

FY 2020 OMB Supplemental Data Call

HUD

Office of Public and Indian Housing - Tenant-Based Rental Assistance

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Rental Housing Assistance Program (RHAP) – Tenant-Based Rental Assistance (TBRA) reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting accountability actions for reducing and recapturing improper payments through annual performance appraisal criteria is not applicable.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other FY 2020 improper payment estimate was below the statutory threshold, therefore, HUD is not required to develop corrective actions.	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, TBRA's improper payment rate was below the statutory threshold per OMB Circular A-123, Appendix C, Part I.B.1. Therefore, HUD is not required to develop corrective actions for this program

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

HUD identified 55 programs that disbursed \$1 million or more in annual outlays. Of these, 16 programs have a payment recapture audit plan.

Community Planning and Development (CPD) Community Development Block Grant – Disaster Relief Appropriation Act – Sandy

CPD monitors improper payments by analyzing grantee quarterly performance reports and monitoring grantee's efforts to prevent duplication of benefits and ensure compliance. If an improper payment is identified, Chapter 6 of the CPD Monitoring Handbook provides guidance on capturing improper payments identified in file-level reviews. In most cases, CPD recaptures overpayments by offsetting future draws or HUD instructs the grantee to repay funds.

Salaries and Expenses (S&E) ADMN, CFO, CIO, CPD, CPO, FHEO, Ginnie Mae, HSNB, OCFO, OCHCO, OCIO, PDR, PIH

The Office of the Chief Human Capital Officer (OCHCO) reviews the payroll report every pay period. If improper payments were made, the source of the improper payment is identified and OCHCO corrects the issue. Overpayments are validated through a quality review process, corrected through the NFC database and the employee is notified. After due process, the collection process is initiated.

OLHCHH - Lead Hazard Reduction

During grant execution, grantee invoices are reviewed. If an improper payment is identified, the Government Technical Representative (GTR) or the Contracting Officer Representative (COR) provide fund recipients with the basis for recovering the improper payment. During the close-out of a grant, if there is a financial error, the grantee provides an explanation and submits payment to resolve the financial shortfall. If the recipient does not refund HUD, the matter is referred to the Office of General Counsel.

Housing – FHA programs; Contracts/Grants (includes Single Family Upfront Grants), Federal Finance Bank Direct Loans, Home Equity Conversion Mortgage Claims, Home Equity Conversion Mortgage Notes, Multi-Family Insurance Claims, Multi-Family Notes, Multi-Family Premium Refunds, Multi-Family Property, Single Family Claims, Single Family Premium Refunds - Distributive Shares and Refund System, Single Family Property, Title I Claims, Other Disbursements.

FHA programs generate reports that identify potentially duplicate disbursements, which if validated, are initiated for recovery. The Financial Operation Center (FOC) is primarily responsible for generic debt collection. For internal offsets, billing letters are sent to mortgagees for repayment. If the payment is not received within 120-150 days, it is referred to FOC for collection. Improper payments are also identified and collected through Post Claim Reviews. A

sample of settled claims is reviewed for compliance and a report on findings is prepared and issued to the mortgagee, who can refute the findings or issue payment. Finally, for Treasury Cross-Servicing, eligible delinquent debts are referred to the Treasury Offset Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

HUD has 55 programs that disbursed \$1 million or more in FY 2019. HUD justified not having a payment recapture audit program for 39 with 28 placed into five groups based on similar justifications.

Group 1–Nature of the Program: MFH - RHAP - Project Based Rental Assistance, RHAP- Project Based Section 8, Rental Housing Assistance Program- Section 236, Housing for Persons with Disability- Section 811 and PIH - RHAP - Tenant Based Rental Assistance Section 8, Housing Certificate Fund & Tenant Based Rental Assistance – inability to recoup overpayments, no centralized database for key subsidy data.

Group 2–Lack of Empirical Evidence: PIH - Choice Neighborhoods Initiative, Family Self-Sufficiency Program, Public Housing Capital Fund, Public Housing Operating Fund, Revitalization of Severely Distressed Public Housing (HOPE VI), MFH- Section 811 Housing for Persons with Disabilities and PDR – Research and Technology – insufficient overpayments to justify recapture costs.

Group 3–Similar Overpayment Recovery Activities for CPD Programs: Brownfield Redevelopment/Economic Development Initiative, Capacity Building, Community Development Block Grant (CDBG Insular Areas, CDBG Entitlement, CDBG Non-Entitlement), Community Development Fund - Disaster Recovery Assistance (Hurricane HIM), Community Development Fund - Disaster Recovery Assistance (LA, TX, WVA, Hurricane IKE, Other Disasters), HOME Investments Partnership Program, Homeless Assistance Grants, Housing Opportunities for Persons with AIDS, Housing Trust Fund, Neighborhood Stabilization Program, Project Based Section 8 - Renewal of Expiring Sec. 8 Mod Rehab SRO, Self-Help Homeowner Opportunity Program (SHOP)– monitor and recoup from future draws.

Group 4–Similar Overpayment Recovery Activities for Ginnie Mae Programs: - Contractor Payments, Master Sub-Servicer Default Activity, Refunds Program, Soldiers’ and Sailors’ Civil Relief Act Program Reimbursement and Multifamily 1% Reimbursement Program– use procurement rules to recapture funds.

Group 5–Similar Overpayment Recovery Activities for Other Rental Assistance Programs: Housing - Housing for Special Populations-Capital Advance portion of expenditures, Section

202; Rental Housing Assistance Program – Section 236 and PIH - Project-Based Rental Assistance Section 8 Moderate Rehabilitation – data matching to recapture funds.

The remaining 11 programs have other mechanisms in place to recover overpayments with individual justifications:

FHEO -Fair Housing Assistance Program

FHEO-Fair Housing Initiative Program

Housing-Housing Counseling Assistance

Housing-Manufactured Housing

OCPO-Payments to Federal Contractors

PIH-Indian Community Development Block Grants

PIH-Native American Housing Block Grants

PIH-Native Hawaiian Housing Block Grants

PIH-Native Hawaiian Housing and Indian Home Loan Guarantee- Sec. 184 Program Account

OCPO-Purchase Card

OCFO–Travel

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- Identifying risk and vulnerabilities to fraud, and*
- Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The risks of fraud within HUD programs remains consistent and understood allowing HUD to establish reasonable controls to prevent, detect, and respond to fraud.

As part of our ongoing risk and control assessment efforts along with addressing the impacts of COVID-19, we established the Accountability, Integrity, and Risk (AIR) team and the HUD CARES Compliance and Response Team (HCCRT), respectively. The former is to assess and report on the effectiveness of HUD's financial and operational risks and controls to support reasonable assurance while the latter monitors compliance and audit processes with the CARES Act.

In addition, we conducted training and developed SOPs for program managers on how to report on fraud risks and expanded the fraud risk compendium to help educate program managers about fraud schemes that could affect HUD programs.

The Risk Management Council (RMC), a governing body for the identification, assessment and monitoring of HUD's enterprise and fraud risks, continues to serve as the focal point for risk management decision making. Concurrently, OCFO conducts and validates program level improper payments risk assessments for approximately one-third of the HUD Programs each year on a rotating three-year cycle. Any programs identified as high-risk (susceptible to improper payments) are individually reviewed and tested for improper payments (which would include potentially fraudulent payments).

We continue to build upon the travel and payroll data analytics tools and the grant data analytics pilots while making progress on data analytics work (e.g., intelligent automation) related to contracts and purchase cards. The Department is seeking further improvement in the process, additional data sources, and options for automation tools in validating/verifying benefits, vouchers, subsidies, and payments made by HUD and its public housing agencies, housing owners, and sub-recipients to qualified individuals and families.

Finally, we continue to leverage all vehicles at our disposal to communicate ethical guidelines around fraud, waste, abuse, and mismanagement. Communication to raise awareness around fraud risk was done through various means including declaring November as anti-fraud month and launching a public information campaign to increase awareness of fraud activity as part of employee reporting responsibilities.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Economic Development Initiative (EDI)/Brownfields Redevelopment Economic Development Initiatives (BEDI)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Capacity Building	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Block Grant - DRAA Sandy	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Loan Guarantees - Section 108	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Congressional Earmarks - Economic Development Initiative - Special Projects/Neighborhood Initiatives	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Neighborhood Stabilization	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Rural Innovation Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Contracts/Grants (includes Single Family Upfront Grants)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Federal Finance Bank Direct Loans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Other Disbursements	Likely to be Below Statutory Threshold	Other	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Single Family Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Single Family Property (SAMS)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Claims	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Assistance Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Initiative Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Refunds Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Soldiers' and Sailors' Civil Relief Act (SSCRA) Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Section 811 Housing for Persons with Disabilities (PRAC and Capital Advance)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Manufactured Housing	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Bi-weekly pay & Retirement and Benefits)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Purchase Cards)	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Salaries & Expenses (Travel)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Lead Hazard Reduction	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Research and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Choice Neighborhoods Initiative	Likely to be Below Statutory Threshold	Other	NO
Indian Community Development Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native American Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing and Indian Home Loan Guarantee - Sec. 184 Program Account	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Public Housing Operating Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title VI Indian Federal Guarantees	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD made minor updates to the previous year's Risk Assessment Plan for recording and capturing qualitative risk assessment results. Adjustments included updates to two of the risk factor criteria descriptions based on program office feedback from the FY 2019 risk assessment process. Overall, HUD determines a program's risk factor rating based on an objective format that weighs the significance of each risk factor assessed. HUD's Risk Assessment Plan is a step-by-step approach for determining if a risk assessment is required for the current FY and details the step-by-step process for completing an assessment.

Risk assessments are required to be conducted at least once every three years for programs/activities that were not deemed to be susceptible to significant improper payments. HUD conducted walkthrough meetings with program officials and other key stakeholders to discuss the purpose of the improper payment risk assessment, the risk assessment requirements, criteria and workbook template. Program offices considered eight risk factors for programs requiring an assessment: (1) Newness of Program or Transactions, (2) Volume of Payments, (3) Complexity of Program or Transactions, (4) Eligibility Determination and Disbursement Authority, (5) Changes in Program Funding, Authorities, Practices or Procedures, (6) Human Capital Management, (7) History of Audit Issues and (8) History of Payment System Deficiencies. Each program official completed the required template and results were compiled.

If a program is determined to be high risk and susceptible to significant improper payments, HUD will coordinate with the relevant stakeholders to develop a methodology and estimate improper payments for the program. HUD conducted a total of 32 risk assessments for nine program offices. Based on the results, no new programs were identified as high risk

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
N/A	9. Administrative or Process Errors Made by: Federal Agency	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year of reporting for TBRA and HUD executed a non-statistically valid estimation methodology. Per OMB Circular A-123, Appendix C, Part III.A.3, "OMB does not

expect the program to publish a reduction target until a full baseline has been established and reported. If a program had a 24-month reporting cycle where no changes occur, the program will most likely be considered to have established a baseline.” HUD will set a reduction target for TBRA once the Agency has established a full baseline for payment integrity reporting.

TBRA’s FY 2020 improper payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for these programs.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year HUD estimated improper payments for this program, utilizing a temporary non-statistically valid estimation methodology. HUD has not yet established a baseline for TBRA, therefore, determining whether the program has reached a tolerable rate of improper payments is not applicable.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

TBRA reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting whether the agency has the internal controls, human capital, information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted is not applicable.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for TBRA do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for TBRA do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Non-Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

TBRA was non-compliant in FY 2019 due to not publishing an improper payment estimate. In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG

will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
7

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

TBRA was non-compliant in prior years due to not publishing compliant improper payment estimates. In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Based on the improper payment work performed in FY 2020, HUD has self-determined that TBRA is compliant for the FY 2020 reporting period.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Initiative (DNP) was established by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) to support federal agencies in their efforts to detect and prevent improper payments. DNP helps to protect the integrity of the federal government's payment processes by assisting agencies in mitigating and eliminating improper payments in a cost-effective manner while safeguarding the privacy of individuals. DNP enables agencies to use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. DNP enables agencies to screen payment recipients on a pre-payment basis against databases identified in IPERIA, and also provides post-payment screening against these databases to help ensure that any payments to potentially ineligible parties are identified for adjudication and possible recovery.

During FY 2019, HUD screened 829,972 payments against IPERIA-listed databases, representing \$72 billion (The available FY 2019 payment data was derived from the Do Not Pay Portal on July 17, 2020). The effectiveness of the DNP post payment review of data, coupled with program specific pre-payment monitoring and screening of payments to prevent payments to ineligible parties, has resulted in an observed ineligible party payment rate of 0%. Management will continue to emphasize review and monitoring of established internal controls to prevent any future improper payments. HUD continues to have discussions with Treasury to determine the most beneficial way to monitor its programs through the Do Not Pay Initiative.

Ginnie Mae - Contractor Payments

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Ginnie Mae Contractor Payments reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting accountability actions for reducing and recapturing improper payments through annual performance appraisal criteria is not applicable.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	FY 2020 improper payment estimate was below the statutory threshold, therefore, HUD is not required to develop corrective actions.	Other
13. Insufficient Documentation to Determine	Other (free text)	FY 2020 improper payment estimate was below the statutory	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		threshold, therefore, HUD is not required to develop corrective actions.	

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, Ginnie Mae's improper payment rate was below the statutory threshold per OMB Circular A-123, Appendix C, Part I.B.1. Therefore, HUD is not required to develop corrective actions for this program.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

HUD identified 55 programs that disbursed \$1 million or more in annual outlays. Of these, 16 programs have a payment recapture audit plan.

Community Planning and Development (CPD) Community Development Block Grant – Disaster Relief Appropriation Act – Sandy

CPD monitors improper payments by analyzing grantee quarterly performance reports and monitoring grantee's efforts to prevent duplication of benefits and ensure compliance. If an improper payment is identified, Chapter 6 of the CPD Monitoring Handbook provides guidance on capturing improper payments identified in file-level reviews. In most cases, CPD recaptures overpayments by offsetting future draws or HUD instructs the grantee to repay funds.

Salaries and Expenses (S&E) ADMN, CFO, CIO, CPD, CPO, FHEO, Ginnie Mae, HSNB, OCFO, OCHCO, OCIO, PDR, PIH

The Office of the Chief Human Capital Officer (OCHCO) reviews the payroll report every pay period. If improper payments were made, the source of the improper payment is identified and OCHCO corrects the issue. Overpayments are validated through a quality review process, corrected through the NFC database and the employee is notified. After due process, the collection process is initiated.

OLHCHH - Lead Hazard Reduction

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Housing – FHA programs; Contracts/Grants (includes Single Family Upfront Grants), Federal Finance Bank Direct Loans, Home Equity Conversion Mortgage Claims, Home Equity Conversion Mortgage Notes, Multi-Family Insurance Claims, Multi-Family Notes, Multi-Family Premium Refunds, Multi-Family Property, Single Family Claims, Single Family Premium Refunds - Distributive Shares and Refund System, Single Family Property, Title I Claims, Other Disbursements.

FHA programs generate reports that identify potentially duplicate disbursements, which if validated, are initiated for recovery. The Financial Operation Center (FOC) is primarily responsible for generic debt collection. For internal offsets, billing letters are sent to mortgagees for repayment. If the payment is not received within 120-150 days, it is referred to FOC for collection. Improper payments are also identified and collected through Post Claim Reviews. A sample of settled claims is reviewed for compliance and a report on findings is prepared and issued to the mortgagee, who can refute the findings or issue payment. Finally, for Treasury Cross-Servicing, eligible delinquent debts are referred to the Treasury Offset Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

HUD has 55 programs that disbursed \$1 million or more in FY 2019. HUD justified not having a payment recapture audit program for 39 with 28 placed into five groups based on similar justifications.

Group 1–Nature of the Program: MFH - RHAP - Project Based Rental Assistance, RHAP- Project Based Section 8, Rental Housing Assistance Program- Section 236, Housing for Persons with Disability- Section 811 and PIH - RHAP - Tenant Based Rental Assistance Section 8, Housing Certificate Fund & Tenant Based Rental Assistance – inability to recoup overpayments, no centralized database for key subsidy data.

Group 2–Lack of Empirical Evidence: PIH - Choice Neighborhoods Initiative, Family Self-Sufficiency Program, Public Housing Capital Fund, Public Housing Operating Fund, Revitalization of Severely Distressed Public Housing (HOPE VI), MFH- Section 811 Housing

for Persons with Disabilities and PDR – Research and Technology – insufficient overpayments to justify recapture costs.

Group 3–Similar Overpayment Recovery Activities for CPD Programs: Brownfield Redevelopment/Economic Development Initiative, Capacity Building, Community Development Block Grant (CDBG Insular Areas, CDBG Entitlement, CDBG Non-Entitlement), Community Development Fund - Disaster Recovery Assistance (Hurricane HIM), Community Development Fund - Disaster Recovery Assistance (LA, TX, WVA, Hurricane IKE, Other Disasters), HOME Investments Partnership Program, Homeless Assistance Grants, Housing Opportunities for Persons with AIDS, Housing Trust Fund, Neighborhood Stabilization Program, Project Based Section 8 - Renewal of Expiring Sec. 8 Mod Rehab SRO, Self-Help Homeowner Opportunity Program (SHOP)– monitor and recoup from future draws.

Group 4–Similar Overpayment Recovery Activities for Ginnie Mae Programs: - Contractor Payments, Master Sub-Servicer Default Activity, Refunds Program, Soldiers’ and Sailors’ Civil Relief Act Program Reimbursement and Multifamily 1% Reimbursement Program– use procurement rules to recapture funds.

Group 5–Similar Overpayment Recovery Activities for Other Rental Assistance Programs: Housing - Housing for Special Populations-Capital Advance portion of expenditures, Section 202; Rental Housing Assistance Program – Section 236 and PIH - Project-Based Rental Assistance Section 8 Moderate Rehabilitation – data matching to recapture funds.

The remaining 11 programs have other mechanisms in place to recover overpayments with individual justifications:

FHEO -Fair Housing Assistance Program

FHEO-Fair Housing Initiative Program

Housing-Housing Counseling Assistance

Housing-Manufactured Housing

OCPO-Payments to Federal Contractors

PIH-Indian Community Development Block Grants

PIH-Native American Housing Block Grants

PIH-Native Hawaiian Housing Block Grants

PIH-Native Hawaiian Housing and Indian Home Loan Guarantee- Sec. 184 Program Account

OCPO-Purchase Card

OCFO–Travel

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The risks of fraud within HUD programs remains consistent and understood allowing HUD to establish reasonable controls to prevent, detect, and respond to fraud.

As part of our ongoing risk and control assessment efforts along with addressing the impacts of COVID-19, we established the Accountability, Integrity, and Risk (AIR) team and the HUD CARES Compliance and Response Team (HCCRT), respectively. The former is to assess and report on the effectiveness of HUD's financial and operational risks and controls to support reasonable assurance while the latter monitors compliance and audit processes with the CARES Act.

In addition, we conducted training and developed SOPs for program managers on how to report on fraud risks and expanded the fraud risk compendium to help educate program managers about fraud schemes that could affect HUD programs.

The Risk Management Council (RMC), a governing body for the identification, assessment and monitoring of HUD's enterprise and fraud risks, continues to serve as the focal point for risk management decision making. Concurrently, OCFO conducts and validates program level improper payments risk assessments for approximately one-third of the HUD Programs each year on a rotating three-year cycle. Any programs identified as high-risk (susceptible to improper payments) are individually reviewed and tested for improper payments (which would include potentially fraudulent payments).

We continue to build upon the travel and payroll data analytics tools and the grant data analytics pilots while making progress on data analytics work (e.g., intelligent automation) related to contracts and purchase cards. The Department is seeking further improvement in the process, additional data sources, and options for automation tools in validating/verifying benefits, vouchers, subsidies, and payments made by HUD and its public housing agencies, housing owners, and sub-recipients to qualified individuals and families.

Finally, we continue to leverage all vehicles at our disposal to communicate ethical guidelines around fraud, waste, abuse, and mismanagement. Communication to raise awareness around fraud risk was done through various means including declaring November as anti-fraud month and launching a public information campaign to increase awareness of fraud activity as part of employee reporting responsibilities.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a)(3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Economic Development Initiative (EDI)/Brownfields Redevelopment Economic Development Initiatives (BEDI)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Capacity Building	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Block Grant - DRAA Sandy	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Loan Guarantees - Section 108	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Congressional Earmarks - Economic Development Initiative - Special Projects/Neighborhood Initiatives	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Neighborhood Stabilization	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Rural Innovation Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Contracts/Grants (includes Single Family Upfront Grants)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Federal Finance Bank Direct Loans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Other Disbursements	Likely to be Below Statutory Threshold	Other	NO
Single Family Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Single Family Property (SAMS)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Claims	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Assistance Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Initiative Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Refunds Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Soldiers' and Sailors' Civil Relief Act (SSCRA) Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Section 811 Housing for Persons with Disabilities (PRAC and Capital Advance)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Manufactured Housing	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Bi-weekly pay & Retirement and Benefits)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Purchase Cards)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Travel)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Lead Hazard Reduction	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Research and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Choice Neighborhoods Initiative	Likely to be Below Statutory Threshold	Other	NO
Indian Community Development Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native American Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Native Hawaiian Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing and Indian Home Loan Guarantee - Sec. 184 Program Account	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Public Housing Operating Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title VI Indian Federal Guarantees	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD made minor updates to the previous year's Risk Assessment Plan for recording and capturing qualitative risk assessment results. Adjustments included updates to two of the risk factor criteria descriptions based on program office feedback from the FY 2019 risk assessment process. Overall, HUD determines a program's risk factor rating based on an objective format that weighs the significance of each risk factor assessed. HUD's Risk Assessment Plan is a step-by-step approach for determining if a risk assessment is required for the current FY and details the step-by-step process for completing an assessment.

Risk assessments are required to be conducted at least once every three years for programs/activities that were not deemed to be susceptible to significant improper payments. HUD conducted walkthrough meetings with program officials and other key stakeholders to discuss the purpose of the improper payment risk assessment, the risk assessment requirements, criteria and workbook template. Program offices considered eight risk factors for programs requiring an assessment: (1) Newness of Program or Transactions, (2) Volume of Payments, (3) Complexity of Program or Transactions, (4) Eligibility Determination and Disbursement Authority, (5) Changes in Program Funding, Authorities, Practices or Procedures, (6) Human Capital Management, (7) History of Audit Issues and (8) History of Payment System Deficiencies. Each program official completed the required template and results were compiled.

If a program is determined to be high risk and susceptible to significant improper payments, HUD will coordinate with the relevant stakeholders to develop a methodology and estimate improper payments for the program. HUD conducted a total of 32 risk assessments for nine program offices. Based on the results, no new programs were identified as high risk.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
NO	9. Administrative or Process Errors Made by: Federal Agency	3-Training (how to complete contracts)
NO	13. Insufficient Documentation to Determine	6-Audit (improve IC)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Ginnie Mae's FY 2020 improper payment estimate was 4.94%, the reduction rate was set at 4.90% for FY 2021. The improper payment rate was greatly reduced from 22.65% in FY 2018 to 5.07% in FY 2019 and 4.94% in FY 2020. Therefore, the program has been consistently below the statutory threshold for the past two years. Based on the documented root causes for improper payments that were mainly due to insufficient documentation to determine and administrative or process errors, Ginnie Mae could implement more stringent internal controls procedures and contract administration training classes in order to lower the improper payment rate beyond the current level. HUD believes that these measures would not be cost prohibitive and will continue to work with Ginnie Mae to reduce the improper payment rate.

Ginnie Mae's FY 2020 improper payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
NO

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2018, Ginnie Mae's improper payment rate was above the statutory threshold at 22.65%. The improper payment rate was greatly reduced in FY 2019 and FY 2020 to 5.07% and 4.94%, respectively, and has been below the statutory threshold for the last two years. Based on the documented root causes for improper payments that were mainly due to insufficient documentation to determine and administrative or process errors, Ginnie Mae could implement more stringent internal controls procedures and contract administration training classes in order to achieve a more tolerable rate of improper payments. HUD will continue to work with Ginnie Mae to strengthen controls and reduce the improper payment rate.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Ginnie Mae Contractor Payments reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting whether the agency has the internal controls, human capital, information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted is not applicable.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other	
13. Insufficient Documentation to Determine	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for Ginnie Mae Contractor Payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
9. Administrative or Process Errors Made by: Federal Agency	Other (free text)	Other (select date)	
13. Insufficient Documentation to Determine	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for Ginnie Mae Contractor Payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2019 and FY 2020, HUD conducted all activities required for compliance for Ginnie Mae Contractor Payments. HUD executed a statistically valid approach to estimate improper payments in both years. In FY 2020, improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has been in compliance for the last two years. See answer to question 12.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has been in compliance for the last two years. See answer to question 12.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has been in compliance for the last two years. See answer to question 12.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Initiative (DNP) was established by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) to support federal agencies in their efforts to detect and prevent improper payments. DNP helps to protect the integrity of the federal government's payment processes by assisting agencies in mitigating and eliminating improper payments in a cost-effective manner while safeguarding the privacy of individuals. DNP enables

agencies to use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. DNP enables agencies to screen payment recipients on a pre-payment basis against databases identified in IPERIA, and also provides post-payment screening against these databases to help ensure that any payments to potentially ineligible parties are identified for adjudication and possible recovery.

During FY 2019, HUD screened 829,972 payments against IPERIA-listed databases, representing \$72 billion (The available FY 2019 payment data was derived from the Do Not Pay Portal on July 17, 2020). The effectiveness of the DNP post payment review of data, coupled with program specific pre-payment monitoring and screening of payments to prevent payments to ineligible parties, has resulted in an observed ineligible party payment rate of 0%. Management will continue to emphasize review and monitoring of established internal controls to prevent any future improper payments. HUD continues to have discussions with Treasury to determine the most beneficial way to monitor its programs through the Do Not Pay Initiative.

RHAP

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Rental Housing Assistance Program (RHAP) – Project-Based Rental Assistance (PBRA) reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting accountability actions for reducing and recapturing improper payments through annual performance appraisal criteria is not applicable.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
13. Insufficient Documentation to Determine	Other (free text)	FY 2020 improper payment estimate was below the statutory threshold, therefore, HUD	Other

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
		is not required to develop corrective actions.	

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, PBRA's improper payment rate was below the statutory threshold per OMB Circular A-123, Appendix C, Part I.B.1. Therefore, HUD is not required to develop corrective actions for this program.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

HUD identified 55 programs that disbursed \$1 million or more in annual outlays. Of these, 16 programs have a payment recapture audit plan.

Community Planning and Development (CPD) Community Development Block Grant – Disaster Relief Appropriation Act – Sandy

CPD monitors improper payments by analyzing grantee quarterly performance reports and monitoring grantee's efforts to prevent duplication of benefits and ensure compliance. If an improper payment is identified, Chapter 6 of the CPD Monitoring Handbook provides guidance on capturing improper payments identified in file-level reviews. In most cases, CPD recaptures overpayments by offsetting future draws or HUD instructs the grantee to repay funds.

Salaries and Expenses (S&E) ADMN, CFO, CIO, CPD, CPO, FHEO, Ginnie Mae, HSNG, OCFO, OCHCO, OCIO, PDR, PIH

The Office of the Chief Human Capital Officer (OCHCO) reviews the payroll report every pay period. If improper payments were made, the source of the improper payment is identified and OCHCO corrects the issue. Overpayments are validated through a quality review process, corrected through the NFC database and the employee is notified. After due process, the collection process is initiated.

OLHCHH - Lead Hazard Reduction

During grant execution, grantee invoices are reviewed. If an improper payment is identified, the Government Technical Representative (GTR) or the Contracting Officer Representative (COR) provide fund recipients with the basis for recovering the improper payment. During the close-out of a grant, if there is a financial error, the grantee provides an explanation and submits payment to resolve the financial shortfall. If the recipient does not refund HUD, the matter is referred to the Office of General Counsel.

Housing – FHA programs; Contracts/Grants (includes Single Family Upfront Grants), Federal Finance Bank Direct Loans, Home Equity Conversion Mortgage Claims, Home Equity Conversion Mortgage Notes, Multi-Family Insurance Claims, Multi-Family Notes, Multi-Family Premium Refunds, Multi-Family Property, Single Family Claims, Single Family Premium Refunds - Distributive Shares and Refund System, Single Family Property, Title I Claims, Other Disbursements.

FHA programs generate reports that identify potentially duplicate disbursements, which if validated, are initiated for recovery. The Financial Operation Center (FOC) is primarily responsible for generic debt collection. For internal offsets, billing letters are sent to mortgagees for repayment. If the payment is not received within 120-150 days, it is referred to FOC for collection. Improper payments are also identified and collected through Post Claim Reviews. A sample of settled claims is reviewed for compliance and a report on findings is prepared and issued to the mortgagee, who can refute the findings or issue payment. Finally, for Treasury Cross-Servicing, eligible delinquent debts are referred to the Treasury Offset Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

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Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

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- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

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We continue to build upon the travel and payroll data analytics tools and the grant data analytics pilots while making progress on data analytics work (e.g., intelligent automation) related to

contracts and purchase cards. The Department is seeking further improvement in the process, additional data sources, and options for automation tools in validating/verifying benefits, vouchers, subsidies, and payments made by HUD and its public housing agencies, housing owners, and sub-recipients to qualified individuals and families.

Finally, we continue to leverage all vehicles at our disposal to communicate ethical guidelines around fraud, waste, abuse, and mismanagement. Communication to raise awareness around fraud risk was done through various means including declaring November as anti-fraud month and launching a public information campaign to increase awareness of fraud activity as part of employee reporting responsibilities.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a)(3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Economic Development Initiative (EDI)/Brownfields Redevelopment Economic Development Initiatives (BEDI)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Capacity Building	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Block Grant - DRAA Sandy	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Loan Guarantees - Section 108	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Congressional Earmarks - Economic Development Initiative - Special Projects/Neighborhood Initiatives	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Neighborhood Stabilization	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Rural Innovation Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Contracts/Grants (includes Single Family Upfront Grants)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Federal Finance Bank Direct Loans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Other Disbursements	Likely to be Below Statutory Threshold	Other	NO
Single Family Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Single Family Property (SAMS)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Claims	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Assistance Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Initiative Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Refunds Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Soldiers' and Sailors' Civil Relief Act (SSCRA) Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Section 811 Housing for Persons with Disabilities (PRAC and Capital Advance)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Manufactured Housing	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Bi-weekly pay & Retirement and Benefits)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Purchase Cards)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Travel)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Lead Hazard Reduction	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Research and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Choice Neighborhoods Initiative	Likely to be Below Statutory Threshold	Other	NO
Indian Community Development Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native American Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Native Hawaiian Housing and Indian Home Loan Guarantee - Sec. 184 Program Account	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Public Housing Operating Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title VI Indian Federal Guarantees	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD made minor updates to the previous year's Risk Assessment Plan for recording and capturing qualitative risk assessment results. Adjustments included updates to two of the risk factor criteria descriptions based on program office feedback from the FY 2019 risk assessment process. Overall, HUD determines a program's risk factor rating based on an objective format that weighs the significance of each risk factor assessed. HUD's Risk Assessment Plan is a step-by-step approach for determining if a risk assessment is required for the current FY and details the step-by-step process for completing an assessment.

Risk assessments are required to be conducted at least once every three years for programs/activities that were not deemed to be susceptible to significant improper payments. HUD conducted walkthrough meetings with program officials and other key stakeholders to discuss the purpose of the improper payment risk assessment, the risk assessment requirements, criteria and workbook template. Program offices considered eight risk factors for programs requiring an assessment: (1) Newness of Program or Transactions, (2) Volume of Payments, (3) Complexity of Program or Transactions, (4) Eligibility Determination and Disbursement Authority, (5) Changes in Program Funding, Authorities, Practices or Procedures, (6) Human Capital Management, (7) History of Audit Issues and (8) History of Payment System Deficiencies. Each program official completed the required template and results were compiled.

If a program is determined to be high risk and susceptible to significant improper payments, HUD will coordinate with the relevant stakeholders to develop a methodology and estimate improper payments for the program. HUD conducted a total of 32 risk assessments for nine program offices. Based on the results, no new programs were identified as high risk.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
N/A	13. Insufficient Documentation to Determine	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year of reporting for PBRA and HUD executed a non-statistically valid estimation methodology. Per OMB Circular A-123, Appendix C, Part III.A.3, “OMB does not expect the program to publish a reduction target until a full baseline has been established and reported. If a program had a 24-month reporting cycle where no changes occur, the program will most likely be considered to have established a baseline.” HUD will set a reduction target for PBRA once the Agency has established a full baseline for payment integrity reporting.

PBRA’s FY 2020 improper payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year HUD estimated improper payments for this program, utilizing a temporary non-statistically valid estimation methodology. HUD has not yet established a

baseline for PBRA, therefore, determining whether the program has reached a tolerable rate of improper payments is not applicable.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

PBRA reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting whether the agency has the internal controls, human capital, information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted is not applicable.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
13. Insufficient Documentation to Determine	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for PBRA do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1)

both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
13. Insufficient Documentation to Determine	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for PBRA do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Non-Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets

Indicate compliant or non-compliant	Compliance criteria
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

PBRA was non-compliant in FY 2019 due to not publishing an improper payment estimate. In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
7

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

PBRA was non-compliant in prior years due to not publishing compliant improper payment estimates. In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity

requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD conducted all activities required for payment integrity compliance. HUD executed an OMB approved non-statistically valid estimation plan. FY 2020 improper payments did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Based on the improper payment work performed in FY 2020, HUD has self-determined that PBRA is compliant for the FY 2020 reporting period.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Initiative (DNP) was established by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) to support federal agencies in their efforts to detect and prevent improper payments. DNP helps to protect the integrity of the federal government's payment processes by assisting agencies in mitigating and eliminating improper payments in a cost-effective manner while safeguarding the privacy of individuals. DNP enables agencies to use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. DNP enables agencies to screen payment recipients on a pre-payment basis against databases identified in IPERIA, and also provides post-payment screening against these databases to help ensure that any payments to potentially ineligible parties are identified for adjudication and possible recovery.

During FY 2019, HUD screened 829,972 payments against IPERIA-listed databases, representing \$72 billion (The available FY 2019 payment data was derived from the Do Not Pay Portal on July 17, 2020). The effectiveness of the DNP post payment review of data, coupled with program specific pre-payment monitoring and screening of payments to prevent payments to ineligible parties, has resulted in an observed ineligible party payment rate of 0%. Management will continue to emphasize review and monitoring of established internal controls to prevent any future improper payments. HUD continues to have discussions with Treasury to determine the most beneficial way to monitor its programs through the Do Not Pay Initiative.

CPD/DRAA

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Community Development Fund – Disaster Recovery Assistance - Hurricane Harvey, Irma, Maria (HIM) reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting accountability actions for reducing and recapturing improper payments through annual performance appraisal criteria is not applicable.

Question 2: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Please describe the steps the agency has taken to detect and recover improper payments.

Indicate root cause	Indicate mitigation strategy/corrective action(s) taken	Provide any additional detail (optional free text)	Select the actual completion date for action(s) taken
14. Other	Other (free text)	No improper payments were found in the FY 2020 improper payment testing.	Other

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 was the first year HUD estimated improper payments for this program. HIM had a 0% improper payment rate and was below the statutory threshold as established in OMB Circular A-123, Appendix C, Part I.B.1. Therefore, HUD is not required to develop corrective actions for this program.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

HUD identified 55 programs that disbursed \$1 million or more in annual outlays. Of these, 16 programs have a payment recapture audit plan.

Community Planning and Development (CPD) Community Development Block Grant – Disaster Relief Appropriation Act – Sandy

CPD monitors improper payments by analyzing grantee quarterly performance reports and monitoring grantee's efforts to prevent duplication of benefits and ensure compliance. If an improper payment is identified, Chapter 6 of the CPD Monitoring Handbook provides guidance on capturing improper payments identified in file-level reviews. In most cases, CPD recaptures overpayments by offsetting future draws or HUD instructs the grantee to repay funds.

Salaries and Expenses (S&E) ADMN, CFO, CIO, CPD, CPO, FHEO, Ginnie Mae, HSNB, OCFO, OCHCO, OCIO, PDR, PIH

The Office of the Chief Human Capital Officer (OCHCO) reviews the payroll report every pay period. If improper payments were made, the source of the improper payment is identified and OCHCO corrects the issue. Overpayments are validated through a quality review process, corrected through the NFC database and the employee is notified. After due process, the collection process is initiated.

OLHCHH - Lead Hazard Reduction

During grant execution, grantee invoices are reviewed. If an improper payment is identified, the Government Technical Representative (GTR) or the Contracting Officer Representative (COR) provide fund recipients with the basis for recovering the improper payment. During the close-out of a grant, if there is a financial error, the grantee provides an explanation and submits payment to resolve the financial shortfall. If the recipient does not refund HUD, the matter is referred to the Office of General Counsel.

Housing – FHA programs; Contracts/Grants (includes Single Family Upfront Grants), Federal Finance Bank Direct Loans, Home Equity Conversion Mortgage Claims, Home Equity Conversion Mortgage Notes, Multi-Family Insurance Claims, Multi-Family Notes, Multi-Family Premium Refunds, Multi-Family Property, Single Family Claims, Single Family Premium Refunds - Distributive Shares and Refund System, Single Family Property, Title I Claims, Other Disbursements.

FHA programs generate reports that identify potentially duplicate disbursements, which if validated, are initiated for recovery. The Financial Operation Center (FOC) is primarily responsible for generic debt collection. For internal offsets, billing letters are sent to mortgagees for repayment. If the payment is not received within 120-150 days, it is referred to FOC for collection. Improper payments are also identified and collected through Post Claim Reviews. A sample of settled claims is reviewed for compliance and a report on findings is prepared and issued to the mortgagee, who can refute the findings or issue payment. Finally, for Treasury Cross-Servicing, eligible delinquent debts are referred to the Treasury Offset Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

HUD has 55 programs that disbursed \$1 million or more in FY 2019. HUD justified not having a payment recapture audit program for 39 with 28 placed into five groups based on similar justifications.

Group 1–Nature of the Program: MFH - RHAP - Project Based Rental Assistance, RHAP- Project Based Section 8, Rental Housing Assistance Program- Section 236, Housing for Persons with Disability- Section 811 and PIH - RHAP - Tenant Based Rental Assistance Section 8, Housing Certificate Fund & Tenant Based Rental Assistance – inability to recoup overpayments, no centralized database for key subsidy data.

Group 2–Lack of Empirical Evidence: PIH - Choice Neighborhoods Initiative, Family Self-Sufficiency Program, Public Housing Capital Fund, Public Housing Operating Fund, Revitalization of Severely Distressed Public Housing (HOPE VI), MFH- Section 811 Housing for Persons with Disabilities and PDR – Research and Technology – insufficient overpayments to justify recapture costs.

Group 3–Similar Overpayment Recovery Activities for CPD Programs: Brownfield Redevelopment/Economic Development Initiative, Capacity Building, Community Development Block Grant (CDBG Insular Areas, CDBG Entitlement, CDBG Non-Entitlement), Community Development Fund - Disaster Recovery Assistance (Hurricane HIM), Community Development Fund - Disaster Recovery Assistance (LA, TX, WVA, Hurricane IKE, Other Disasters), HOME Investments Partnership Program, Homeless Assistance Grants, Housing Opportunities for Persons with AIDS, Housing Trust Fund, Neighborhood Stabilization Program, Project Based Section 8 - Renewal of Expiring Sec. 8 Mod Rehab SRO, Self-Help Homeowner Opportunity Program (SHOP)– monitor and recoup from future draws.

Group 4–Similar Overpayment Recovery Activities for Ginnie Mae Programs: - Contractor Payments, Master Sub-Servicer Default Activity, Refunds Program, Soldiers’ and Sailors’ Civil Relief Act Program Reimbursement and Multifamily 1% Reimbursement Program– use procurement rules to recapture funds.

Group 5–Similar Overpayment Recovery Activities for Other Rental Assistance Programs: Housing - Housing for Special Populations-Capital Advance portion of expenditures, Section 202; Rental Housing Assistance Program – Section 236 and PIH - Project-Based Rental Assistance Section 8 Moderate Rehabilitation – data matching to recapture funds.

The remaining 11 programs have other mechanisms in place to recover overpayments with individual justifications:

FHEO -Fair Housing Assistance Program

FHEO-Fair Housing Initiative Program

Housing-Housing Counseling Assistance

Housing-Manufactured Housing

OCPO-Payments to Federal Contractors

PIH-Indian Community Development Block Grants

PIH-Native American Housing Block Grants

PIH-Native Hawaiian Housing Block Grants

PIH-Native Hawaiian Housing and Indian Home Loan Guarantee- Sec. 184 Program Account

OCPO–Purchase Card

OCFO–Travel

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*
- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The risks of fraud within HUD programs remains consistent and understood allowing HUD to establish reasonable controls to prevent, detect, and respond to fraud.

As part of our ongoing risk and control assessment efforts along with addressing the impacts of COVID-19, we established the Accountability, Integrity, and Risk (AIR) team and the HUD CARES Compliance and Response Team (HCCRT), respectively. The former is to assess and report on the effectiveness of HUD's financial and operational risks and controls to support reasonable assurance while the latter monitors compliance and audit processes with the CARES Act.

In addition, we conducted training and developed SOPs for program managers on how to report on fraud risks and expanded the fraud risk compendium to help educate program managers about fraud schemes that could affect HUD programs.

The Risk Management Council (RMC), a governing body for the identification, assessment and monitoring of HUD's enterprise and fraud risks, continues to serve as the focal point for risk management decision making. Concurrently, OCFO conducts and validates program level

improper payments risk assessments for approximately one-third of the HUD Programs each year on a rotating three-year cycle. Any programs identified as high-risk (susceptible to improper payments) are individually reviewed and tested for improper payments (which would include potentially fraudulent payments).

We continue to build upon the travel and payroll data analytics tools and the grant data analytics pilots while making progress on data analytics work (e.g., intelligent automation) related to contracts and purchase cards. The Department is seeking further improvement in the process, additional data sources, and options for automation tools in validating/verifying benefits, vouchers, subsidies, and payments made by HUD and its public housing agencies, housing owners, and sub-recipients to qualified individuals and families.

Finally, we continue to leverage all vehicles at our disposal to communicate ethical guidelines around fraud, waste, abuse, and mismanagement. Communication to raise awareness around fraud risk was done through various means including declaring November as anti-fraud month and launching a public information campaign to increase awareness of fraud activity as part of employee reporting responsibilities.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a)(3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Economic Development Initiative (EDI)/Brownfields Redevelopment Economic Development Initiatives (BEDI)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Capacity Building	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Block Grant - DRAA Sandy	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Community Development Loan Guarantees - Section 108	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Congressional Earmarks - Economic Development Initiative - Special Projects/Neighborhood Initiatives	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Neighborhood Stabilization	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Rural Innovation Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Contracts/Grants (includes Single Family Upfront Grants)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Federal Finance Bank Direct Loans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Other Disbursements	Likely to be Below Statutory Threshold	Other	NO
Single Family Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Single Family Property (SAMS)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Claims	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Assistance Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Fair Housing Initiative Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Refunds Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Soldiers' and Sailors' Civil Relief Act (SSCRA) Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Section 811 Housing for Persons with Disabilities (PRAC and Capital Advance)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Manufactured Housing	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Bi-weekly pay & Retirement and Benefits)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Purchase Cards)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Travel)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Lead Hazard Reduction	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Research and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Choice Neighborhoods Initiative	Likely to be Below Statutory Threshold	Other	NO
Indian Community Development Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Native American Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing and Indian Home Loan Guarantee - Sec. 184 Program Account	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Public Housing Operating Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title VI Indian Federal Guarantees	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD made minor updates to the previous year's Risk Assessment Plan for recording and capturing qualitative risk assessment results. Adjustments included updates to two of the risk factor criteria descriptions based on program office feedback from the FY 2019 risk assessment process. Overall, HUD determines a program's risk factor rating based on an objective format that weighs the significance of each risk factor assessed. HUD's Risk Assessment Plan is a step-by-step approach for determining if a risk assessment is required for the current FY and details the step-by-step process for completing an assessment.

Risk assessments are required to be conducted at least once every three years for programs/activities that were not deemed to be susceptible to significant improper payments. HUD conducted walkthrough meetings with program officials and other key stakeholders to discuss the purpose of the improper payment risk assessment, the risk assessment requirements, criteria and workbook template. Program offices considered eight risk factors for programs requiring an assessment: (1) Newness of Program or Transactions, (2) Volume of Payments, (3) Complexity of Program or Transactions, (4) Eligibility Determination and Disbursement Authority, (5) Changes in Program Funding, Authorities, Practices or Procedures, (6) Human Capital Management, (7) History of Audit Issues and (8) History of Payment System Deficiencies. Each program official completed the required template and results were compiled.

If a program is determined to be high risk and susceptible to significant improper payments, HUD will coordinate with the relevant stakeholders to develop a methodology and estimate improper payments for the program. HUD conducted a total of 32 risk assessments for nine program offices. Based on the results, no new programs were identified as high risk.

Question 7: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Please indicate whether lowering the improper payment rate beyond the current level would be cost prohibitive because applying additional mitigation strategies or corrective actions for improper payment prevention would cost more to implement than the amount that would be saved.

Cost Prohibitive (Yes/No)	Indicate Root Cause if known	Indicate which corrective action
N/A	14. Other	Other (free text)

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year of reporting for the HIM program and HUD executed a non-statistically valid estimation methodology. Per OMB Circular A-123, Appendix C, Part III.A.3, “OMB does not expect the program to publish a reduction target until a full baseline has been established and reported. If a program had a 24-month reporting cycle where no changes occur, the program will most likely be considered to have established a baseline.” HUD will set a reduction target for HIM once the Agency has established a full baseline for payment integrity reporting.

HIM’s FY 2020 improper payments do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 8: Tolerable Rate

Do you believe the program has reached a tolerable rate of improper payments?

Indicate Yes or No
N/A

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

FY 2020 is the first year HUD estimated improper payments for this program, utilizing a temporary non-statistically valid estimation methodology. HUD has not yet established a baseline for HIM, therefore, determining whether the program has reached a tolerable rate of improper payments is not applicable.

Question 9: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Does the program have the internal controls, human capital, and information systems and other infrastructure it needs to reduce IPs to the levels the agency has targeted? Please indicate additional program needs to reduce IPs to the levels the program has targeted.

Indicate 'yes' or 'no'	Indicate program needs
N/A	5. Other: Explain

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

HIM reported estimated improper payments below the statutory threshold of 1.5% and \$10,000,000 or \$100,000,000. Therefore, reporting whether the agency has the internal controls, human capital, information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted is not applicable.

Question 10: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program HAS TAKEN to prevent improper payments.

Indicate identified root cause	Indicate corrective action(s) taken	Select the actual completion date for action(s) taken	If other completion date, please indicate
14. Other	Other (free text)	Other	

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for HIM do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both

1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 11: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Please indicate which corrective action(s) the program WILL TAKE to prevent improper payments.

Indicate identified root cause	Indicate planned corrective action(s)	Select the planned completion date for action(s) program will take	Other planned completion date
14. Other	Other (free text)	Other (select date)	

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The FY 2020 improper payments estimated for HIM do not exceed the statutory thresholds listed in OMB Circular A-123, Appendix C, Part I.B.1 (improper payments exceeding either: 1) both 1.5% of program outlays and \$10,000,000 of all program or activity payments made during the fiscal year reported; or 2) \$100,000,000). Therefore, HUD is not required to report corrective actions for this program.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2019, HIM was compliant. This program is deemed susceptible to improper payments through legislation and in FY 2019, HIM did not exceed the threshold to produce and report an improper payment estimate. HUD conducted a risk assessment for HIM in FY 2019, which the OIG deemed compliant in the payment integrity audit. In FY 2020, HUD executed all activities required for payment integrity compliance. HIM's FY 2019 disbursements exceeded the threshold to report an improper payment estimate. Therefore, HUD executed an OMB approved non-statistically valid estimation plan. The FY 2020 HIM improper payment estimate did not exceed the threshold for a program that is susceptible to significant improper payments. Therefore, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has consistently been in compliance. See answer to question 12.

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has consistently been in compliance. See answer to question 12.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

This question is not applicable. The program has consistently been in compliance. See answer to question 12.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Initiative (DNP) was established by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) to support federal agencies in their efforts to detect and prevent improper payments. DNP helps to protect the integrity of the federal government's payment processes by assisting agencies in mitigating and eliminating improper payments in a cost-effective manner while safeguarding the privacy of individuals. DNP enables agencies to use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. DNP enables agencies to screen payment recipients on a pre-payment basis against databases identified in IPERIA, and also provides post-payment screening against these databases to help ensure that any payments to potentially ineligible parties are identified for adjudication and possible recovery.

During FY 2019, HUD screened 829,972 payments against IPERIA-listed databases, representing \$72 billion. (The available FY 2019 payment data was derived from the Do Not Pay Portal on July 17, 2020.) The effectiveness of the DNP post payment review of data, coupled with program specific pre-payment monitoring and screening of payments to prevent payments to ineligible parties, has resulted in an observed ineligible party payment rate of 0%. Management will continue to emphasize review and monitoring of established internal controls to prevent any future improper payments. HUD continues to have discussions with Treasury to determine the most beneficial way to monitor its programs through the Do Not Pay Initiative.

FHA - Single Family Insurance Claims

Question 1 Free Text: Annual Performance Appraisal Criteria (PIIA Section: 3352(d) (5) (A) and (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

Federal Housing Administration (FHA) – Single Family Insurance Claims (SFIC) – In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, reporting accountability actions for reducing and recapturing improper payments through annual performance appraisal criteria is not applicable.

Question 2 Free Text: Detecting and Recovering Improper Payments (PIIA Section: 3352(e), 3352(e) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, HUD is not required to develop corrective actions.

Question 3: Recovery Audits (PIIA Section: 3352)

Please describe the steps the agency has taken to recover improper payments identified in recovery audits. Please note there is a 3000 character limit.

HUD identified 55 programs that disbursed \$1 million or more in annual outlays. Of these, 16 programs have a payment recapture audit plan.

Community Planning and Development (CPD) Community Development Block Grant – Disaster Relief Appropriation Act – Sandy

CPD monitors improper payments by analyzing grantee quarterly performance reports and monitoring grantee's efforts to prevent duplication of benefits and ensure compliance. If an improper payment is identified, Chapter 6 of the CPD Monitoring Handbook provides guidance on capturing improper payments identified in file-level reviews. In most cases, CPD recaptures overpayments by offsetting future draws or HUD instructs the grantee to repay funds.

Salaries and Expenses (S&E) ADMN, CFO, CIO, CPD, CPO, FHEO, Ginnie Mae, HSNB, OCFO, OCHCO, OCIO, PDR, PIH

The Office of the Chief Human Capital Officer (OCHCO) reviews the payroll report every pay period. If improper payments were made, the source of the improper payment is identified and OCHCO corrects the issue. Overpayments are validated through a quality review process, corrected through the NFC database and the employee is notified. After due process, the collection process is initiated.

OLHCHH - Lead Hazard Reduction

During grant execution, grantee invoices are reviewed. If an improper payment is identified, the Government Technical Representative (GTR) or the Contracting Officer Representative (COR) provide fund recipients with the basis for recovering the improper payment. During the close-out of a grant, if there is a financial error, the grantee provides an explanation and submits payment

to resolve the financial shortfall. If the recipient does not refund HUD, the matter is referred to the Office of General Counsel.

Housing – FHA programs; Contracts/Grants (includes Single Family Upfront Grants), Federal Finance Bank Direct Loans, Home Equity Conversion Mortgage Claims, Home Equity Conversion Mortgage Notes, Multi-Family Insurance Claims, Multi-Family Notes, Multi-Family Premium Refunds, Multi-Family Property, Single Family Claims, Single Family Premium Refunds - Distributive Shares and Refund System, Single Family Property, Title I Claims, Other Disbursements.

FHA programs generate reports that identify potentially duplicate disbursements, which if validated, are initiated for recovery. The Financial Operation Center (FOC) is primarily responsible for generic debt collection. For internal offsets, billing letters are sent to mortgagees for repayment. If the payment is not received within 120-150 days, it is referred to FOC for collection. Improper payments are also identified and collected through Post Claim Reviews. A sample of settled claims is reviewed for compliance and a report on findings is prepared and issued to the mortgagee, who can refute the findings or issue payment. Finally, for Treasury Cross-Servicing, eligible delinquent debts are referred to the Treasury Offset Program.

Question 4: Excluded Programs (PIIA Section: 3352(e) (7))

Please list any programs the agency excluded from review under its payment recapture audit program because a payment recovery audit program was determined to not be cost-effective and provide a summary of the justification used to make that determination. Please note there is a 3000 character limit.

HUD has 55 programs that disbursed \$1 million or more in FY 2019. HUD justified not having a payment recapture audit program for 39 with 28 placed into five groups based on similar justifications.

Group 1–Nature of the Program: MFH - RHAP - Project Based Rental Assistance, RHAP- Project Based Section 8, Rental Housing Assistance Program- Section 236, Housing for Persons with Disability- Section 811 and PIH - RHAP - Tenant Based Rental Assistance Section 8, Housing Certificate Fund & Tenant Based Rental Assistance – inability to recoup overpayments, no centralized database for key subsidy data.

Group 2–Lack of Empirical Evidence: PIH - Choice Neighborhoods Initiative, Family Self-Sufficiency Program, Public Housing Capital Fund, Public Housing Operating Fund, Revitalization of Severely Distressed Public Housing (HOPE VI), MFH- Section 811 Housing for Persons with Disabilities and PDR – Research and Technology – insufficient overpayments to justify recapture costs.

Group 3–Similar Overpayment Recovery Activities for CPD Programs: Brownfield Redevelopment/Economic Development Initiative, Capacity Building, Community Development Block Grant (CDBG Insular Areas, CDBG Entitlement, CDBG Non-Entitlement), Community Development Fund - Disaster Recovery Assistance (Hurricane HIM), Community Development

Fund - Disaster Recovery Assistance (LA, TX, WVA, Hurricane IKE, Other Disasters), HOME Investments Partnership Program, Homeless Assistance Grants, Housing Opportunities for Persons with AIDS, Housing Trust Fund, Neighborhood Stabilization Program, Project Based Section 8 - Renewal of Expiring Sec. 8 Mod Rehab SRO, Self-Help Homeowner Opportunity Program (SHOP)– monitor and recoup from future draws.

Group 4–Similar Overpayment Recovery Activities for Ginnie Mae Programs: - Contractor Payments, Master Sub-Servicer Default Activity, Refunds Program, Soldiers' and Sailors' Civil Relief Act Program Reimbursement and Multifamily 1% Reimbursement Program– use procurement rules to recapture funds.

Group 5–Similar Overpayment Recovery Activities for Other Rental Assistance Programs: Housing - Housing for Special Populations-Capital Advance portion of expenditures, Section 202; Rental Housing Assistance Program – Section 236 and PIH - Project-Based Rental Assistance Section 8 Moderate Rehabilitation – data matching to recapture funds.

The remaining 11 programs have other mechanisms in place to recover overpayments with individual justifications:

FHEO -Fair Housing Assistance Program

FHEO-Fair Housing Initiative Program

Housing-Housing Counseling Assistance

Housing-Manufactured Housing

OCPO-Payments to Federal Contractors

PIH-Indian Community Development Block Grants

PIH-Native American Housing Block Grants

PIH-Native Hawaiian Housing Block Grants

PIH-Native Hawaiian Housing and Indian Home Loan Guarantee- Sec. 184 Program Account

OCPO-Purchase Card

OCFO–Travel

Question 5: Financial and Administrative Controls (PIIA Section: 3357(d))

Please describe your agency's progress:

- *Implementing the financial and administrative controls established by OMB in OMB Circular A-123 to identify and assess fraud risks and design and implement control activities in order to prevent, detect, and respond to fraud, including improper payments; the fraud risk principle in the Standards for Internal Control in the Federal Government published by the Government Accountability Office (commonly known as the "Green Book"); and Office of Management and Budget Circular A-123, with respect to the leading practices for managing fraud risk;*
- *Identifying risk and vulnerabilities to fraud, and*

- *Establishing strategies, procedures, and other steps to curb fraud.*

Implementation of OMB Circular A-123	Implementation of GAO Green Book	Identifying Risk and Vulnerabilities	Establishing Strategies, Procedures and Other steps
2 – Established	2 – Established	1 – In Beginning Stages	1 – In Beginning Stages

Question 5 Free Text: Financial and Administrative Controls (PIIA Section: 3357(d))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The risks of fraud within HUD programs remains consistent and understood allowing HUD to establish reasonable controls to prevent, detect, and respond to fraud.

As part of our ongoing risk and control assessment efforts along with addressing the impacts of COVID-19, we established the Accountability, Integrity, and Risk (AIR) team and the HUD CARES Compliance and Response Team (HCCRT), respectively. The former is to assess and report on the effectiveness of HUD's financial and operational risks and controls to support reasonable assurance while the latter monitors compliance and audit processes with the CARES Act.

In addition, we conducted training and developed SOPs for program managers on how to report on fraud risks and expanded the fraud risk compendium to help educate program managers about fraud schemes that could affect HUD programs.

The Risk Management Council (RMC), a governing body for the identification, assessment and monitoring of HUD's enterprise and fraud risks, continues to serve as the focal point for risk management decision making. Concurrently, OCFO conducts and validates program level improper payments risk assessments for approximately one-third of the HUD Programs each year on a rotating three-year cycle. Any programs identified as high-risk (susceptible to improper payments) are individually reviewed and tested for improper payments (which would include potentially fraudulent payments).

We continue to build upon the travel and payroll data analytics tools and the grant data analytics pilots while making progress on data analytics work (e.g., intelligent automation) related to contracts and purchase cards. The Department is seeking further improvement in the process, additional data sources, and options for automation tools in validating/verifying benefits, vouchers, subsidies, and payments made by HUD and its public housing agencies, housing owners, and sub-recipients to qualified individuals and families.

Finally, we continue to leverage all vehicles at our disposal to communicate ethical guidelines around fraud, waste, abuse, and mismanagement. Communication to raise awareness around fraud risk was done through various means including declaring November as anti-fraud month and launching a public information campaign to increase awareness of fraud activity as part of employee reporting responsibilities.

Question 6: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a)(3) (C))

Please indicate the following:

- *Any programs not listed in this collection which were recently assessed to determine susceptibility of improper payments.*
 - *Whether it was likely to be above or below the statutory threshold.*
- *The FY for any programs not listed in this collection which were most recently assessed to determine whether it was likely to be above or below the statutory threshold.*
- *If they had substantial changes to RA methodology.*

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Economic Development Initiative (EDI)/Brownfields Redevelopment Economic Development Initiatives (BEDI)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Capacity Building	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Block Grant - DRAA Sandy	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Community Development Loan Guarantees - Section 108	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Congressional Earmarks - Economic Development Initiative - Special Projects/Neighborhood Initiatives	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Neighborhood Stabilization	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Rural Innovation Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Contracts/Grants (includes Single Family Upfront Grants)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Federal Finance Bank Direct Loans	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Other Disbursements	Likely to be Below Statutory Threshold	Other	NO
Single Family Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Single Family Property (SAMS)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Claims	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title I Notes	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Assistance Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Fair Housing Initiative Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Refunds Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Soldiers' and Sailors' Civil Relief Act (SSCRA) Program	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Section 811 Housing for Persons with Disabilities (PRAC and Capital Advance)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Manufactured Housing	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Bi-weekly pay & Retirement and Benefits)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Purchase Cards)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Salaries & Expenses (Travel)	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Lead Hazard Reduction	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Research and Technology	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Choice Neighborhoods Initiative	Likely to be Below Statutory Threshold	Other	NO
Indian Community Development Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native American Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing Block Grants	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Native Hawaiian Housing and Indian Home Loan Guarantee - Sec. 184 Program Account	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Program not listed	Likely to be above or below threshold?	Assessment Date	Substantial RA methodology changes??
Public Housing Operating Fund	Likely to be Below Statutory Threshold	FY2020 Q3	NO
Title VI Indian Federal Guarantees	Likely to be Below Statutory Threshold	FY2020 Q3	NO

Question 6 Free Text: Statutory Thresholds and Risk Assessments (PIIA Section: 3352(a) (3) (C))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD made minor updates to the previous year's Risk Assessment Plan for recording and capturing qualitative risk assessment results. Adjustments included updates to two of the risk factor criteria descriptions based on program office feedback from the FY 2019 risk assessment process. Overall, HUD determines a program's risk factor rating based on an objective format that weighs the significance of each risk factor assessed. HUD's Risk Assessment Plan is a step-by-step approach for determining if a risk assessment is required for the current FY and details the step-by-step process for completing an assessment.

Risk assessments are required to be conducted at least once every three years for programs/activities that were not deemed to be susceptible to significant improper payments. HUD conducted walkthrough meetings with program officials and other key stakeholders to discuss the purpose of the improper payment risk assessment, the risk assessment requirements, criteria and workbook template. Program offices considered eight risk factors for programs requiring an assessment: (1) Newness of Program or Transactions, (2) Volume of Payments, (3) Complexity of Program or Transactions, (4) Eligibility Determination and Disbursement Authority, (5) Changes in Program Funding, Authorities, Practices or Procedures, (6) Human Capital Management, (7) History of Audit Issues and (8) History of Payment System Deficiencies. Each program official completed the required template and results were compiled.

If a program is determined to be high risk and susceptible to significant improper payments, HUD will coordinate with the relevant stakeholders to develop a methodology and estimate improper payments for the program. HUD conducted a total of 32 risk assessments for nine program offices. Based on the results, no new programs were identified as high risk.

Question 7 Free Text: Improper Payment Rate Reduction (PIIA Section: 3352(d) (2))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, HUD is not required to report on lowering the improper payment rate or applying corrective actions for this program.

Question 8 Free Text: Tolerable Rate

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, determining whether the program has reached a tolerable rate of improper payments is not applicable.

Question 9 Free Text: Internal Controls, Human Capital, Information Systems and other Infrastructure and Program Needs (PIIA Section: 3352(d) (2) (A) through (C)3352(d) (3))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, reporting whether the agency has the internal controls, human capital, information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted is not applicable.

Question 10 Free Text: Corrective Actions Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, HUD is not required to report corrective actions.

Question 11 Free Text: Corrective Actions to be Taken (PIIA Section: 3352(d) (1))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, HUD is not required to report corrective actions.

Question 12: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate which of the six (6) criteria (if any) were determined to be non-compliant in the most recent IG compliance review.

Indicate compliant or non-compliant	Compliance criteria
Compliant	1. Publish an AFR or PAR
Compliant	2. Conduct Program-Specific Risk Assessment
Compliant	3. Publish Improper Payment Estimates
Compliant	4. Publish Programmatic Corrective Action Plans
Non-Compliant	5. Publish and Meet Annual Reduction Targets
Compliant	6. Report a gross Improper Payment Rate of Less than 10%

Question 12 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2019, FHA – SFIC was non-compliant due to not meeting the reduction target. In FY 2020, HUD applied for and received reporting relief from OMB. Therefore, estimating improper payments was no longer required. As a result, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 13: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Please indicate how many consecutive years this program was deemed non-compliant as of the most recent IG compliance review (regardless of which of the six (6) criteria were determined non-compliant).

Indicate consecutive years
1

Question 13 Free Text: Inspector General Compliance (PIIA Section: 3352(f) (2) (A) and (B); 3353(b) (1) (A); 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2019, FHA – SFIC was non-compliant due to not meeting the reduction target. In FY 2020, HUD applied for and received reporting relief from OMB. Therefore, estimating improper payments was no longer required. As a result, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination. In the financial audit report for FY 2020, OIG will continue to report FY 2019 noncompliance results with IPERIA. OIG will assess FY 2020 payment integrity compliance in FY 2021.

Question 14: Bringing the program into compliance (PIIA Section: 3353(b) (5))

If deemed to be non-compliant in the most recent fiscal year, please briefly describe the plan the executive agency will take to bring the program into compliance.

Indicate root cause	Indicate planned corrective actions
14. Other	Other (free text)

Question 14 Free Text: Bringing the program into compliance (PIIA Section: 3353(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB. Therefore, estimating improper payments was no longer required. As a result, HUD is self-determining that it is compliant with payment integrity requirements for FY 2020. OIG has not conducted its audit and cannot conduct it before the FY 2020 year-end reporting in order to make its own determination.

Question 15 Free Text: Creating accountability to achieve compliance (PIIA Section: 3353(b) (1) (B))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

In FY 2020, HUD applied for and received reporting relief from OMB for this program. Therefore, HUD is not required to report an improper payment estimate for FHA – SFIC and has self-determined that this program is compliant for the FY 2020 reporting period.

Question 16: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Please indicate whether the program uses the DNP (yes/no) and whether the Do Not Pay Initiative has reduced/prevented improper payments (yes/no). Additionally, please provide the frequency of corrections (week/month range) or identification of incorrect information (range of false hits?).

Does the program use the Do Not Pay Initiative (DNP) (yes/no)	Has the DNP reduced/prevented improper payments (yes/no)	How frequently are corrections made?	How frequently is incorrect information identified?
YES	NO	Monthly	Monthly

Question 16 Free Text: Do Not Pay Initiative (PIIA Section: 3354(b) (5))

Based on your selection(s) above, provide additional information below. Please note there is a 3000 character limit.

The Do Not Pay Initiative (DNP) was established by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA) to support federal agencies in their efforts to detect and prevent improper payments. DNP helps to protect the integrity of the federal government's payment processes by assisting agencies in mitigating and eliminating improper payments in a cost-effective manner while safeguarding the privacy of individuals. DNP enables agencies to use a secure online interface to check various data sources to verify eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments. DNP enables agencies to screen payment recipients on a pre-payment basis against databases identified in IPERIA, and also provides post-payment screening against these databases to help ensure that any payments to potentially ineligible parties are identified for adjudication and possible recovery.

During FY 2019, HUD screened 829,972 payments against IPERIA-listed databases, representing \$72 billion (The available FY 2019 payment data was derived from the Do Not Pay Portal on July 17, 2020). The effectiveness of the DNP post payment review of data, coupled with program specific pre-payment monitoring and screening of payments to prevent payments to ineligible parties, has resulted in an observed ineligible party payment rate of 0%. Management will continue to emphasize review and monitoring of established internal controls to prevent any future improper payments. HUD continues to have discussions with Treasury to determine the most beneficial way to monitor its programs through the Do Not Pay Initiative.

