Twitter Thread by David Cranmer Underdown



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Audit Faulted Cuomo's HUD Overhaul - WSJ

The idea behind the program was to split enforcement and customer relations into separate ranks of employees. Between 1997 and 1999, Mr. Cuomo recruited nearly 800 Community Builders, including hundreds of high-paid "fellows" who underwent training sessions at Harvard.

The Community Builders acted as liaisons to city officials and community groups and reported directly to HUD's headquarters in Washington.

In 1999, the program was the subject of a scathing audit report by the HUD Inspector General's office, which recommended that it be

terminated.
Congress eliminated its funding that year, over the objections of several Democratic lawmakers, including Sen. John Kerry and now-Vice President Joe Biden.
More than half of the Community Builders interviewed by the auditors said they spent most of their time on

public-relations activities.
"Considering that 228 Community Builders came from HUD's monitoring side, there is an appearance HUD favors the outreach and public relations over the monitoring and compliance function," the report said.

The audit report faulted HUD for using the Community Builders to carry out a public-relations campaign on behalf of HUD when Congress threatened to slash the agency's budget.

The Inspector General's report also said Mr. Cuomo's staff took unusual steps to hinder its review,

stating that HUD senior management "told employees not to talk to us during our planning stage" and "circulated 'questions and answers' for employees to use when we interviewed them."

Investigators said senior HUD officials also asked the Inspector General's office to identify the HUD employees interviewed by auditors.
"When the request came in, everyone wondered why the department needed it. Why do they need to know who spoke with the auditors?" said a

person who was with the Inspector General's office at the time.
Saul Ramirez, a deputy secretary under Mr. Cuomo, said the request for the names was "standard procedure" and intended to help headquarters organize the schedules of field staffers involved in the auditing process.

During Cuomo's tenure as HUD Secretary, he called for an increase in home ownership.[16] He also pushed government-sponsored lenders Fannie Mae and Freddie Mac to buy more home loans issued to poor homeowners, in an attempt to end discrimination against minorities.[17] Some

believe that this helped lead to the 2007–2010 subprime mortgage crisis.[16][18] Edward J. Pinto, former chief credit officer at Fannie Mae, said "they should have known the risks were large.[citation needed] Cuomo was pushing mortgage bankers to make loans and basically saying

you have to offer a loan to everybody."[16] But others disagree with the assessment that Cuomo caused the crisis. Dean Baker, co-director of the Center for Economic and Policy Research, said Cuomo "was a contributor in terms of him being a cheerleader, but I don't think we can

pin too much blame on him."