

Chairman Tom Latham – Opening Statement
Transportation/Housing and Urban Development Appropriations Subcommittee
Budget Hearing – HUD
March 10, 2011

Welcome Mr. Secretary. I want to thank you for your testimony, and thank you for your continued service at HUD. As I've said before, while we may not always agree on the issues, your competence and hard work at the Department is much appreciated.

While your request would appear to the casual observer to be \$1.2 billion, or 2.8%, lower than your fiscal year 2010 enacted level, I take some exception to that since you get to that number through a projected increase in FHA and Ginnie Mae receipts. As we noted last year, the Congressional Budget Office took a different view of how to score the FHA receipts in your budget request. Even with that scorekeeping issue, I think it should be noted that the fiscal year 2008 discretionary budget authority allocation for the entire THUD bill was \$48.8 billion. Your request for fiscal year 2012 is \$41.8 billion, or \$47.8 billion without the receipts. That doesn't leave a whole lot for Transportation or anything else when you put the numbers in the proper context.

Mr. Secretary, we both agree that in this fiscal environment, protecting existing residents and those served by HUD's programs should be the top priority. Doing so will require some hard choices and a prioritization of HUD programs – particularly among the many grant programs under your jurisdiction. I look forward to working together to identify programs and areas where reasonable savings can be achieved while keeping residents currently served by HUD in their housing.

I also remain concerned over FHA's continued market share in the single family mortgage insurance market. Last year, you were hopeful that fiscal year 2011 would see some private capital return to this segment of the market. We are halfway through the fiscal year and, so far, that has not materialized. I look forward to hearing how the Administration will extricate the government from being the lender and insurer of first and last resort for those seeking to purchase a single family home.

I look forward to an open and productive discussion with you as we continue through the process and I thank you again for your hard work at the Department. I think we all have a lot of questions and ground to cover today.

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