

STATEMENT OF PETER KOVAR

NOMINEE, HUD ASSISTANT SECRETARY FOR CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

APRIL 23, 2009

I would like to thank Chairman Dodd, Ranking Member Shelby and the other members of the committee for giving me this opportunity to testify. As a Congressional staffer for over 25 years, I have often sat in the audience or behind the lawmakers in hearings, and it is an honor to sit today for the first time at the witness table.

It is also an honor to be nominated by President Obama for the position of HUD Assistant Secretary for Congressional and Intergovernmental Relations. There are many people who have contributed to my being here, including numerous colleagues and friends who have offered encouragement. But, the most important has been my family, and I would like to acknowledge their presence here today and express my appreciation for their constant support: my wife Paula, my daughter Sarah, and my son Paul.

I am grateful for those warm expressions of support from Senator Kerry and Congressman Frank. They are two Members of Congress for whom I have great admiration, and it is a genuine professional and personal pleasure for me to be the beneficiary of their generous remarks. I am proud to have served on Senator Kerry's staff when he was first elected, and I have of course had the privilege of working in Congressman Frank's office for more than 25 years. If confirmed, I hope to match the example they have set for commitment to responsive government, public service and respect for Congress. And, as a Massachusetts native, having that thoughtful endorsement of my nomination by Senator Kennedy – a true hero in both my home state and in Washington – is something I will always treasure.

If I am confirmed, I anticipate building strong relationships not only with Senators on this committee, but with their colleagues throughout Congress, to advance the important housing goals that have been articulated by President Obama and Secretary Donovan. As someone who became involved in government largely out of a desire to provide help to those who are economically disadvantaged, I am pleased to be in line for a senior position in an agency with a primary mission along those lines.

In the short term, the three key issue areas on which HUD will be focused are responding to the foreclosure crisis, implementation of the Recovery Act, and the 2010 budget. If confirmed, I will ensure that the sharing of information with Congress about all three initiatives on an ongoing basis is a top priority.

As the committee is aware, the Administration's response to the foreclosure problem includes working to reduce interest rates, helping 4 – 5 million homeowners who can't take advantage of the current low rates to refinance, and providing funding to assist another 3 – 4 million

homeowners in modifying their mortgages to avoid foreclosure. These efforts are still in their early stages, and it will be essential to provide periodic reports to Congress, as recommended by Senator Dodd during Secretary Donovan's confirmation hearing, so Congress will have a clear idea of the program's effectiveness.

With the Recovery Act devoting over \$13 billion to key HUD initiatives such as promoting energy efficiency and creating green jobs; unlocking the credit markets; making funding available for shovel-ready projects; and mitigating the effects of the economic crisis, it is crucial that Congress receives timely notification as grants under the various programs are made. More broadly, it will be vital to make sure that there is ready access to information about how the funds are being expended.

While the details of the budget have not been released, the Secretary has announced that key components will include additional steps to help those who wish to purchase or refinance homes; promotion of affordable rental housing; curtailing mortgage fraud and predatory lending; expansion of green development; and increased funding for vouchers and programs like community development block grants that assist low income families and areas. HUD will undertake a major outreach effort to inform Congress about all of these programs when the budget is formally released.

On all of these efforts, the watch words will be transparency and accountability. The Secretary mentioned in his confirmation hearing that Congress often hasn't received the information and data it needs to properly evaluate HUD's work, and he indicated that he would place a high priority on developing systems aimed at meeting those needs. If confirmed, I will play an important part in disseminating that information to Congress. And, I expect this commitment to information sharing to go beyond the three initiatives mentioned above. So, as we work on addressing the continuing needs of the Gulf Coast states affected by damaging hurricanes, preserving federally supporting multi-family housing, or creating innovative programs in the "Urban Development" component of HUD's mission, I look forward to making sure Congress is as well informed as possible about the department's activities.

In Congressman Frank's office, our top priority is serving the 660,000 constituents we represent. As Chief of Staff, a central element of my job is making sure that the staff maintains a commitment to responsiveness in everything we do. If confirmed, I will be committed to ensuring that my staff and I are as responsive and accessible as possible to the members of this committee and to the full Senate and House.

Our emphasis on communication with Congress will include not only sufficient advance notice of key initiatives, but thoughtful answers to Congressional correspondence, and of course appropriate notification of grants and local announcements. A key element of these efforts will be coordinating with HUD field offices to ensure that Congressional inquiries are appropriately handled. In addition, I plan to institute a program of "listening sessions" in which senior HUD staff would be available periodically for open, non-agenda meetings with key Hill staff and, if they wish, Senators and Representatives.

President Obama and Secretary Donovan have outlined an ambitious agenda for HUD. While Congress and the Administration will not always agree, there are many policies on which effective collaboration is possible. And, I expect a hallmark of my office to be fairness toward all Senators and Representatives, regardless of party, and a determination to seek bipartisan solutions when possible.

In closing I wanted to take a moment to touch on the key role played by my parents. As career public servants involved in non-profit social service agencies, state government, and numerous local groups and causes, they instilled in me the value of community service, and I have followed their lead for much of my life. For the last quarter century Congress has, in a sense, been my community. As I move toward another community in the Obama Administration, I am confident that my enduring connection to the Hill will help me to be successful in my new position, and I am hopeful the committee will support my nomination.

Thank you again, Mr. Chairman, for the opportunity to testify. I would be pleased to answer any questions.