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Top Management Challenges Facing the U.S. Department of Housing and Urban Development in FY 2024

WASHINGTON DC— Today, the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) issued its annual Top Management Challenges report for fiscal year 2024. The report highlights the most serious management and performance challenges facing the Department, progress made since last year, and steps HUD can take to meet those challenges. Each challenge was identified through an analysis of HUD OIG oversight findings and listening sessions with HUD leadership, industry stakeholders, and oversight partners.

This year's report highlights the progress HUD made over the past year in addressing its top challenges as well as new and emerging developments in challenges we identified in previous years. Several noteworthy additions to this year's challenges include HUD's protection of contractor employees from retaliation for blowing the whistle on wrongdoing; HUD's deficiencies in identifying improper payment risk in its largest programs; and HUD's limited progress in assessing and mitigating fraud risk across its programs.

The report also discusses HUD's longstanding challenges with overseeing unit conditions in HUD-assisted housing, with a significant emphasis on HUD's ability to ensure that housing providers make critical repairs to address emergency health and safety deficiencies and lead hazards.

The report highlights how changes in economic conditions have created new risks for HUD's counterparties in its mortgage insurance and mortgage-backed securities programs, as well as recent OIG oversight work that identified opportunities for Ginnie Mae to enhance its oversight of troubled issuers.

HUD OIG identified the following Top Management Challenges for FY 2024:

1. Promoting Health and Safety in HUD-Assisted Housing
2. Increasing Access to Affordable Housing
3. Mitigating Counterparty Risks
4. Grants Management
5. Enhancing Oversight of Disaster Recovery
6. Managing Fraud Risk and Improper Payments
7. Improving IT Modernization and Cybersecurity
8. Managing Human Capital
9. Increasing Effectiveness in Procurement

The report also notes that HUD’s sustained progress in financial management over the last two years, including obtaining clean opinions on its financial statement and addressing longstanding financial reporting weaknesses, resulted in HUD OIG removing Financial Management from the list of top management challenges.

“HUD’s programs play a critical role in supporting millions of American households and communities, and these important programs continue to grow each year. This report identifies a number of areas where HUD can continue enhancing oversight of its programs, and it also highlights areas where HUD lacks capacity to adequately address its top challenges. My office remains committed to collaborating with the Department to promote the efficiency and effectiveness of its programs,” said Inspector General Rae Oliver Davis.

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement related to HUD programs should contact the HUD OIG Hotline at 1-800-347-3735 or visit, <https://www.hudoig.gov/hotline>. For media inquiries, contact us at OIGMediaRelations@hudoig.gov.

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