



Annual Subsidy Re-estimate Cycle Compression

PROBLEM STATEMENT

Per OMB Circular A-11 §185, re-estimates must be made immediately after each fiscal year for every cohort with outstanding loans, and RD's 750+ cohort models from FY 1992 forward make this cycle mechanically intensive — pulling actuals, refreshing default/prepay/recovery curves, running OMB CSC, reconciling to BICS pivots, and assembling re-estimate memoranda.

WHY IT MATTERS

A late or error-prone re-estimate cycle pushes downstream pain into OMB Credit Supplement Report Exercise (CSR) timing, MAX schedule X loads, the Department-level AFR, and the Treasury reporting calendar. Compressed cycle time is the difference between supporting OBP's normal calendar and triggering a fire drill at the OMB / Treasury / OIG seam.

HSG'S APPROACH

1. Automate actuals-pull from FMML, NFAOC subledgers, and loan systems into a cohort-tagged staging layer feeding CSC inputs.
2. Use SAS / R / Python to refresh default / prepayment / recovery curves with documented model-risk-management aligned to SR 11-7 / OCC 2011-12.
3. Wrap CSC submission and BICS / Essbase reconciliation in a workflow that drafts the re-estimate memorandum from CSC outputs and prior-year narrative.
4. Build a re-estimate certification sheet auto-populated with cohort balances, financing-account interest, and re-estimate amounts segregated to Treasury Account Symbols.
5. Maintain the AI / Expert Reconciliation Log so every model-driven curve change and memo paragraph is paired with expert confirmation.

EXPECTED DELIVERABLES

- Cohort-tagged actuals staging layer with refresh automation
- Refreshed default / prepay / recovery curve library with model documentation
- Re-estimate memorandum auto-draft tool
- Auto-populated certification sheet and CSR-ready inputs
- Cycle-time dashboard (actuals !' CSC !' memo !' certification)

EXPECTED OUTCOME

Compress the post-fiscal-year-end re-estimate cycle from approximately 90 days to 45 days while raising memo quality and reducing OMB rework cycles by 50%.

ENGAGEMENT TEAM

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