

# GAO Highlights

Highlights of [GAO-19-100](#), a report to congressional committees

## Why GAO Did This Study

Treasury established the HHF program in 2010 to help stabilize the housing market and assist homeowners facing foreclosure in the states hardest hit by the housing crisis. Through HHF, Treasury has obligated a total of \$9.6 billion in Trouble Asset Relief Program funds to 19 state HFAs. HFAs use funds to implement programs that address foreclosure and help stabilize local housing markets—for example, by demolishing blighted properties. Congress extended HHF in 2015, and HFAs must disburse all HHF funds by December 31, 2021, or return them to Treasury.

The Emergency Economic Stabilization Act of 2008 included a provision for GAO to report on Troubled Asset Relief Program activities. This report focuses on the HHF program and examines, among other objectives, (1) the extent to which Treasury's monitoring addresses leading practices for program oversight and (2) HFAs' progress toward program targets.

GAO reviewed documentation of Treasury's HHF monitoring practices, interviewed HFAs (selected based on differences in program types implemented) and Treasury officials, and reviewed information on how HFAs developed program targets.

## What GAO Recommends

GAO recommends that Treasury collect and evaluate HFAs' risk assessments and routinely update staffing documentation. Treasury agreed with these recommendations and stated that it has already taken steps toward addressing them.

View [GAO-19-100](#). For more information, contact Anna Maria-Ortiz at (202) 512-8678 or [ortiza@gao.gov](mailto:ortiza@gao.gov).

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## TROUBLED ASSET RELIEF PROGRAM

### Monitoring of the Hardest Hit Fund Program Could Be Strengthened

## What GAO Found

For its Housing Finance Agency Innovation Fund for Hardest Hit Markets (HHF), the Department of the Treasury (Treasury) has addressed or partially addressed all 14 leading monitoring practices that GAO identified. For example, Treasury periodically collects performance data from housing finance agencies (HFA) and analyzes and validates these data. However, while Treasury requires HFAs to regularly assess the risks of their programs, it does not systematically collect or analyze these assessments. As a result, Treasury is missing an opportunity to ensure that HFAs are appropriately assessing their risk. Also, Treasury does not require HFAs to consistently document which of their staff are responsible for internal control execution. This documentation could help HFAs wind down their programs, particularly as staff turn over.

Most HFAs met Treasury's goals for drawing down HHF funds, with \$9.1 billion disbursed to HFAs as of September 2018. HHF programs have assisted hundreds of thousands of distressed homeowners since 2010. However, the data Treasury has collected are of limited use for determining how well HFAs met their goals for assisting households and demolishing blighted properties, or for evaluating the HHF program overall. For example, Treasury did not develop a consistent methodology for HFAs to use when setting performance targets, which limits Treasury's ability to compare across programs or assess the HHF program as a whole. Further, GAO's guide to designing evaluations states that where federal programs operate through multiple local public or private agencies, it is important that the data these agencies collect are sufficiently consistent to permit aggregation nationwide. Although HFAs have until the end of 2021 to disburse their HHF funds, many programs are beginning to close, making it too late for meaningful changes to Treasury's approach to performance measurement. However, should Congress authorize Treasury to extend the program beyond December 2021 or establish a similar program in the future, it would be useful at that time for Treasury to develop a program evaluation design that would allow the agency to assess overall program performance, as well as performance across HFAs and program types.

#### Blighted Properties Slated for Demolition through the Hardest Hit Fund Program



Source: GAO. | GAO-19-100