

Attached are the Planning Documents prepared by the staff of Finance and Budget which represent our current vision for the nature and structure of this Office's operations in the foreseeable future.

I anticipate that my immediate Office will continue to oversee these functions with a staff of four (a decrease of one from last year).

I have also, per your request, examined the workload of the various offices within FAB to determine if it would be possible to reduce the current ceiling of the office through the use of buyouts. While FAB itself is currently below its approved ceiling and would therefore not be a target for further reductions, the Financial Operations Center in Albany has experienced a significant reduction in the workload associated with the Title I Program over the past several years as demonstrated by the following:

Endorsements:	11,609	6,948
Insurance-in-Force	218,503	81,549
Claims	16,623	6,634

Therefore, I am proposing that buyouts be offered for two Debt Servicing Representatives, GS-12-1101 and a Program Support Assistant, GS-7-303.

If you have any questions concerning this submission, please call Cathy Burke at extension 2708

## 30-DAY PLANNING DOCUMENT

**Name of Office:** Office of Asset Sales

**What the Office currently does/how it operates:**

The Office of Asset Sales (OAS) was established under the Deputy Assistant Secretary for Finance and Budget. The DAS for Finance and Budget provides policy direction, review and coordination of the financial management and fiscal services to support FHA's Single Family, Multifamily and Title I insurance portfolios.

The OAS is responsible for the disposition of multifamily, healthcare and single family mortgage notes and the implementation of the Single Family Claims Reform and Sale of Property amendments to section 204 of the National Housing Act (NHA) enacted in section 601 of the FY 1998 HUD Appropriation Act. The Office disposes of financial assets (Multifamily, Healthcare, Single Family notes) that are assigned to the Federal Housing Administration under the insurance contracts with FHA approved lenders.

The stakeholders with respect to mortgage loans sale include the Single Family and Multifamily Program Offices. The OAS strategic partners include the Office of Single Family Asset Management, Office of Multifamily Asset Management, Office of Evaluation, Office of the Chief Procurement Officer, Procurement and Management Division, Office of Financial Analysis and Reports, Office of Budget and Field Resources, Office of General Counsel, and Office of Financial Services. The OAS may require the assistance of other HUD offices when necessary.

Other strategic partners include outside contractors that are engaged to perform a mortgage sales transaction. A mortgage loan sale may include a program financial advisor, a transaction specialist, a due diligence contractor, a pipeline coordinator, an oversight monitor and a legal services contractor. In addition, contractors that are utilized by other offices assist the OAS including the multifamily loan servicing contractor and single-family loan and property contractors.

Outside strategic partners include the Limited Liability Partners that are a result of the joint venture sales held under the 601 Demonstration Program. Currently the Department has three joint venture partnerships and plans to conduct a new sale (Single Family Joint Venture 2005) on May 24, 2005.

**Strategic Vision for Office:**

As part of its insurance contract, the Department acquires the notes and mortgages for defaulted assets through the payment of a claim filed by approved FHA lenders. The sale and disposition of the financial assets is a core part of the insurance function. The objectives of the Office of Asset Sales are to:

maximize the recovery and returns to the FHA funds from the payment of claims through selling the assets to the marketplace, and provide opportunities for homeowners and performing program participants that are consistent with the Housing mission.

The Office of Asset Sales with the help of our strategic partners conducts note sales. At times, this work requires the Office to procure new contractors for specific sales and each sale may require multiple contractors.

#### **How this strategic vision supports the Office of Housing and HUD goals:**

The Department of Housing and Urban Development (HUD) through the Federal Housing Administration's (FHA) Asset Sales Program has established an ongoing sales program to liquidate its inventory of HUD-held mortgage notes. HUD is conducting a program of regular sales in order to decrease its inventory of HUD-held mortgages and generate budget savings. In addition, reducing HUD-held inventory reduces the burden on HUD administrative personnel, allowing them to concentrate on its core mission of providing affordable housing.

The Asset Sales Program developed and implemented the 601 Accelerated Claims and Asset Disposition (ACD) Demonstration Program. The ACD Demonstration Program is a series of sales of an equity interest in a forward pipeline of defaulted, formerly FHA-insured single-family loans to a joint venture. The 601 Program was designed to support home ownership retention and focuses on viable private sector alternatives to foreclosure. In addition, the HUD 601 Program supports HUD's goal to increase recoveries on the disposition of its assets.

#### **How this strategic vision changes the business we do/the way we do business:**

The Office of Asset Sales, by conducting multiple sales, has developed standard business practices to conduct these sales. A post sale report for each transaction recommends better or alternative practices for future sales. It also recommends changes and improvements for processes and protocols that are utilized for the sales.

#### **What we have now – staff, FTE, skill sets:**

The Office of Asset Sale consists of the following nine staff:

Position	Staff	FTE	Grade
Director	Kathleen Malone	1	15
Deputy Director	Myrna Gordon	1	15
Senior Program Specialist	Laura Lamar	1	15
Management Analyst	John Lucey	1	14

Financial Analysts	Elisha Anderson/Prasant Sar	2	13
Management Analyst	Karl Morrison	1	13
Management Analyst	Peggy Russo	1	12
Staff Assistant	Kim Sanders	1	9
Total FTEs		9	

The skill sets in the Office of Asset Sales include:

- Knowledge of single family, multifamily and healthcare programs, structure, missions, functions and their organizational relationships.
- Experience in conducting mortgage loans sales.
- Experience in the contracting process including procurements, contract negotiation, contract award, contract dispute process and contract closeout.
- Knowledge/experience in budget formulation and program evaluation.
- Strong relationships with various stakeholders both within HUD and outside stakeholders.
- In-depth understanding of sale documents including those developed for joint ventures, whole loans sales and securitized transactions.
- Knowledge of qualitative and quantitative methods for assessing and improving the efficiency with which Housing's programs are delivered to clients.
- Knowledge of analytical and evaluative methods, principles and techniques.

**What the strategic vision means we will require – staff, FTEs, skill sets:**

To realize the strategic vision, the Office of Assets Sales will develop and retain the skill sets that it currently has especially with regard to financial analysis, risk assessment and internal controls. The additional skills would allow the office to do more analysis and decrease existing dependency on contractor skills. The growth in skills and knowledge would require an increase in grades for approximately 3 staff persons.

The Office of Asset sales would like to increase its skill sets in the following areas

1. Policy, program and regulation development
2. Conducting mortgage loans sales
3. Monitoring of operations and financial activities of partnerships and trusts
4. Risk assessment
5. Contract acquisition and management
6. Financial analysis and reporting

All skill set that are currently used now will need to be utilized and expanded in the future for this office to expand the number and types of sales.

**Gaps between what we have and what we will need – staff, FTEs, skill sets:**

The Office would like to fill in its skills gaps with existing staff that have direct experience with loans sales that are traditionally conducted by the transaction specialist, due diligence contractor and the equity monitor. The Office believes it needs to develop the skill sets of the in-house staff to procure and manage outside contractors and to replace the contract skills according to plan and if contract funds are not available to complete the work in-house.

The Office requires staff with extensive financial and analytical abilities to assist in the evaluation of the data that is used in the sale process, the determination of market valuations and hold values, and post sale reviews.

The Office also needs skills sets/staff with contracts management experience to manage the increasing number and complexity of contracts that the Office requires to execute its annual and long term asset sales plan.

Currently, the staff in the Office of Assets Sales is not eligible for retirement in the next five years with the exception of the Director.

## 30-Day Planning Document

Name of Office: Office of Budget and Field Resources

**What the Office currently does/how it operates:**

The office is split into four divisions. The Program Budget Division; S&E Budget Division; Funding Control Division; and the Analysis & Reporting Division.

### Program Budget Division

- Involved in the formulation and presentation of Housing's annual budget submissions, including FHA and all other programs under the responsibility of the Office of Housing. They are also responsible for coordinating their efforts with the Departmental Budget Office.
- They provide direction and technical budgetary advice to the Commissioner and all Housing program offices.
- Discuss budget issues with OMB, CBO, OGC, and Congressional staff, as appropriate. They also ensure that the Commissioner is briefed on the budget and prepared for meetings with Departmental policy makers and hearings before Congress.

### S&E Budget Division

- Involved in the formulation and execution of the Office of Housing's Salaries and Expenses budget.
- Has many functions similar to Program Budget, but also includes some functions similar to the Funding Control Division.
- Also provides funding allocations to the program DAS's for assorted S&E expenses, such as travel.
- Reviews and certifies funds availability for contract actions requiring S&E dollars.
- Provides technical budgetary advice and direction to the Commissioner and the Housing Offices.
- Coordinates budget submissions with Departmental Budget Office.

### Funding Control Division

- Processes fund assignments to HUD Field Offices.
- Reviews, certifies the availability of funds, and reserves funds for contract actions requiring program dollars.
- Maintains a log of contracts actions.
- Works with program offices to ensure the timely assignment/allocation of funds.
- Provides guidance as to the proper source of funds for activities.

### Analysis and Reporting Division

- Currently has responsibility for the formulation and presentation of the Project-Based Section 8 program.
- Performs the same functions as the Program Budget Division in relation to this account. Also provides training to junior staff in the Program Budget Division.

Within the Office of Housing, some see us as an administrative impediment to "getting the job done". Which seem to be universal feeling between program offices and support. The opinions of other administrative staff (OGC, CFO, etc.) seems to cover the full range from professional, knowledgeable, and willing to help, to totally unresponsive. I believe Housing's managers, for the most part, understand our function and are grateful for our assistance and guidance.

The current business environment is one of very limited resources. Like all Housing offices, our ability to hire – or train staff -- is severely restricted. This condition is likely to continue for the foreseeable future. This is especially troubling with so many of our current employees eligible for retirement. We are in a situation where we can't hire, have limited training funds. Consequently, we can do little succession planning and, because the field of budget is very dynamic, without adequate training funds, we are becoming increasingly inefficient.

Limited funding has caused the program offices to attempt to shift funding sources for some of their more critical contracts. That is, if the contract was once funded from S&E dollars and those dollars are limited, the program office will attempt to fund the contract from program funds – not always the proper funding source. Even if we do have the statutory authority to fund the contract from the new source, such a change requires that we notify congress. Because of this, the Funding Control Division has had to be extra diligent in their review of contract actions to ensure that the proper funding source is used.

### **Strategic Vision for Office:**

Considering the budgetary constraints, I see little or no chance of obtaining additional resources over the next few years. Nor, do I anticipate any significant changes in Housing's programs structures. It is doubtful that the Department will embark on any new construction programs, or expand the current ones. In addition, I do not expect significant changes in the FHA Funds. The increases in workload will likely come from increased budgetary reporting requirements and additional program performance measuring/reporting requirements. Because budget preparation is inherently a governmental function, increases in workload cannot be contracted out.

Our biggest problem seems to be in FHA. While we have one new analyst, and one senior analyst, the budgetary treatment of the FHA Funds is so complicated that it requires a great deal of time and training for the analysts to obtain the needed skills to

work independently on the programs. This can literally take years. In addition, the requirement of the FHA accounts keeps Housing's other, non-FHA accounts from receiving adequate attention/review.

Two approaches to dealing with these issues will be:

- 1) Shift all the non-FHA programs (and one analyst) to the Analysis & Reporting Division, making it an "Assisted Housing" Division. This will allow one division to focus solely on the FHA Funds, while the other focuses on the other non-FHA accounts. This will increase account coverage and allow the analysts a better opportunity to increase their skills.
- 2) Because the work of the Office of Evaluation and the Budget Division are so entwined, I would like to see the two offices work together more closely. Budget already relies on much of Evaluation's analysis in formulating Housing's annual budget. Some refinement of that work would make their work more "usable" by Budget and, reduce Budget's workload.

#### **How this strategic vision supports the Office of Housing and HUD goals:**

In the years immediately ahead, achievement of Housing and HUD goals will require efficient management and oversight of a limited and potentially shrinking pool of budgetary resources. The Office of Budget and Field Resources will need to be able to play an important role in assuring that: A) Housing obtains the needed resources to accomplish its programmatic mandate; and, B) the available resources are managed properly.

This is a complex technical and policy task requiring well trained staff with adequate experience to produce acceptable results for Housing. Housing and HUD, like it or not, will find itself in an increasingly adversarial environment both within the Administration, between the Administration and Congress, and with various audit authorities to adequately explain defend and fund Departmental priorities. This will require us to not just maintain current analytical and policy-oriented skills on the part of Housing's Budget Office but to expand and improve those skills. The Housing Budget Office is presently blessed with several senior staff members, (either currently eligible or soon to be eligible for retirement), who are strategically placed within the organization to provide experienced and technically proficient skills to keep the Budget process operating smoothly from month to month with very limited resources. However, prudent thought to the very near future speaks to the necessity of providing for the succession of those skills before the senior members of the staff retire or leave.

This strategic vision dictates taking maximum advantage of the existing, virtually irreplaceable, skill set of the current senior staff in the short run. However, the key problem of succession remains.

**How this strategic vision changes the business we do/the way we do business:**

I believe that working more closely with the Office of Evaluation and shifting responsibilities within Program Budget will enable us to be more efficient with the current staffing levels. In addition, allowing staff to focus on one set of programs will enable them to become more technically specialized in those program areas, thus increasing their skill levels.

The technical requirements of the Budget have continually increased over the past several years, especially with changes to Credit Reform. Having a group focused on this aspect of budgeting, will allow their skill levels to grow along with the increasing requirements.

**What we have now – staff, FTEs, skills sets:**

We have four FTE assigned to the Program Budget Division. We should have an additional one or two FTE as junior analysts and backup for the FHA Funds and the Assisted Housing programs. In addition, the employees – non-supervisory – currently working the accounts need training to enhance their skills and to reach their full potential.

The S&E Budget Division has two FTE who are skilled in their jobs. However, both are eligible to retire. One additional FTE should be assigned to the Division to ensure continuity of operation.

The Funding Control Division includes seven FTE, five of whom are eligible to retire. This staff is generally skilled in their jobs. However, one FTE should be added to this mix and one rotated out. The new FTE should have good computer skills to help with the conversion/maintenance/upgrade of the Division's automated systems.

The Analysis and Reports Division now has two FTE and both are eligible to retire as well. Should the shift of responsibilities discussed above occur, it would have three. Two of the potential 3 are highly skilled. However, the incoming analyst would need additional training by the Division Director to increase his/her skill level.

**What the strategic vision means we will require – staff, FTEs, skill sets:**

The Office of Budget and Field Resources should have two or three junior grade FTE for training, succession, and to ensure continuity of operations as current staff retires or leave. The skill of the staff current will need to be increased as budgetary requirements increase/change.

**Gaps between what we have and what we will need – staff, FTEs, skill sets:**

See above.

## 30-Day Planning Document

Name of Office: Office of Evaluation (OE)

### What the Office currently does/how it operates:

OE reports to the Deputy Assistant Secretary (DAS) for Finance and Budget within the Office of Housing. OE has two managers—a Director and Deputy Director—with a total FTE staff of 19 currently on board, with a REAP ceiling of 20 FTE. In addition to FTE, OE has about an equal number of on-site contract employees, and relies on additional off-site contractor support.

OE serves as FHA's primary data resource and analytic Office. OE staff are unique within FHA for having access to and understanding of a wealth of data and information from many sources including the FHA single-family and multifamily data warehouses, FHA's legacy systems, multifamily financial and physical inspection reports, and external data such as Census, HMDA, Global Insight, and others.

Specific tasks performed by OE include:

- the statutorily mandated annual independent actuarial review of the FHA Mutual Mortgage Insurance Fund;
- preparation of other in-house actuarial studies and analyses;
- preparation of annual credit subsidy estimates for single family, multifamily, and Title I programs for inclusion in the HUD budget;
- preparation of liability for loan guarantee and loan loss reserve estimates for inclusion in the annual FHA audited financial statements;
- recommendation of mortgage insurance premium and underwriting adjustments to achieve target credit subsidy rates and capital ratios, and other policy analysis at the request of the program offices;
- technical assistance and direction in the development of FHA data warehouses, which organize FHA and other program data from HUD legacy systems along with selected external data into readily accessible data marts;
- the issuance of periodic (quarterly, monthly, and bi-weekly) management reports on FHA business activities;
- responses to special requests for FHA program data from internal and external sources, including agencies with budget oversight responsibilities over HUD (OMB, GAO, CBO), HUD program and field offices, and the public (including requests for data under the Freedom of Information Act).

- the preparation of special studies focused upon FHA multifamily and single family policy development and program monitoring; and
- investment of FHA's insurance fund reserves with the Department of the Treasury.
- In cooperation with the Office of Multifamily Asset Management and the Real Estate Assessment Center in the Office of Public and Indian Housing, OE is also responsible for defining the criteria for the financial risk assessment of HUD-insured and -assisted multifamily properties. Furthermore, in cooperation with the above entities and the Office of the Chief Information Officer, OE is responsible for overseeing the development and maintenance of the multifamily Online Property Integrated Information Suite (OPIIS) that makes multifamily financial, physical inspection, and program data available to Headquarters and field staff for use in monitoring HUD program performance.<sup>1</sup>

### **Strategic Vision for Office:**

Over the past five years, the Office of Evaluation has undergone significant change and its responsibilities have grown in many new areas. These additional responsibilities include:

- Credit subsidy analysis for FHA's Single Family and Multifamily mortgage insurance programs (previously performed in part by the Office of Housing Budget and contractors).
- Multifamily risk assessment, including an integrated risk assessment tool – Previously performed by the Real Estate Assessment Center. Includes analytic responsibility for developing risk rankings for 30,000 properties in multifamily inventory.
- Sophisticated targeted risk assessments
- Sophisticated modeling of FHA's contingent liabilities (in response to increased federal financial reporting requirements in recent years)

As a result, the Office of Evaluation has undergone transformation from an office primarily involved in preparation of periodic management reporting of FHA's business activities and limited actuarial analysis into one which performs increasingly

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<sup>1</sup> On September 4, 2002, Michael M. Liu, Assistant Secretary for Public and Indian Housing (PIH), approved the transfer of NASS-MF and FASS Lab from the Real Estate Assessment Center (REAC) in PIH to the Office of Evaluation (OE) in the Office of Housing. NASS-MF refers to the Multifamily Integrated Assessment Subsystem, which has since been re-designated as the Online Property Integrated Information Suite (OPIIS); FASS Lab refers to the Financial Assessment Subsystem Laboratory responsible for risk ranking FHA multifamily projects using annual financial statement data collected from project owners. One FTE was transferred from PIH to OE as a result of this transfer of responsibility.

sophisticated financial risk and comprehensive actuarial analyses. Our vision is for the Office of Evaluation to possess the human resource skills, computer hardware/software, and data quality needed to emulate best practices in the housing finance industry with regard to financial risk analysis and assessment.

Within this vision, the Office of Evaluation should be performing functions that include:

- Support budget preparations through credit reform subsidy estimate and re-estimate calculations.
- Support annual audit through calculation of SF and MF liability for loan guarantees (LLG) and loan loss reserves (LLR).
- Interface with OMB and CBO for subsidy estimate assumptions and calculations.
- Analysis of improvements to methodologies used for subsidy rate calculations.
- Oversee annual independent actuarial review of the MMI Fund.
- Monitor emerging economic trends and their potential impact on insured-loan performance (default, claims, prepayments, losses).
- Forecast FHA endorsement volumes.
- Oversee production of regular reports on FHA business activity.
- Conduct in-house risk assessment: catastrophic risk, VaR, solvency of insurance funds.
- Product pricing (new and existing products).
- Advise program offices in new product design.
- Manage relationships with HUD IT offices and contractors supporting Data warehouse operations.
- Monitor quality of data entering information systems.
- Automation of reporting functions.
- Web-based tool development.
- Programming support (MS Access, Visual Basic, Excel, SQL).
- Automated Assessment tool development
- Loss Mitigation servicer scoring
- Post-endorsement risk assessment tools
- Support FHA automated underwriting
- Program evaluation (e.g., downpayment gift assistance, 601 demonstration)
- Manage FHA's Investments

**How this strategic vision supports the Office of Housing and HUD goals:**

By emulating best practices of financial risk analysis and assessment, the Office of Evaluation will contribute toward achievement of two major goals of the Office of Housing and HUD:

- Embrace high standards of ethics, management, and accountability

Recent accounting scandals at Fannie Mae and Freddie Mac (and in the spirit of the Sarbanes-Oxley bill) underscore the need for accurate risk assessment and financial reporting by FHA to maintain the public trust. FHA is principally a financial intermediary between private sector partners (lenders) and US taxpayers, who ultimately bear the risks FHA insures. Taxpayers are well served if FHA achieves public purpose mission while at the same time effectively managing taxpayer risks. The Office of Evaluation can contribute significantly to achievement of this goal if it maintains and improves its ability to perform sophisticated risk analysis for FHA and HUD.

- Increase homeownership opportunities

Effective risk analysis can help FHA management to analyze policy options more accurately, thereby enabling policies to be formulated that can serve additional homebuyers while maintaining control of the risks that FHA assumes.

#### **How this strategic vision changes the business we do/the way we do business:**

Achieving this vision would require much of OE's current periodic and special reporting of FHA business activity data to be increasingly automated, freeing up FTE staff to spend more time conducting statistical and actuarial risk analysis, and more time to devote to much needed data quality control (this involves advising in the development and maintenance of HUD information systems and requires very specific knowledge of those systems and FHA programs).

Automating the periodic reporting would require staff skilled in computer software applications such as Visual Basic for Applications, SQL, SAS, SPSS, or other packages which enable queries, crosstabulations, and formatted reports to be run without manual transfers of data. These reports would be designed to access data residing in HUD's Single Family Data Warehouse, and various multifamily databases.

Automating the special reporting requests from internal and external clients could be accomplished if web-based graphic user interfaces (GUI) are developed for non-specialists to run and extract single-family and multifamily business activity data in a manner analogous to the OPIIS application that makes available multifamily financial, physical inspection, and some program data available to Headquarters and field staff. Such web-based applications would free up OE staff from responding to routine requests, and enable staff to devote more time to more complex or unusual requests.

In order for OE to be effective in managing its many diverse analytical and data quality functions, it would be desirable to reorganize the Office into two Divisions. One Division's workload would be actuarial and performance analysis. The other Division's workload would be targeted risk assessment and reporting for program areas. The purpose would be to improve staff productivity through better management of the highly diverse set of tasks the Office performs.

### What we have now – staff, FTE's, skill sets:

The composition of OE's current 19 FTE staff is as follows:

<u>Number</u>	<u>Position</u>	<u>Grades</u>	<u>Remarks</u>
2	Supervisory Program Analyst	15,15	Office Director & Deputy
1	Actuary	15	Ph. D. (Mathematics)
1	Program Advisor	15	Ph. D. (Statistics)
4	Financial Economist	15,14,14,14	4 with Ph. D. (Economics)
1	Systems Accountant	14	
2	Financial Analyst	14,13	
2	Management Info Spec.	14, 11	
4	Program Analyst	14,13,13,13	
1	Prog. Support Spec.	12	
1	Secretary	8	

Several of the senior analytical staff have computer skills in SAS, SPSS, or SQL. One or two have programming experience with APL (an analytical package that is somewhat dated). Several senior and junior analysts have received training in VBA, although none are at a high level of expertise. The Office of Evaluation does not currently have access to SAS, and only limited licenses for SPSS. Most of the analytical staff have developed expertise in using MS-Access and Excel.

OE currently relies heavily on contractors to supplement its skills in financial analysis. These contractors have made extensive use of VBA to build OE's FHA cash flow models. Statistical analysis is performed by several contractors, and these contractors bring high levels of expertise in econometrics and statistics and use several different software packages.

### What the strategic vision means we will require – staff, FTEs, skill sets.

In the strategic vision set forth above, OE will need to acquire staff with skills necessary to automate periodic management reporting, including development of web-based tools. This will free up staff to spend more time doing analytical work and data quality control. OE should reduce (but not eliminate) its reliance on contractors for skills needed to perform its functions to minimize loss of skills due to contractor turnover. To accomplish this, OE needs to acquire or maintain staff in three basic areas:

- Computer skills

This includes skills using statistical software packages such as SAS or SPSS, standard database query language (SQL), software which can automate reports such as Visual Basic for Applications (VBA), and web-based report generating tools.

- Statistical and financial analysis skills

OE needs to maintain staff with expertise in statistical/financial/actuarial analysis.

- Knowledge of HUD programs and data systems

OE will maximize its value added to the Department only if staff possessing the computer and or analytic skills noted above also have knowledge of HUD programs and data systems.

### Gaps between what we have and what we will need – staff, FTE's, skill sets

The gaps between what OE has and what it needs to achieve the stated vision are the following:

- Access to adequate computer hardware and software resources

OE needs appropriate computer equipment and software for econometric research and risk analysis of data sets that, for example, contain 30 million case records (as does FHA's Single Family Data Warehouse). The HUD standard computers and software available currently in OE are not powerful enough to perform the calculations necessary.

- Staff levels are adequate, but skill sets need to be improved and maintained

OE currently has staff with statistical, financial, and actuarial analytical skills. It needs to maintain these skills and add additional junior level analysts with these skills when replacement hires are made following staff retirements.<sup>2</sup>

OE needs to maintain and develop staff expertise in HUD programs and data systems, again because of pending skilled staff retirements.

OE needs more staff with skills in statistical software packages such as SAS or SPSS, standard database query language (SQL), software which can automate reports such as Visual Basic for Applications (VBA), and web-based report generating tools. Again, as replacement hires are made, these skills should be required of junior level hires.

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<sup>2</sup> OE has a high percentage (about 50%) of staff who are currently eligible to retire and 80% of staff will be eligible to retire in the next three years, which suggests a loss of existing staff experience in the near future