

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget and program estimates of the Department of Housing and Urban Development (HUD).

For the past 3 years, the Department has been engaged in a reinvention process which has emphasized: addressing homelessness through a comprehensive continuum of care strategies; transforming public and assisted housing; enhancing homeownership opportunities through new national and local partnerships; and, encouraging locally-driven solutions and leveraging private sector investment through initiatives like consolidated planning, Empowerment Zones and Enterprise Communities.

This budget proposes to continue this reinvention process as follows:

1. HUD's new programs would give communities more power over Federal programs by consolidating over 20 programs into three core funds. These funds would provide enhanced flexibility in return for results by rewarding high performers through the use of incentives, or "bonus funding."

2. HUD proposes to transform the dynamic of public and assisted housing through a policy of no tolerance of crime and mismanagement. The worst housing projects will be torn down and replaced with portable rental assistance and/or lower-density townhome-style developments which can serve as an anchor for neighborhood renewal. Rules will be changed to promote self-sufficiency and responsibility, and to reward people who work.

3. This proposal will ensure that homeownership is accessible to record numbers of people by revamping the Federal Housing Administration (FHA) and helping those in assisted housing buy their own homes.

4. HUD's FY 1997 reinvention blueprint will transform the Department into a "right side up, community first" organization. This will be accomplished through the creation of single points of contact for all major localities to cut red tape, the relocation of Federal personnel to communities, and aggressive training of HUD staff and its partners.

HUD is proposing three performance-based funds which will consolidate a myriad of programs and give localities and States the resources and flexibility needed to address community development, affordable housing, and homelessness. These "consolidated" funds will be: the Community Development Block Grants (CDBG) Fund, the HOME Fund and the Homeless Assistance Fund.

- The Community Development Block Grants Fund will continue to use a formula approach for allocating funds for a wide range of activities. However, Consolidated Plans developed by States and communities will be based on performance measures and benchmarks linked to their needs and priorities. Included within the total amount requested for 1997 is a performance bonus pool and a set-aside for Empowerment Zones.

- The HOME Fund will also utilize performance measures and benchmarks based on local needs and priorities. A 10-percent bonus pool will be made available to create large tracts of homeownership in communities.

- The Homeless Assistance Fund proposes to consolidate the six Stewart B. McKinney Homeless Assistance Act programs into a comprehensive, flexible, coordinated "continuum of care" approach to solving the needs of the homeless. A competitive 10-percent bonus pool will be set aside under this fund to address the needs of homeless persons with multiple diagnoses and fund innovative homeless solutions.

The Department is reproposing to consolidate several categorical housing programs within three performance funds.

- The Public Housing Operating Fund would fund the operating costs of Public and Indian Housing. Through this fund Public Housing Agencies will have greater flexibility in attracting and retaining a broader range of families.

- The Public Housing Capital Fund would address the capital cost needs of Public and Indian Housing. Based on the Modernization program, this Fund will permit the upgrading of inventory, demolition and replacement of obsolete buildings. Funds also will be available to expand linkages between public housing, local schools and other educational institutions. In addition, \$500 million of these funds will be set aside for a competitive bonus pool.

- The Housing Certificate Fund would address the problems arising from lagging household income and high housing costs. The Fund would be based on the existing voucher and certificate programs with changes to make the system simpler and more effective.

- Other Housing Programs. Funding for Section 8 contract renewals and amendments is included within the Annual Contributions for Assisted Housing account. Lead-paint hazard reduction activities will continue to be funded within the Annual Contributions account but will remain a free-standing program through 1997. Several other programs assisting communities will remain as free-standing activities: housing opportunities for persons with AIDS, housing assistance for the elderly and disabled, drug elimination activities, and assistance for severely distressed public housing. Further program consolidation will be proposed for 1998.

A major initiative reflected in the budget estimates is "Portfolio Reengineering," formerly known as "Mark-to-Market." This plan would reduce over-subsidized Section 8 contracts and FHA-insured debt on properties. The goal of the initiative is to leave all responsible owners with the ability to sustain the remaining mortgage through the payment of market-derived rents by tenants.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND

For assistance under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), as amended, \$290,000,000, to remain available until expended: Provided, That the Secretary may transfer and merge with the foregoing amount, up to \$100,000,000 of amounts earmarked for the renewal of expiring section 8 contracts in the Annual Contributions for Assisted Housing account, upon determining that the amount to be transferred is excess to the purposes for which it is earmarked.

Program and Financing (in millions of dollars)				
Identification code 86-0302-0-1-604		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
10.00	Total obligations (object class 41.0)			150
Budgetary resources available for obligation:				
22.00	New budget authority (gross)			290
23.95	New obligations			-150
24.40	Unobligated balance available, end of year:			
	Uninvested balance			140

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0302-0-1-604	1995 actual	1996 est.	1997 est.
New budget authority (gross), detail:			
40.00 Appropriation			290
Change in unpaid obligations:			
73.10 New obligations			150
73.20 Total outlays (gross)			-29
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			121
Outlays (gross), detail:			
86.90 Outlays from new current authority			29
87.00 Total outlays (gross)			29
Net budget authority and outlays:			
89.00 Budget authority			290
90.00 Outlays			29

The Administration proposes to consolidate a variety of rental assistance programs into one Housing Certificate Fund. In addition to traditional incremental assistance, this account would provide incremental certificates for a demonstration linking housing assistance to State welfare reform initiatives to help families make the transition from welfare to work. In addition, certificates would be used to prevent tenant displacement in prepayments related to preservation activities, property disposition, and other activities. Certificates would provide recipients with subsidies to help them afford rental housing in the private housing market.

PUBLIC HOUSING CAPITAL FUND
(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund program under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), \$2,700,000,000, to remain available until expended, of which \$2,447,000,000 shall be for modernization of existing public housing projects; \$200,000,000 for Indian Housing Development; up to \$53,000,000 for grants to public housing agencies (including Indian housing authorities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act, and other low-income families and individuals, principally for the benefit of public housing residents, to become self-sufficient; up to \$20,000,000 for technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public and Indian housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the department and of public housing agencies and to residents in connection with the public and Indian housing program; \$15,000,000 for the Tenant Opportunity Program; and \$5,000,000 for the Jobs-Plus Demonstration for Public Housing families: Provided, That all obligated and unobligated balances as of the end of fiscal year 1996 heretofore provided for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), for public and Indian housing amendments, for modernization and development technical assistance, for lease adjustments for the section 23 program, and for the Family Investment Centers program shall be transferred to amounts made available under this heading.

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			495
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			2,700
22.20 Unobligated balance transferred			1,750
23.90 Total budgetary resources available for obligation			4,450
23.95 New obligations			-495
24.40 Unobligated balance available, end of year: Uninvested balance			3,955
New budget authority (gross), detail:			
40.00 Appropriation			2,700
Change in unpaid obligations:			
73.10 New obligations			495
73.20 Total outlays (gross)			-4,276
73.30 Obligated balance transferred, net			18,774
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			14,993
Outlays (gross), detail:			
86.90 Outlays from new current authority			13
86.93 Outlays from current balances			4,263
87.00 Total outlays (gross)			4,276
Net budget authority and outlays:			
89.00 Budget authority			2,700
90.00 Outlays			4,276

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority			2,700
Outlays			4,276
Legislative proposal, not subject to PAYGO:			
Budget Authority			500
Outlays			
Total:			
Budget Authority			3,200
Outlays			4,276

The Administration proposes to consolidate all current public housing capital programs into a single Public Housing Capital Fund program. Activities consolidated into this account include: technical assistance, Public Housing Modernization, Public and Indian Housing Development, public and Indian housing amendments, lease adjustments, and Family Investment Centers. This program would provide Federal resources to rehabilitate and restore viable public housing in need of modernization, demolish uninhabitable and non-viable public housing projects, and construct replacement housing where feasible. In addition, funding would be provided for technical assistance and evaluation of the Jobs-Plus Demonstration for Public Housing families.

PUBLIC HOUSING CAPITAL FUND BONUS PROGRAM
(Legislative proposal, not subject to PAYGO)

For grants and related expenses, not otherwise provided for, necessary for carrying out a Public Housing Capital Fund bonus program, \$500,000,000 to remain available until expended. (Additional authorizing language required).

Program and Financing (in millions of dollars)

Identification code 86-0304-2-1-604	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			500
24.40 Unobligated balance available, end of year: Uninvested balance			500

New budget authority (gross), detail:		
40.00	Appropriation	500
Change in unpaid obligations:		
73.10	New obligations	
Outlays (gross), detail:		
87.00	Total outlays (gross)	
Net budget authority and outlays:		
89.00	Budget authority	500
90.00	Outlays	

The Public Housing Capital Fund Bonus Program would be available on a formula basis to high-performing Public Housing Agencies (PHAs) that also initiate Campus of Learners programs or other substantial efforts to link public housing residents with educational and employment opportunities. The PHAs would be able to use bonus funds for all purposes eligible under the Capital Fund.

**[PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS]
PUBLIC HOUSING OPERATING FUND**

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,900,000,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating subsidies	2,900	2,800	2,900
10.00 Total obligations (object class 41.0)	2,900	2,800	2,900
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	2,900	2,800	2,900
23.95 New obligations	-2,900	-2,800	-2,900
New budget authority (gross), detail:			
40.00 Appropriation	2,900	2,800	2,900
Change in unpaid obligations:			
74.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	1,373	1,506	1,480
73.10 New obligations	2,900	2,800	2,900
73.20 Total outlays (gross)	-2,762	-2,826	-2,842
73.40 Adjustments in expired accounts	-4		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,506	1,480	1,538
Outlays (gross), detail:			
86.90 Outlays from new current authority	1,393	1,344	1,392
86.93 Outlays from current balances	1,369	1,482	1,451
87.00 Total outlays (gross)	2,762	2,826	2,842
Net budget authority and outlays:			
89.00 Budget authority	2,900	2,800	2,900
90.00 Outlays	2,762	2,826	2,842

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	2,900	2,800	2,900
Outlays	2,762	2,826	2,843
Adjustment to 1996 continuing resolution levels:			
Budget Authority		100	
Outlays		48	51
Total:			
Budget Authority	2,900	2,900	2,900
Outlays	2,762	2,874	2,894

Operating subsidy payments are provided to assist local PHAs and Indian Housing Authorities (IHAs) to meet certain deficits in the operation of PHA-owned and IHA-owned low-income housing. These payments are in addition to the debt service and capital funding provided by HUD for development and modernization of low-income housing.

Beginning in fiscal year 1997, funding for these activities would be provided under the Public and Indian Housing Operating Fund.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

For grants to public housing agencies for use in eliminating drug-related crime in public housing projects authorized by 42 U.S.C. 11901-11908, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-11925, \$290,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance training, program assessment, and execution for or on behalf of public housing agencies and resident organizations (including the cost of necessary travel for participants in such training), and \$10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home program administered by the Inspector General of the Department of Housing and Urban Development: Provided, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0197-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	525	310	290
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	255	20	
22.00 New budget authority (gross)	290	290	290
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	546	310	290
23.95 New obligations	-525	-310	-290
24.40 Unobligated balance available, end of year:			
Uninvested balance	20		
New budget authority (gross), detail:			
40.00 Appropriation	290	290	290
Change in unpaid obligations:			
74.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	186	532	662
73.10 New obligations	525	310	290
73.20 Total outlays (gross)	-179	-180	-308
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	532	662	644
Outlays (gross), detail:			
86.93 Outlays from current balances	178	180	308
87.00 Total outlays (gross)	179	180	308
Net budget authority and outlays:			
89.00 Budget authority	290	290	290
90.00 Outlays	178	180	308

The table below shows the funding requested for drug-related and crime prevention activities for the period 1995-1997.

The \$290 million requested for this program in 1997 includes funding for technical assistance for drug elimination and operation safe home activities.

General and special funds—Continued

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING—Continued

Summary of Program Activity (in millions of dollars)

	1995 actual	1996 est.	1997 est.
Budget Authority:			
Drug elimination grants	290	290	290
Outlays:			
Drug Elimination Grants	178	262	308

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by subtitle J, Title III of Public Law 103-322 (including administrative costs), \$3,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund and shall be transferred to the Bureau of the Census to develop or update statistical data required by the Local Partnership Act to develop formulae necessary for the future distribution of funds appropriated under such Act.

Program and Financing (in millions of dollars)

Identification code 86-8192-0-1-754	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Local Partnership Act			3
10.00 Total obligations (object class 25.1)			3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			3
23.95 New obligations			-3
New budget authority (gross), detail:			
42.00 Transferred from other accounts			3
Change in unpaid obligations:			
73.10 New obligations			3
73.20 Total outlays (gross)			-3
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
87.00 Total outlays (gross)			3
Net budget authority and outlays:			
89.00 Budget authority			3
90.00 Outlays			3

Amounts for Public and Indian Housing's portion of the Crime Control Programs are derived from transfers from the Violent Crime Reduction Trust Fund as authorized by the Crime Control and Law Enforcement Act of 1994. These funds are provided to pay for census surveys required in development of formulae needed to distribute funds to units of local governments.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VII)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants to be displaced by the demolition, \$650,000,000, to remain available until expended, which the Secretary may use up to .67 percent for technical assistance, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents. (Authorizing legislation to be proposed.)

Program and Financing (in millions of dollars)			
Identification code 86-0218-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	883	218	456
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested balance	23	9	
21.49 Contract authority	476	107	178
21.99 Total unobligated balance, start of year	499	116	178
22.00 New budget authority (gross)	500	280	650
23.90 Total budgetary resources available for obligation	999	396	828
23.95 New obligations	-883	-218	-456
Unobligated balance available, end of year:			
24.40 Uninvested balance	9		
24.49 Contract authority	107	178	373
24.99 Total unobligated balance, end of year	116	178	373
New budget authority (gross), detail:			
40.00 Appropriation	500	280	650
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
72.40 Appropriation	578	1,430	1,520
73.10 New obligations	883	218	456
73.20 Total outlays (gross)	-31	-128	-283
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	1,430	1,520	1,692
Outlays (gross), detail:			
86.93 Outlays from current balances	31	128	283
87.00 Total outlays (gross)	31	128	283
Net budget authority and outlays:			
89.00 Budget authority	500	280	650
90.00 Outlays	31	128	283

Summary of Budget Authority and Outlays

[In millions of dollars]			
	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	500	280	650
Outlays	31	128	283
Adjustment to 1996 continuing resolution levels:			
Budget Authority		220	
Outlays			
Total:			
Budget Authority	500	500	650
Outlays	31	128	283

This program provides Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income renters. Funds provided to this program are in addition to the substantial resources provided for the public housing modernization program and are specifically targeted to the units in most need of attention.

Public enterprise funds:

LOW-RENT PUBLIC HOUSING—LOANS AND OTHER EXPENSES

Program and Financing (in millions of dollars)

Identification code 86-4098-0-3-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	54	50	50
10.00 Total obligations (object class 33.0)	54	50	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	20	6	6

22.00	New budget authority (gross)	98	112	115
22.60	Redemption of debt	-58	-62	-65
23.90	Total budgetary resources available for obligation	60	56	56
23.95	New obligations	-54	-50	-50
24.40	Unobligated balance available, end of year:			
	Uninvested balance	6	6	6
New budget authority (gross), detail:				
67.15	Authority to borrow (indefinite)	20	50	50
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	78	62	65
70.00	Total new budget authority (gross)	98	112	115
Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Appropriation	1,403	1,287	1,175
72.90	Fund balance	1	1	1
72.99	Total unpaid obligations, start of year	1,404	1,288	1,176
73.10	New obligations	54	50	50
73.20	Total outlays (gross)	-169	-162	-165
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Appropriation	1,287	1,175	1,060
74.90	Fund balance	1	1	1
74.99	Total unpaid obligations, end of year	1,288	1,176	1,061
Outlays (gross), detail:				
86.97	Outlays from new permanent authority	54	62	65
86.98	Outlays from permanent balances	115	100	100
87.00	Total outlays (gross)	169	162	165
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-58	-62	-65
88.40	Non-Federal sources	-20		
88.90	Total, offsetting collections (cash)	-78	-62	-65
Net budget authority and outlays:				
89.00	Budget authority	20	50	50
90.00	Outlays	92	100	100

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,747	1,689	1,627
1251	Repayments: Repayments and prepayments	-58	-62	-65
1290	Outstanding, end of year	1,689	1,627	1,562

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604	1995 actual	1996 est.	1997 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	4,413	4,132	3,832
2251	Repayments and prepayments	-281	-300	-325
2290	Outstanding, end of year	4,132	3,832	3,507
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	4,132	3,832	3,507

The Low-Rent Public Housing Loan Fund is used to provide direct Federal loans to fund remaining Public Housing Agency and Indian Housing Authority construction, acquisition, and modernization activities reserved under the Annual Contributions appropriation through 1986. These loans are made from available resources of this fund and from borrowings from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), the borrowings from the Treasury are forgiven at the end of each fiscal year and the loans to PHAs/IHAs are forgiven as construction, acquisition, and modernization

activities are completed. Under the provisions of this legislation, \$54 million of borrowings from the Treasury were forgiven in 1995, an estimated \$50 million will be borrowed from the Treasury and forgiven in 1996, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1997. The table below shows the status of outstanding loans for the period 1995-1997. The \$64 million balance at the end of each year represents administrative loans, off-site facility loans, and preliminary loans on projects never undertaken and excess financing.

PUBLIC HOUSING AGENCIES/INDIAN HOUSING AUTHORITIES

	Loans Outstanding		
	[In millions of dollars]		
	1995 actual	1996 est.	1997 est.
Outstanding, start of year	68	64	64
Direct loan disbursements	54	50	50
Repayments	-26		
Adjustments	25		
Total loans forgiven	-57	-50	-50
Outstanding, end of year	64	64	64

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions appropriation. *Operating results.*—The actual and estimated net operating income for 1994, 1995, 1996, and 1997 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.	
0101	Revenue	119	116	113	110
0102	Expense	-139	-131	-123	-115
0109	Net income or loss (-)	-19	-15	-10	-5

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	1,424	1,294	1,164	1,034
Investments in US securities:					
1106	Receivables, net	1,852	1,791	1,730	1,669
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	68	64	64	64
1602	Interest receivable	3	6	6	6
1603	Allowance for estimated uncollectible loans and interest (-)	-12	-12	-12	-12
1604	Direct loans and interest receivable, net	59	58	58	58
1699	Value of assets related to direct loans	59	58	58	58
1999	Total assets	3,335	3,143	2,952	2,761
LIABILITIES:					
Federal liabilities:					
2102	Interest payable	212	205	205	205
2104	Resources payable to Treasury	1,746	1,688	1,627	1,567
2207	Non-Federal liabilities: Other	1	1	1	1
2999	Total liabilities	1,959	1,894	1,833	1,773
NET POSITION:					
3100	Appropriated capital	1,297	1,184	1,054	923
3300	Cumulative results of operations	79	65	65	65
3999	Total net position	1,376	1,249	1,119	988
4999	Total liabilities and net position	3,335	3,143	2,952	2,761

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739) \$3,000,000: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$36,900,000.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	3	3	3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	3	3
23.95 New obligations	-3	-3	-3
New budget authority (gross), detail:			
40.00 Appropriation	3	3	3
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation		3	4
73.10 New obligations	3	3	3
73.20 Total outlays (gross)		-2	-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	3	4	4
Outlays (gross), detail:			
86.90 Outlays from new current authority		2	2
86.93 Outlays from current balances			1
87.00 Total outlays (gross)		2	3
Net budget authority and outlays:			
89.00 Budget authority	3	3	3
90.00 Outlays		2	3

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0223-0-1-604	1995 actual	1996 est.	1997 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total loan guarantee levels	22	37	37
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	13.40	8.13	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	3	3	3
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays		1	2

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1994 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a present value basis. This program provides access to sources of private financing for Indian families and Indian housing authorities which otherwise could not acquire housing financing because of the unique legal status of Indian trust land.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4104-0-3-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations			1
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance			2
22.00 New financing authority (gross)		2	3
23.90 Total budgetary resources available for obligation		2	5
23.95 New obligations			-1
24.90 Unobligated balance available, end of year: Fund balance		2	5
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Spending authority from offsetting collections, Federal sources		2	3
68.10 Change in receivables from program account			
68.90 Spending authority from offsetting collections (total)		2	3
70.00 Total new financing authority (gross)		2	3
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Fund Balance		3	3
72.95 Receivables from program account	3	3	3
72.99 Total unpaid obligations, start of year	3	6	6
73.10 New obligations			1
73.20 Total financing disbursements (gross)	3		
Unpaid obligations, end of year:			
74.90 Obligated balance: Fund balance	3	3	3
74.95 Receivables from program account	3	3	3
74.99 Total unpaid obligations, end of year	6	6	6
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	-3		
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources:			
Payments from program account	3	-2	-3
Net financing authority and financing disbursements:			
89.00 Financing authority	3		
90.00 Financing disbursements		-2	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	22	37	37
2199 Guaranteed amount of guaranteed loan commitments	22	37	37
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			28
2231 Disbursements of new guaranteed loans		28	33
2290 Outstanding, end of year		28	61
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		28	61

As required by the Federal Credit Reform Act of 1990, this nonbudgetary account records all cash flows to and from the Government resulting from the loan guarantees committed in 1994 and beyond (including modifications of loan guar-

antees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury			2	5
1106 Investments in US securities: Receivables, net			1	1
1999 Total assets			3	6
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees			1	1
2999 Total liabilities			1	1
NET POSITION:				
3100 Appropriated capital			2	5
3999 Total net position			2	5
4999 Total liabilities and net position			3	6

in existence. The purpose of the program is to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS and their families.

States and metropolitan areas receive 90 percent of the funds by formula based on the incidence of AIDS in their jurisdictions. The remaining 10 percent is awarded competitively to States, local governments, and private nonprofit entities for projects of national significance. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation.

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the HCD Act) (42 U.S.C. 5301), \$4,600,000,000, to remain available until September 30, 1999, of which \$69,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of the HCD Act; \$45,000,000 shall be for "special purpose grants" pursuant to section 107 of the HCD Act, including up to 0.4 percent, but not less than \$18,000,000, for the development and operation of a management information system; \$20,000,000 shall be for youthbuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading, in addition to the foregoing earmarked amount; and \$50,000,000 shall be for grants to nonprofit entities and units of local government to assist underserved areas and populations through housing development, infrastructure improvements, economic development, and supportive services targeted to farmworkers, colonias, and Native Americans: Provided, That not to exceed 20 percent of any grant made with funds appropriated herein and earmarked under this paragraph (other than grants using funds under section 107(b)(3) of the HCD Act, youthbuild, and assistance to underserved areas and populations) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department: Provided further, That for fiscal year 1997 and thereafter, section 105(a)(25) of the HCD Act shall continue to be effective, and the termination and conforming provisions of section 907(b)(2) of the Cranston-Gonzalez National Affordable Housing Act shall not be effective: Provided further, That section 916(f) of the Cranston-Gonzalez National Affordable Housing Act is repealed.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

COMMUNITY PLANNING AND DEVELOPMENT

Federal Funds

General and special funds:

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), \$171,000,000, to remain available until expended: Provided, That any amounts previously appropriated for such program, and any related assets and liabilities, in the "Annual Contributions for Assisted Housing" account, shall be transferred to and merged with amounts in this account.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			171
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			171
23.95 New obligations			-171
New budget authority (gross), detail:			
40.00 Appropriation			171
Change in unpaid obligations:			
73.10 New obligations			171
73.20 Total outlays (gross)			-138
73.30 Obligated balance transferred, net			417
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			449
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
86.93 Outlays from current balances			135
87.00 Total outlays (gross)			138
Net budget authority and outlays:			
89.00 Budget authority			171
90.00 Outlays			138

The Administration proposes to establish a Housing Opportunities for Persons with AIDS program as a separate account in 1997. All of the balances from prior appropriations for this program would be merged with the new appropriations. The program would resemble the program which is already

Program and Financing (in millions of dollars)

Identification code 86-0162-0-1-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Grants	5,030	5,088	4,601
10.00 Total obligations (object class 41.0)	5,030	5,088	4,601
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	697	487	
22.00 New budget authority (gross)	4,819	4,600	4,600
22.10 Resources available from recoveries of prior year obligations	1	1	1
23.90 Total budgetary resources available for obligation	5,517	5,088	4,601
23.95 New obligations	-5,030	-5,088	-4,601
24.40 Unobligated balance available, end of year: Uninvested balance	487		
New budget authority (gross), detail:			
40.00 Appropriation	4,819	4,600	4,600
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Appropriation	7,949	8,645	8,639
73.10 New obligations	5,030	5,088	4,601
73.20 Total outlays (gross)	-4,333	-5,093	-4,931

General and special funds—Continued

COMMUNITY DEVELOPMENT BLOCK GRANTS FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0162-0-1-451	1995 actual	1996 est.	1997 est.
73.45 Adjustments in unexpired accounts	-1	-1	-1
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation	8,645	8,639	8,308
Outlays (gross), detail:			
86.90 Outlays from new current authority	193	184	184
86.93 Outlays from current balances	4,140	4,909	4,747
87.00 Total outlays (gross)	4,333	5,093	4,931
Net budget authority and outlays:			
89.00 Budget authority	4,819	4,600	4,600
90.00 Outlays	4,333	5,093	4,931

Summary of Budget Authority and Outlays

[In millions of dollars]

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority	4,819	4,600	4,600
Outlays	4,333	5,093	4,931
Legislative proposal, not subject to PAYGO:			
Budget Authority			300
Outlays			
Total:			
Budget Authority	4,819	4,600	4,900
Outlays	4,333	5,093	4,931

Title I of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to make grants to units of general local government and States to fund local community development programs.

Funds are allocated to Indian tribes, and on an entitlement basis, to metropolitan cities and urban counties which receive their grants using the higher of two objective formulas. States and small cities are also allocated a portion of the available funds.

HUD proposes to operate CDBG as a performance fund starting in 1997. Grantees will continue to use their formula funds for the present wide range of activities. States and localities will use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities they establish in their own Consolidated Plans. The funding requested in 1997 for developing, implementing and refining of management information systems is critical to establishing a national database on local needs and program performance, as well as providing localities, States and other community members with software to plan and track performance. As the necessary systems are implemented and refined, funds needed for this purpose are anticipated to decrease over time.

In certain geographic areas of the United States—specifically Native American reservations, the “colonias” in the States along the U.S.-Mexico border, and farmworker camps in certain crop-growing States—special populations live in shocking conditions of extreme poverty and substandard housing. The unique character of their poverty and their remote locations defy solutions through HUD’s traditional programs and, therefore, require special action if the nation is to eliminate these most unhealthy and degrading living conditions. To this end, \$50 million is requested to assist under-served/developing areas and populations by providing grants for housing development, infrastructure improvements, economic development, and supportive services targeted to farmworkers, colonias, and Native Americans. Funding eligibility would be made contingent upon applicants’ demonstrated abilities to leverage funds from other public and private sources, including national housing intermediaries.

CDBG/ECONOMIC DEVELOPMENT BONUS POOL

(Legislative proposal, not subject to PAYGO)

For grants to States and units of general local government and for related expenses, necessary for carrying out a community development bonus program, \$300,000,000, to remain available until expended. (Additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 86-0162-2-1-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Grants			300
10.00 Total obligations (object class 41.0)			300
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			300
23.95 New obligations			-300
New budget authority (gross), detail:			
40.00 Appropriation			300
Change in unpaid obligations:			
73.10 New obligations			300
74.40 Unpaid obligations, end of year: Obligated balance: Appropriation			300
Outlays (gross), detail:			
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority			300
90.00 Outlays			

The Community Development bonus program would be available on a competitive basis to high performing jurisdictions to finance efforts that either generate economic revitalization in distressed communities or link people living in distressed communities to jobs, wherever they might be. HUD would administer this bonus pool funding as a challenge grant, requiring localities to compete for funds by proposing innovative economic revitalization and job creation strategies using a combination of their own resources, private capital, and federal program incentives. In 1997, \$200 million will be used to fund a new round of Empowerment Zones, and \$100 million will be reserved for a Bonus Pool for high-performing jurisdictions to provide funding for the Economic Development Initiative and other job-creation and economic development activities.

HOME FUND

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625), as amended, \$1,400,000,000 to remain available until expended: Provided, \$21,000,000 shall be available for grants to Indian tribes: Provided further, That up to 0.5 percent, but not less than \$7,000,000 shall be available for the development and operation of a management information system; Provided further, That \$15,000,000 shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0205-0-1-999	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1,337	1,550	1,402
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance	83	148	
22.00 New budget authority (gross)	1,400	1,400	1,400

22.10	Resources available from recoveries of prior year obligations	2	2	2
23.90	Total budgetary resources available for obligation	1,485	1,550	1,402
23.95	New obligations	-1,337	-1,550	-1,402
24.40	Unobligated balance available, end of year: Uninvested balance	148		
New budget authority (gross), detail:				
40.00	Appropriation	1,400	1,400	1,400
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance: Appropriation	3,033	3,189	3,497
73.10	New obligations	1,337	1,550	1,402
73.20	Total outlays (gross)	-1,179	-1,240	-1,401
73.45	Adjustments in unexpired accounts	-2	-2	-2
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation	3,189	3,497	3,496
Outlays (gross), detail:				
86.90	Outlays from new current authority	28	28	28
86.93	Outlays from current balances	1,151	1,212	1,373
87.00	Total outlays (gross)	1,179	1,240	1,401
Net budget authority and outlays:				
89.00	Budget authority	1,400	1,400	1,400
90.00	Outlays	1,179	1,240	1,401

Summary of Budget Authority and Outlays

(In millions of dollars)

Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority	1,400	1,400	1,400
Outlays	1,179	1,240	1,401
Legislative proposal, not subject to PAYGO:			
Budget Authority			150
Outlays			
Total:			
Budget Authority	1,400	1,400	1,550
Outlays	1,179	1,240	1,401

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, for the purpose of expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The \$1.4 billion requested for 1997 includes \$15 million for the Housing Counseling program as part of an overall effort to increase homeownership rates.

Funding for developing, implementing, and refining management information systems is critical to establishing a national database on local needs and program performance, as well as for providing localities, States, and other community members with software to plan and track performance. As the necessary systems are implemented and refined, funds needed for this purpose are anticipated to decrease over time.

HOME FUND CHALLENGE GRANT

(Legislative proposal, not subject to PAYGO)

For grants and related expenses, not otherwise provided for, necessary for carrying out a HOME Investment Partnerships bonus program, \$150,000,000, to remain available until expended. (Additional authorizing language required.)

Program and Financing (in millions of dollars)

Identification code 86-0205-2-1-999	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)		150
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		150

23.95	New obligations			-150
New budget authority (gross), detail:				
40.00	Appropriation			150
Change in unpaid obligations:				
73.10	New obligations			150
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation			150
Outlays (gross), detail:				
87.00	Total outlays (gross)			
Net budget authority and outlays:				
89.00	Budget authority			150
90.00	Outlays			

The HOME Fund Challenge Grant program would be available on a competitive basis to high performing jurisdictions to support State and local efforts to develop homeownership opportunities in targeted areas. This program will provide critical resources for housing development, using the wide range of tools available under the HOME program in Homeownership Zones, and is designed to reclaim abandoned neighborhoods, strengthen homeownership opportunities for hard-working families, and serve as a catalyst to stimulate business creation and private investment. HUD would administer this funding as a challenge grant, requiring localities to compete for funds by proposing creative, cost-effective homeownership strategies using a combination of their own resources, private capital, and Federal program incentives.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	1995 actual	1996 est.	1997 est.	
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year: Uninvested balance	10		
22.00	New budget authority (gross)	-18		
22.10	Resources available from recoveries of prior year obligations	8	6	2
23.90	Total budgetary resources available for obligation		6	2
New budget authority (gross), detail:				
41.00	Transferred to other accounts	-18		
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance: Appropriation	191	163	120
73.10	New obligations			
73.20	Total outlays (gross)	-20	-37	-30
73.45	Adjustments in unexpired accounts	-8	-6	-2
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation	163	120	88
Outlays (gross), detail:				
86.93	Outlays from current balances	20	37	30
87.00	Total outlays (gross)	20	37	30
Net budget authority and outlays:				
89.00	Budget authority	-18		
90.00	Outlays	20	37	30

Title I of the Housing and Community Development Act of 1974, as amended, authorizes grants to distressed cities and distressed urban counties to fund economic development projects.

The program has terminated and there are no funds remaining available for obligation.

General and special funds—Continued

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			
New budget authority (gross), detail:			
70.00 Total new budget authority (gross)			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	20	19	5
73.10 New obligations			
73.20 Total outlays (gross)	-1	-14	-5
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	19	5	
Outlays (gross), detail:			
86.93 Outlays from current balances	1	14	5
87.00 Total outlays (gross)	1	14	5
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	1	14	5

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provided funding to the National Community Development Initiative to build the capacity of community-based development corporations and housing development organizations, and to assist such corporations and organizations to carry out community development and affordable housing activities.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	4		
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	4		
22.00 New budget authority (gross)			
23.90 Total budgetary resources available for obligation	4		
23.95 New obligations	-4		
New budget authority (gross), detail:			
40.00 Appropriation			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	116	36	1
73.10 New obligations	4		
73.20 Total outlays (gross)	-84	-35	-1
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	36	1	
Outlays (gross), detail:			
86.93 Outlays from current balances	84	35	1
87.00 Total outlays (gross)	84	35	1
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	84	35	1

Title IV, subtitle B, of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77), authorizes the Secretary to make Emergency Shelter Grants to States, units of local

government, and nonprofit organizations to provide emergency shelter and other support for the homeless. In fiscal years 1995 and 1996, this assistance was funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1997, funding for this type of activity will be provided under the Homeless Assistance Fund.

SUPPORTIVE HOUSING PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	273	68	2
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	337	66	
22.00 New budget authority (gross)			
22.10 Resources available from recoveries of prior year obligations	2	2	2
23.90 Total budgetary resources available for obligation	339	68	2
23.95 New obligations	-273	-68	-2
24.40 Unobligated balance available, end of year:			
Uninvested balance	66		
New budget authority (gross), detail:			
40.00 Appropriation			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	419	575	483
73.10 New obligations	273	68	2
73.20 Total outlays (gross)	-115	-158	-157
73.45 Adjustments in unexpired accounts	-2	-2	-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	575	483	326
Outlays (gross), detail:			
86.93 Outlays from current balances	115	158	157
87.00 Total outlays (gross)	115	158	157
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	115	158	157

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services for deinstitutionalized homeless individuals, homeless families with children, homeless individuals with mental disabilities, and other homeless persons. Such assistance is available for the acquisition, rehabilitation, construction, or leasing of structures to be used for homeless persons as well as to pay for operating costs and supportive services.

For fiscal years 1995 and 1996, this type of assistance was funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1997, funding for this type of activity will be provided under the Homeless Assistance Fund.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			
23.95 New obligations			
New budget authority (gross), detail:			
70.00 Total new budget authority (gross)			

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	17	9
73.10	New obligations		
73.20	Total outlays (gross)	-8	-6
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	9	3
Outlays (gross), detail:			
86.93	Outlays from current balances	8	6
87.00	Total outlays (gross)	8	6
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	8	6

Title IV, subtitle D, of the Stewart B. McKinney Homeless Assistance Act, authorized the Supplemental Assistance for Facilities To Assist the Homeless program (SAFAH) to provide comprehensive assistance for particularly innovative programs or alternative methods of meeting the immediate and long-term needs of the homeless. The authority for the SAFAH program was terminated by section 1403 of the Housing and Community Development Act of 1992.

SHELTER PLUS CARE

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604			
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	180	29
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	199	24
22.00	New budget authority (gross)		
22.10	Resources available from recoveries of prior year obligations	5	5
23.90	Total budgetary resources available for obligation	204	29
23.95	New obligations	-180	-29
24.40	Unobligated balance available, end of year:		
	Uninvested balance	24	
New budget authority (gross), detail:			
70.00	Total new budget authority (gross)		
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	296	454
73.10	New obligations	180	29
73.20	Total outlays (gross)	-17	-50
73.45	Adjustments in unexpired accounts	-5	-5
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	454	428
Outlays (gross), detail:			
86.93	Outlays from current balances	17	50
87.00	Total outlays (gross)	17	50
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	17	50

Title IV, subtitle F, of the Stewart B. McKinney Homeless Assistance Act, authorizes the Secretary to provide rental assistance to persons with disabilities. Supportive services at least equal in value to the aggregate rental assistance must also be provided by grant recipients, using other Federal, State, local and private resources. Eligible recipients include States, units of general local government and Indian tribes. Grants are awarded on a competitive basis.

For fiscal years 1995 and 1996, this type of assistance was provided within the Homeless Assistance Grants account. Be-

ginning in fiscal year 1997, funding for this type of activity will be provided under the Homeless Assistance Fund.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604			
Obligations by program activity:			
10.00	Total obligations (object class 41.0)		19
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		
23.95	New obligations		-19
New budget authority (gross), detail:			
40.00	Appropriation		
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	96	79
73.10	New obligations		19
73.20	Total outlays (gross)	-17	-19
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	79	79
Outlays (gross), detail:			
86.93	Outlays from current balances	17	19
87.00	Total outlays (gross)	17	19
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	17	19

Section 2 of the HUD Demonstration Act of 1993 authorizes assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients include States, units of local government, Indian tribes, and nonprofit organizations.

Previously, activities were funded by appropriations to the Homeless Assistance Grants account. Beginning in fiscal year 1997, funding will be provided under the Homeless Assistance Fund.

HOMELESS ASSISTANCE [GRANTS] FUND

For performance grants to States, units of general local government and nonprofit organizations, and for related expenses, not otherwise provided for, necessary for carrying out a needs-based homeless assistance program, \$1,010,000,000, to remain available until expended: Provided, That \$13,500,000 shall be available for grants to Indian tribes: Provided further, That such amount shall be available only upon enactment into law of authorizing legislation for such program. (Additional authorizing legislation required.)

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0192-0-1-604			
Obligations by program activity:			
10.00	Total obligations (object class 41.0)	271	1,672
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance		849
22.00	New budget authority (gross)	1,120	823
23.90	Total budgetary resources available for obligation	1,120	1,672
23.95	New obligations	-271	-1,672
24.40	Unobligated balance available, end of year:		
	Uninvested balance	849	

General and special funds—Continued

HOMELESS ASSISTANCE [GRANTS] FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0192-0-1-604	1995 actual	1996 est.	1997 est.
New budget authority (gross), detail:			
40.00 Appropriation	1,120	823	1,010
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation		259	1,733
73.10 New obligations	271	1,672	1,010
73.20 Total outlays (gross)	-12	-198	-412
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	259	1,733	2,331
Outlays (gross), detail:			
86.90 Outlays from new current authority	12	41	51
86.93 Outlays from current balances		157	361
87.00 Total outlays (gross)	12	198	412
Net budget authority and outlays:			
89.00 Budget authority	1,120	823	1,010
90.00 Outlays	12	198	412

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	1,120	823	1,010
Outlays	12	198	412
Legislative proposal, not subject to PAYGO:			
Budget Authority			110
Outlays			
Total:			
Budget Authority	1,120	823	1,120
Outlays	12	198	412

The Homeless Assistance Fund consolidates HUD's six McKinney homeless assistance programs—Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, Section 8 Moderate Rehabilitation Single Room Occupancy, Rural Homeless Grants, and Safe Havens, as well as the Innovative Homeless Initiatives Demonstration Program. This consolidation would enable localities to shape a comprehensive, flexible, coordinated "continuum of care" approach to solving rather than institutionalizing homelessness. States and localities would receive an allocation, for which they would submit an application to HUD for approval. A community-based process would be required as part of the application process. Approved funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness.

HOMELESS/INNOVATIONS BONUS POOL

(Legislative proposal, not subject to PAYGO)

For grants and related expenses, not otherwise provided for, necessary for carrying out the Homeless/Innovations program, \$110,000,000, to be available until expended. (Additional authorizing legislation required.)

Program and Financing (in millions of dollars)

Identification code 86-0192-2-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)			110
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			110
23.95 New obligations			-110
24.40 Unobligated balance available, end of year:			
Uninvested balance			
New budget authority (gross), detail:			
40.00 Appropriation			110

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			
73.10 New obligations			110
73.20 Total outlays (gross)			
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation			110

Outlays (gross), detail:			
87.00 Total outlays (gross)			

Net budget authority and outlays:			
89.00 Budget authority			110
90.00 Outlays			

The Homeless/Innovations program would be available on a competitive basis to applicants who propose innovative programs or solutions to addressing homelessness through "continuum of care" efforts. The Department would administer this program as a challenge grant, requiring localities to compete for funds by proposing creative strategies using a combination of their own resources, private capital, and Federal program incentives.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	68	2	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	4	2	
22.00 New budget authority (gross)	40		
22.20 Unobligated balance transferred	26		
23.90 Total budgetary resources available for obligation	70	2	
23.95 New obligations	-68	-2	
24.40 Unobligated balance available, end of year:			
Uninvested balance	2		
New budget authority (gross), detail:			
40.00 Appropriation	50		
40.35 Appropriation rescinded	-10		
43.00 Appropriation (total)	40		
70.00 Total new budget authority (gross)	40		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	35	85	66
73.10 New obligations	68	2	
73.20 Total outlays (gross)	-20	-21	-18
73.30 Obligated balance transferred, net	2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	85	66	48
Outlays (gross), detail:			
86.93 Outlays from current balances	20	21	18
87.00 Total outlays (gross)	20	21	18
Net budget authority and outlays:			
89.00 Budget authority	40		
90.00 Outlays	20	21	18

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults to construct and rehabilitate housing for low-income and homeless persons. The program has expanded the supply of affordable housing, and at the same time, has enabled high school dropouts to obtain the education and employment skills necessary to achieve self-sufficiency.

Beginning in fiscal year 1996, funding for the Youthbuild program was included in the Community Development Block Grants Fund Account.

NATIONAL CITIES IN SCHOOLS COMMUNITY DEVELOPMENT PROGRAM
Program and Financing (in millions of dollars)

Identification code 86-0220-0-1-451	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			
23.95 New obligations			
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	9	2	
73.10 New obligations			
73.20 Total outlays (gross)	-7	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2		
Outlays (gross), detail:			
86.93 Outlays from current balances	7	2	
87.00 Total outlays (gross)	7	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	6	2	

This program provided grants for community-wide programs designed to assist at-risk youth and their families. The program was terminated at the end of fiscal year 1994.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.03 Loan servicing and other expenses	7	7	7
00.04 Maintenance of acquired security and collateral	4	7	7
00.05 Administrative expenses	1	1	1
10.00 Total obligations (object class 25.2)	12	15	15
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	92	102	92
22.00 New budget authority (gross)	74	73	65
22.10 Resources available from recoveries of prior year obligations	3	2	
22.40 Capital transfer to general fund	-55	-70	-60
23.90 Total budgetary resources available for obligation	114	107	97
23.95 New obligations	-12	-15	-15
24.90 Unobligated balance available, end of year: Fund balance	102	92	82
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	74	73	65
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	71	46	19
73.10 New obligations	12	15	15
73.20 Total outlays (gross)	-34	-40	-34
73.45 Adjustments in unexpired accounts	-3	-2	
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	46	19	
Outlays (gross), detail:			
86.98 Outlays from permanent balances	34	40	34
87.00 Total outlays (gross)	34	40	34
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-74	-73	-65
Net budget authority and outlays:			
89.00 Budget authority			

90.00 Outlays	-40	-33	-31
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Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	446	388	336
1251 Repayments: Repayments and prepayments	-51	-50	-45
1263 Write-offs for default: Direct loans	-7	-2	-1
1290 Outstanding, end of year	388	336	290

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1995 actual	1996 est.	1997 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	8	4	3
2251 Repayments and prepayments	-4	-1	-1
2290 Outstanding, end of year	4	3	2
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	4	3	2

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriation Act of 1955 for the more efficient liquidation of assets acquired under a number of housing and urban development programs.

Statement of Operations (in millions of dollars)

Identification code 86-4015-0-3-451	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	21	19	19	20
0102 Expense	-26	-12	-15	-15
0109 Net income or loss (-)	-5	7	4	5

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	163	149	143	135
1206 Non-Federal assets: Receivables, net	3	3	3	3
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	450	391	350	325
1602 Interest receivable	20	21	20	20
1603 Allowance for estimated uncollectible loans and interest (-)	-122	-36	-38	-39
1604 Direct loans and interest receivable, net	348	376	332	306
1606 Foreclosed property	1	1	1	1
1699 Value of assets related to direct loans	349	377	333	307
1999 Total assets	515	529	479	445
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	1	1	1	1
2207 Other	13	13	13	12
2999 Total liabilities	14	14	14	13
NET POSITION:				
3300 Cumulative results of operations	501	514	465	432
3999 Total net position	501	514	465	432
4999 Total liabilities and net position	515	528	479	445

Credit accounts:

COMMUNITY [OPPORTUNITY PERFORMANCE FUNDS] DEVELOPMENT
LOAN GUARANTEES PROGRAM ACCOUNT

For the cost of guaranteed loans, \$46,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974:

Credit accounts—Continued

**COMMUNITY [OPPORTUNITY PERFORMANCE FUNDS] DEVELOPMENT
LOAN GUARANTEES PROGRAM ACCOUNT—Continued**

Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$2,000,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974. In addition, for administrative expenses to carry out the guaranteed loan program, \$675,000, which shall be transferred to the appropriation for Salaries and Expenses.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy		32	46
00.09 Administrative expenses		1	1
10.00 Total obligations (object class 33.0)		33	47
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		33	47
23.95 New obligations		-33	-47
New budget authority (gross), detail:			
40.00 Appropriation		33	47
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation			16
73.10 New obligations		33	47
73.20 Total outlays (gross)		-17	-40
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation		16	23
Outlays (gross), detail:			
86.90 Outlays from new current authority		17	24
86.93 Outlays from current balances			16
87.00 Total outlays (gross)		17	40
Net budget authority and outlays:			
89.00 Budget authority		33	47
90.00 Outlays		17	40

Guaranteed Loans.—The Community Development Block Grants Fund includes a guaranteed loan provision (Section 108). A commitment level of \$2 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 1997. The credit subsidy estimate for the guaranteed loan is \$46 million for the estimated use of this authority in 1997.

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0198-0-1-451	1995 actual	1996 est.	1997 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total loan guarantee levels	2,054	1,500	2,000
Guaranteed loan subsidy (in percent):			
2329 Weighted average subsidy rate	0.00	2.14	2.30
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority		32	46
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays		16	39
Administrative expense data:			
3510 Budget authority		1	1
3590 Outlays		1	1

**COMMUNITY [OPPORTUNITY PERFORMANCE FUNDS] DEVELOPMENT
LOAN GUARANTEES FINANCING ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance			16
22.00 New financing authority (gross)		16	39
23.90 Total budgetary resources available for obligation		16	55
23.95 New obligations			
24.90 Unobligated balance available, end of year: Fund balance		16	55
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)		16	39
Change in unpaid obligations:			
73.10 New obligations			
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)			
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources		-16	-39
88.25 Interest on uninvested funds			-2
88.90 Total, offsetting collections (cash)		-16	-41
Net financing authority and financing disbursements:			
89.00 Financing authority			-2
90.00 Financing disbursements		-16	-41

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		1,500	2,000
2112 Uncommitted loan guarantee limitation	-210		
2150 Total guaranteed loan commitments	1,844	1,500	2,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	115	317	1,949
2231 Disbursements of new guaranteed loans	243	1,672	1,750
2251 Repayments and prepayments	-41	-40	-65
2290 Outstanding, end of year	317	1,949	3,634
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	317	1,949	3,634

Guaranteed loans.—The Community Development Loan Guarantees Program provides a mechanism for Federal guarantees of private loans. There is an accompanying liquidating account which shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. Also following is a status of privately financed guaranteed loan commitments made prior to 1992.

**COMMUNITY [OPPORTUNITY PERFORMANCE FUNDS] DEVELOPMENT
LOAN GUARANTEES LIQUIDATING ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	21	20	15

New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash)	21	20
	Offsetting collections (cash)		15
Change in unpaid obligations:			
72.47	Unpaid obligations, start of year: Obligated balance:		
	Authority to borrow	158	153
73.10	New obligations		
73.20	Total outlays (gross)	-5	
74.47	Unpaid obligations, end of year: Obligated balance:		
	Authority to borrow	153	153
Outlays (gross), detail:			
86.98	Outlays from permanent balances	5	
87.00	Total outlays (gross)	5	
Offsets:			
Against gross budget authority and outlays:			
88.40	Offsetting collections (cash) from: Non-Federal sources	-21	-20
	Offsetting collections (cash) from: Non-Federal sources		-15
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays	-16	-20

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	110	89
1251	Repayments: Repayments and prepayments	-21	-20
	Repayments and prepayments		-15
1290	Outstanding, end of year	89	69

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1995 actual	1996 est.	1997 est.
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year	297	246
2231	Disbursements of new guaranteed loans	27	20
2251	Repayments and prepayments	-78	-70
	Repayments and prepayments		-60
2290	Outstanding, end of year	246	196
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year	246	196
	Guaranteed amount of guaranteed loans outstanding, end of year		151

As required by the Federal Credit Reform Act of 1990, this account records all cash flows to and from the Government resulting from Federal Financing Bank direct loans for which loan guarantees were committed prior to 1992. This account is shown on a cash basis.

Guaranteed loans.—Guaranteed loan assistance under the Community Development Loan Guarantees program is provided to eligible communities to finance acquisition of real property, rehabilitation of publicly owned real property, and certain related expenses. In the past, the FFB financed these guaranteed loans. The Consolidated Omnibus Budget Reconciliation Act of 1985 requires private financing of all loan guarantees committed after July 1, 1986. FFB will continue disbursing loans for commitments approved prior to July 1, 1986. The activity shown in the above account reflects privately financed guaranteed loans for which commitments were made prior to 1992.

HOUSING PROGRAMS

Federal Funds

General and special funds:

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), not otherwise provided for, \$5,597,000,000, to remain available until expended, of which \$60,000,000 shall be

for the lead-based paint hazard reduction program authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992; \$800,000,000 shall be for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended; and \$4,737,000,000 shall be for assistance under 42 U.S.C. 1437 for use in connection with expiring or terminating section 8 subsidy contracts: Provided, That any assets and liabilities remaining at the end of fiscal year 1996 in the "Renewal of expiring section 8 subsidy contracts" account shall be transferred to and merged with the balances available under this heading, and any such asset shall be treated as earmarked for assistance for expiring or terminating section 8 subsidy contracts, in addition to amounts earmarked for such use herein: Provided further, That to the extent that such transfers are insufficient to fund all expiring section 8 contracts, the Secretary may transfer to and merge with such earmark, additional unobligated balances from other earmarks within the Annual Contributions for Assisted Housing account sufficient to fund such expiring contracts: Provided further, That of the amounts recaptured from the termination or restructuring of new construction or substantial rehabilitation contracts under section 8(a), as it existed prior to November 30, 1983, (except for new construction contracts for housing for the elderly or disabled, as authorized by section 202 of the Housing Act of 1959), up to \$477,000,000 shall be rescinded.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0164-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Assistance contracts:			
00.01	Lower income housing (section 8)	8,581	8,820
00.02	Public and Indian housing	5,666	2,818
00.03	Elderly/Disabled Grants	1,346	1,386
00.04	Program Activity	566	
00.05	Lead Based Paint Abatement	159	
00.06	Disaster Assistance	83	
00.07	Contract Renewals	2,016	4,200
	Contract Renewals		4,000
10.00	Total obligations (object class 41.0)	18,417	17,224
	Total obligations (object class 41.0)		9,491
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested balance:			
21.40	Administrative commitments (reserved)	18,758	358
21.40	Administrative commitments (reserved)	2,146	9,182
21.40	Uninvested balance		1,200
21.49	Administrative commitments (reserved)	73	73
21.90	Fund balance		29
	Fund balance		29
21.99	Total unobligated balance, start of year	20,977	10,842
22.00	New budget authority (gross)	8,150	10,156
22.10	Resources available from recoveries of prior year obligations	11,468	2,000
22.20	Unobligated balance transferred	-2	-1,750
22.30	Unobligated balance expiring	89	
22.75	Balance of contract authority withdrawn	-11,423	
23.90	Total budgetary resources available for obligation	29,259	22,998
23.95	New obligations	-18,417	-17,224
Unobligated balance available, end of year:			
Uninvested balance:			
24.40	Available	358	358
24.40	Reserved	9,182	5,387
24.40	Uninvested balance	1,200	
24.49	Contract authority	73	
24.90	Fund balance	29	29
	Fund balance		29
24.99	Total unobligated balance, end of year	10,842	5,774
	Total unobligated balance, end of year		2,130
New budget authority (gross), detail:			
Current:			
40.00	Appropriation	8,144	10,156
40.35	Appropriation rescinded		-477
41.00	Transferred to other accounts	-12	
42.00	Transferred from other accounts	18	
43.00	Appropriation (total)	8,150	10,156
Permanent:			
60.05	Appropriation (indefinite)	22,326	10,013
60.49	Portion applied to liquidate contract authority	-22,326	-10,013
	Portion applied to liquidate contract authority		-16,000

General and special funds—Continued

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0164-0-1-604	1995 actual	1996 est.	1997 est.
63.00 Appropriation (total)			
70.00 Total new budget authority (gross)	8,150	10,156	5,120
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
Appropriation:			
72.40 Appropriation	22,517	45,271	51,073
72.40 Appropriation	19,831	16,326	15,918
72.49 Contract authority	103,022	69,331	59,331
72.99 Total unpaid obligations, start of year	145,370	130,928	126,322
73.10 New obligations	18,417	17,224	9,491
73.20 Total outlays (gross)	-21,391	-19,830	-16,756
73.30 Obligated balance transferred, net			-19,191
73.45 Adjustments in unexpired accounts	-11,468	-2,000	-2,477
Unpaid obligations, end of year:			
Obligated balance:			
Appropriation:			
74.40 Appropriation	45,271	51,073	39,890
74.40 Appropriation	16,326	15,918	15,918
74.49 Contract authority	69,331	59,331	41,581
74.99 Total unpaid obligations, end of year	130,928	126,322	97,389
Outlays (gross), detail:			
86.90 Outlays from new current authority	169	1,649	1,600
86.93 Outlays from current balances	21,222	18,181	15,156
87.00 Total outlays (gross)	21,391	19,830	16,756
Net budget authority and outlays:			
89.00 Budget authority	8,150	10,156	5,120
90.00 Outlays	21,391	19,830	16,756

Summary of Budget Authority and Outlays

[In millions of dollars]

	1995 actual	1996 est.	1997 est.
Enacted/requested:			
Budget Authority	8,150	10,156	5,120
Outlays	21,391	19,830	16,756
Legislative proposal, subject to PAYGO:			
Budget Authority		-60	-236
Outlays		-60	-236
Adjustment to 1996 continuing resolution levels:			
Budget Authority		365	
Outlays		8	50
Total:			
Budget Authority	8,150	10,461	4,884
Outlays	21,391	19,778	16,570

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Status of Contract Authority (in millions of dollars)

	1995 actual	1996 est.	1997 est.
Total unfunded balance, start of year	103,095	69,404	59,331
Appropriation to liquidate contract authority	-22,326	-10,013	-16,000
Balance of contract authority withdrawn	-11,365	-61	-2
Unfunded balances transferred for liquidation			
Unfunded balance, end of year	69,404	59,331	41,581

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Summary of Administrative Commitments

[In millions of dollars]

Program by activities:	1995 actual	1996 est.	1997 est.
Assistance contracts:			
Lower income housing (section 8)	3,857	5,004	860
Public and Indian housing	3,721		

Sec. 202/811	1,033	1,188	4,260
Contract renewals	2,197	4,351	
Subtotal	10,808	10,543	5,120
Administrative commitments, start of year	18,758	10,381	5,387
Administrative commitments transferred ¹			
Administrative commitments, end of year	-11,149	-3,701	-1,016
Total obligations	18,417	17,223	9,491

¹ Reflects transfer from Contract Renewals to Annual Contributions account.

The Annual Contributions for Assisted Housing account provided assistance under three major categories.

Low-income housing (section 8).—Included within the section 8 category were incremental rental assistance in the form of housing certificates and housing vouchers; Public Housing and Housing Relocation/Replacement opt-out units; Housing Opportunities for Persons with AIDS; Section 23 Conversions; and Loan Management and Property Disposition activities.

Housing for the elderly and disabled (section 202 and 811).—The Cranston-Gonzales National Affordable Housing Act authorized a grant program to make new construction assistance available to elderly and disabled persons. Both the Grant funding and the Rental Assistance—or operating subsidy—needed to aid these low-income tenants was provided under the annual contributions account.

Public and Indian housing.—New development funding was provided for both Public Housing and for Indian Housing within this account. In addition, funding was provided for Public and Indian Housing Modernization activities and Public/Indian Housing amendments and lease adjustments. Funding was also provided for Public Housing Service Coordinators.

The Annual Contributions for Assisted Housing account provided funding for a wide range of housing assistance through the Low-Income Housing (Section 8), Housing for the Elderly and Disabled, and the Public and Indian Housing programs. In addition, various housing-related programs were carried out through funding provided under this account. Consistent with HUD's Reinvention process, many of these activities will be funded under the new consolidated Funds being proposed for 1997.

However, certain activities will continue to be included within this account in 1997. Appropriations are being requested for Lead-based paint hazard reduction, section 8 contract amendments and the renewal of expiring section 8 contracts. In addition, language is being proposed to permit the transfer into this account of all unobligated and obligated balances previously made available under the Renewal of expiring section 8 subsidy contracts account.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0164-4-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Assistance contracts:			
00.01 Lower income housing (section 8)		-60	-236
10.00 Total obligations (object class 41.0)		-60	-236
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		-60	-236
23.95 New obligations		60	236
New budget authority (gross), detail:			
40.00 Appropriation		-60	-236
Change in unpaid obligations:			
73.10 New obligations		-60	-236
73.20 Total outlays (gross)		60	236

Outlays (gross), detail:			
86.90	Outlays from new current authority	-60	-236
87.00	Total outlays (gross)	-60	-236
Net budget authority and outlays:			
89.00	Budget authority	-60	-236
90.00	Outlays	-60	-236

The Budget includes several cost savings proposals, two of which place limits on Annual Adjustment Factor (AAF) rent increases for section 8 units. The first proposal limits AAF increases to those cases where existing rents are less than the local average fair market rent. This is estimated to save \$66 million in outlays in fiscal year 1997. The second, reduces by up to one percent the increase for units in which the same tenant has resided since the last increase. This proposal is based on the rationale that operating costs are less if tenant turnover is less. This proposal is estimated to save \$170 million in outlays in fiscal year 1997.

HOUSING FOR SPECIAL POPULATIONS: ELDERLY AND DISABLED

For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for the Elderly under section 202 of the Housing Act of 1959, as amended, \$595,000,000, to remain available until expended.

For capital advances, including amendments to capital advance contracts, and for project rental assistance and amendments thereto, for Supportive Housing for Persons with Disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act, \$174,000,000, to remain available until expended, of which 25 percent shall be used for tenant-based rental assistance under section 8(o) of the U.S. Housing Act of 1937 (42 U.S.C. 1437(o)), in addition to any other amounts available for section 8(o).

The Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

Program and Financing (in millions of dollars)

Identification code 86-0309-0-1-604			
	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00	Total obligations (object class 41.0)		769
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		769
23.95	New obligations		-769
New budget authority (gross), detail:			
40.00	Appropriation		769
Change in unpaid obligations:			
73.10	New obligations		769
73.20	Total outlays (gross)		
74.40	Unpaid obligations, end of year: Obligated balance: Appropriation		769
Outlays (gross), detail:			
87.00	Total outlays (gross)		
Net budget authority and outlays:			
89.00	Budget authority		769
90.00	Outlays		

Housing for the elderly and disabled (section 202 and 811).—The Cranston-Gonzalez National Affordable Housing Act authorized a grant program to make new construction assistance available to elderly and disabled persons. Both the Grant funding and the Rental Assistance operating subsidy are needed to aid these low-income tenants.

The Administration proposes to establish a separate account for the Supportive Housing for the Elderly and Disabled program. Assistance would be provided in the form of capital grants and rental assistance. Tenant-based vouchers and certificates will be provided for 25 percent of Supportive Housing for the Disabled, in the form of Section 8 vouchers.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

(RESCISSIONS)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1997 by not more than \$2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriations Acts.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999			
	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01	Rent supplement	42	39
00.02	Homeownership and rental housing assistance (Sections 235 and 236)	72	68
10.00	Total obligations (object class 41.0)	114	107
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40	Uninvested balance	7	
21.49	Contract authority (available)	1,063	1,037
21.99	Total unobligated balance, start of year	1,063	1,044
22.00	New budget authority (gross)	7	
22.10	Resources available from recoveries of prior year obligations	208	69
22.75	Balance of contract authority withdrawn	-234	-86
23.90	Total budgetary resources available for obligation	1,044	1,027
23.95	New obligations		-114
Unobligated balance available, end of year:			
24.40	Uninvested balance	7	
24.49	Contract authority (available)	1,037	913
24.99	Total unobligated balance, end of year	1,044	913
New budget authority (gross), detail:			
Current:			
40.00	Appropriation	7	
Permanent:			
60.00	Appropriation	743	772
60.49	Portion applied to liquidate contract authority	-743	-772
63.00	Appropriation (total)		
70.00	Total new budget authority (gross)	7	
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.40	Administrative commitment (reserved)	128	104
72.49	Contract authority	23,726	22,774
72.99	Total unpaid obligations, start of year	23,854	22,878
73.10	New obligations		114
73.20	Total outlays (gross)	-768	-772
73.45	Adjustments in unexpired accounts	-208	-69
Unpaid obligations, end of year:			
Obligated balance:			
74.40	Administrative commitment reserved	104	104
74.49	Contract authority	22,774	22,047
74.99	Total unpaid obligations, end of year	22,878	22,151
Outlays (gross), detail:			
86.93	Outlays from current balances	768	772
			741

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS—Continued

(RESCISSIONS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0206-0-1-999	1995 actual	1996 est.	1997 est.
87.00 Total outlays (gross)	768	772	741
Net budget authority and outlays:			
89.00 Budget authority	7		
90.00 Outlays	768	772	741

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

[In millions of dollars]

Program by activities	1995 actual	1996 est.	1997 est.
Assistance contracts:			
Rent supplement	0	42	39
Homeownership and rental housing assistance (sections 235 and 236)	0	72	68
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	0	114	107

The Other Assisted Housing Account contains the programs listed below:

Rent supplement.—Rent supplement assistance payments will continue to be made on behalf of qualified low-income tenants in approximately 20,000 units which have not converted to section 8.

Section 235.—The Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181) authorized a restructured section 235 (Homeownership Assistance) program based on a 10-year interest reduction subsidy. A total of \$150 million of budget authority was provided in the Second Supplemental Appropriations Act of 1984 (Public Law 98-396) to fund the program. Recaptures of budget authority from terminations must be transferred into the Homeownership Assistance Fund account established pursuant to Public Law 98-181. Amounts deposited will be available for use to assist program beneficiaries still in need of assistance at the expiration of their present ten-year assistance contracts.

Section 236.—The Housing and Urban Development Act of 1968, as amended, authorizes the section 236 Rental Housing Assistance Program which subsidizes the monthly mortgage payment that an owner of a rental or cooperative project is required to make. This interest subsidy reduces rents for lower income tenants.

The Rental Housing Assistance Rescission allows the rescission of not more than \$2,000,000 in uncommitted balances of contract authority.

The table below reflects the consolidated outlay total for both the Annual Contributions for Assisted Housing account and the Other Assisted Housing account, for fiscal years 1995, 1996, and 1997.

SUMMARY OF OUTLAYS

[In millions of dollars]

(Annual contributions for Assisted Housing and Other Assisted Housing)¹

	1995 actual	1996 est.	1997 est.
Subsidized Housing Programs, total	22,159	20,791	17,761
Low income housing assistance (sec. 8)	16,948	15,778	16,858
Public housing	4,443	4,241	2
Rent supplement	54	56	57
Homeownership assistance (sec. 235)	41	40	34
Rental housing assistance (sec. 236)	655	659	794
College housing grants	18	18	18

¹ Includes outlays for contract renewals.

² Public Housing is proposed to be moved from Annual Contributions for Assisted Housing to the Public Housing Capital Fund in 1997.

NATIONAL HOMEOWNERSHIP [TRUST] DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0301-0-1-371	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			
23.95 New obligations			
New budget authority (gross), detail:			
40.00 Appropriation	50		
40.35 Appropriation rescinded	-50		
43.00 Appropriation (total)			
70.00 Total new budget authority (gross)			
Change in unpaid obligations:			
73.10 New obligations			
Outlays (gross), detail:			
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

The National Homeownership Demonstration Program was authorized to provide resources to revolving funds established by public agencies to assist eligible first-time buyers to become homeowners. In addition, certain forms of mortgage assistance were authorized.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Hope I	64	2	
00.02 Hope II	10	31	
00.03 Hope III	18	6	
00.04 Elderly independence	2	2	
10.00 Total obligations (object class 41.0)	94	41	
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested balance:			
21.40 Uncommitted	34	36	
21.40 Administratively committed	63	5	
21.99 Total unobligated balance, start of year	97	41	
22.00 New budget authority (gross)	62		
22.10 Resources available from recoveries of prior year obligations	1		
22.20 Unobligated balance transferred	-26		
23.90 Total budgetary resources available for obligation	134	41	
23.95 New obligations	-94	-41	
Unobligated balance available, end of year:			
Uninvested balance:			
24.40 Uncommitted	36		
24.40 Administratively committed	5		
24.99 Total unobligated balance, end of year	41		
New budget authority (gross), detail:			
40.00 Appropriation	50		
42.00 Transferred from other accounts	12		
43.00 Appropriation (total)	62		
70.00 Total new budget authority (gross)	62		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	228	244	189

73.10	New obligations	94	41	
73.20	Total outlays (gross)	-75	-96	-87
73.30	Obligated balance transferred, net	-2		
73.45	Adjustments in unexpired accounts	-1		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	244	189	102
Outlays (gross), detail:				
86.93	Outlays from current balances	75	96	87
87.00	Total outlays (gross)	75	96	87
Net budget authority and outlays:				
89.00	Budget authority	62		
90.00	Outlays	75	96	87

The Homeownership and Opportunity for People Everywhere Program provided affordable homeownership opportunities for low-income families. Units were converted to homeownership from public and Indian housing properties in HOPE 1, from FHA-insured and Government-held multifamily properties in HOPE 2 and from Government-owned or -held single family properties in HOPE 3. HOPE Grants were used for property acquisition, rehabilitation, mortgage subsidies, security measures, and technical assistance. In addition, grants have been devoted to counseling and training of residents, and other activities intended to help them become economically self-sufficient homeowners. No funding is being requested for fiscal year 1997. This schedule reflects the liquidation of prior year balances.

CONGREGATE SERVICES

Program and Financing (in millions of dollars)

Identification code 86-0178-0-1-604		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
10.00	Total obligations (object class 41.0)	8		
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	20		
22.00	New budget authority (gross)	-12		
23.90	Total budgetary resources available for obligation	8		
23.95	New obligations	-8		
New budget authority (gross), detail:				
40.00	Appropriation	25		
40.35	Appropriation rescinded	-25		
40.36	Unobligated balance rescinded	-12		
43.00	Appropriation (total)	-12		
70.00	Total new budget authority (gross)	-12		
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	38	38	29
73.10	New obligations	8		
73.20	Total outlays (gross)	-6	-9	-9
73.40	Adjustments in expired accounts	-2		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	38	29	20
Outlays (gross), detail:				
86.93	Outlays from current balances	6	9	9
87.00	Total outlays (gross)	6	9	9
Net budget authority and outlays:				
89.00	Budget authority	-12		
90.00	Outlays	6	9	9

Under the Congregate Services program, HUD contracted directly with local public housing agencies and section 202 housing for the elderly or disabled sponsors to supply support services, including meals and other services. No funding is

being requested for this program in fiscal year 1997. This schedule reflects the liquidation of prior year balances.

HOUSING COUNSELING ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-506		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
10.00	Total obligations (object class 41.0)	12		
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	12		
23.95	New obligations	-12		
New budget authority (gross), detail:				
40.00	Appropriation	12		
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	13	17	12
73.10	New obligations	12		
73.20	Total outlays (gross)	-7	-6	-5
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	17	12	6
Outlays (gross), detail:				
86.93	Outlays from current balances	7	6	5
87.00	Total outlays (gross)	7	6	5
Net budget authority and outlays:				
89.00	Budget authority	12		
90.00	Outlays	7	6	5

The Housing Counseling Assistance program provided comprehensive housing counseling services to eligible homeowners and tenants, including default and renter counseling. Beginning in fiscal year 1997, funding for this type of activity will be provided under the Home Fund.

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

Identification code 86-0195-0-1-604		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
10.00	Total obligations (object class 41.0)	97	193	2
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested balance	286	191	
22.00	New budget authority (gross)			
22.10	Resources available from recoveries of prior year obligations	2	2	2
23.90	Total budgetary resources available for obligation	288	193	2
23.95	New obligations	-97	-193	-2
24.40	Unobligated balance available, end of year:			
	Uninvested balance	191		
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	240	319	469
73.10	New obligations	97	193	2
73.20	Total outlays (gross)	-17	-41	-51
73.45	Adjustments in unexpired accounts	-2	-2	-2
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	319	469	418
Outlays (gross), detail:				
86.93	Outlays from current balances	17	41	51
87.00	Total outlays (gross)	17	41	51
Net budget authority and outlays:				
89.00	Budget authority			

General and special funds—Continued

SECTION 8 MODERATE REHABILITATION—Continued

SINGLE ROOM OCCUPANCY—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0195-0-1-604	1995 actual	1996 est.	1997 est.
90.00 Outlays	17	41	51

Section 8 assistance for single room occupancy dwellings is authorized by Title IV, subtitle E, of the Stewart B. McKinney Homeless Assistance Act, as amended by the Housing and Community Development Act of 1992. In fiscal years 1995 and 1996, these activities were funded under the Homeless Assistance Grants account. Beginning in fiscal year 1997, funding for this type of activity will be provided under the Homeless Assistance Fund.

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Mobile Home Inspection and Monitoring	12	11	11
Appropriation:			
05.01 Manufactured home inspection and monitoring	-12	-11	-11
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	9	9	9
10.00 Total obligations (object class 25.2)	10	10	10
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	6	7	9
22.00 New budget authority (gross)	12	11	11
23.90 Total budgetary resources available for obligation	18	18	20
23.95 New obligations	-10	-10	-10
24.40 Unobligated balance available, end of year:			
Uninvested balance	7	9	10
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	12	11	11
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	2	2	2
73.10 New obligations	10	10	10
73.20 Total outlays (gross)	-10	-10	-10
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	2	2	2
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	10	10	10
87.00 Total outlays (gross)	10	10	10
Net budget authority and outlays:			
89.00 Budget authority	12	11	11
90.00 Outlays	10	10	10

Section 620 of the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended, authorizes enforcement of appropriate construction standards for the construction, design and performance of manufactured homes to assure their quality, durability, and safety. All man-

ufactured homes produced since the standards took effect on June 15, 1976 must comply with Federal construction and safety standards. The States are actively encouraged to participate in the program under compliance plans approved by HUD.

A fee is charged to the manufacturers for each manufactured home produced to cover the costs of the monitoring and enforcement activities by HUD contract agents. Fees are deposited in a special fund administered by the Department, and a portion of the fee receipts are transferred to the salaries and expenses account to defray the direct administrative expenses of the program.

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

Identification code 86-5270-0-2-376	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Interstate land sales		1	1
Appropriation:			
05.01 Interstate land sales		-1	-1
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)		1	1
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		1	1
23.95 New obligations		-1	-1
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)		1	1
Change in unpaid obligations:			
73.10 New obligations		1	1
73.20 Total outlays (gross)		-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority		1	1
87.00 Total outlays (gross)		1	1
Net budget authority and outlays:			
89.00 Budget authority		1	1
90.00 Outlays		1	1

The Interstate Land Sales Full Disclosure Act provides protection to the public with respect to purchases or leases of subdivision lots. Statements of record must be filed with the Secretary before subdivisions with 100 or more lots may be sold in interstate commerce, except when the subdivision is eligible for exemption.

The Secretary is authorized to charge a fee, to be paid by the developer when filing a statement of record. The fee receipts are permanently appropriated and have helped finance a portion of the direct administrative expenses incurred in program operations.

Public enterprise funds:

TITLE IV—CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limita-

tions as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1997 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	61	61	57
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	1	1	1
22.00 New budget authority (gross)	61	61	57
23.90 Total budgetary resources available for obligation	62	62	58
23.95 New obligations	-61	-61	-57
24.90 Unobligated balance available, end of year: Fund balance	1	1	1
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	61	61	57
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	3	8	
73.10 New obligations	61	61	57
73.20 Total outlays (gross)	-56	-69	-57
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	8		
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	53	61	57
86.98 Outlays from permanent balances	3	8	
87.00 Total outlays (gross)	56	69	57
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-61	-61	-57
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-5	8	

The Housing and Urban Development Act of 1968 authorized the Secretary to establish a revolving fund into which rental collections in excess of the established basic rents for units in section 236 subsidized projects would be deposited.

The Housing and Community Development Amendment of 1978 authorized the Secretary, subject to approval in appropriation acts, to transfer excess rent collections received after 1978 to the Troubled Projects Operating Subsidy program, renamed the Flexible Subsidy Fund. Prior to that time, collections were used for paying tax and utility increases in section 236 projects. The Housing and Community Development Act of 1980 amended the 1978 Act by authorizing the transfer of excess rent collections regardless of when collected. This Budget proposes that the resources from the Rental Housing Assistance Fund continue to be transferred to the Flexible Subsidy Fund.

Statement of Operations (in millions of dollars)

Identification code 86-4041-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	65	61	61	57
0102 Expense	-60	-61	-61	-57
0109 Net income or loss (-)	5			

Balance Sheet (in millions of dollars)

Identification code 86-4041-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	3	8	1	1
1206 Non-Federal assets: Receivables, net	7	7		
1999 Total assets	10	15	1	1
LIABILITIES:				
2101 Federal liabilities: Accounts payable	2	8		
2999 Total liabilities	3	8		
NET POSITION:				
3300 Cumulative results of operations	7	7	1	1
3999 Total net position	7	7	1	1
4999 Total liabilities and net position	9	15	1	1

FLEXIBLE SUBSIDY FUND

From the fund established by section 236(g) of the National Housing Act, as amended, all uncommitted balances of excess rental charges as of September 30, 1996, and any collection during fiscal year 1997 shall be transferred, as authorized under such section, to the fund authorized under Section 201(j) of the Housing and Community Development Amendments of 1978, as amended.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	143	82	73
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Fund balance:			
21.90 Fund balance: Uncommitted	52	73	72
21.90 Fund balance: administratively committed		36	
U.S. Securities:			
Par value:			
21.91 Par Value: Administratively Committed	124	46	73
21.91 Par Value: Uncommitted	26		
21.99 Total unobligated balance, start of year	202	155	145
22.00 New budget authority (gross)	113	72	68
22.10 Resources available from recoveries of prior year obligations		1	
22.30 Unobligated balance expiring	-17		
23.90 Total budgetary resources available for obligation	299	227	213
23.95 New obligations	-143	-82	-73
Unobligated balance available, end of year:			
Fund balance:			
24.90 Fund balance, Uncommitted	73	72	140
24.90 Fund balance: Administratively Committed	36		
24.91 U.S. Securities: Par Value Administratively Committed	46	73	
24.99 Total unobligated balance, end of year	155	145	140
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	42		
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	71	72	68
70.00 Total new budget authority (gross)	113	72	68

Public enterprise funds—Continued

FLEXIBLE SUBSIDY FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4044-0-3-604	1995 actual	1996 est.	1997 est.
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
72.41 U.S. Securities: Par value		114	38
72.90 Fund balance	99		
72.99 Total unpaid obligations, start of year	99	114	38
73.10 New obligations	143	82	73
73.20 Total outlays (gross)	-128	-159	-56
73.45 Adjustments in unexpired accounts	-1		
74.41 Unpaid obligations, end of year: Obligated balance:			
U.S. Securities: Par value	114	38	55
Outlays (gross), detail:			
86.93 Outlays from current balances	128	82	28
86.98 Outlays from permanent balances		76	28
87.00 Total outlays (gross)	128	159	56
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-60	-61	-57
88.20 Interest on U.S. securities	-9	-9	-9
88.40 Non-Federal sources	-2	-2	-2
88.90 Total, offsetting collections (cash)	-71	-72	-68
Net budget authority and outlays:			
89.00 Budget authority	42		
90.00 Outlays	57	87	-12

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	459	584	741
1231 Disbursements: Direct loan disbursements	126	159	56
1251 Repayments: Repayments and prepayments	-1	-2	-2
1290 Outstanding, end of year	584	741	795

The Flexible Subsidy Fund assisted financially troubled subsidized projects under certain FHA authorities. The subsidies were intended to prevent potential losses to the FHA fund resulting from project insolvency and to preserve these projects as a viable source of housing for low and moderate-income tenants. Priority was given to projects with Federal insurance-in-force and then to those with mortgages that had been assigned to the Department of Housing and Urban Development.

A portion of Flexible Subsidy capital improvement loans were used, along with incentives available in the Emergency Low-Income Housing Preservation program, to extend affordability requirements for projects eligible to prepay mortgages.

The budget assumes that the account will continue to serve as a repository of excess rental charges appropriated from the Rental Housing Assistance Fund. Although these resources will no longer be used for new reservations, they would continue to offset Flexible Subsidy outlays and other discretionary expenditures.

Summary of Administrative Commitments

[In millions of dollars]

Program by activities:	1995 actual	1996 est.	1997 est.
Capital investments:			
Flexible subsidy reservations	103	73	
Administrative commitments, start of year	124	82	73
Cancellation of prior year commitments	-1		
Administrative commitments, end of year	-82	-73	
Capital investment—obligations	143	82	73

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	70	71	70	66
0102 Expense	-67	-86	-137	-48
0109 Net income or loss (-)	3	-15	-67	18

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	151	126	109	194
Investments in US securities:				
1102 Treasury securities, par	150	82	73	
1106 Receivables, net	2	6		
1206 Non-Federal assets: Receivables, net	2			
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	459	584	741	795
1603 Allowance for estimated uncollectible loans and interest (-)	-413	-493	-667	-715
1699 Value of assets related to direct loans	46	91	74	80
1901 Other Federal assets: Other assets	29	26		
1999 Total assets	380	331	256	274
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable		2		
2999 Total liabilities		2		
NET POSITION:				
3100 Appropriated capital	175	217	217	217
3300 Cumulative results of operations	205	112	40	57
3999 Total net position	380	329	257	274
4999 Total liabilities and net position	380	331	257	274

HOMEOWNERSHIP ASSISTANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 86-4043-0-3-376	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			4
03.00 Offsetting Collections		4	4
04.00 Total: Balances and collections		4	8
07.99 Total balance, end of year		4	8

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-376	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.49 Contract authority	56	56	56
21.90 Fund balance	4	2	2
21.91 U.S. Securities: Par value	43	49	49
21.99 Total unobligated balance, start of year	103	107	107
22.00 New budget authority (gross)	4		
22.20 Unobligated balance transferred	2		
23.90 Total budgetary resources available for obligation	109	107	107
23.95 New obligations			
Unobligated balance available, end of year:			
24.49 Contract authority	56	56	56
24.90 Fund balance	2	2	2
24.91 U.S. Securities: Par value	49	49	49
24.99 Total unobligated balance, end of year	107	107	107
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	4	4	4
68.45 Portion not available for obligation (limitation on obligations)		-4	-4

68.90	Spending authority from offsetting collections (total)	4		
70.00	Total new budget authority (gross)	4		
Change in unpaid obligations:				
Unpaid obligations, start of year:				
72.90	Obligated balance: Fund balance	2	1	
72.95	Orders on hand from Federal sources			
72.99	Total unpaid obligations, start of year	2	1	
73.10	New obligations			
73.20	Total outlays (gross)			
74.90	Unpaid obligations, end of year: Obligated balance: Fund balance	1		
Outlays (gross), detail:				
87.00	Total outlays (gross)			
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Interest on U.S. securities	-3	-3	-3
88.40	Non-Federal sources	-1	-1	-1
88.90	Total, offsetting collections (cash)	-4	-4	-4
Net budget authority and outlays:				
89.00	Budget authority		-4	-4
90.00	Outlays		-4	-4

The Homeownership Assistance Fund was established by the Housing and Urban-Rural Recovery Act of 1983. It provided for the receipt of recaptures of budget authority, cash, and interest earnings under the restructured section 235 program. The funds were authorized to be used, to the extent approved in Appropriation Acts, by the Secretary to provide additional section 235 assistance payments for mortgagors who are unable to assume the full payment due under the mortgage after the termination of the original 10-year assistance payments contract.

Statement of Operations (in millions of dollars)

Identification code 86-4043-0-3-376	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	4	4	4	4
0102 Expense				
0109 Net income or loss (-)	4	4	4	4

Balance Sheet (in millions of dollars)

Identification code 86-4043-0-3-376	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	3	2	3	3
Investments in US securities:				
1102 Treasury securities, par	43	49	51	55
1106 Receivables, net	1			
1999 Total assets	47	51	54	58
NET POSITION:				
3300 Cumulative results of operations	47	51	55	58
3999 Total net position	47	51	55	58

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 33.0)	8		
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested balance			
21.90 Fund balance	19	18	18

21.99 Total unobligated balance, start of year	19	18	18
22.00 New budget authority (gross)	-10		
22.10 Resources available from recoveries of prior year obligations			
	18		
23.90 Total budgetary resources available for obligation	27	18	18
23.95 New obligations	-8		
24.90 Unobligated balance available, end of year: Fund balance	18	18	18
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded	-10		
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.90 Obligated balance: Fund balance	32	18	
72.99 Total unpaid obligations, start of year	32	18	
73.10 New obligations	8		
73.20 Total outlays (gross)	-5	-18	
73.45 Adjustments in unexpired accounts	-18		
Unpaid obligations, end of year:			
74.90 Obligated balance: Fund balance	18		
74.99 Total unpaid obligations, end of year	18		
Outlays (gross), detail:			
86.93 Outlays from current balances	5	18	
87.00 Total outlays (gross)	5	18	
Net budget authority and outlays:			
89.00 Budget authority	-10		
90.00 Outlays	5	18	

The Nehemiah grants program was authorized by the Housing and Community Development Act of 1987 to provide loans to eligible families to assist in the purchase of new or substantially rehabilitated units. This schedule reflects the liquidation of remaining reserved obligated balances.

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1997, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$110,000,000; Provided, That during fiscal year 1997, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,000,000,000, which notes were originally insured under section 203(b) of the National Housing Act: Provided further, That the Secretary may use the amount of any negative subsidy resulting from the sale of such assigned mortgage notes during fiscal year 1997 for purposes included under this heading.

During fiscal year 1997, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$200,000,000; Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under section 203 of such Act.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$350,595,000 to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed \$343,483,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed \$7,112,000 shall be transferred to the appropriation for the Office of Inspector General.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			2,385

Credit accounts—Continued

**FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT—
Continued**

(INCLUDING TRANSFERS OF FUNDS)—Continued

Unavailable Collections (in millions of dollars)—Continued

Identification code 86-0183-0-1-371	1995 actual	1996 est.	1997 est.
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	309	1,500	1,255
02.02 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies, addition to 1996 Continuing Resolution level		1,066	
02.03 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies, legislative proposal		161	260
02.99 Total receipts	309	2,727	1,515
04.00 Total: Balances and collections	309	2,727	3,900
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-309	-342	-351
07.99 Total balance, end of year		2,385	3,549

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.09 Administrative expenses	309	342	351
10.00 Total obligations (object class 25.3)	309	342	351
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	309	342	351
23.95 New obligations	-309	-342	-351
New budget authority (gross), detail:			
40.25 Appropriation (special fund, indefinite)	309	342	351
Change in unpaid obligations:			
73.10 New obligations	309	342	351
73.20 Total outlays (gross)	-309	-342	-351
Outlays (gross), detail:			
86.90 Outlays from new current authority	309	342	351
87.00 Total outlays (gross)	309	342	351
Net budget authority and outlays:			
89.00 Budget authority	309	342	351
90.00 Outlays	309	342	351

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0183-0-1-371	1995 actual	1996 est.	1997 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels		200	200
Guaranteed loan levels supportable by subsidy budget authority:			
2150 MMI Fund, Section 203(b)	50,323	77,793	70,721
2150 Standby commitment authority		32,207	39,279
2159 Total loan guarantee levels	50,323	110,000	110,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	-1.95	-2.77	-2.33
Guaranteed loan subsidy budget authority:			
2330 MMI Section 203(b) negative subsidy	-869	-1,316	-1,255

FHA will continue to serve first-time home buyers, minorities, lower-income, and urban residents whom the conventional market does not serve. It will seek greater flexibility in product design to tailor its services to the needs of local markets and special populations. The Department also proposes a demonstration program that tests risk-sharing arrangements with various partners. To aid in the achievement

of these goals, the Administration is supporting the transformation of FHA into a "Performance-Based Organization" with flexibility in human resources management, procurement, and other administrative functions. FHA will continue to operate within HUD and will be led by executives operating under term, performance-based contracts negotiated by the Secretary of Housing and Urban Development.

Recent legislation requires FHA to develop a new loss mitigation program. As a result, it is expected that future default claims, assignment of defaulted mortgages, and property acquisitions will decrease.

Credit Subsidy and Administrative Expenses.—As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the loan guarantees committed in 1992 and thereafter, as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

**FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT
(Legislative proposal, not subject to PAYGO)**

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0183-2-1-371	1995 actual	1996 est.	1997 est.
Guaranteed loan subsidy (in percent):			
2320 Change to subsidy rate		-0.39	-0.55
2329 Weighted average subsidy rate		-0.39	-0.55
Guaranteed loan subsidy budget authority:			
2330 Change to negative subsidy		-197	-260
2339 Guaranteed loan subsidy budget authority		-197	-260
Guaranteed loan subsidy outlays:			
2340 Increase in negative subsidy		-197	-260
2349 Guaranteed loan subsidy outlays		-197	-260

This account summarizes the effect of pending legislation covering insurance of Mutual Mortgage Insurance (MMI) fund mortgages originated after September 30, 1995. The legislation encourages the use of alternative loss mitigation tools, which would replace the single family assignment program, for mortgages in default. This program account reflects the changes in estimated negative subsidy rates and amounts in 1996 and later fiscal years. Separate pending legislation would provide the same tools for mortgages originated prior to October 1, 1995; its impact is reflected elsewhere in this Budget.

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct loans		200	200
00.02 Interest paid to Treasury		5	16
10.00 Total obligations		205	216
Budgetary resources available for obligation:			
22.00 New financing authority (gross)	185	205	216
22.30 Unobligated balance expiring	-185		
23.90 Total budgetary resources available for obligation		205	216
23.95 New obligations		-205	-216
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	178	197	193
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	7	8	23
70.00 Total new financing authority (gross)	185	205	216

Change in unpaid obligations:			
73.10	New obligations	205	216
73.20	Total financing disbursements (gross)	-205	-214
Outlays (gross), detail:			
87.00	Total financing disbursements (gross)	205	214
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40	Other collections from non-Federal sources	-8	-23
88.90	Total, offsetting collections (cash)	-8	-23
Net financing authority and financing disbursements:			
89.00	Financing authority	185	197
90.00	Financing disbursements	197	191

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals. The \$200 million in 1997 direct loan limitation in the MMI Fund would permit the Department to use Purchase Money Mortgages (PMMs) to help finance the sale of acquired single family properties. HUD would extend credit for these single-family homes to community nonprofit organizations or local government entities who would be expected to sell the properties to low- and medium-income buyers. The use of PMMs provides a tool for State and local nonprofit organizations to use in revitalizing communities, and creates enhanced homeownership opportunities for low- and moderate-income families.

Status of Direct Loans (in millions of dollars)

Identification code 86-4242-0-3-371				
		1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:				
1111	Limitation on direct loans	180	200	200
1112	Unobligated direct loan limitation	-180		
1150	Total direct loan obligations		200	200
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year			200
1231	Disbursements: Direct loan disbursements		200	200
1251	Repayments: Repayments and prepayments			
1263	Write-offs for default: Direct loans			-1
1290	Outstanding, end of year		200	399

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371					
		1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:					
Net value of assets related to post-1991 direct loans receivable:					
1401	Direct loans receivable, gross			200	399
1402	Interest receivable			5	16
1499	Net present value of assets related to direct loans			205	415
1999	Total assets			205	415

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371				
		1995 actual	1996 est.	1997 est.
Obligations by program activity:				
00.01	Default claims and other	1,026	1,904	2,833

00.04	Working capital fund reimbursements		19	19
00.05	Payment of negative subsidy to receipt account	309	1,363	1,275
00.06	Payment of negative subsidy to liquidating account	560		
00.07	Subsidy reestimate paid to liquidating account	1,227		
00.08	Interest payments to Treasury	77	13	13
00.09	Payment to liquidating account for asset sale		1,602	895
10.00	Total obligations	3,199	4,901	5,035

Budgetary resources available for obligation:				
21.90	Unobligated balance available, start of year: Fund balance	1,128	701	610
22.00	New financing authority (gross)	2,772	4,810	4,827
23.90	Total budgetary resources available for obligation	3,900	5,511	5,437
23.95	New obligations	-3,199	-4,901	-5,035
24.90	Unobligated balance available, end of year: Fund balance	701	610	402

New financing authority (gross), detail:				
67.15	Authority to borrow (indefinite)	885	350	
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	1,887	4,460	4,827
70.00	Total new financing authority (gross)	2,772	4,810	4,827

Change in unpaid obligations:				
72.90	Unpaid obligations, start of year: Obligated balance: Fund balance	-61	77	77
73.10	New obligations	3,199	4,901	5,035
73.20	Total financing disbursements (gross)	-3,061	-4,901	-5,291
74.90	Unpaid obligations, end of year: Obligated balance: Fund balance	77	77	77

Outlays (gross), detail:				
87.00	Total financing disbursements (gross)	3,061	4,901	5,291

Offsets:				
Against gross financing authority and financing disbursements:				
Offsetting collections (cash) from:				
Interest on uninvested funds				
88.25		-134		
Non-Federal sources:				
88.40	Fees and premiums	-1,381	-2,008	-2,194
88.40	Recoveries on defaulted notes	-372	-791	-1,253
88.40	Gross proceeds from asset sales		-1,661	-1,380
88.90	Total, offsetting collections (cash)	-1,887	-4,460	-4,827
Net financing authority and financing disbursements:				
89.00	Financing authority	885	350	
90.00	Financing disbursements	1,175	441	464

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371				
		1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:				
2111	Limitation on guaranteed loans made by private lenders	100,000	110,000	110,000
2112	Uncommitted loan guarantee limitation	-49,677	-32,207	-39,279
2150	Total guaranteed loan commitments	50,323	77,793	70,721
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	184,190	222,021	252,379
2231	Disbursements of new guaranteed loans	40,142	51,543	58,592
2251	Repayments and prepayments	-1,392	-19,450	-27,449
Adjustments:				
2261	Terminations for default that result in loans receivable	-263	-453	-677
2262	Terminations for default that result in acquisition of property	-647	-1,260	-1,900
2263	Terminations for default that result in claim payments	-9	-22	-36
2290	Outstanding, end of year	222,021	252,379	280,909

Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	222,021	252,379	280,909

Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	152	413	841

Credit accounts—Continued**FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT—Continued**

Status of Guaranteed Loans (in millions of dollars)—Continued

Identification code 86-4587-0-3-371	1995 actual	1996 est.	1997 est.
2331 Disbursements for guaranteed loan claims	263	453	677
2351 Repayments of loans receivable	-1	-14	-860
2364 Other adjustments, net	-1	-11	-552
2390 Outstanding, end of year	413	841	106

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 86-4587-0-3-371	1995 actual ¹	1996 est.	1997 est.
ASSETS:			
1101 Federal assets: Fund balances with Treasury	777	336	742
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501 Defaulted guaranteed loans receivable, gross	413	841	105
1504 Foreclosed property	324	584	906
1505 Allowance for subsidy cost	-429	-851	-356
1599 Net value of assets related to defaulted guaranteed loan	308	574	655
1999 Total assets	1,085	910	1,397
LIABILITIES:			
2103 Federal liabilities: Federal liabilities, Debt	1,171	771	521
2204 Non-Federal liabilities: Liabilities for loan guarantees	-86	139	876
2999 Total liabilities	1,085	910	1,397
NET POSITION:			
3300 Cumulative results of operations			
3999 Total net position			
4999 Total liabilities and net position	1,085	910	1,397

¹ Preliminary results pending final audit. Subsidy reestimates for 1995 will be performed for the mid-session review of the Budget.

**FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE
FUNDS LIQUIDATING ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.03 Other operating costs	59	93	98
00.04 Working Capital Fund reimbursements		30	30
00.05 Participation payments	2	2	2
00.91 Total operating expenses	61	125	130
Capital investment:			
01.02 Assignment of defaulted mortgages	606	502	395
01.03 Acquisition of real properties	2,427	1,397	1,099
01.05 Acquisition of other assets	39	39	39
01.07 Capitalized property expenses	344	238	168
01.08 Loss on defaulted guaranteed loans	2	4	3
01.09 Preforeclosure sale claims	15	19	15
01.91 Total capital investment	3,433	2,199	1,719
10.00 Total obligations	3,494	2,324	1,849
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.90 Fund balance	-416	-163	-636
U.S. Securities:			
21.91 Par value	5,726	6,673	8,633
21.92 Unrealized discounts	-36	-64	-64

21.99 Total unobligated balance, start of year	5,274	6,446	7,933
22.00 New budget authority (gross)	4,664	3,811	2,565
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	9,939	10,257	10,498
23.95 New obligations	-3,494	-2,324	-1,849
Unobligated balance available, end of year:			
24.90 Fund balance	-163	-636	-639
U.S. Securities:			
24.91 Par value	6,673	8,633	9,353
24.92 Unrealized discounts	-64	-64	-65
24.99 Total unobligated balance, end of year	6,446	7,933	8,649

New budget authority (gross), detail:			
Current:			
40.75 Reduction pursuant to P.L. 103-327	-1		
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	4,664	3,811	2,565
70.00 Total new budget authority (gross)	4,664	3,811	2,565

Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
72.90 Fund balance	661	659	659
73.10 New obligations	3,494	2,324	1,849
73.20 Total outlays (gross)	-3,495	-2,324	-1,849
73.45 Adjustments in unexpired accounts	-1		
Unpaid obligations, end of year: Obligated balance:			
74.90 Fund balance	659	659	659

Outlays (gross), detail:			
86.97 Outlays from new permanent authority	2,834	1,665	1,190
86.98 Outlays from permanent balances	661	659	659
87.00 Total outlays (gross)	3,495	2,324	1,849

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-408	-461	-529
Non-Federal sources:			
88.40 Fees and premiums	-146	-126	-110
88.40 Rebate of unearned prepaid premiums collected	222	71	31
88.40 Proceeds from sale of real property	-2,221	-1,406	-1,023
88.40 Proceeds from sale of mortgage notes		-1,603	-734
88.40 Repayment of mortgage notes and sales contracts		-1	-1
88.40 Interest and operating income	-22	-22	-22
88.40 Recoveries on defaulted mortgages	-319	-240	-154
88.40 Other interest, dividends and revenues	-1	-1	-1
88.40 Payment from financing account	-1,787		
88.40 Miscellaneous collections	-16	-5	-5
88.40 Other income	34	-17	-17
88.90 Total, offsetting collections (cash)	-4,664	-3,811	-2,565

Net budget authority and outlays:			
89.00 Budget authority	-1		
90.00 Outlays	-1,169	-1,487	-716

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	17	15	13
1251 Repayments: Repayments and prepayments	-2	-1	-1
1264 Write-offs for default: Other adjustments, net		-1	-1
1290 Outstanding, end of year	15	13	11

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual ¹	1996 est.	1997 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	118,688	96,145	81,535
2251 Repayments and prepayments	-19,493	-12,391	-9,015
Adjustments:			
2261 Terminations for default that result in loans receivable	-606	-502	-395
2262 Terminations for default that result in acquisition of property	-2,427	-1,398	-1,099

2263	Terminations for default that result in claim payments	-17	-23	-17
2264	Other adjustments, net		-296	
2290	Outstanding, end of year	96,145	81,535	71,009
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	96,145	81,535	71,009
Addendum:				
Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	3,642	3,886	1,801
2331	Disbursements for guaranteed loan claims	606	502	395
2351	Repayments of loans receivable	-192	-1,747	-844
2361	Write-offs of loans receivable	-16		
2364	Other adjustments, net	-154	-840	-510
2390	Outstanding, end of year	3,886	1,801	842

¹ Unaudited preliminary results.

The Federal Housing Administration Fund currently consists of four separate insurance funds. Prior to 1992, all budget transactions for the four funds were reflected in a single consolidated budget account (86-4070). Beginning in 1992, the transactions of the Fund appear in six separate accounts. (However, financial data for each individual insurance fund are continuing to be maintained for control and reporting purposes.)

In order to present more clearly the operations of the various funds, FHA's budget transactions were separated into two major business segments. The basic single-family insurance programs in the Mutual Mortgage Insurance Fund and the multifamily Cooperative Management Housing insurance funds (MMI/CMHI) form one segment. The basic multifamily and other specialized insurance programs in the General Insurance and Special Risk Insurance funds (GI/SRI) form the other.

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit programs. For each of the FHA business segments (MMI/CMHI and GI/SRI) there is a liquidating account, which records the revenues and costs associated with loan insurance committed prior to October 1, 1991; a financing account which records the revenues and costs associated with commitments to insure loans made after September 30, 1991; and, a program account which records the transactions associated with the program subsidy costs, if any, and the costs of administering the program.

This liquidating account records, for this program, all cash flows to and from the Government resulting from MMI/CMHI loan guarantees committed prior to fiscal year 1992, and is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) is recorded in the corresponding program (86-0183) and financing (86-4587 and 86-4242) accounts.

The program activity in the "Program Highlights" table shown below reflects only the activity in the MMI/CMHI liquidating and financing accounts. The GI/SRI program activity can be found with the GI/SRI liquidating account (86-4072).

PROGRAM HIGHLIGHTS

[In millions of dollars]

	1995 actual ¹	1996 est.	1997 est.
Insurance initiation:			
Mortgage insurance applications (units)	735,946	1,014,871	902,983
Mortgage insurance written:			
Units	534,082	659,141	645,022
Amount	40,142	51,543	51,250
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	318,166	333,915	351,919

¹ Unaudited preliminary results.

Insurance reserves from operations at the end of 1995 are estimated to be in a surplus position for the Mutual Mortgage Insurance and Cooperative Management Housing insurance funds. The status of estimated insurance reserves from operations (retained income or deficit) through 1997 for the MMI/CMHI account follows:

STATUS OF INSURANCE RESERVES FROM OPERATIONS

[In millions of dollars]

Insurance fund:	1995 est. ¹	1996 est.	1997 est.
Mutual mortgage/CMHI:			
Liquidating account ²	6,902	7,390	7,234

¹ Unaudited preliminary results.

² Reflects impact from the transfer of negative subsidy from the Financing account to the Liquidating account in 1995 only. Negative subsidy transfers are to the Receipt Account in 1996 and 1997.

Financial condition.—The following tables reflect the revenues, expenses and financial condition of the MMI/CMHI liquidating funds based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

Identification code 86-4070-0-3-371	1994 actual ¹	1995 actual ²	1996 est.	1997 est.
0101 Revenue	4,531	2,821	2,239	1,573
0102 Expense	-1,392	-1,123	-1,011	-926
0109 Net income or loss (-)	3,139	1,698	1,228	647

¹ As reflected in the 1996 Budget.

² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	1994 actual ¹	1995 actual ²	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	245	495	23	21
Investments in US securities:				
Treasury securities, par:				
1102 Treasury securities, par	5,726	6,673	8,633	9,353
1102 Unamortized net premium/discount	-46	-67	-67	-67
1106 Receivables, net	97	123	123	123
1107 Advances and prepayments		72	72	72
Non-Federal assets:				
1206 Receivables, net	172	159	159	159
1207 Advances and prepayments	7	12	12	12
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	17	15	13	11
1603 Allowance for estimated uncollectible loans and interest (-)	-3	-3	-3	-2
1699 Value of assets related to direct loans	14	12	10	9
1701 Defaulted guaranteed loans, gross	3,642	3,886	1,800	842
1703 Allowance for estimated uncollectible loans and interest (-)	-686	-738	-342	-160
1704 Defaulted guaranteed loans and interest receivable, net	2,956	3,148	1,458	682
1705 Allowance for uncollectibles from foreclosed property		-526	-351	-263
1706 Foreclosed property	1,103	1,379	923	691
1799 Value of assets related to loan guarantees	4,059	4,001	2,030	1,110
1901 Other Federal assets: Other assets			18	35
1999 Total assets	10,274	11,480	11,013	10,827
LIABILITIES:				
Federal liabilities: Accounts payable				
2101	14	4	4	4
Non-Federal liabilities:				
2201 Accounts payable	578	496	496	496
2206 Pension and other actuarial liabilities	2,177	2,254	2,254	2,254
2207 Unearned revenue and advances	1,403	1,805	1,734	1,703
2999 Total liabilities	4,172	4,559	4,488	4,457
NET POSITION:				
3100 Appropriated capital	19	19	19	19
3300 Cumulative results of operations	6,083	6,902	6,506	6,350
3999 Total net position	6,102	6,921	6,525	6,369

Credit accounts—Continued

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4070-0-3-371	1994 actual ¹	1995 actual ²	1996 est.	1997 est.
4999 Total liabilities and net position	10,274	11,480	11,013	10,826

¹As reflected in the 1996 Budget.
²Preliminary results pending final audit.

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	1995 actual	1996 est.	1997 est.
25.2 Other services	59	123	128
32.0 Land and structures	2,771	1,635	1,267
33.0 Investments and loans	645	541	434
42.0 Insurance claims and indemnities	17	23	18
44.0 Refunds	2	2	2
99.0 Subtotal, reimbursable obligations	3,494	2,324	1,849
99.9 Total obligations	3,494	2,324	1,849

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT
(INCLUDING TRANSFERS OF FUNDS)

For the costs of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), \$160,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$17,400,000,000: Provided further, That during fiscal year 1997, the Secretary shall sell assigned mortgage notes having an unpaid principal balance of up to \$2,500,000,000, which notes are held by the Secretary under the General Insurance and Special Risk Insurance funds: Provided further, That of the amount provided, up to \$75,000,000 shall be derived from negative subsidy in the General Insurance and Special Risk Insurance receipt account resulting from the sale of such assigned mortgage notes: Provided further, That in addition to amounts otherwise provided herein, the Secretary may use 25 percent of any negative subsidy in excess of \$75,000,000 (but not to exceed \$25,000,000) resulting from such mortgage note sales during fiscal year 1997 for the costs of such guaranteed loans and for administrative expenses.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238(a), and 519(a) of the National Housing Act, shall not exceed \$120,000,000; of which not to exceed \$100,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$207,470,000, of which \$203,299,000 shall be transferred to the appropriation for Salaries and Expenses; and of which \$4,171,000 shall be transferred to the appropriation for the Office of Inspector General.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 86-0200-0-1-371	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, subsidy downward reestimate, start of year	803	1,209	2,944
Receipts:			
02.01 Negative Subsidies	525	434	267
02.02 Negative Subsidies, legislative proposal		1,386	
02.99 Total receipts	525	1,820	267
04.00 Total: Balances and collections	1,328	3,029	3,211
Appropriation:			
05.01 General and special risk program account	-119	-85	-75

07.99 Total balance, end of year	1,209	2,944	3,136
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Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.02 Guaranteed loan subsidy	89	155	160
00.03 Section 221(g)(4) auction		34	
00.04 FHA Multifamily Demonstration		30	
00.09 Administrative expenses	197	202	207
10.00 Total obligations	286	421	367

Budgetary resources available for obligation:

Unobligated balance available, start of year:			
Uninvested balance:			
21.40 Uncommitted		31	
21.40 Administratively Committed		69	30
21.99 Total unobligated balance, start of year		100	30
22.00 New budget authority (gross)	386	351	367
23.90 Total budgetary resources available for obligation	386	451	397
23.95 New obligations	-286	-421	-367
Unobligated balance available, end of year:			
Uninvested balance:			
24.40 Uncommitted	31		
24.40 Administratively Committed	69	30	30
24.99 Total unobligated balance, end of year	100	30	30

New budget authority (gross), detail:

Appropriation:			
40.00 Appropriation	267	202	292
40.00 Appropriation, 221(g)(4) auction		34	
40.00 FHA Multifamily Demonstration		30	
40.25 Appropriation (special fund, indefinite)	119	85	75
43.00 Appropriation (total)	386	351	367
70.00 Total new budget authority (gross)	386	351	367

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	59	30	35
73.10 New obligations	286	421	367
73.20 Total outlays (gross)	-315	-416	-367
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	30	35	35

Outlays (gross), detail:

86.90 Outlays from new current authority	280	317	303
86.93 Outlays from current balances	35	100	64
87.00 Total outlays (gross)	315	416	367

Net budget authority and outlays:

89.00 Budget authority	386	351	367
90.00 Outlays	315	416	367

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0200-0-1-371	1995 actual	1996 est.	1997 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs	20	20	20
1150 Multifamily bridge loans	200	100	100
1159 Total direct loan levels	220	120	120

Guaranteed loan levels supportable by subsidy budget authority:

2150 Multifamily development	755	805	1,538
2150 Refinance of FHA-insured mortgages	937	1,199	1,249
2150 Risk sharing programs	452	571	
2150 Mixed Income			90
2150 Cooperatives			45
2150 Health and residential care facilities	814	1,200	1,805
2150 Indian Housing			2
2150 Preservation	844	542	150
2150 Single family, negative	5,081	5,750	5,750
2150 Title I guarantees	1,255	1,757	2,304

2150	Standby commitment authority	5,576	4,467	
2159	Total loan guarantee levels	10,138	17,400	17,400
	Guaranteed loan subsidy (in percent):			
2320	Multifamily development	13.40	11.93	8.78
2320	Refinance of multifamily mortgages	3.44	2.54	-0.79
2320	Risk sharing programs	5.97	5.00	0.00
2320	Mixed Income	0.00	0.00	12.26
2320	Cooperatives	0.00	0.00	30.47
2320	Health and residential care facilities	-1.96	-2.31	0.00
2320	Preservation	-1.42	-1.87	0.00
2320	Single family programs	-1.32	-1.34	-1.55
2320	Title I	-1.48	-1.49	-1.66
2329	Weighted average subsidy rate	-0.39	0.34	1.06
	Guaranteed loan subsidy budget authority:			
2330	Multifamily development	47	95	135
2330	Refinance	18	31	
2330	Risk sharing programs	24	29	
2330	Mixed Income			11
2330	Cooperatives			14
2339	Total subsidy budget authority	89	155	160
	Guaranteed loan subsidy outlays:			
2340	Multifamily development	76	102	79
2340	Refinance	40	18	28
2340	Risk sharing	2	30	53
2349	Total subsidy outlays	118	150	160
	Administrative expense data:			
3510	Budget authority	197	202	207
3590	Outlays from new authority	197	202	207

Multifamily Product Mix.—The FHA intends to phase out insuring activity that has traditionally been performed under various sections of the National Housing Act. The FHA seeks to streamline the delivery of insurance products under two main categories: development and refinance. The development category will include new construction, substantial rehabilitation and risk sharing with various partners. The refinance category will involve purchase, refinance, as well as risk sharing with various institutions. Insurance of nursing home mortgages will be separated into three categories: skilled nursing facilities; residential care facilities; and mixed-use continuum facilities.

Subsidy Costs and Administrative Expenses.—As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily and Title I insurance programs of FHA's General and Special Risk Insurance Funds, the subsidy costs associated with the loan guarantees committed or direct loans obligated in 1992 and thereafter (including modifications of loan guarantees or direct loans that resulted from obligations or commitments in any year), as well as administrative expenses of these programs. The subsidy amounts are estimated on a present value basis; the administrative expenses are accounted for on a cash basis.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	1995 actual	1996 est.	1997 est.
41.0 Direct obligations: Grants, subsidies, and contributions	89	219	160
99.0 Reimbursable obligations: Subtotal, reimbursable obligations	197	202	207
99.9 Total obligations	286	421	367

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01 Default claims and other	189	481	489

00.03	Working Capital Fund reimbursements	4	4	5
00.04	Payment of negative subsidy to receipt account	132	122	119
00.05	Interest paid to Treasury	30	65	90
00.08	Asset sale negative subsidy payment to receipt account	399	272	173
00.09	Asset sale payment to liquidating account	566	964	726
00.10	Cost of mortgage note sales	30	66	62
00.11	Portfolio restructuring legislation, modification savings		1,386	
00.12	1996 Waiver of PD law, savings		40	
10.00	Total obligations	1,350	3,400	1,664

Budgetary resources available for obligation:

21.90	Unobligated balance available, start of year: Fund balance	272	435	1
22.00	New financing authority (gross)	1,534	3,035	1,927
22.60	Redemption of debt	-21	-70	-264
23.90	Total budgetary resources available for obligation	1,785	3,400	1,664
23.95	New obligations	-1,350	-3,400	-1,664
24.90	Unobligated balance available, end of year: Fund balance	435	1	

New financing authority (gross), detail:

67.15	Authority to borrow (indefinite)		1,032	
	Spending authority from offsetting collections:			
68.00	Offsetting collections (cash)	1,552	1,999	1,927
68.10	Change in receivables from program account	-18	5	
68.90	Spending authority from offsetting collections (total)	1,534	2,004	1,927
70.00	Total new financing authority (gross)	1,534	3,035	1,927

Change in unpaid obligations:

	Unpaid obligations, start of year:			
72.40	Obligated balance: Appropriation	-51	16	2
72.95	Receivables from program account	61	43	48
72.99	Total unpaid obligations, start of year	10	59	50
73.10	New obligations	1,350	3,400	1,664
73.20	Total financing disbursements (gross)	-1,301	-3,409	-1,595
	Unpaid obligations, end of year:			
74.40	Obligated balance: Appropriation	16	2	71
74.95	Receivables from program account	43	48	48
74.99	Total unpaid obligations, end of year	59	50	119

Outlays (gross), detail:

86.97	Outlays from new permanent authority	2,117	2,762	
86.98	Outlays from permanent balances	221	464	
87.00	Total financing disbursements (gross)	1,301	3,409	1,595

Offsets:

	Against gross financing authority and financing disbursements:			
	Offsetting collections (cash) from:			
	Federal sources:			
88.00	Payments from program account	-83	-253	-160
88.00	Modification adjustment transfer from liquidating/section 223(a)(7)	-3	-3	
88.00	Collections	-25		
88.25	Interest on uninvested funds	-17		
	Non-Federal sources:			
88.40	Fees and premiums	-195	-241	-272
88.40	Recoveries on defaulted mortgages	-49	-131	-139
88.40	Interest and other income		-114	-134
88.40	Proceeds from sale of mortgage notes	-1,083	-1,160	-918
88.40	Repayment of principal and interest from liquidating account	-97	-97	-304
88.90	Total, offsetting collections (cash)	-1,552	-1,999	-1,927
88.95	Change in receivables from program accounts	18	-5	

Net financing authority and financing disbursements:

89.00	Financing authority		1,031	
90.00	Financing disbursements	-251	1,410	-332

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING
ACCOUNT—Continued**

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	1995 actual ¹	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	20,885	17,400	17,400
2112 Uncommitted loan guarantee limitation	-10,747	-16,323	-4,467
2113 Uncommitted limitation carried forward		10,747	
2150 Total guaranteed loan commitments	10,138	11,824	12,933
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	26,228	35,457	38,972
2231 Disbursements of new guaranteed loans	9,622	9,971	10,741
2251 Repayments and prepayments	-214	-6,164	-5,066
Adjustments:			
2261 Terminations for default that result in loans receivable	-55	-120	-55
2262 Terminations for default that result in acquisition of property	-122	-166	-196
2263 Terminations for default that result in claim payments	-2	-6	-7
2290 Outstanding, end of year	35,457	38,972	44,389
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	35,457	38,972	44,389
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	38	87	163
2331 Disbursements for guaranteed loan claims	55	120	55
2351 Repayments of loans receivable	-1	-1,180	-946
2361 Write-offs of loans receivable	-6	272	173
2364 Other adjustments, net	1	864	726
2390 Outstanding, end of year	87	163	171

¹ Preliminary results pending final audit.

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from loan guarantees committed in 1992 and thereafter (including modifications of loan guarantees that resulted from commitments in any year) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

Balance Sheet (in millions of dollars)

Identification code 86-4077-0-3-371	1995 actual ¹	1996 est.	1997 est.
ASSETS:			
Federal assets:			
1101 Fund balances with Treasury	451	344	324
Investments in US securities:			
1107 Borrowings receivable from liquidating account	476	1,665	1,461
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:			
1501 Defaulted guaranteed loans receivable, gross	87	163	171
1504 Foreclosed property	69	325	356
1505 Allowance for subsidy cost	-77	-212	-273
1599 Net value of assets related to defaulted guaranteed loan	79	276	254
1999 Total assets	1,006	2,285	2,039
LIABILITIES:			
2103 Federal liabilities: Debt	476	1,665	1,461
2204 Non-Federal liabilities: Liabilities for loan guarantees	530	620	578
2999 Total liabilities	1,006	2,285	2,039
NET POSITION:			
3999 Total net position			
4999 Total liabilities and net position	1,006	2,285	2,039

¹ Preliminary results pending final audit. Subsidy reestimates will be performed for the Mid-Session review of the Budget.**FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING
ACCOUNT**

Program and Financing (in millions of dollars)

Identification code 86-4105-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct Loans		120	120
00.02 Interest paid to Treasury		4	13
10.00 Total obligations		124	133
Budgetary resources available for obligation:			
22.00 New financing authority (gross)		124	133
23.95 New obligations		-124	-133
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		120	120
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		4	13
70.00 Total new financing authority (gross)		124	133
Change in unpaid obligations:			
73.10 New obligations		124	133
73.20 Total financing disbursements (gross)		-124	-133
Outlays (gross), detail:			
87.00 Total financing disbursements (gross)		124	133
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.40 Interest received on loans		-4	-13
88.90 Total, offsetting collections (cash)		-4	-13
Net financing authority and financing disbursements:			
89.00 Financing authority		120	120
90.00 Financing disbursements		120	120

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	220	120	120
1112 Unobligated direct loan limitation	-220		
1150 Total direct loan obligations		120	120
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			120
1231 Disbursements: Direct loan disbursements		120	120
1290 Outstanding, end of year		120	240

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including loan modifications) for FHA's General and Special Risk Insurance Fund programs. The amounts in this account are a means of financing and are not included in the budget totals.

This schedule includes two direct loan programs. One provides bridge loan financing to facilitate the disposition of multifamily housing owned by the Department to non-profit organizations who agree to preserve it as affordable rental or cooperative housing. The second is a single-family direct loan program for purchase money mortgages, as discussed in the preceding section for the Mutual Mortgage Insurance Fund.

Balance Sheet (in millions of dollars)

Identification code 86-4105-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross			120	240
1405 Allowance for subsidy cost (-)				
1499 Net present value of assets related to direct loans			120	240
1999 Total assets			120	240
LIABILITIES:				
2103 Federal liabilities: Treasury borrowing			120	240
2999 Total liabilities			120	240
NET POSITION:				
3300 Cumulative results of operations				
3999 Total net position				
4999 Total liabilities and net position			120	240

Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	408	366	366
73.10 New obligations	1,336	2,955	2,453
73.20 Total outlays (gross)	-1,336	-2,955	-2,453
73.45 Adjustments in unexpired accounts	-42		
74.90 Unpaid obligations, end of year: Obligated balance:			
Fund balance	366	366	366

Outlays (gross), detail:			
86.97 Outlays from new permanent authority	970	2,026	2,087
86.98 Outlays from permanent balances	366	929	366
87.00 Total outlays (gross)	1,336	2,955	2,453

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Fees and premiums	-264	-241	-226
88.40 Rebates of insurance premiums	7	7	7
88.40 Multifamily foreclosure sales	-24	-24	-24
88.40 Proceeds from sale of real property	-320	-301	-263
88.40 Repayment of mortgage notes and sales contracts	-10	-10	-6
88.40 Proceeds from sale of mortgage notes	-566	-963	-726
88.40 Prior Year Adjustment		100	
88.40 Recoveries from portfolio restructuring			-96
88.40 Recoveries on defaulted mortgages	-368	-262	-155
88.40 Interest and operating income	-334	-231	-173
88.40 Recoveries on defaulted Title I mortgages	-22	-22	-17
88.40 Other interest, dividends and revenue		-34	-50
88.40 Miscellaneous collections	-5	-4	-5
88.90 Total, offsetting collections (cash)	-1,906	-1,985	-1,734

Net budget authority and outlays:			
89.00 Budget authority	41	141	541
90.00 Outlays	-571	970	719

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.02 Interest on debentures	15	15	15
00.03 Other operating costs	45	137	142
00.04 Working capital fund reimbursements		12	15
00.05 Repayment to financing account	97	97	97
00.06 Prior Year Adjustment		25	
00.91 Total operating expenses	157	286	269
Capital investment: Claims and other:			
01.01 Acquisition of defaulted Title I notes	29	21	15
01.02 Assignment of defaulted mortgages	488	1,160	1,183
01.03 Acquisition of real properties	325	479	416
01.04 Rehabilitation of real properties		724	229
01.06 Assignment of current mortgages		4	1
01.07 Capitalized property expenses	231	187	243
01.08 Loss on defaulted guaranteed loans	12	3	3
01.09 Interest subsidy on auctioned mortgages	4	1	4
01.10 Tax advances on held mortgages	90	90	90
01.91 Total capital investment	1,179	2,669	2,184
10.00 Total obligations	1,336	2,955	2,453

Summary of Budget Authority and Outlays			
(In millions of dollars)			
Enacted/requested:	1995 actual	1996 est.	1997 est.
Budget Authority	40	141	541
Outlays	-570	970	719
Legislative proposal, not subject to PAYGO:			
Budget Authority			1,051
Outlays		-142	1,051
Total:			
Budget Authority	40	141	1,592
Outlays	-570	828	1,770

Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested balance	1,040	1,637	767
21.91 U.S. Securities: Par value	15	5	5
21.99 Total unobligated balance, start of year	1,055	1,642	772
22.00 New budget authority (gross)	1,947	2,126	2,275
22.10 Resources available from recoveries of prior year obligations	42		
22.60 Redemption of debt	-66	-41	-41
23.90 Total budgetary resources available for obligation	2,978	3,727	3,006
23.95 New obligations	-1,336	-2,955	-2,453
Unobligated balance available, end of year:			
24.40 Uninvested balance	1,637	767	548
24.91 U.S. Securities: Par value	5	5	5
24.99 Total unobligated balance, end of year	1,642	772	553

Status of Direct Loans (in millions of dollars)			
Identification code 86-4072-0-3-371			
1995 actual			
1996 est.			
1997 est.			
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	112	107	101
1251 Repayments: Repayments and prepayments	-10	-6	-6
1264 Write-offs for default: Other adjustments, net	5		
1290 Outstanding, end of year	107	101	95

New budget authority (gross), detail:			
Current:			
40.75 Procurement reduction pursuant to P.L. 103-327	-1		
Permanent:			
60.05 Appropriation (indefinite)			500
64.00 Proceeds of loan asset sales with recourse		100	
67.15 Authority to borrow (indefinite)	41	41	41
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,906	1,985	1,734
70.00 Total new budget authority (gross)	1,947	2,126	2,275

Status of Guaranteed Loans (in millions of dollars)			
Identification code 86-4072-0-3-371			
1995 actual			
1996 est.			
1997 est.			
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	52,754	47,729	44,758
2251 Repayments and prepayments	-4,171	-1,307	-593
Adjustments:			
2261 Terminations for default that result in loans receivable	-517	-1,181	-1,198
2262 Terminations for default that result in acquisition of property	-325	-478	-416
2263 Terminations for default that result in claim payments	-12	-5	-3
2290 Outstanding, end of year	47,729	44,758	42,548
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	47,729	44,758	42,548

Credit accounts—Continued

STATUS OF INSURANCE RESERVES FROM OPERATIONS

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING
ACCOUNT—Continued

Status of Guaranteed Loans (in millions of dollars)—Continued

Identification code 86-4072-0-3-371	1995 actual	1996 est.	1997 est.
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	6,822	5,201	3,420
2331 Disbursements for guaranteed loan claims	517	1,181	1,199
2351 Repayments of loans receivable	-990	-1,178	-1,023
2361 Write-offs of loans receivable ¹	-417		
2364 Other adjustments, net	-731	-1,784	-1,873
2390 Outstanding, end of year	5,201	3,420	1,723

¹ Includes foreclosures of HUD-held mortgage notes.

The *General insurance fund* provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, housing for the elderly, rental housing and nonprofit hospitals.

The *Special risk insurance fund* provides mortgage insurance on behalf of mortgagors eligible for interest reduction payments who otherwise would not be eligible for mortgage insurance. In addition, the fund provides insurance on mortgages covering experimental housing where strict adherence to State or local building regulations is not observed. Also provided is insurance for high-risk mortgagors who normally would not be eligible for mortgage insurance.

Budget program.—As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from loan guarantees committed and direct loans obligated prior to 1992. This account is shown on a cash basis. All new activity in this program in 1992 and thereafter (including modifications of loan guarantees that resulted from obligations, direct loans or commitments in any year and direct loans) is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

The detailed program activities in the "Program Highlights" table shown below reflect the consolidated activity of the GI/SRI accounts.

PROGRAM HIGHLIGHTS

	[In millions of dollars]		
	1995 actual	1996 est.	1997 est.
Insurance initiation:			
Mortgage insurance applications (units)	235,658	231,806	239,262
Mortgage insurance written:			
Units	190,953	171,634	179,832
Amount	8,366	8,214	8,882
Title I property improvement loans insured:			
Notes	93,107	116,000	138,000
Amount	1,255	1,757	2,304
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	78,052	78,537	80,290
Title I property improvement loan insurance	4,837	5,193	6,645
Total outstanding balance of insurance in force, end of year	82,889	83,730	86,935

Insurance reserves from operations at the end of 1995 are estimated to be in a deficit status for the GI and SRI funds. The status of estimated insurance reserves from operations (retained income or deficit) for the GI/SRI Liquidating Account through 1997 is as follows:

[In millions of dollars]

	1995 actual ¹	1996 est.	1997 est.
Insurance fund:			
General and special risk insurance:			
Liquidating account	-20,510	-22,180	-23,587

¹ Preliminary results pending final audit.

Financial Condition.—The following tables reflect the revenues, expenses, and financial condition of the GI/SRI Liquidating Account based on Generally Accepted Accounting Principles.

Statement of Operations (in millions of dollars)

Identification code 86-4072-0-3-371	1994 actual ¹	1995 actual ²	1996 est.	1997 est.
0101 Revenue	453	517	393	321
0102 Expense	-231	-563	-2,074	-1,717
0109 Net income or loss (-)	222	-46	-1,681	-1,396

¹ As reflected in the 1996 Budget.² Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	1994 actual ¹	1995 actual ²	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	579	1,134	262	42
Investments in US securities:				
1102 Treasury securities, par	15	5	5	5
1106 Receivables, net	4	3	4	4
1107 Advances and prepayments	20	20	20	20
Non-Federal assets:				
1206 Receivables, net	140	98	98	98
1207 Advances and prepayments	547	75	75	75
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	112	107	101	95
1603 Allowance for estimated uncollectible loans and interest (-)	-24	-22	-21	-20
1699 Value of assets related to direct loans	88	85	80	75
1701 Defaulted guaranteed loans, gross	6,822	5,201	3,420	1,723
1703 Allowance for estimated uncollectible loans and interest (-)	-4,026	-2,460	-1,616	-814
1704 Defaulted guaranteed loans and interest receivable, net	2,796	2,741	1,804	909
1705 Allowance for uncollectibles from foreclosed property		-543	-626	-932
1706 Foreclosed property	288	734	846	1,260
1799 Value of assets related to loan guarantees	3,084	2,932	2,024	1,237
1901 Other Federal assets: Other assets		38	54	65
1999 Total assets	4,477	4,390	2,622	1,621
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	561	63	63	63
2102 Interest payable	7	6	6	6
2104 Resources payable to Treasury	62	86	86	86
Non-Federal liabilities:				
2201 Accounts payable	130	131	131	131
2202 Interest payable	18	21	21	21
2203 Debt	112	408	311	208
2206 Pension and other actuarial liabilities	10,702	9,997	9,996	9,996
Other:				
2207 Unearned revenue and advances	418	380	380	380
2207 Other		50	50	50
2999 Total liabilities	12,010	11,142	11,044	10,941
NET POSITION:				
3100 Appropriated capital	7,287	6,287	6,287	6,797
3300 Cumulative results of operations	-22,291	-20,510	-22,180	-23,587
3600 Debt Forgiveness	7,471	7,471	7,471	7,471
3999 Total net position	-7,533	-6,752	-8,422	-9,319
4999 Total liabilities and net position	4,477	4,390	2,622	1,622

¹ As reflected in 1996 Budget.² Preliminary results pending final audit.

Object Classification (in millions of dollars)			
Identification code 86-4072-0-3-371	1995 actual	1996 est.	1997 est.
25.2 Other services	45	174	158
32.0 Land and structures	325	1,203	645
33.0 Investments and loans	607	1,274	1,288
41.0 Grants, subsidies, and contributions	4	1	4
42.0 Insurance claims and indemnities	243	191	246
43.0 Interest and dividends	15	15	15
44.0 Repayment to financing account	97	97	97
99.0 Subtotal, reimbursable obligations	1,336	2,955	2,453
99.9 Total obligations	1,336	2,955	2,453

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing [in millions of dollars]

Identification code 86-4072-2-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Repayment of portfolio reengineering legislative savings to the financing account			107
Capital investment: Claims and other:			
01.01 Change to baseline claims		-132	2,581
10.00 Total obligations		-132	2,688
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested balance			142
22.00 New budget authority (gross)		10	2,688
23.90 Total budgetary resources available for obligation		10	2,830
23.95 New obligations		132	-2,688
24.40 Unobligated balance available, end of year: Uninvested balance		142	142
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)			1,051
68.00 Spending authority from offsetting collections: Offsetting collections (cash)		10	1,637
70.00 Total new budget authority (gross)		10	2,688
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance			
73.10 New obligations		-132	2,688
73.20 Total outlays (gross)		132	-2,688
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance			
Outlays (gross), detail:			
86.97 Outlays from new permanent authority		-132	2,688
87.00 Total outlays (gross)		-132	2,688
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Fees and premiums			14
88.40 Portfolio reengineering recoveries		-10	-1,651
88.90 Total, offsetting collections (cash)		-10	-1,637
Net budget authority and outlays:			
89.00 Budget authority			1,051
90.00 Outlays		-142	1,051

This account summarizes the impact on the FHA GI/SRI Liquidating Account of the Administration's proposal for reengineering of the multifamily insurance portfolio. The account reflects the net changes to projected future cash flows in the liquidating account arising from portfolio restructuring activities. A net present value PAYGO savings of \$1.4 billion is estimated, which would be scored in the year of enactment.

Object Classification (in millions of dollars)			
Identification code 86-4072-2-3-371	1995 actual	1996 est.	1997 est.
25.2 Repayment of financing account borrowing			107
33.0 Investments and loans		-132	2,581
99.0 Subtotal, reimbursable obligations		-132	2,688
99.9 Total obligations		-132	2,688

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Capital investment:			
00.01 Housing for the elderly or handicapped loans	1	17	
00.02 Maintenance security and collateral		4	4
00.91 Capital Investment, Subtotal	1	21	4
01.01 Operating expenses: Interest on borrowings	552	498	436
10.00 Total obligations	553	519	440
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.47 Authority to borrow	20		
21.90 Fund balance	28	315	547
21.99 Total unobligated balance, start of year	48	315	547
22.00 New budget authority (gross)	819	751	750
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	868	1,066	1,297
23.95 New obligations	-553	-519	-440
24.90 Unobligated balance available, end of year: Fund balance	315	547	858
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	770	805	735
60.47 Portion applied to debt reduction	-770	-805	-735
63.00 Appropriation (total)			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	819	751	750
70.00 Total new budget authority (gross)	819	751	750
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance: Fund balance	449	390	260
73.10 New obligations	553	519	440
73.20 Total outlays (gross)	-611	-649	-500
73.45 Adjustments in unexpired accounts	-1		
74.90 Unpaid obligations, end of year: Obligated balance: Fund balance	390	260	200
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	611	649	500
87.00 Total outlays (gross)	611	649	500
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from: Non-Federal sources			
88.40	-819	-751	-750
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-209	-102	-250

Status of Direct Loans (in millions of dollars)			
Identification code 86-4115-0-3-371	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	8,462	8,331	8,462
1231 Disbursements: Direct loan disbursements	7	192	
1251 Repayments: Repayments and prepayments	-138	-61	-63

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

Status of Direct Loans (in millions of dollars)—Continued

Identification code 86-4115-0-3-371	1995 actual	1996 est.	1997 est.
1290 Outstanding, end of year	8,331	8,462	8,399

Note.—Amounts for direct loan obligations reflect reservations of section 202 funds. Loan obligations shown under the program and financing schedule reflect loans that have reached the initial closing stage of processing.

The Housing for the Elderly or Handicapped Fund was established pursuant to section 202 of the Housing Act of 1959, as amended. The fund provided direct loans to nonprofit organizations building and managing housing projects for lower income persons who are elderly or disabled.

Projects must include an assured range of necessary services for the occupants of such projects. In addition, the section 8 lower income housing assistance payments program has been used in conjunction with the section 202 program. Applications under the two programs have been processed simultaneously.

The data included in these schedules represent direct loan activities funded under the Housing for the Elderly or Handicapped Loan Fund. Further, activities in support of the needs of the elderly and disabled have been carried out under a grant program funded in the 1991 Appropriations Act (P.L. 101-507) and authorized in the National Affordable Housing Act (P.L. 101-625).

After April 1, 1992, all projects for which there were administrative reservations converted to the capital advance assistance program.

The program and financing schedule for this account summarizes the Federal government's obligations for this loan program. The amounts reflected in the following summary of administrative commitments reflect outstanding section 202 fund reservations, whereas, the obligations portion of the program and financing schedule reflects commitments which have reached the initial loan closing stage of processing.

SUMMARY OF ADMINISTRATIVE COMMITMENTS

[In millions of dollars]

Program by activities:	1995 actual	1996 est.	1997 est.
Capital investment:			
Administrative commitments, start of year	20,100	17,025	
Recovery of prior year obligations	-2,570		
Administrative commitments, end of year	-17,025		
Subtotal, capital investment-loan obligations	505	17,025	
Other expenses (Fee inspection)	33		
Capital investment:			
Loan obligations	505	17,025	
Maintenance security and collateral	589	3,500	3,500
Total capital investment	1,094	20,525	3,500

Financing.—Repayments and interest income from loans continue to be available to pay for commitments of the fund.

Statement of Operations (in millions of dollars)

Identification code 86-4115-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	709	672	690	688
0102 Expense	-690	-551	-502	-439
0109 Net income or loss (-)	19	121	188	249

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	497	705	810	1,061
Investments in US securities:				
1106 Receivables, net	-1			

1206 Non-Federal assets: Receivables, net	242	167		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,462	8,331	8,461	8,400
1603 Allowance for estimated uncollectible loans and interest (-)	-21	-18	-19	-18
1604 Direct loans and interest receivable, net	8,441	8,313	8,442	8,382
1699 Value of assets related to direct loans	8,441	8,313	8,442	8,382
1901 Other Federal assets: Other assets		-7		
1999 Total assets	9,179	9,178	9,252	9,443
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	335	275	248	217
2104 Resources payable to Treasury	175	142	142	142
2207 Non-Federal liabilities: Other	8,484	7,714	6,909	6,174
2999 Total liabilities	8,994	8,131	7,299	6,533
NET POSITION:				
3100 Appropriated capital	456	1,183	1,183	1,183
3300 Cumulative results of operations	-271	-137	769	1,726
3999 Total net position	185	1,046	1,952	2,909
4999 Total liabilities and net position	9,179	9,177	9,251	9,442

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1995 actual	1996 est.	1997 est.
32.0 Land and structures		4	4
33.0 Investments and loans	1	17	
43.0 Interest and dividends	552	498	436
99.9 Total obligations	553	519	440

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	6	6	6
22.00 New budget authority (gross)			
23.90 Total budgetary resources available for obligation	6	6	6
23.95 New obligations			
24.90 Unobligated balance available, end of year: Fund balance	6	6	6
New budget authority (gross), detail:			
70.00 Total new budget authority (gross)			
Change in unpaid obligations:			
73.10 New obligations			
Outlays (gross), detail:			
87.00 Total outlays (gross)			
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays			

Status of Direct Loans (in millions of dollars)

Identification code 86-4042-0-3-604	1995 actual	1996 est.	1997 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	1	1	1
1290 Outstanding, end of year	1	1	1

As required by the Federal Credit Reform Act of 1990, this account records, for this program, all cash flows to and from the Government resulting from direct loans obligated prior to 1992. This account is shown on a cash basis.

The Nonprofit Sponsor Assistance fund provided interest-free loans to nonprofit organizations to plan housing projects to be financed under the section 202 housing for the elderly or disabled program.

Balance Sheet (in millions of dollars)

Identification code 86-4042-0-3-604	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	7	6	6	6
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	1	1	1	1
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-1	-1	-1
1604 Direct loans and interest receivable, net				
1699 Value of assets related to direct loans				
1999 Total assets	7	6	6	6
NET POSITION:				
3300 Cumulative results of operations	7	6	6	6
3999 Total net position	7	6	6	6
4999 Total liabilities and net position	7	6	6	6

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

Public enterprise funds:

LOANS TO FEDERAL NATIONAL MORTGAGE ASSOCIATION

The Treasury is authorized to make up to \$2.25 billion of loans to the Federal National Mortgage Association. Such loans were made in the first few months of the Association's existence as a private corporation while it arranged lines of credit with commercial banks. No loans have been made since that time and the loan authority may be used only at the discretion of the Secretary of the Treasury.

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in millions of dollars)

Identification code 86-4016-0-3-371	1995 actual	1996 est.	1997 est.
Budgetary resources available for obligation:			
21.91 Unobligated balance available, start of year: U.S. Securities: Par value	16	15	
22.00 New budget authority (gross)	1		
22.40 Capital transfer to general fund	-2	-15	
23.90 Total budgetary resources available for obligation	15		
23.95 New obligations			
24.91 Unobligated balance available, end of year: U.S. Securities: Par value	15		
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash)	1		
Change in unpaid obligations:			
73.10 New obligations			
73.20 Total outlays (gross)	-2		
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1		
86.98 Outlays from permanent balances	1		
87.00 Total outlays (gross)	2		

Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-1		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1		

Budget program.—The remaining \$15 million portfolio in the Management and Liquidating Functions Fund was redeemed at par value plus accrued interest on January 1, 1996, on which date interest ceased. Debentures and interest earned of \$15.4 million was transferred to the Treasury Department.

Statement of Operations (in millions of dollars)

Identification code 86-4016-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
0101 Revenue	1	1		
0102 Expense				
0109 Net income or loss (-)	1	1		

Balance Sheet (in millions of dollars)

Identification code 86-4016-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
Investments in US securities:				
1104 Federal assets: Agency securities, par	16	15		
1999 Total assets	16	15		
NET POSITION:				
3300 Cumulative results of operations	16	15		
3999 Total net position	16	15		
4999 Total liabilities and net position	16	15		

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDES TRANSFER OF FUNDS)

During fiscal year 1997, new commitments to issue guarantees to carry out section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$110,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$9,383,000 shall be transferred to the appropriation for salaries and expenses.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies	9	9	9
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-9
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	9	9	9
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	9	9	9

Credit accounts—Continued**GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT—Continued**

(INCLUDES TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0186-0-1-371	1995 actual	1996 est.	1997 est.
23.95 New obligations	-9	-9	-9
New budget authority (gross), detail:			
40.25 Appropriation (special fund, indefinite)	9	9	9
Change in unpaid obligations:			
73.10 New obligations	9	9	9
73.20 Total outlays (gross)	-9	-9	-9
Outlays (gross), detail:			
86.90 Outlays from new current authority	9	9	9
87.00 Total outlays (gross)	9	9	9
Net budget authority and outlays:			
89.00 Budget authority	9	9	9
90.00 Outlays	9	9	9

Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)

Identification code 86-0186-0-1-371	1995 actual	1996 est.	1997 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2159 Total guarantee loan levels	142,000	110,000	110,000
Guaranteed loan subsidy budget authority:			
2339 Total subsidy budget authority	9	9	9
Guaranteed loan subsidy outlays:			
2349 Total subsidy outlays	-9	-9	-9

As required by the Federal Credit Reform Act of 1990, this account records the administrative expenses of this program. The administrative expenses are estimated on a cash basis.

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4240-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Payment to receipt account for administration	9	9	9
10.00 Total obligations (object class 25.2)	9	9	9
Budgetary resources available for obligation:			
21.90 Unobligated balance available, start of year: Fund balance	78	101	128
22.00 New financing authority (gross)	32	36	36
23.90 Total budgetary resources available for obligation	110	137	164
23.95 New obligations	-9	-9	-9
24.90 Unobligated balance available, end of year: Fund balance	101	128	155
New financing authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	30	35	36
68.10 Change in orders on hand from Federal sources	2	1	
68.90 Spending authority from offsetting collections (total)	32	36	36
70.00 Total new financing authority (gross)	32	36	36

Change in unpaid obligations:			
72.95 Unpaid obligations, start of year: Orders on hand from Federal sources	4	6	7
73.10 New obligations	9	9	9
73.20 Total financing disbursements (gross)	-7	-9	-9
74.95 Unpaid obligations, end of year: Orders on hand from Federal sources	6	7	7

Outlays (gross), detail:			
87.00 Total financing disbursements (gross)	7	9	9

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-6	-2	-2
88.40 Non-Federal sources: Commitment and other fees	-20	-33	-34
88.90 Total, offsetting collections (cash)	-26	-35	-36
88.95 Change in receivables from program accounts	-2	-1	

Net financing authority and financing disbursements:			
89.00 Financing authority	4		
90.00 Financing disbursements	-19	-26	-27

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1995 actual	1996 est.	1997 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	142,000	110,000	110,000
2150 Total guaranteed loan commitments	142,000	110,000	110,000

The Housing and Urban Development Act of 1968 authorized the Government National Mortgage Association (GNMA) to guarantee the timely payment of principal and interest on privately issued securities that are backed by pools of FHA, Veterans Affairs (VA) and Farmers Home Administration (FmHA) mortgages. The GNMA guarantee gives lenders access to the capital markets for funds to originate new loans. New FHA and VA loans are currently pooled into GNMA securities.

Financing.—GNMA Issuers are assessed commitment, guarantee and other fees to cover costs incurred by GNMA and to fund a reserve against possible future payments under the guarantee.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$26 million and \$27 million in 1996 and 1997 respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	74	93	100	108
1206 Non-Federal assets: Receivables, net	4	6	7	7
1999 Total assets	78	99	107	115
NET POSITION:				
3300 Cumulative results of operations	78	99	107	115
3999 Total net position	78	99	107	115

Note.—GNMA guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, FmHA-insured, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, FmHA, and VA guarantees.

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
Operating expenses:			
00.02 Functional services	13	13	14
00.03 Default expenses	17	8	9
00.04 Servicing expenses	12	14	14
00.05 Other expenses	13	19	20
00.06 REMIC expenses	4	6	6
00.91 Total operating expenses	59	60	63
Capital investment:			
01.01 Advances of guaranty payments	138	303	366
01.02 Real estate owned properties	34	35	34
01.91 Total capital investment	172	338	400
10.00 Total obligations	231	398	463
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.90 Fund balance	91	87	63
U.S. Securities:			
Par value:			
21.91 Par value	3,714	4,211	4,666
21.91 Par value (REMICs)	-17	-17	-17
21.92 Unrealized discounts	-10	-10	-10
21.99 Total unobligated balance, start of year	3,795	4,281	4,729
22.00 New budget authority (gross)	716	846	942
23.90 Total budgetary resources available for obligation	4,511	5,127	5,671
23.95 New obligations	-231	-398	-463
Unobligated balance available, end of year:			
24.90 Fund balance	87	63	65
U.S. Securities:			
Par value:			
24.91 Par value	4,211	4,666	5,143
24.91 Par value (REMICs)	-17	-17	-17
24.99 Total unobligated balance, end of year	4,281	4,729	5,208
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Offsetting collections (cash):			
68.00 Offsetting collections (cash)	703	824	920
68.00 Spending authority from offsetting collections (REMICs)	13	22	22
68.90 Spending authority from offsetting collections (total)	716	846	942
70.00 Total new budget authority (gross)	716	846	942
Change in unpaid obligations:			
72.47 Unpaid obligations, start of year: Obligated balance:			
Orders on hand from Federal sources	65	44	68
73.10 New obligations	231	398	463
73.20 Total outlays (gross)	-252	-374	-466
74.47 Unpaid obligations, end of year: Obligated balance:			
Orders on hand from Federal Sources	44	68	65
Outlays (gross), detail:			
86.98 Outlays from permanent balances	252	374	466
87.00 Total outlays (gross)	252	374	466
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20 Interest on U.S. securities	-216	-199	-247
Non-Federal sources:			
88.40 Guarantee fees	-288	-304	-312
88.40 Repayments of guaranteed payments	-143	-251	-312
88.40 Commitment and other fees	-18	-27	-27
88.40 Servicing income	-18	-18	-18
88.40 Receipts from sale of REO properties and mobile home units	-17	-35	-15
88.40 Interest income mortgages	-1	-1	-1
88.40 Repayments on mortgages	-9	-5	-4
88.40 Sale of servicing rights	-6	-6	-6

88.90	Total, offsetting collections (cash)	-716	-846	-942
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-464	-472	-476

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 est.	1997 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	349	333	360
1232	Disbursements: Purchase of loans assets from the public	149	314	378
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-165	-287	-329
1290	Outstanding, end of year	333	360	409

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 est.	1997 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	444,990	463,848	489,597
2231	Disbursements of new guaranteed loans	63,727	94,440	81,575
2251	Repayments and prepayments	-44,869	-68,691	-72,221
2290	Outstanding, end of year	463,848	489,597	498,951
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year ¹	463,848	489,597	498,951

¹Ultimate liability for GNMA mortgage backed securities rests with other U.S. agencies. Total Federal contingent liability should not be double counted.

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities

	1995 actual	1996 est.	1997 est.
Commitment Limitation	142,000	110,000	110,000
Commitments Issued	64,230	110,000	110,000
Guarantees Issued	63,727	94,440	81,575
Securities Outstanding	463,848	489,597	498,951

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$477 million and \$532 million in 1996 and 1997, respectively. These amounts will be retained to cover future year expenses and as a reserve against losses that may be incurred on guarantees.

Statement of Operations (in millions of dollars)

Identification code 86-4238-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.	
Revenue:					
0101	Revenue	437	514	511	567
0101	Revenue (REMICs)	5	13	22	22
Expense:					
0102	Expense	18	-46	-54	-55
0102	Expense (REMICs)	-2	-4	-2	-2
Net income or loss (-):					
0109	Net income or loss (-)	455	468	457	512
0109	Net income or loss (-) (REMICs)	3	9	20	20
0199	Net income or loss	458	477	477	532

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	26			
Investments in US securities:					
1102	Treasury securities, par	3,713	4,232	4,666	5,143
1104	Agency securities, par	1	1		
1106	Receivables, net	45	59	52	60
1206	Non-Federal assets: Receivables, net	26	26	27	28

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4238-0-3-371	1994 actual	1995 actual	1996 est.	1997 est.
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	349	333	360	409
1603 Allowance for estimated uncollectible loans and interest (-)	-172	-241	-181	-225
1699 Value of assets related to direct loans	177	92	179	184
1801 Other Federal assets: Cash and other monetary assets	7	4	5	5
1999 Total assets	3,995	4,414	4,929	5,420
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	45	29	24	30
2207 Other	541	534	453	453
2999 Total liabilities	586	563	477	483
NET POSITION:				
3300 Cumulative results of operations	3,409	3,851	4,452	4,937
3999 Total net position	3,409	3,851	4,452	4,937
4999 Total liabilities and net position	3,995	4,414	4,929	5,420

Note.—GNMA guarantees the timely payment of principal and interest installments on securities which are backed by FHA-insured, FmHA-insured, and VA-guaranteed mortgages. Such guarantees are excluded from the Government total of guaranteed obligations duplicating FHA, FmHA, and VA guarantees.

Object Classification (in millions of dollars)

Identification code 86-4238-0-3-371	1995 actual	1996 est.	1997 est.
25.2 Other services	59	65	66
33.0 Investments and loans	172	333	397
99.9 Total obligations	231	398	463

POLICY DEVELOPMENT AND RESEARCH

Federal Funds

General and special funds:

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$45,000,000, to remain available until September 30, 1998.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct program	41	35	45
10.00 Total obligations	41	35	45
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance		1	
22.00 New budget authority (gross)	42	34	45
23.90 Total budgetary resources available for obligation	42	35	45
23.95 New obligations	-41	-35	-45
24.40 Unobligated balance available, end of year:			
Uninvested balance	1		

New budget authority (gross), detail:				
40.00	Appropriation	42	34	45
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	25	28	29
73.10	New obligations	41	35	45
73.20	Total outlays (gross)	-38	-34	-39
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	28	29	35

Outlays (gross), detail:				
86.90	Outlays from new current authority	17	14	18
86.93	Outlays from current balances	21	21	21
87.00	Total outlays (gross)	38	34	39

Net budget authority and outlays:				
89.00	Budget authority	42	34	45
90.00	Outlays	38	34	39

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies, testing, and demonstrations related to the HUD mission. These functions are carried out internally and through contracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 1997, the research program will focus on activities to support the reinvention of HUD, including examination of issues such as transformation of public housing and design of standards for performance-based funds. National housing surveys and research to reduce the cost of housing will continue in 1997.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	1995 actual	1996 est.	1997 est.
25.2 Other services	36	31	39
41.0 Grants, subsidies, and contributions	5	4	6
99.9 Total obligations	41	35	45

FAIR HOUSING AND EQUAL OPPORTUNITY

Federal Funds

General and special funds:

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, \$33,000,000, to remain available until September 30, 1998, of which \$15,000,000 shall be to carry out activities pursuant to such section 561.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts included in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Fair housing assistance	7	16	18
00.02 Fair housing initiatives	28	17	15
10.00 Total obligations (object class 41.0)	35	33	33
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	5	3	
22.00 New budget authority (gross)	33	30	33
23.90 Total budgetary resources available for obligation	38	33	33
23.95 New obligations	-35	-33	-33

24.40	Unobligated balance available, end of year:			
	Uninvested balance	3		
New budget authority (gross), detail:				
40.00	Appropriation	33	30	33
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Appropriation	37	44	56
73.10	New obligations	35	33	33
73.20	Total outlays (gross)	-27	-21	-29
74.40	Unpaid obligations, end of year: Obligated balance:			
	Appropriation	44	56	60
Outlays (gross), detail:				
86.93	Outlays from current balances	27	21	29
87.00	Total outlays (gross)	27	21	29
Net budget authority and outlays:				
89.00	Budget authority	33	30	33
90.00	Outlays	27	21	29

The Budget proposes an appropriation of \$33 million in 1997 for fair housing activities to aid in eliminating housing discrimination. Of the amount requested, \$18 million is for the Fair Housing Assistance program and \$15 million is for the Fair Housing Initiatives program.

The Fair Housing Assistance program, authorized by title VIII of the Civil Rights Act of 1968 as amended, provides funding to State and local agencies to assure prompt and effective processing of title VIII (Civil Rights Act of 1968) complaints.

The Fair Housing Initiatives program, authorized by the Housing and Community Development Act of 1987 as amended by the Housing and Community Development Act of 1992, provides support to public and private organizations for the purpose of eliminating or preventing discrimination in housing and for enhancing fair housing opportunities.

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$7,000 for official reception and representation expenses, \$987,558,000, of which \$546,782,000 shall be provided from the various funds of the Federal Housing Administration; \$9,383,000 shall be provided from funds of the Government National Mortgage Association; and \$675,000 shall be provided from the Community Opportunity Performance Funds Program account.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0143-0-1-999	1995 actual	1996 est.	1997 est.	
Obligations by program activity:				
Direct program:				
00.01	Housing, mortgage credit, regulatory and energy conservation	214	200	211
00.02	Community planning and development programs	33	31	30
00.03	Equal opportunity and research programs	34	32	31
00.04	Departmental management, legal and audit services	25	23	22
00.05	Field direction and administration	143	134	138
00.91	Total direct program	449	420	432
01.01	Reimbursable program	509	543	556
10.00	Total obligations	958	963	988

Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested balance	1	
22.00	New budget authority (gross)	961	963
22.30	Unobligated balance expiring	-1	
23.90	Total budgetary resources available for obligation	960	964
23.95	New obligations	-958	-963
24.40	Unobligated balance available, end of year:		
	Uninvested balance	1	

New budget authority (gross), detail:			
Current:			
40.00	Appropriation	453	420
40.75	Reduction pursuant to P.L. 104-50	-1	
43.00	Appropriation (total)	452	420
Permanent:			
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	509	543
70.00	Total new budget authority (gross)	961	963

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Appropriation	84	112
73.10	New obligations	958	963
73.20	Total outlays (gross)	-930	-963
74.40	Unpaid obligations, end of year: Obligated balance:		
	Appropriation	112	111

Outlays (gross), detail:			
86.90	Outlays from new current authority	346	323
86.93	Outlays from current balances	75	97
86.97	Outlays from new permanent authority	509	543
87.00	Total outlays (gross)	930	963

Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.45	Offsetting governmental collections	-509	-543
88.90	Total, offsetting collections (cash)	-509	-543

Net budget authority and outlays:			
89.00	Budget authority	452	420
90.00	Outlays	422	420

This appropriation finances all salaries and related costs associated with administering the programs of the Department of Housing and Urban Development, including: housing and mortgage credit programs; community planning and development programs; equal opportunity, research, regulatory and insurance programs; departmental management, and legal services; and, field direction and administration.

Object Classification (in millions of dollars)

Identification code 86-0143-0-1-999	1995 actual	1996 est.	1997 est.
Direct obligations:			
Personnel compensation:			
11.1	Full-time permanent	243	210
11.3	Other than full-time permanent	5	5
11.5	Other personnel compensation	3	3
11.9	Total personnel compensation	251	218
12.1	Civilian personnel benefits	53	61
13.0	Benefits for former personnel	11	12
21.0	Travel and transportation of persons	7	7
22.0	Transportation of things	1	1
23.1	Rental payments to GSA	33	32
23.3	Communications, utilities, and miscellaneous charges	14	14
24.0	Printing and reproduction	3	3
25.1	Advisory and assistance services	7	7
25.2	Other services	3	6
25.3	Purchases of goods and services from Government accounts	51	47
25.4	Operation and maintenance of facilities	6	7
26.0	Supplies and materials	3	3
31.0	Equipment	5	2
42.0	Insurance claims and indemnities	1	

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Object Classification (in millions of dollars)—Continued

Identification code 86-0143-0-1-999	1995 actual	1996 est.	1997 est.
99.0 Subtotal, direct obligations	449	420	432
99.0 Reimbursable obligations	509	543	556
99.9 Total obligations	958	963	988

Personnel Summary

Identification code 86-0143-0-1-999	1995 actual	1996 est.	1997 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	5,280	4,774	4,452
1005 Full-time equivalent of overtime and holiday hours	23	25	25
Reimbursable:			
Total compensable workyears:			
2001 Full-time equivalent employment	5,973	6,172	5,995
2005 Full-time equivalent of overtime and holiday hours	27	30	30

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$52,850,000, of which \$11,283,000 shall be provided from the various funds of the Federal Housing Administration and \$5,000,000 shall be provided from the amount earmarked for Operation Safe Home in the Drug Elimination Grants for Low Income Housing Account.

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Direct program	36	37	37
01.01 Reimbursable program	12	11	16
10.00 Total obligations	48	48	53
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	49	48	53
23.95 New obligations	-48	-48	-53
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	36	37	37
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	12	11	16
70.00 Total new budget authority (gross)	49	48	53
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	11	10	10
73.10 New obligations	48	48	53
73.20 Total outlays (gross)	-49	-48	-53
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	10	10	10
Outlays (gross), detail:			
86.90 Outlays from new current authority	28	28	28
86.93 Outlays from current balances	7	9	9
86.97 Outlays from new permanent authority	12	11	16
87.00 Total outlays (gross)	49	48	53
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-12	-11	-16
Net budget authority and outlays:			
89.00 Budget authority	37	37	37

90.00 Outlays	36	37	37
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This appropriation provides agency-wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit, contract audit, and inspection services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters relative to negotiation, award, administration, repricing, and settlement of contracts. Internal audits review and evaluate all facets of agency operations. Inspection services provide detailed technical evaluations of agency operations. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations.

Object Classification (in millions of dollars)

Identification code 86-0189-0-1-451	1995 actual	1996 est.	1997 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	19	20	21
11.5 Other personnel compensation	1	2	2
11.9 Total personnel compensation	20	22	23
12.1 Civilian personnel benefits	5	5	5
21.0 Travel and transportation of persons	2	2	3
23.1 Rental payments to GSA	3	3	3
25.1 Advisory and assistance services	1	1	1
25.2 Other services	1	1	1
25.3 Purchases of goods and services from Government accounts	2	1	1
25.7 Operation and maintenance of equipment	1	1	1
31.0 Equipment	1	1	1
99.0 Subtotal, direct obligations	36	37	37
99.0 Reimbursable obligations	11	11	16
99.5 Below reporting threshold	1		
99.9 Total obligations	48	48	53

Personnel Summary

Identification code 86-0189-0-1-451	1995 actual	1996 est.	1997 est.
Direct:			
Total compensable workyears:			
1001 Full-time equivalent employment	362	386	380
1005 Full-time equivalent of overtime and holiday hours	25	25	25
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	121	116	114

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, including not to exceed \$3,000 for official reception and representation expenses, \$15,751,000, to remain available until expended, from the Federal Housing Enterprise Oversight Fund: Provided, That such amounts shall be collected by the Director as authorized by section 1316(a) and (b) of such Act and deposited in the Fund under section 1316(f).

Note.—A regular 1996 appropriation for this account had not been enacted at the time this budget was prepared. The 1996 amounts in this budget are based on the levels provided in three continuing resolutions: P.L. 104-91, P.L. 104-92, and P.L. 104-99.

Unavailable Collections (in millions of dollars)

Identification code 86-5272-0-2-371	1995 actual	1996 est.	1997 est.
Balance, start of year:			
01.99 Balance, start of year			2
Receipts:			
02.01 Office of federal housing enterprise oversight	10	15	16
04.00 Total: Balances and collections	10	15	18
Appropriation:			
05.01 Office of federal housing enterprise oversight	-10	-13	-16

07.99 Total balance, end of year 2 2

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
10.00 Total obligations	15	15	16
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested balance	5	2	
22.00 New budget authority (gross)	10	13	16
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	16	15	16
23.95 New obligations	-15	-15	-16
24.40 Unobligated balance available, end of year:			
Uninvested balance	2		
New budget authority (gross), detail:			
40.20 Appropriation (special fund, definite)	10	13	16
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Appropriation	4	6	6
73.10 New obligations	15	15	16
73.20 Total outlays (gross)	-11	-15	-16
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Appropriation	6	6	6
Outlays (gross), detail:			
86.90 Outlays from new current authority	10	13	16
86.93 Outlays from current balances	1		
87.00 Total outlays (gross)	11	15	16
Net budget authority and outlays:			
89.00 Budget authority	10	13	16
90.00 Outlays	11	15	16

This appropriation funds the Office of Federal Housing Enterprise Oversight (the Office), which was established in 1992 to regulate the financial safety and soundness of the two housing Government Sponsored Enterprises (GSEs)—the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. The Office was authorized in the Federal Housing Enterprise Safety and Soundness Act of 1992, which also instituted a three-part capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The Department will monitor the GSEs' compliance with affordable housing goals that were also contained in the Act.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	1995 actual	1996 est.	1997 est.
11.1 Personnel compensation: Personnel Compensation	5	7	8
12.1 Civilian personnel benefits	1	1	2
23.1 Rental payments to GSA	1	2	2
25.2 Other services	6	4	4
31.0 Equipment	2		
99.5 Below reporting threshold		1	
99.9 Total obligations	15	15	16

Personnel Summary

Identification code 86-5272-0-2-371	1995 actual	1996 est.	1997 est.
1001 Total compensable workyears: Full-time equivalent employment	56	72	78

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	1995 actual	1996 est.	1997 est.
Obligations by program activity:			
00.01 Operating Expenses: Data processing services	172	185	217
00.03 Capital Investment: Data processing services	2	2	2
10.00 Total obligations	174	187	219
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.90 Fund balance	36	31	
21.99 Total unobligated balance, start of year	36	31	
22.00 New budget authority (gross)	167	156	219
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	204	187	219
23.95 New obligations	-174	-187	-219
24.90 Unobligated balance available, end of year: Fund balance	31		
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	167	156	219
Change in unpaid obligations:			
72.90 Unpaid obligations, start of year: Obligated balance:			
Fund balance	10	20	51
73.10 New obligations	174	187	219
73.20 Total outlays (gross)	-163	-156	-219
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Fund balance	20	51	51
74.90 Total unpaid obligations, end of year	20	51	51
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	163	156	219
87.00 Total outlays (gross)	163	156	219
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.45 Offsetting governmental collections	-167	-156	-219
88.90 Total, offsetting collections (cash)	-167	-156	-219
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-4		

The Working Capital Fund, authorized by the Department of Housing and Urban Development Act of 1965, finances information technology and office automation initiatives which can be performed more efficiently on a centralized basis. The fund is financed from fees charged for services performed.

Object Classification (in millions of dollars)

Identification code 86-4586-0-4-451	1995 actual	1996 est.	1997 est.
Personnel compensation:			
11.1 Full-time permanent	18	18	18
11.9 Total personnel compensation	18	18	18
12.1 Civilian personnel benefits	3	3	4
13.0 Benefits for former personnel	1		
21.0 Travel and transportation of persons		1	1
22.0 Transportation of things	1		
23.3 Communications, utilities, and miscellaneous charges	36	50	45
25.2 Other services	90	102	138
26.0 Supplies and materials	4	1	1
31.0 Equipment	21	12	12
99.0 Subtotal, reimbursable obligations	174	187	219
99.9 Total obligations	174	187	219

Intragovernmental funds—Continued**WORKING CAPITAL FUND—Continued**

Personnel Summary

Identification code 86-4586-0-4-451		1995 actual	1996 est.	1997 est.
2001	Total compensable workyears: Full-time equivalent employment	318	350	350

ADMINISTRATIVE PROVISIONS

SEC. 101. MINIMUM RENTS.—Notwithstanding section 3(a) and 8(o)(2) of the United States Housing Act of 1937, as amended, for fiscal year 1997—

(1) public housing agencies shall require each family who is assisted under the certificate or moderate rehabilitation program under section 8 of such Act to pay a minimum monthly rent of up to \$25;

(2) public housing agencies shall reduce the monthly assistance payment on behalf of each family who is assisted under the voucher program under section 8 of such Act so that the family pays a minimum monthly rent of up to \$25;

(3) with respect to housing assisted under other programs for rental assistance under section 8 of such Act, the Secretary shall require each family who is assisted under such program to pay a minimum monthly rent of up to \$25; and

(4) public housing agencies shall require each family who is assisted under the public housing program (including public housing for Indian families) to pay a minimum monthly rent of up to \$25.

SEC. 102. ADMINISTRATIVE FEES.—Notwithstanding section 8(q) of the United States Housing Act of 1937, as amended—

(a) The Secretary shall establish fees for the cost of administering the certificate, voucher and moderate rehabilitation programs.

(1)(A) For fiscal year 1997, the fee for each month for which a dwelling unit is covered by an assistance contract shall be 7.65 percent of the base amount in the case of an agency that, on an annual basis, is administering a program of no more than 600 units, and 7 percent of the base amount for each additional unit above 600.

(B) The base amount shall be the higher of—

(i) the fair market rental for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency; and

(ii) such fair market rental for fiscal year 1994, but not more than 103.5 percent of the amount determined under clause (i);

(C) The base amount shall be adjusted to reflect changes in the wage data or other objectively measurable data that reflect the costs of administering the program during fiscal year 1996; except that the Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(2) For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for the agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the cost of administering the program, as determined by the Secretary.

(3) The Secretary may increase the fee if necessary to reflect higher costs of administering small programs and programs operating over large geographic areas.

(4) The Secretary may decrease the fee for PHA-owned units.

(b) Beginning in fiscal year 1997 and thereafter, the Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of \$500, for a public housing agency, but only in the first year it administers a tenant-based assistance program under the United States Housing Act of 1937 and only if, immediately before the effective date of this Act, it was not administering a tenant-based assistance program under the 1937 Act (as in effect immediately before the effective date of this Act), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the program; and

(3) extraordinary costs approved by the Secretary.

SEC. 103. ESTABLISHMENT OF CEILING RENTS.—Notwithstanding section 212(3)(D) of the United States Housing Act of 1937, as amended, section 3(a)(2) of such Act is amended to read as follows:

“(2) Notwithstanding paragraph (1), a public housing agency may—

“(A) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than the monthly costs—

“(i) to operate the housing of the agency; and

“(ii) to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

“(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).”.

SEC. 104. REPEAL OF FEDERAL PREFERENCES.—

(a) **PUBLIC HOUSING.**—Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended to read as follows:

“(A) the establishment, after public notice and an opportunity for public comment, of a written system of preferences for admission to public housing, if any, that is not inconsistent with the comprehensive housing affordability strategy under title 1 of the Cranston-Gonzalez National Affordable Housing Act;”.

(b) **SECTION 8 EXISTING AND MODERATE REHABILITATION.**—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

“(A) the selection of tenants shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that for the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;”.

(c) **SECTION 8 VOUCHER PROGRAM.**—Section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended to read as follows:

“(B) For the purpose of selecting families to be assisted under this subsection, the public housing agency may establish, after public notice and an opportunity for public comment, a written system of preferences for selection that is not inconsistent with the comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act;”.

(d) **SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.**—

(1) **REPEAL.**—Section 545(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is amended to read as follows:

“(c) [Reserved.]”.

(2) **PROHIBITION.**—Notwithstanding any other provision of law, no Federal tenant selection preferences under the United States Housing Act of 1937 shall apply with respect to—

(i) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(ii) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(e) **RENT SUPPLEMENTS.**—Section 101(k) of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is amended to read as follows:

“(k) [Reserved.]”.

(f) **CONFORMING AMENDMENTS.**—

(1) **UNITED STATES HOUSING ACT OF 1937.**—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(A) in section 6(o), by striking “preference rules specified in” and inserting “written system of preferences for selection established pursuant to”;

(B) in the second sentence of section 7(a)(2), by striking “according to the preferences for occupancy under” and inserting “in accordance with the written system of preferences for selection established pursuant to”;

(C) in section 8(d)(2)(A), by striking the last sentence;

(D) in section 8(d)(2)(H), by striking “Notwithstanding subsection (d)(1)(A)(i), an” and inserting “An”;

(E) in section 16(c), in the second sentence, by striking “the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)” and inserting “the written system of preferences for selection established by the public housing agency pursuant to section 6(c)(4)(A)”;

(F) in section 24(e)—

(i) by striking “(e) EXCEPTIONS” and all that follows through “The Secretary may” and inserting the following:

“(e) EXCEPTION TO GENERAL PROGRAM REQUIREMENTS.—The Secretary may”; and

(ii) by striking paragraph (2).

(2) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Section 522(f)(6)(B) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704 et seq.) is amended by striking “any preferences for such assistance under section 8(d)(1)(A)(i)” and inserting “the written system of preferences for selection established pursuant to section 8(d)(1)(A)”.

(3) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking “the preferences” and all that follows up to the period at the end and inserting “any preferences”.

(4) REFERENCES IN OTHER LAW.—Any reference in any Federal law other than any provision of any law amended by subsection (a) through (e) of this section to the preferences for assistance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States Housing Act of 1937 (as such sections existed on the day before the date of enactment of this Act) shall be considered to refer to the written system of preferences for selection established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(3)(B), respectively, of the United States Housing Act of 1937, as amended by this section.

SEC. 105. APPLICABILITY.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by sections 101, 103, and 104 of this Act shall also apply to public housing developed or operated pursuant to contract between the Secretary of Housing and Urban Development and an Indian housing authority.

SEC. 106. Sections 101 through 105 shall be effective upon the enactment of this Act and only for fiscal year 1997.

SEC. 107. TARGETING OF VOUCHERS AND CERTIFICATES.—(a) VOUCHERS.—Section 8(o)(3)(A) of the United States Housing Act of 1937, as amended, is further amended by inserting at the end the following new sentence:

“Notwithstanding any other provision of law, at least 75 percent of the families initially assisted under this subsection by a public housing agency in any year shall be families with incomes equal to or less than 30 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families. The Secretary may establish such income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.”

(b) CERTIFICATE PROGRAM.—Section 8(d) of such Act is amended by adding at the end the following new paragraph:

“(5) Section 8(o)(3)(A) shall also apply to tenant-based assistance under the certificate program established under this section.”.

SEC. 108. TRANSFERS BETWEEN APPROPRIATIONS.—Not to exceed 2 percent of any appropriation or earmarked amount made available for the current fiscal year in this Act may be transferred between such appropriations or earmarked amounts, but no such appropriations or earmarked amount shall be increased or decreased by more than 2 percent by any such transfers.

SEC. 109. (a) “TAKE ONE, TAKE ALL”.—Section 8(t) of the United States Housing Act of 1937 is hereby repealed.

(b) EXEMPTION FROM NOTICE REQUIREMENT FOR THE CERTIFICATE AND VOUCHER PROGRAMS.—Section 8(c) of such Act is amended—

(1) in paragraph (8), by inserting after “section” the following: “(other than a contract for assistance under the certificate or voucher program)”;

(2) in the first sentence of paragraph (9), by striking “(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))” and inserting “, other than a contract under the certificate or voucher program.”.

(c) ENDLESS LEASE.—Section 8(d)(1)(B) of such Act is amended—

(1) in clause (ii), by inserting “during the term of the lease,” after “(ii)”;

(2) in clause (iii), by striking “provide that” and inserting “during the term of the lease.”.

(d) APPLICABILITY.—The provisions of this section shall be effective for fiscal year 1997 only.