

FHA Financial Operations Modernization

Exhibit 300: Capital Asset Plan and Business Case Summary

Part I: Summary Information And Justification (All Capital Assets)

Section A: Overview (All Capital Assets)

Date of Submission	5/21/2009
Agency	Department of Housing and Urban Development
Bureau	Working Capital Fund
Name of this Capital Asset	HSG - 410352 - FHA Financial Operations Modernization - FHAFO-P013
What kind of investment will this be in this Budget Year?	Mixed Life Cycle

Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap:

The Federal Housing Administration Financial Operations (FHAFO) initiative provides FHA with integrated funds control, accounting, and financial operations that execute FHA's mission to expand affordable housing and homeownership opportunities, support development of affordable rental housing and health care facilities, strengthen program controls and improve program management. The FHAFO's 15 applications bill and collect premiums, pay claims to lenders, manage receivables and other assets, control funds, and produce audited financial statements for all FHA mortgage insurance programs. This investment maintains FHA's compliance with the statutes and regulations that govern FHA financial operations. The investment is essential for clean audit opinions on FHA's financial statements and improves the operation of FHA's current financial systems to manage risk and control costs.

FHAFO must respond to the following five high-priority new business requirements in FY2009 and FY2010:

1. Housing and Economic Recovery Act of 2008 - FHA Modernization, Risk-Based Pricing, and Hope for Homeowners: This investment addresses new legislative and administrative initiatives to respond to current problems in the U.S. housing market.
2. Maintain current operations: This investment includes funding to sustain operations of existing systems for 16 months. This investment addresses a four month shortfall (October 1, 2008 to January 31, 2009) in FY2008 funding for system operations and maintenance, providing uninterrupted support through January 31, 2010.
3. Treasury: This investment implements Treasury's government-wide Pay.Gov program at HUD to eliminate dependence upon lockboxes for collections.
4. Audit and security: This investment completes a backlog of system security changes and corrective actions to eliminate long-standing security deficiencies in existing systems.
5. FMLOB: This investment supports OMB's Financial Management Line of Business initiative to consolidate agency core financial systems. This investment includes funds to migrate FHA to a shared service center and to integrate FHA with HUD's three other accounting systems.

In addition to these five, high priority requirements, this investment includes changes to current systems in the short term to reduce program risk and to control increasing costs of operation. This investment also includes funds in FY2009 to plan a major technology upgrade and integration for FHA's 15 financial operations systems.

Did the Agency's Executive/Investment Committee approve this request?	Yes
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If "yes," what was the date of this approval?	7/24/2008
Did the Project Manager review this Exhibit?	Yes
Has the agency developed and/or promoted cost effective, energy efficient and environmentally sustainable techniques or practices for this project.	No
Will this investment include electronic assets (including computers)?	Yes
Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	No
If "yes," is an ESPC or UESC being used to help fund this investment?	
If "yes," will this investment meet sustainable design principles?	
If "yes," is it designed to be 30% more energy efficient than relevant code?	
Does this investment directly support one of the PMA initiatives?	Yes
Briefly describe how this asset directly supports the identified initiative(s)?	Financial performance is the requirement that implements the FED-GAAP certified ledger for FHA and is compliant with the eGOV PMA objectives for Financial Systems integration. It also implements modern target Enterprise Architecture solution for the FHA financial operations business processes that are currently supported by 15 automated systems. FHA is moving to full compliance with pay.gov and treasury process.
Is this investment for information technology?	Yes
If the answer to Question: "Is this investment for information technology?" was "Yes," complete this sub-section. If the answer is "No," do not answer this sub-section.	
What is the level of the IT Project? (per CIO Council PM Guidance)	Level 1
What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance):	(1) Project manager has been validated as qualified for this investment
If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	N/A
Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	Yes
SENSITIVE DATA: Some of the questions/responses from this section were omitted.	

Section B: Summary of Spending (All Capital Assets)

Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in thousands, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated "Government FTE Cost," and should be excluded from the amounts shown for "Planning," "Full Acquisition," and "Operation/Maintenance." The "TOTAL" estimated annual cost of the investment is the sum of costs for "Planning," "Full Acquisition," and "Operation/Maintenance." For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

Table 1: SUMMARY OF SPENDING FOR PROJECT			
* Costs in thousands			
	PY 2008	CY 2009	BY 2010
TOTAL BUDGETARY RESOURCES	14.061287	24.863	45.552

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies). Government FTE Costs should not be included as part of the TOTAL represented.

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section C: Acquisition/Contract Strategy (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.

Section D: Performance Information (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.

Section E: Security and Privacy (IT Capital Assets Only)

SENSITIVE DATA: The information in this section was omitted completely.

Section F: Enterprise Architecture (EA) (IT Capital Assets Only)

In order to successfully address this area of the capital asset plan and business case, the investment must be included in the agency's EA and Capital Planning and Investment Control (CPIC) process and mapped to and supporting the FEA. The business case must demonstrate the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

Is this investment included in your agency's target enterprise architecture? Yes

If "no," please explain why this investment is not included in your agency's target enterprise architecture?

Is this investment included in the agency's EA Transition Strategy? Yes

Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)? Yes

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Part II: Planning, Acquisition And Performance Information

Section A: Alternatives Analysis (All Capital Assets)

Did you conduct an alternatives analysis for this project? Yes

In selecting the best capital asset, you should identify and consider at least three viable alternatives, in addition to the current baseline, i.e., the status quo. Use OMB Circular A-94 for all investments, and the Clinger Cohen Act of 1996 for IT investments, to determine the criteria you should use in your Benefit/Cost Analysis.

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section B: Risk Management (All Capital Assets)

You should have performed a risk assessment during the early planning and initial concept phase of this investment's life-cycle, developed a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Does the investment have a Risk Management Plan? Yes

What is the date of the risk management plan? 8/28/2008

SENSITIVE DATA: Some of the questions/responses from this section were omitted.

Section C: Cost and Schedule Performance (All Capital Assets)

SENSITIVE DATA: The information in this section was omitted completely.