



**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**

**MEMORANDUM FOR:** The Honorable Steven Mnuchin – Secretary of the Treasury

**FROM:** The Honorable Christy Goldsmith Romero – Special Inspector General for the Troubled Asset Relief Program

**SUBJECT:** Engagement Memorandum – Evaluation of Hardest Hit Fund Status and Wind Down Planning (EVAL 014)

***SIGTARP's Audit Mission:***

SIGTARP audits and evaluates TARP programs to prevent and identify the risk of fraud, waste, abuse, ineffectiveness, and inefficiency, among other risks. Treasury established the Hardest Hit Fund (HHF) program in February 2010, initially a \$7.6 billion TARP program. In 2016, Congress allowed the extension of the program, and added \$2 billion, for a total allocation of \$9.6 billion provided to 18 hard-hit states and the District of Columbia (“HHF state agencies”) with the goal of neighborhood stabilization and home preservation. Treasury subsequently scheduled final payments in the program as of December 31, 2021.

***Newly Announced Evaluation:***

Treasury reports that the Hardest Hit Fund is in a wind down status. SIGTARP will evaluate the status of the program, and Treasury’s planning of the program’s wind down. This will include, for example, TARP dollars remaining to be spent by state agencies, as well as current and estimated future program activity. It will also review Treasury’s direction and guidance to state agencies for wind down planning, and the state agencies’ response.

A member of SIGTARP staff will contact Treasury staff to arrange an entrance conference to discuss the scope and objectives of the evaluation. Please contact me at any point in our review should you have any questions.