan, releasing funds for the recovery.
- On Wednesday, Secretary Donovan announced a partnership with the Department of Transportation for sustainable communities, in conjunction with his and Secretary LaHood's testimony on the issue before a House Appropriations subcommittee.
- On Thursday, HUD announced the release of the final iteration from the Housing and Economic Recovery Act of 2008 of Neighborhood Stabilization Program formula grant funds to states and localities, totaling \$730 million. This release was made in coordination with the President's trip to California. The President referenced California's \$145 million award in his remarks.

Personnel

This week we announced President Obama's intent to nominate Raphael Bostic as Assistant Secretary for Policy Development and Research. Dr. Bostic is a Professor in USC's School of Policy, Planning, and Development. He studies the roles that credit markets, financing, and policy play in enhancing

household access to economic and social amenities. Dr. Bostic is an expert on housing and homeownership, and has extensively studied the roles that credit markets, financing, and policy play in enhancing household access to economic and social amenities. He is also currently studying the effects of community development financial institutions on neighborhood well-being, how anti-predatory lending laws impact credit flows, and the role of the private label secondary market in facilitating the flow of capital to subprime and possibly predatory loans.

In addition, we announced Carol Galante as Deputy Assistant Secretary for Multi-Family Housing Programs. Galante is currently the President of BRIDGE Housing Corporation, the largest nonprofit developer of affordable apartments and homes in California, specializing in the development of family and senior affordable apartments, rental and ownership housing, and an array of revitalization, transit-oriented, urban infill, and mixed-use/mixed-income developments. As Deputy Assistant Secretary, Galante will be responsible for HUD's financing support for the development of rental housing (a current portfolio of over \$56 billion) and will be integral to several new initiatives that promote sustainable development.

We continue to add to the political appointment slate at HUD. We have identified and/or hired 32 of the 49 schedule C positions and 5 of the 12 SES positions allotted to the agency.

Next Week

The Secretary will be in Argentina on personal travel next week, then holding meetings with Argentine officials on March 26 and 27.

American Recovery and Reinvestment Act

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Congressional Testimony

Secretary Donovan will testify on the state of FHA before the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies on Thursday, April 2.

DOE/HUD Partnership

In the coming week, HUD will finalize a MOU with DOE to declare HUD's public and assisted housing categorically eligible for DOE weatherization funds through the Recovery Act.

Green Jobs

HUD is conducting ongoing meetings with the Department of Labor and the Department of Energy to coordinate recovery Act funding for green job trainings.

Press Updates

This week, HUD announced that the agency has obligated \$3 billion in Recovery Act funding for the Public Housing Capital Fund to make significant improvements to tens of thousands of public housing units nationwide. HUD is informing 3,122 local housing authorities in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands that spending can begin on a backlog of previously underfunded capital improvement projects.

Next week, Secretary Donovan will sit down for interviews with Ken Harney, a syndicated housing columnist with the Washington Post Writers Group, and Jessica Holzer from Dow Jones newswire to discuss his vision for HUD and the agency's implementation of the Making Home Affordable housing plan and the Recovery Act.

Schedule

- Secretary Donovan will speak about HUD's Fair Housing agenda at the kickoff of Fair Housing Month on Wednesday, April 1, to which select members of the media will be invited
- Secretary Donovan will deliver a keynote address to the New York City Housing Preservation and Development Conference on Friday, April 3, on the topic of green and affordable building. The event will be open to the press.
- Secretary Donovan will deliver a keynote address to the National Action Network, the civil rights organization led by the Rev. Al Sharpton, on Friday, April 3. He will discuss fair housing and the Making Home Affordable plan. The event will be open to the press.

Personnel

On Monday, March 23, HUD announced President Obama's intent to nominate David H. Stevens as Assistant Secretary for Housing-Federal Housing Commissioner. Stevens is President and Chief Operating Officer of the Long & Foster Companies.

On Wednesday, March 25, HUD announced President Obama's intent to nominate Helen R. Kanovsky as General Counsel for the agency. Kanovsky is currently the chief Operating Officer of the AFL-CIO Housing Investment Trust. She has been with the Trust nearly 13 years. Kanovsky previously served as Chief of Staff to U.S. Senator John Kerry. She was Executive Vice President and General Counsel of GE Capital Asset Management and its predecessor, Skyline Financial Services Corporation.

This week, HUD was informed that the nomination papers of Peter Kovar, Assistant Secretary for Congressional and Intergovernmental Relations-designate were sent to the Senate Clerk. Our top priority is scheduling confirmation hearing for Deputy Secretary-designate Ron Sims and Mr. Kovar.

American Recovery and Reinvestment Act

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Cabinet Affairs Weekly Briefing
HUD
April 2, 2009

FHA Testimony

On Thursday, April 2, Secretary Donovan testified before the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development on the status of FHA. In the course of his testimony, he announced that HUD has recently reactivated a program to dispatch teams of investigators to conduct on-site reviews of lenders, especially those whose refinance portfolios are showing signs of distress and abnormally high default rates. HUD Inspector General Ken Donohue testified as well.

Foreclosure Scam Awareness Press Conference

On Monday, April 6, Secretary Donovan will speak at foreclosure scam press conference with the FTC, the Department of Treasury, the US Justice Department, and the Illinois Attorney General. The Secretary will promote the Making Home Affordable Plan, and emphasize that the plan is available to all Americans, and that there is no fee to access the plan. He will also give tips on how homeowners can avoid foreclosure scams and get help through a HUD-approved housing counselor.

Los Angeles Trip

On Wednesday, January 8, Secretary Donovan will travel to Los Angeles to meet with local housing officials about Los Angeles's use of Neighborhood Stabilization Program funds to – with innovative “green” methods targeted at meeting energy efficiency standards – buy and rehab foreclosed homes. He will meet with Congresswoman Waters, Mayor Villariagosa, and local elected officials during his time in Los Angeles.

FY2010 Budget

The Secretary had productive meetings this week with Chairman Olver, Senator Murray, and Senator Bond about the policy priorities of HUD's FY2010 budget. The focus was getting the leadership of the appropriate committees comfortable with HUD's budget goals; no numbers have been shared.

Interagency Partnerships

We will meet with the Department of Labor in the coming week to continue discussions over our proposed partnership on green jobs. We expect to finalize in the next week a Memorandum of Understanding with the Department of Energy that will make HUD's public and assisted housing stock (3 million housing units) categorically eligible for DOE's weatherization program

Press Updates

This week, Secretary Donovan sat down for interviews with syndicated columnist Ken Harney and Dow Jones newswire reporter Jessica Holzer to discuss his vision for HUD, ongoing issues with FHA, and the President's Making Home Affordable plan. On Wednesday, Secretary Donovan delivered remarks at HUD's Fair Housing Day event

Trip to Connecticut – Senator Dodd

On Monday, April 13, Secretary Donovan will join Senator Dodd for a town hall in Hartford, CT, a walking tour of foreclosed homes in New Haven, CT, and a walking tour of foreclosed homes and a small roundtable discussion in Bridgeport, CT

April 9

We are currently holding April 9 on the Secretary's schedule for a housing focused event with President Obama in Washington, D.C.

Schedule

- Secretary Donovan will deliver a keynote address to the National Action Network, the civil rights organization led by the Rev. Al Sharpton, on Friday, April 3. He will discuss fair housing and the Making Home Affordable plan. The event will be open to the press.
- On Monday, April 6, Secretary Donovan will attend meetings of the FHFA Oversight Board and the Financial Stability Oversight Board.

Personnel

Four Schedule C appointees are slated to begin work at HUD on Monday, April 6, including a Deputy Chief of Staff and the Deputy Assistant Secretary for Congressional Relations. On Friday, March 27, HUD announced the President's intent to nominate John Trasvina as the Assistant Secretary for Fair Housing and Equal Opportunity.

We continue to work with PPO regarding PAS candidates. The majority of PAS candidates have completed the required paperwork, and we are working on completing their committee questionnaires. In addition, we continue to set up briefings on their department's organizational structure and pertinent issues facing the agency. Next week, PAS candidates are going to start their first round of policy briefings with Bill Apgar and Bruce Katz in preparation for their confirmations.

Per PPO, we have prepared a memo requesting additional SES designated positions for the agency. Due to the increased workload and issues facing the agency, this will help us attract top housing professionals with the technical talent required to move HUD's agenda forward.

American Recovery and Reinvestment Act

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April 9, 2009

FY 2010 Budget

We have arrived at final FY 2010 budget numbers with OMB, and settled on mutually agreeable figures for the FHA credit subsidy and other issues that were, to this point, unresolved.

Trip to Connecticut – Senator Dodd

On Monday, April 13, Secretary Donovan will join Senator Dodd for a forum on housing in Hartford, CT, a walking tour of foreclosed homes in New Haven, CT, a meeting with families and a press availability in New Haven, and a walking tour of foreclosed homes and a small roundtable discussion in Bridgeport, CT.

Los Angeles Trip

Secretary Donovan toured foreclosed properties in Los Angeles on Wednesday, April 8, to amplify the Administration's messaging on the President's housing plan and Neighborhood Stabilization Program. The Secretary held a press conference with Congresswoman Maxine Waters and Mayor Antonio Villaraigosa in front of a foreclosed property in South Los Angeles (see LA Times clip, attached).

Foreclosure Scam Awareness Press Conference

On Monday, April 6, Secretary Donovan spoke at foreclosure scam press conference with Secretary Geithner, Attorney General Holder, Chairman of the FTC Jon Leibowitz, and Illinois Attorney General Lisa Madigan. The Secretary discussed HUD's role in the interagency collaboration to target and close down foreclosure rescue scams, while giving homeowners the tools to avoid them. He emphasized that the President's Making Home Affordable plan is free to all Americans. HUD distributed literature in coordination with the press conference to our thousands of community-based partners nationwide, to reach homeowners – particularly poor and minority homeowners who have been disproportionately targeted for these scams – directly in their communities, with information to help them refinance their home, avoid scams, and report criminals attempting to take advantage of the foreclosure crisis.

Weatherization Collaboration with DOE

We expect to finalize, in the next week, a Memorandum of Understanding with the Department of Energy that will make HUD's public and assisted housing stock (3 million housing units) categorically eligible for DOE's weatherization program. Once the MOU is approved and ready to execute, we expect to invite the President and/or Vice President to help announce this collaboration to remove interagency bureaucratic impediments, streamline government programs, and get help to people in need.

Press Updates

On Thursday, Donovan joined President Obama in a housing roundtable with families who have refinanced their homes. Following the meeting, he did TV standup interviews with CNBC, MSNBC, Bloomberg TV and Fox Business channel. He also held a conference call with regional reporters to amplify the President's messages in the meeting.

Schedule

- On Friday, April 10, the Secretary will have lunch with Chairman Olver to discuss their forward-moving work together.

American Recovery and Reinvestment Act

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Making Home Affordable

This week, six servicers signed contracts to participate in the \$75 billion loan modification portion of Making Home Affordable: JP Morgan Chase, CitiMortgage, Wells Fargo, SPS, Saxon (Morgan Stanley), and GMAC.

100 Day Report

HUD's 100 Day Report has been sent to the White House and OMB for review. HUD has compiled a draft 100-day plan with specific activities to highlight our accomplishments in the first 100 days, and is considering venues for Secretary Donovan to highlight housing policy-specific and reform-specific accomplishments. HUD is also in coordination with the White House to support the Administration's 100-day rollout in any way possible.

Ginnie Mae Hospital Financing

On Wednesday, April 15, Ginnie Mae distributed a press release highlighting the issuance of the largest multifamily mortgage-backed security in our history. The \$756 million MBS will help finance a hospital in Trenton, New Jersey. Given the problems in the current bond market, this deal likely would not have been done without Ginnie Mae securitization.

Schedule

- On Tuesday, April 21, Secretary Donovan will speak to the National Low Income Housing Coalition and the Brookings Institute's Metropolitan Policy Institute.
- To celebrate Earth Day on April 22, Secretary Donovan will attend a ribbon-cutting ceremony on the DC Public Housing Authority's new "Green Roof." He will also present a tree to be planted on the roof.
- On Thursday, April 23, Secretary Donovan will travel to Atlanta to speak at the Urban Land Institute's Annual Spring Council Forum.
- On Friday, April 24, Secretary Donovan will attend an editorial board meeting at the Atlanta Journal Constitution

Press Update

This week, Secretary Donovan spoke to NBC Nightly News and the Associated Press about the Administration's housing plan. Mike Taibbi, reporting for NBC Nightly News, is working on a "Reality Check" piece about whether the housing plan is impacting the market and whether help is reaching enough Americans two months after the plan was announced. The story has not yet aired. Secretary Donovan also provided comments to NPR and CNBC about the rise in foreclosures in March.

Weatherization Collaboration with DOE

We expect to finalize in the next week a Memorandum of Understanding with the Department of Energy that will make HUD's public and assisted housing stock (3 million housing units) categorically eligible for DOE's weatherization program.

Continued Progress on HUD/DOL Green Jobs Partnership

After meeting with DOL to share our initial proposal last week, we collected all additions from both sides and sent a revised proposal to them on Tuesday (attached here). The proposal outlines next steps on connecting One-Stop job centers with Public Housing Authorities, and a number of existing DOL and HUD programs that we can use for a proposed "green jobs" pilot. HUD has also shared with DOL our data on public, assisted, and tax credit housing, by census tract and including demographic characteristics (e.g. whether the residents are working-age), to merge with their One-Stop data and determine where pockets of HUD residents can be served by One-Stop centers.

HUD has begun internal meetings to brainstorm specific locations for the pilot, and think about how our existing programs could be adapted to create a clear process for moving public housing residents into training programs, and eventually into green jobs.

Trip to Connecticut – Senator Dodd

On Monday, April 13, Secretary Donovan joined Senator Dodd for a forum on housing in Hartford, CT, a walking tour of foreclosed homes in New Haven, CT, a meeting with families and a press availability in New Haven, and a walking tour of foreclosed homes and a small roundtable discussion in Bridgeport, CT.

American Recovery and Reinvestment Act

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Weatherization Collaboration with DOE

We expect to hold an event with Secretary Chu and Secretary Donovan on Thursday, April 30 to announce a Memorandum of Understanding with the Department of Energy that will make HUD's public and assisted housing stock (3 million housing units) categorically eligible for DOE's weatherization program.

Making Home Affordable

This week, five servicers signed contracts to participate in the \$75 billion loan modification portion of Making Home Affordable: Bank of America, Countrywide, Home Loan Services, Ocwen, and Wilshire. JP Morgan Chase, CitiMortgage, Wells Fargo, SPS, Saxon (Morgan Stanley), and GMAC had previously signed on.

100 Days

On Tuesday, April 28, Secretary Donovan will host a media roundtable conference call with key housing reporters to discuss HUD's first 100 days and a vision for the future. To further mark the first 100 days of the Obama Administration, Secretary Donovan will participate in the Reuters Global Financial Regulation Summit's roundtable discussion with key Reuters reporters on Wednesday. HUD is also planning for Secretary Donovan to be out of Washington D.C. on Wednesday for an event highlight accomplishments of the first 100 days of the Administration.

On Wednesday, April 29, HUD will release to national media the highlights of HUD's 100-day report, which details accomplishments, cost savings and Recovery Act implementation in the first 100 days of the Administration. HUD is refining its full 100-day report for posting online next Wednesday.

Schedule

- On Monday, April 27, Secretary Donovan will participate in a plenary session at Chairman Charlie Rangel's Economic Recovery Conference for non-profit organizations in Harlem, NY to discuss HUD's Recovery funds, specifically those going to the New York region.

Personnel

On Thursday, April 23, the following HUD nominees testified before the Senate Banking, Housing and Urban Affairs committee

- Deputy Secretary Ronald Sims
- General Counsel Helen Kanovsky
- Assistant Secretary for Housing-Federal Housing Commissioner David Stevens
- Assistant Secretary for Congressional and Intergovernmental Relations Peter Kovar
- Assistant Secretary for Fair Housing and Equal Opportunity John Trasvina

We are hopeful that the committee will vote on their nominations next week.

Research Support

HUD has begun working with a consortium of leading philanthropies, including the MacArthur Foundation, the Rockefeller Foundation, and the Ford Foundation, and thought leaders like the Brookings Institution, the Furman Center at New York University, and the Joint Center for Housing Studies at Harvard to determine how they can provide support to HUD's senior team through short- and long-term research projects in key areas, including foreclosure, housing finance reform, and sustainability.

Budget Rollout

HUD is working with OMB and Legislative Affairs to determine the proper protocol for Hill notifications and meetings prior to and following the release of the HUD budget on May 5. After the release of the President's budget, HUD will convene its first large meeting of major HUD stakeholders to highlight the new course for the agency set by the FY 2010 budget.

Press Update

This week, Secretary Donovan spoke to the National Low Income Housing Coalition and participated in an Earth Day event with Mayor Fenty, where he highlighted how Recovery funds are being used to increase energy efficiency and cost savings at public housing properties.

On Monday, April 27, Secretary Donovan will do an interview with Diana Olick of CNBC. On Friday, May 1, Secretary Donovan will tape a C-SPAN "Newsmakers" interview.

DC Summer Youth Employment Program

At the request of the White House, HUD has confirmed that we will commit to accepting summer interns from the DC Summer Youth Employment Program this summer, and helping the President and First Lady reach their goal of offering public service summer employment to 1,000 DC youth through the agencies and other federal government entities.

Chief of Staff Off-Site Meeting

On Saturday, April 25, HUD Chief of Staff Laurel Blatchford will present at the Chiefs of Staff off-site meeting on eliminating popular programs that don't work.

American Recovery and Reinvestment Act

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Budget Rollout

HUD has prepared a detailed budget rollout strategy. As determined in consultation with the White House, on May 6 we will be conducting a targeted briefing for key appropriations staff. At a time to be determined in consultation with the White House, we will hold a press conference and budget briefing for the media, to be followed by separate briefings for House staff, Senate staff, and HUD stakeholders.

Making Home Affordable

On April 28, the Administration announced new efforts to assist struggling homeowners under the Making Home Affordable Program. These new solutions are intended to help make mortgages more affordable under the President's housing plan. The plan includes a Second Lien Program that complements the first lien modification program. This initiative is projected to reach up to 1.5 million homeowners and could potentially further reduce payments for up to 50% of participants in the Home Affordable Modification Program by lowering or extinguishing payments on second liens. In addition, the Administration will incorporate FHA's Hope for Homeowners Program into the Making Home Affordable Program. This will make it easier for underwater borrowers to modify or refinance their loans and regain equity in their homes.

On April 30, the Senate is expected to begin consideration of S. 896 – Helping Families Save Their Homes Act of 2009 – which will strengthen the Hope for Homeowners Programs so that it can function more effectively as an integral part of the Making Home Affordable Program.

This week, two servicers signed contracts to participate in the \$75 billion loan modification portion of Making Home Affordable: Carrington Mortgage Servicing and Green Tree Servicing – bringing the total number of servicers formalizing their commitments under the program to 13.

Weatherization Collaboration with DOE

OMB currently has the HUD/DOE weatherization collaboration rule and MOU, and is seeking resolution on interpretation of DOE Weatherization program statute. Upon OMB approval, we expect to announce next week a Memorandum of Understanding with the Department of Energy that will make HUD's public and assisted housing stock (3 million housing units) categorically eligible for DOE's weatherization program.

Personnel

On Tuesday, April 28th, Senator Chris Dodd (D CT), Chairman of the Senate Committee on Banking, Housing and Urban Affairs, announced that the Committee confirmed the nominations of four HUD Assistant Secretary nominees. The following four nominees passed the Committee by voice vote, and will now be reported to the full Senate for its consideration: The Honorable Ronald Sims (Deputy Secretary-Designate), Ms. Helen R. Kanovsky (General Counsel Designate), Mr. Peter Kovar (Assistant Secretary for Congressional and Intergovernmental Affairs Designate), and Mr. John D. Trasviña (Assistant Secretary for Fair Housing and Equal Opportunity Designate)

Press Update

This week, Secretary Donovan participated in a press conference in NYC with Mayor Bloomberg and local elected officials to announce Recovery Act funding for public housing, and then attended Congressman Rangel's Economic Recovery Conference for non-profit leaders to discuss HUD's Recovery Act funds and implementation.

On Tuesday, April 28, the Secretary participated in a roundtable discussion with key housing reporters to discuss the administration's housing plan, the first 100 days in office and his vision for HUD's future. On Wednesday, he did radio and TV interviews to further outline the administration's 100 days messaging, and then participated in the Reuters Global Financial Regulation Summit's roundtable discussion with reporters. He also spoke to the Mortgage Bankers Association about Recovery Act funding and the housing plan. On Friday, May 1, he will tape a C SPAN "Newsmakers" interview.

CDBG Disaster Fund Allocation

HUD has finalized a formula to allocate the final \$3.9 billion of the \$6.5 billion appropriation for disaster relief through CDBG. This allocation is to 10 states that represent 97 percent of the estimated unmet needs across the 76 disasters that occurred in 2008. The allocation was based on the sum of estimated unmet needs and a HUD-calculated risk level for difficulty of recovery. Additionally, to nurture effective new strategies for disaster relief, HUD has established a \$200 million incentive fund for grantees that undertake forward-thinking recovery strategies in a timely manner.

The allocation of these funds has been of particular interest to Iowa and Texas. Iowa Governor Culver, as well as members of the State's Congressional delegation, have met with Secretary Donovan and HUD staff on the importance of these funds to the State's recovery efforts. The amount of funding awarded to Iowa closely aligns with the State's calculated need and stated expectation.

HUD will meet with the White House Offices of Cabinet Affairs, Legislative Affairs, and Intergovernmental Affairs on Tuesday, May 5th to discuss the process and strategy for notifications of this funding announcement. Based on the outcome and direction of this meeting, HUD will set a schedule for notifications and a general communications strategy.

Recruitment/Reform

On Thursday, April 30, Secretary Donovan conducted a one-hour webcast with over 40 undergraduate, public policy, law, and business schools to recruit the best young talent. The goal of the webcast was to build long-term recruiting relationships with top-flight schools, and ultimately to recruit talent to fill more than 550 full-time HUD positions. The call was facilitated/co-hosted with the Partnership for Public Service and highlighted the experience of a recent young hire, described transformation initiatives underway, and outlined specific job opportunities and the HUD hiring process.

American Recovery and Reinvestment Act

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