



1750 K STREET, N.W.
SUITE 300
WASHINGTON, D.C.
20006

April 11, 2019

The Honorable Nita M. Lowey
Chairwoman
House Committee on Appropriations
H-307, The Capitol

The Honorable Kay Granger
Ranking Member
House Committee on Appropriations
1016 Longworth HOB

The Honorable David Price
Chairman
Subcommittee on Transportation, HUD,
and Related Agencies
2358A Rayburn HOB

The Honorable Mario Diaz-Balart
Ranking Member
Subcommittee on Transportation, HUD,
and Related Agencies
2108 Rayburn HOB

Dear Chairwoman Lowey, Ranking Member Granger,
Subcommittee Chairman Price and Ranking Member Diaz-Balart:

The Housing Policy Council requests that Congress continue to support HUD's commitment to modernize the Federal Housing Administration (FHA) Single Family technology systems. The dedication of at least \$20 million in funding in the FY 2020 T-HUD Appropriations bill would enable FHA to implement the agency's multi-year Technology Roadmap without interruption, to fulfill the long overdue systems upgrade. This funding is essential for FHA lending programs, which have helped millions of Americans achieve the dream of homeownership.

As you know, HUD's leadership as well as the Department's Inspector General have consistently highlighted that FHA's technology systems are in desperate need of significant modernization.

In his April 3, 2019 testimony to the T-HUD Subcommittee, Secretary Carson cited "*critically needed funding to improve FHA's aging technology systems.*" In HUD's FY 2018 Report to Congress on the FHA Insurance Fund, FHA Commissioner Brian Montgomery wrote: "*The lack of modern technology is the greatest risk and the greatest challenge FHA faces. Without technology that works, and works well, we cannot maintain a complex insurance business, nor will we be in a strong position to provide a counter-cyclical role in times of housing market stress.*" In its March 31, 2017 report to Congress, the HUD OIG stated there are "*serious shortcomings in information technology (IT) systems, of which 87 percent are at or near the end of their life cycle. These systems include 400 IT products that no longer have technical support.*"

The Housing Policy Council's members work with FHA every day, originating and servicing FHA mortgages. Our members identify FHA's technology challenges as one of the greatest obstacles to high quality customer service in the FHA segment of the market. Helping FHA to become an agency with up-to-date, 21st-century operations is critically important, particularly for first-time homebuyers, who are often low-and moderate-income and minority households.



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We ask that the House continue the positive action in the Fiscal Year 2019 Omnibus Appropriations Bill and include \$20 million in funding for FHA technology modernization for Fiscal Year 2020.

Thank you for considering our views on this important issue and we welcome the opportunity to work with you to improve FHA's ability to serve Americans seeking to become homeowners.

Yours truly,

A handwritten signature in black ink that reads "Edward J. DeMarco". The signature is written in a cursive style with a large initial "E".

Edward J. DeMarco
President
Housing Policy Council