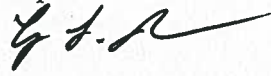




OFFICE OF THE SPECIAL INSPECTOR GENERAL  
FOR THE TROUBLED ASSET RELIEF PROGRAM  
1801 L STREET, NW, 4<sup>TH</sup> FLOOR  
WASHINGTON, D.C. 20220

JUL 18 2012

MEMORANDUM FOR: The Honorable Timothy F. Geithner – Secretary of the Treasury

FROM: Ms. Christy L. Romero – Special Inspector General for the  
Troubled Asset Relief Program 

SUBJECT: Engagement Memorandum – Audit of the Hardest Hit Fund  
Program Effectiveness and Controls

As part of our continuing oversight of the Troubled Asset Relief Program (“TARP”), the Office of the Special Inspector General for the Troubled Asset Relief Program (“SIGTARP”) is initiating an audit of Hardest Hit Fund program effectiveness and controls. Our objectives are to determine whether Treasury and the state housing finance agencies have adequate controls over the implementation and execution of the Treasury HHF program to ensure that program funds are being used effectively for their intended purpose and that the program functions in a manner that best prevents fraud, waste, and abuse of those funds.

We plan to start work on this audit immediately, under SIGTARP engagement code 029. We expect to perform work at Treasury’s Office of Financial Stability in Washington, D.C.; various state housing finance agency offices; Federal National Mortgage Association (“Fannie Mae”) Washington, D.C., offices; Federal Home Loan Mortgage Corporation (“Freddie Mac”) McLean, Virginia, offices; and other industry participants. A member of my staff will contact your staff shortly to arrange an entrance conference to discuss our scope, methodology, and timeframes in more detail.

For additional information on this engagement, you may contact me or Mr. Kurt W. Hyde, Deputy Special Inspector General for Audit and Evaluation ([Kurt.Hyde@treasury.gov](mailto:Kurt.Hyde@treasury.gov) / 202-622-4633), or Ms. Kimberley A. Caprio, Assistant Deputy Special Inspector General for Audit and Evaluation ([Kim.Caprio@treasury.gov](mailto:Kim.Caprio@treasury.gov) / 202-927-8978).