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## **Golding Testifies Before House Housing and Insurance Subcommittee on Health of FHA**

By [Ryan Richardson](#)

On February 11, Edward Golding, Principal Deputy Assistant Secretary of HUD's Office of Housing, appeared before the House Financial Services Subcommittee on Housing and Insurance. The hearing was titled "The Future of Housing in America: Examining the Health of the Federal Housing Administration."

Questions from the subcommittee focused largely on HUD's 2015 annual report to Congress. Specifically, members questioned Golding extensively on the report's independent actuarial analysis, which showed that capital ratio of the Mutual Mortgage Insurance (MMI) Fund stood at 2.07%. This marked the first time that capital ratio exceeded the threshold of 2%, as mandated by statute, since 2008. Mr. Golding testified that the MMI Fund gained approximately \$19 billion in 2015.

Fireworks were few and far between during Mr. Goldman's two-hour dialogue with the subcommittee. In one of only a few notable exchanges, Goldman declined to answer to a series of questions from Rep. Scott Garrett (R-NJ). Rep. Garrett inquired whether the MMI could withstand another major crisis like the one experienced in 2008 and 2009, and whether the MMI would be well served by stress tests akin to those required of the largest banks by the prudential regulators. Mr. Goldman responded that the agency's independent actuarial runs scenarios on the capacity of the MMI to withstand certain economic events, but he emphasized that the FHA is "not supervised by the Fed."

A link to an archived webcast of the hearing can be found [here](#). A link to HUD's 2015 report to Congress can be found [here](#).