

wake up on the bright side®
at more than 700 locations

RATES FROM \$59

BOOK NOW



WORLD USA COMMENTARY MONEY & VALUES ENVIRONMENT INNOVATION ARTS & ENTERTAINMENT BOOKS LIVING LEARNING THE HOME FORUM

the new economy blog

[Surviving & Thriving](#) | [Path to Recovery](#) | [Growth for Tomorrow](#)

rebuilding the economy



Shaun Donovan, the new secretary of Housing and Urban Development, wants to simplify the home-loan process.

[Enlarge](#)

Photos (1 of 1)

(Kristoffer Tripplaar/Sipa Press/Newscom)

The Optimum® Triple Play
Three Great Services
\$29.95 each per month your 1st year when combined
Sign up now

Most viewed

1. Obama inherited a fiscal disaster. Now what?
2. Buffalo plane crash raises broader issues on icing
3. A peace sign: Iraq's Sunnis joining Shiite pilgrims
4. Denmark's hippie haven faces shutdown
5. Window closing for a two-state solution in the Middle East
6. Obama wins his economic stimulus package, but without the bipartisanship he sought
7. My five favorite things in the stimulus bill
8. Could 'liquid wood' replace plastic?
9. A reality check for Obama in Afghanistan
10. The 'holy grail' of biofuels now in sight

New HUD chief: simpler loans, more private lending

By Ron Scherer | 02.17.09

[E-mail a friend](#) | [Print this](#) | [Letter to the Editor](#) | [Republish](#) | [ShareThis](#) | [Get e-mail alerts](#) | [RSS](#)

Is there opportunity in the housing crisis?

Yes, is if your name is Shaun Donovan, the new Secretary of the Department Housing and Urban Development (HUD).

Mr. Donovan who confesses to being an "eternal optimist" came to New York on Friday to keynote a conference at New York University entitled "A Crisis is a Terrible Thing to Waste: Transforming America's Housing Policy."

HUD and Mr. Donovan are likely to have a significant role in the Obama administration's new housing policy, which is expected to be rolled out relatively soon. And Congress, in the new fiscal stimulus bill, piled on new funding, some \$13.6 billion, for HUD to do everything from making public housing more energy efficient to new funding for emergency shelter grants to try to prevent homelessness.

A personal agenda

Donovan, who formerly ran New York City's housing efforts, has his own agenda as well. One of those goals is to try to get the private sector back into the mortgage market. Only a few years ago,



the new economy blog 
Laurent Belsie

In his 28-year Monitor career, Laurent Belsie has built his expertise in traditional journalistic fashion: eclectically. He's fed hogs in Iowa, searched the Internet before there was a World Wide Web, and roamed Haiti in a helicopter with US Special Forces (and a Humvee dangling from a chain). After stints as personal-finance editor and assistant national news editor, he now runs the Monitor's newest Web section: "Rebuilding the Economy" and blogs about the economic changes now under way.

“ We've dug ourselves a deep hole here.
There are no good solutions.”

Douglas Elliott, a finance expert at the Brookings Institution, on whether the US should nationalize banks

[Related story](#)

the Federal Housing Administration, which is part of HUD, insured 2 percent of the mortgage market. Today, the FHA backs about a third of all new mortgages.

The FHA, in a way, is returning to its roots. It was created during the Great Depression. In the 1960s, during President Johnson's Great Society efforts, HUD grew up around it. Then, in the housing boom of the past decade, the FHA steadily lost market share. As one former HUD employee explained it, it was viewed as a dinosaur since it actually checked income and wanted people to be able to afford their mortgages.

But Donovan says he also wants to make the system "fairer and simpler" for the average consumer. Anyone who has ever signed the 100 pages of documents at a closing knows what he's talking about. Maybe he will have better luck than the Bush administration, which tried to do the same thing but, according to a former HUD staffer, "was crushed like a bug" by entrenched industry interests and Congress.

A current HUD staffer points out that Congress did ultimately pass some simplifying legislation, which is being phased in starting last month.

A 'rental crisis'

Donovan also wants to spend more money on what he terms the "rental crisis." Each year HUD does a big survey to see how many people need affordable housing. One of the latest surveys found there was a need for 6 million low-income units but only 4 million have been built. It's not unusual for cities to have a waiting list five or 10 years long.

As new public housing is built, Donovan wants to make it as "green" or energy efficient as possible. According to HUD, there is now a \$32 billion backlog in capital needs, especially energy efficiency in aging buildings. The stimulus package gives HUD \$4 billion for that purpose.

But Donovan wants to go further. He has already announced an office of sustainability in HUD, led by Washington State's Ron Sims, who was the King County executive. King County has become a national model for how local governments can reduce greenhouse-gas emissions.

Donovan who has a sense of humor referred to his speech as an example of a "Crisis in Transition." How so? He still has no speech writer and no assistant secretary. "There is a little risk in doing this today," he joked to a full auditorium at New York University Law School. Then he talked for an hour without a written draft or teleprompter.

"We do have this enormous opportunity," he said. "But if we waste it, we will have no one to blame but ourselves."

— Staff writer Ron Scherer contributed this report from New York.

Recent headlines



02.17.09
US automakers' future tied to the global economy



02.16.09
Should US take over weak banks?



02.13.09
My thrifty Valentine: The thought counts even more this year



02.11.09
Will the stimulus bill boost public confidence?



02.11.09
Bank CEOs defend their use of taxpayer money



02.10.09
Geithner's new bank bailout: Private investors hold the key



02.09.09
GOP centrists give Obama a majority – barely



02.09.09
China aims for its own Silicon Valley



02.08.09
To minimize layoffs, employers cut worker hours



02.08.09
As economic crisis deepens, private foundations step into the breach

Comments

Leave a Comment

Name (required)

Website

Don't know what movie you want to rent?
Check out our movie reviews by film critic Peter Rainer



[Submit Comment](#) By clicking "Submit Comment", you agree to our [Terms of Service](#).

We do not publish all comments, and we do not publish comments immediately. The comments feature is a forum to discuss the ideas in our stories. Constructive debate - even pointed disagreement - is welcome, but personal attacks on other commenters are not, and will not be published.

Tip: Do not write a novel. Keep it short. We will not publish lengthy comments. Come up with your own statements. This is not a place to cut and paste an email you received. If we recognize it as such, we won't post it.

Please do not post any comments that are commercial in nature or that violate copyrights.

Finally, we will not publish any comments that we regard as obscene, defamatory, or intended to incite violence.

[VA Loan Requirements](#)

Get VA Mortgage Info & Pre-qualify Online for \$0 Down up to \$417,000.

www.VaMortgageCenter.com

[Bank of America Refinance](#)

Refinance and stabilize your ARM payments. Bank of America can help.

www.bankofamerica.com

[HUD Homes For Sale](#)

Find HUD Homes And Foreclosures Throughout The Country.

www.foreclosure.com

Apparel
T-Shirts Design Online

Automotive
Car loans

Booking Agency
Grabow Entertainment Agency

Business Resources
Business Cards
Free Business Cards
Checks
Postcards

Graphic Design
Logo Design - LogoBee
Home Improvement
Home Renovation Guide

Printing
Brochure Printing

Real Estate
International Shipping
Mortgage Calculator
Moving
Moving Companies
Real Estate

Speakers Bureau
Motivational Speakers
Sports
Tennis Racquet Racket

Travel
Hotels

Web Services
Dedicated Servers
SEO
Web Hosting

Local Business Directory

401K Plans
Accounting
Advertising & Marketing
Air Charter
Air Travel
Annuities
Answering Services
Antivirus / Antispam Solutions
Apartment Loans
Appliances
Aquariums
Architects
Asphalt / Paving
Assembly Services
Asset-Based Finance
Audio Conferencing
Auto Accessories
Auto Financing

[Home](#) | [About Us/Help](#) | [Site Map](#) | [Feedback](#) | [Contact Us](#) | [Subscribe](#) | [Archive](#) | [Print Edition](#) | [Corrections](#)
[Privacy Policy](#) | [Rights & Permissions](#) | [Terms of Service](#) | [Advertise With Us](#) | [Monitor Mall](#) | [Today's Article on Christian Science](#)

www.csmonitor.com | Copyright © 2008 The Christian Science Monitor. All rights reserved.