



Fact Sheet: Transforming HUD's Office of Multifamily Housing for the 21st Century

Context

- The Federal Housing Administration's Office of Multifamily Housing is proactively making changes to better fulfill its mission, while doing more with less.
- This transformation will help Multifamily better serve its customers and stakeholders, operate more efficiently and consistently, and improve its risk management. These changes are necessary to ensure Multifamily's operating model keeps pace with current market demands, while providing for future flexibility.
- The transformation builds on the success of past initiatives, *Breaking Ground* and *Sustaining our Investments*. These initiatives helped Multifamily respond to the financial crisis by reducing backlogs and improving application speed, while classifying assets according to risk. This provided liquidity and stability during and after the crisis.

Transforming Multifamily for the 21st Century

- Multifamily's transformation includes four initiatives:
 1. **Launching workload sharing** to more equitably distribute workload across the country in both Development and Asset Management. This will mitigate pressure on staff and reduce wait time and backlogs for customers. Workload sharing is already being piloted, and has received positive feedback from both staff and customers.
 2. **Introducing risk-based processing and underwriters in Production** to increase the efficiency of processing applications, provide improved customer service, and better manage risk. Applications will be segmented according to risk and complexity and then assigned to the appropriate underwriter. The underwriter will manage the end-to-end review of the application, drawing in technical experts such as construction analysts and appraisers as needed.
 3. **Creating specialist support in Asset Management** to allow senior staff to focus on risky, complex, or troubled assets. Troubled Asset Specialists, a new role, will focus on addressing challenges associated with at-risk assets. Account Executives, today's Project Managers, will focus on the non-troubled portfolio. This increased focus will allow Multifamily experts to better manage risk while creating more manageably scoped roles for staff.
 4. **Streamlining its organizational model in both headquarters and the field** to streamline decision-making and enhance accountability.
 - In headquarters, Multifamily will streamline and focus its structure, with four main offices: Production, Asset Management and Portfolio Oversight, Recapitalization, and Field Operations. These changes will reduce duplication and provide better support and service to both the field and our external customers and stakeholders.
 - In the field, Multifamily is consolidating 17 hubs into 5 future regions. Each region will have two field offices – one hub and one satellite – for a total of 10 future offices.

This structure will more closely mirror the model used elsewhere in HUD and will increase national consistency across Multifamily. The future locations, by region, will be: New York and Boston; Atlanta and Jacksonville; Chicago and Detroit; Fort Worth and Kansas City; San Francisco and Denver.

- All Multifamily employees will have the opportunity to remain with Multifamily. Employees in field offices that are being consolidated will be asked to relocate and offered relocation pay, or they may elect to take a buyout, and early retirement if eligible. Some headquarters staff will also receive these options.
- Collectively, Multifamily expects these changes to deliver significant increases in operational effectiveness, customer service, and risk management. In addition, they will generate roughly \$40-45 million in annual savings once implementation is complete. Although this transformation will achieve significant savings in a tight budget environment, the primary goal is improving Multifamily's ability to deliver on its mission.
- Implementation of changes other than workload sharing, which is already being piloted in multiple hubs, will not begin until this Fall and will continue gradually over the next two to three years to minimize the risk of business disruption. Multifamily has established a strong track record with recent change programs like *Sustaining our Investments* and *Breaking Ground*, which succeeded in substantially reducing application backlogs, increasing processing speed, and introducing improved risk management techniques.
- These changes within the Office of Multifamily Housing have been carefully coordinated with other HUD initiatives, like the [Small Office Project](#), which was also announced on April 24.

For more information, please visit our [website](#).