

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

For the past 4 years, the Department has been engaged in a reinvention process which has emphasized: addressing homelessness through comprehensive continuum of care strategies; transforming public and assisted housing; enhancing homeownership opportunities through new national and local partnerships; reducing racial barriers to housing; and, encouraging locally-driven solutions and leveraging private sector investment through initiatives like consolidated planning, and Empowerment Zones and Enterprise Communities. Emphasis has also been placed on reinventing HUD, itself. The 1999 Budget continues to move toward a "right-side up" Cabinet Department that is organized, staffed, and empowered to respond to locally driven priorities rather than Federal dictates.

The 1999 Budget request would continue funding the Community Development Block Grant (CDBG) program at an increased level. This program will continue to use a formula approach for allocating funds for a wide range of community and economic development activities. The Community Development Loan Guarantee program will also be maintained to enable communities to borrow in the private market with a Federal guarantee. Communities must develop consolidated plans which identify local needs and priorities in order to tap into CDBG and other HUD funds.

The HOME Investment Partnerships program will also continue formula allocations to states and participating jurisdictions to assist in expanding the supply of affordable housing.

The Homeless Assistance Grants program consolidated HUD's six Stewart B. McKinney homeless assistance programs. This program enables communities to continue their development and implementation of comprehensive, coordinated continuum of care systems to address the needs of homeless people and families. Homeless programs are maintained in their current structure although they are increased and augmented by incremental vouchers.

Major changes in funding levels and approach will occur in community and economic development programs. Significant funding is included for an Economic Development Initiative/Community Empowerment Fund program to finance a variety of economic development efforts and to help establish a secondary market for expanded and improved operation of the Section 108 Loan Guarantee program. Proposed as separate programs are: Lead Hazard Reduction, Homeownership Zones, and Urban Empowerment Zones, (which is proposed as a ten year mandatory program). Several set-asides remain within the block grant program including Regional Connections, Supportive Services, Section 107 and Grants to Indian tribes.

The HOPE VI, Public and Indian Housing Operating Fund, and the Public Housing Capital Fund retain their current form. In total, the budget will provide almost 140,000 new or replacement subsidies and would provide for the renewal of all expiring units. The Housing Certificate Fund and the homeless and elderly/disabled programs account for approximately 90,000 new or replacement subsidies. Also, an Administrative Fee Bonus program is proposed as part of the President's Housing Mobility Initiative.

In addition, a new separate account is proposed for 50,000 new Welfare-to-Work vouchers as a part of the President's Welfare-to-Work Initiative.

FHA and GNMA programs are retained, although the FHA guarantee limitation is proposed to be increased to the con-

forming limit, and separate funding within the program account for contractual support is requested to conform with credit reform rules.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING CERTIFICATE FUND (INCLUDING TRANSFERS OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, [\$9,373,000,000] \$8,981,187,705, to remain available until expended: *Provided*, That of the total amount provided under this heading, [\$8,180,000,000] \$7,190,645,675 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, [for enhanced vouchers as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204),] and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: *Provided further*, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year [1998] 1999: *Provided further*, That of the total amount provided under this heading, [\$850,000,000] \$1,337,000,000 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: *Provided further*, That of the total amount provided under this heading, [\$343,000,000] shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: *Provided further*, That of the total amount made available in the preceding proviso, \$40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: *Provided further*, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: *Provided further*, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled fami-

General and special funds—Continued

HOUSING CERTIFICATE FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

lies:] \$433,542,030 shall be for section 8 rental assistance under the United States Housing Act of 1937, including relocation assistance, for residents of properties that are owned by the Secretary and are being disposed of, or that are discontinuing section 8 project-based assistance, and for enhanced vouchers as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104-204), for families eligible for assistance under such Act: Provided further that of the total amount provided under this head, \$20,000,000 shall be for Regional Opportunity Counseling: Provided further, That all balances, as of September 30, [1997] 1998, remaining in the ["Annual Contributions for Assisted Housing" account and the] "Prevention of Resident Displacement" account [for use in connection with expiring or terminating section 8 subsidy contracts and for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended,] shall be transferred to and merged with the amounts provided for those purposes under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0319-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Contract renewals	756	11,215	7,191
00.02 Section 8 amendments	401	1,228	1,337
00.03 Relocation & other	30	661	393
00.04 Preservation amendments	17	8	.....
00.05 Incremental rental assistance .....	.....	.....	60
10.00 Total obligations (object class 41.0)	1,204	13,112	8,981
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40 Uninvested .....	.....	2,306	.....
21.40 Uninvested .....	.....	1,180	.....
21.99 Total unobligated balance, start of year .....	.....	3,486	.....
22.00 New budget authority (gross)	4,690	9,373	8,981
22.22 Unobligated balance transferred from other accounts .....	.....	253	.....
23.90 Total budgetary resources available for obligation	4,690	13,112	8,981
23.95 New obligations	-1,204	-13,112	-8,981
Unobligated balance available, end of year:			
Uninvested:			
24.40 Uninvested	2,306	.....	.....
24.40 Uninvested	1,180	.....	.....
24.99 Total unobligated balance, end of year	3,486	.....	.....
New budget authority (gross), detail:			
40.00 Appropriation	4,640	9,373	8,981
42.00 Transferred from other accounts	50	.....	.....
43.00 Appropriation (total)	4,690	9,373	8,981
70.00 Total new budget authority (gross)	4,690	9,373	8,981
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested .....	.....	1,011	15,219
73.10 New obligations	1,204	13,112	8,981
73.20 Total outlays (gross)	-193	-4,780	-6,394
73.32 Obligated balance transferred from other accounts .....	.....	5,876	.....
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,011	15,219	17,806
Outlays (gross), detail:			
86.90 Outlays from new current authority	193	478	898
86.93 Outlays from current balances .....	.....	4,302	5,496
87.00 Total outlays (gross)	193	4,780	6,394
Net budget authority and outlays:			
89.00 Budget authority	4,690	9,373	8,981

90.00 Outlays 193 4,780 6,394

The funds requested will support the following activities for 1999:

1. *Contract Renewals.* Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering certificates, vouchers, and moderate rehabilitation (renewed as certificates or vouchers), Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation. In 1999, \$7.2 billion is requested to support 2 million units.

2. *Section 8 Amendments.* The need for amendment funding results from insufficient funding being provided for long-term contracts funded in the 1970's and 1980's. During those years, the Department provided contracts for terms of up to 40 years. Estimating funding needs over such a long period of time proved to be problematic, and as a result many of these Section 8 contracts were inadequately funded. The current practice of providing contracts for 1-year terms helps to ensure that the problem of inadequately funded contracts is not repeated. However, older long-term contracts must still be provided additional funding to maintain the current inventory of assisted rental housing. For 1999, \$1,800 million is proposed for Section 8 Amendment contracts. This is partially offset by \$463 million in recaptures, resulting in a net requirement of \$1,337 million in budget authority in 1999.

3. *Incremental Rental Assistance.* For 1999, the Department is requesting \$60 million in budget authority to support a total of 10,655 incremental certificates and vouchers. A portion of this assistance may be used for family unification, witness relocation, settlement of litigation, section 23 conversions, and for families exercising portability.

Public and Indian Housing

Regional Opportunity Counseling. The Department is committed to increasing the housing opportunities available to low-income families. The Budget request includes \$20 million to pay for special counseling conducted by public housing agencies in partnership with local non-profit agencies to expand housing opportunities and deconcentrate the number of families living in high poverty neighborhoods.

Some of the results the Department expects to receive by providing intense regional opportunity counseling include: (1) expanding landlord participation in the Section 8 program and increases in the number and diversity of neighborhoods in which Section 8 recipients locate; (2) assisting and encouraging Section 8 families to move to low poverty neighborhoods that offer high quality housing, education, and employment opportunities; (3) addressing existing barriers to mobility and choice in the Section 8 program, including administrative barriers to portability; (4) promoting greater cooperation and joint problem-solving among Section 8 programs operating in a metropolitan housing market; and, (5) creating or strengthening institutions that administer the Section 8 program on a regional basis, including the provision of regional mobility counseling.

Family Self-Sufficiency (FSS) Coordinators. In 1990, the National Affordable Housing Act established the Family Self-Sufficiency Program. In establishing the program, Congress mandated that any housing agency that received any funding for rental vouchers and certificates in 1993 and subsequent would be required to establish a self-sufficiency program equal to the number of rental vouchers or certificates received.

Since that time Congress has appropriated funds to support approximately one service coordinator in approximately 375 Public Housing Authorities over a 3-year period. The PHAs that receive the special funding for FSS service coordinators were the smallest agencies that administered less than 1,000 rental vouchers and certificates.

The Department is committed to administering the FSS program for families receiving assistance under the rental voucher and certificate programs. The request for this account includes \$24 million to allow the smallest housing agencies to hire FSS coordinators. Under the FSS program, families will receive job training and employment that should lead to a decrease in their dependency on welfare programs and move them toward economic self-sufficiency.

Housing

Tenant Protection Set-Asides. The Housing Certificate Fund also serves a role in supporting families in FHA-insured, privately owned assisted housing projects affected by changes in project status. It is intended that income-eligible families who, through no fault of their own, are affected by HUD's management of the multifamily inventory be aided through the Housing Certificate Fund.

The \$373 million requested for 1999 Housing tenant protections will be used to provide funding for an estimated 17,000 preservation prepayment vouchers, and for 15,000 vouchers for residents in properties which are proposed for disposition from the assisted housing inventory, voluntarily terminating project-based assistance, terminations due to HUD housing quality enforcement actions, or which are undergoing portfolio re-engineering.

Of this amount, \$130 million is included for Housing tenant protections to accommodate the more aggressive enforcement activities of the Department, including the cost of relocating affected families, and to address the potential need to modify current assistance payment standards and eligibility to avoid undue hardship or displacement of currently assisted families.

WELFARE TO WORK HOUSING VOUCHERS

For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, \$283,000,000, to be administered by public housing agencies (including Indian housing authorities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: Provided, That families initially selected to receive assistance under this head (a) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding year, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (b) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (c) shall not already be receiving tenant-based assistance: Provided further, That each application shall (a) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (b) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (c) specify the criteria for selecting among eligible families to receive housing assistance under this head; (d) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (e) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a demonstration of how approval of the waivers would substantially further the objective of this head; (f) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the applica-

tion, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (g) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: Provided further, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this head on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment, and other appropriate criteria established by the Secretary: Provided further, That the Secretary may waive any administrative requirement or any provision of the United States Housing Act of 1937 if the Secretary determines that the waiver would substantially further the objective of the assistance under this head, and in the event of any waiver, may make provision for alternative conditions or terms where appropriate: Provided further, That the Secretary may use up to one percent of the amount available under this head, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this head.

Program and Financing (in millions of dollars)				
Identification code 86-0321-0-1-604		1997 actual	1998 est.	1999 est.
Obligations by program activity:				
00.01	Welfare-to-work housing assistance			283
10.00	Total obligations (object class 41.0)			283
Budgetary resources available for obligation:				
22.00	New budget authority (gross)			283
23.95	New obligations			-283
New budget authority (gross), detail:				
40.00	Appropriation			283
Change in unpaid obligations:				
73.10	New obligations			283
73.20	Total outlays (gross)			-27
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested			256
Outlays (gross), detail:				
86.90	Outlays from new current authority			27
Net budget authority and outlays:				
89.00	Budget authority			283
90.00	Outlays			27

These funds would provide 50,000 housing vouchers to be used to help families make the transition from welfare to work. Lack of affordable, stable housing, or housing located close to employment, impedes the efforts of families moving from welfare to work. These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency.

The additional vouchers will be available on a competitive basis to the local housing agencies, including Indian housing authorities. Local housing agencies will submit an application plan, developed in consultation with the State, local, or Tribal welfare agency and the local Welfare-To-Work formula funds grantee (generally the local Private Industry Council), allowing both state and local participation in the effort. The vouchers will be used where they are essential to a successful transition from welfare to work, that is, where housing assistance is critical for a family to achieve or maintain employment. For example, a family could use a welfare-to-work housing voucher to move to an area where there are more job opportunities, to reduce an extremely long commute, or to stabilize its housing situation in order to improve attendance and performance at work.

Families who receive the vouchers must initially be eligible for, or be currently receiving, Temporary Assistance for Needy

General and special funds—Continued

WELFARE TO WORK HOUSING VOUCHERS—Continued

Families (TANF) or have received TANF within the past year. However, local agencies will have great flexibility to design and operate the welfare-to-work voucher program within broad national guidelines. For example, the agencies would propose whether to focus on particular groups of welfare recipients and how to structure the assistance to meet local needs. The application would request any waivers of administrative provisions or statutory provisions of the United States Housing Act of 1937 that are needed to substantially further the objectives of the program. The Department of Housing and Urban Development (HUD) will review and select the local plans after consultation with the Department of Health and Human Services and the Department of Labor. HUD will evaluate the impact of this program.

SECTION 8 RESERVE PRESERVATION ACCOUNT

The amounts recaptured during fiscal year [1998] 1999 that were heretofore made available to public housing agencies for tenant-based assistance under the section 8 existing housing certificate and housing voucher programs from the Annual Contributions for Assisted Housing account shall be collected in the account under this heading, for use as provided for under this heading, as set forth under the Annual Contributions for Assisted Housing heading in chapter 11 of Public Law 105-18, approved June 12, 1997. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0316-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Contract Renewals		700	3,652
10.00 Total obligations (object class 41.0)		700	3,652
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40 Unobligated balance available, start of year: Uninvested		4,202	3,652
22.00 New budget authority (gross)		-550	
22.22 Unobligated balance transferred from other accounts	4,202	700	
23.90 Total budgetary resources available for obligation	4,202	4,352	3,652
23.95 New obligations		-700	-3,652
24.40 Unobligated balance available, end of year: Uninvested	4,202	3,652	
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded		-550	
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
Uninvested			
73.10 New obligations		700	3,652
73.20 Total outlays (gross)		-350	-2,176
Unpaid obligations, end of year: Obligated balance:			
Uninvested			
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested		350	1,826
Outlays (gross), detail:			
86.93 Outlays from current balances		350	2,176
Net budget authority and outlays:			
89.00 Budget authority		-550	
90.00 Outlays		350	2,176

The Section 8 Reserve Preservation Account was authorized by P.L. 105-17. This account contains funds which were recaptured from project reserve accounts maintained by Housing Authorities nationwide. These funds will be used to renew expiring contracts during 1999 to reduce the requirements for new contract renewal funding in the Housing Certificate Fund.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

[(INCLUDING RESCISSION AND TRANSFER OF FUNDS)]

[Notwithstanding any other provision of law, of the amounts recaptured under this heading during fiscal year 1998 and prior years, \$550,000,000, heretofore maintained as section 8 reserves made available to housing agencies for tenant-based assistance under the section 8 existing housing certificate and housing voucher programs, are rescinded.]

[All balances outstanding as of September 30, 1997, in the Preserving Existing Housing Investment Account for the Preservation program shall be transferred to and merged with the amounts previously provided for those purposes under this heading.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0164-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Lower income housing	879	4,407	
00.02 Public and Indian housing	1,327		
00.03 Elderly/disabled grants	1,340		
00.04 Other programs	53		
00.05 Contract renewals	1,463		
10.00 Total obligations (object class 41.0)	5,062	4,407	
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40 Uninvested	1,981	495	
21.40 Uninvested	8,029	4,090	
21.49 Contract authority	89	73	
21.99 Total unobligated balance, start of year	10,099	4,658	
22.00 New budget authority (gross)	-3,725		
22.10 Resources available from recoveries of prior year obligations	7,780	700	
22.21 Unobligated balance transferred to other accounts	-4,245	-968	
22.22 Unobligated balance transferred from other accounts		17	
22.75 Balance of contract authority withdrawn	-190		
23.90 Total budgetary resources available for obligation	9,719	4,407	
23.95 New obligations	-5,062	-4,407	
Unobligated balance available, end of year:			
Uninvested:			
24.40 Uninvested	495		
24.40 Uninvested	4,090		
24.49 Contract authority	73		
24.99 Total unobligated balance, end of year	4,658		
New budget authority (gross), detail:			
Current:			
40.36 Unobligated balance rescinded	-3,650		
41.00 Transferred to other accounts	-75		
43.00 Appropriation (total)	-3,725		
Permanent:			
60.05 Appropriation (indefinite)	595	10,706	7,552
60.49 Portion applied to liquidate contract authority	-595	-10,706	-7,552
63.00 Appropriation (total)			
70.00 Total new budget authority (gross)	-3,725		
Change in unpaid obligations:			
Unpaid obligations, start of year:			
Obligated balance:			
Uninvested:			
72.40 Uninvested	52,400	29,723	-700
72.49 Contract authority	56,034	55,249	59,591
72.99 Total unpaid obligations, start of year	108,434	84,972	58,891
73.10 New obligations	5,062	4,407	
73.20 Total outlays (gross)	-20,375	-10,869	-7,552
73.31 Obligated balance transferred to other accounts	-368	-19,070	
73.32 Obligated balance transferred from other accounts		150	
73.45 Adjustments in unexpired accounts	-7,780	-700	
Unpaid obligations, end of year:			
Obligated balance:			
Uninvested:			
74.40 Uninvested	29,723	-700	-700
74.49 Contract authority	55,249	59,591	52,039
74.99 Total unpaid obligations, end of year	84,972	58,891	51,339

Outlays (gross), detail:				
86.93	Outlays from current balances	20,375	10,869	7,552
Net budget authority and outlays:				
89.00	Budget authority	-3,725		
90.00	Outlays	20,375	10,869	7,552

Status of Contract Authority (in millions of dollars)

Identification code 86-0164-0-1-604	1997 actual	1998 est.	1999 est.
0100 Balance, start of year	56,123	55,322	59,591
0400 Appropriation to liquidate contract authority	-595	-10,706	-7,552
0600 Balance of contract authority withdrawn	-190		
0700 Balance, end of year	55,322	59,591	52,039

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

Low-income housing (section 8).—Included within the section 8 category was 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 this 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 and Family Investment Centers.

This 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.

The account now displays the spendout of all remaining balances. Pursuant to P.L. 105-65: (1) all balances for Public Housing Development, Modernization, Family Investment Centers, Public Housing Amendments, and Leave Adjustments were transferred to the Public Housing Capital Fund; (2) all balances for Section 8 Amendments and Contract Renewals were transferred to the Housing Certificate Fund; (3) all balances for the Supportive Housing for the Elderly and Supportive Housing for the Disabled were transferred to the Housing for Special Populations account; and, (4) all balances for Indian Housing were transferred to the Indian Housing Block Grants account. The \$550 million rescission of recaptured 1998 and prior years section 8 reserves, enacted in the fiscal year 1998 Appropriations Act, can be found under the Section 8 Reserve Preservation Account.

PRESERVING EXISTING-HOUSING INVESTMENT

Program and Financing (in millions of dollars)

Identification code 86-0312-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Modernization	1,186		
00.02 Preservation	336		
00.03 Operating Subsidies	2,786		
09.01 Operating Subsidies	4		
10.00 Total obligations	4,312		

Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year:			
	Uninvested		1,445	
22.00	New budget authority (gross)	5,757		
22.21	Unobligated balance transferred to other accounts		-1,445	
23.90	Total budgetary resources available for obligation	5,757		
23.95	New obligations	-4,312		
24.40	Unobligated balance available, end of year:			
	Uninvested		1,445	

New budget authority (gross), detail:

Current:				
40.00	Appropriation	5,753		
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)		4	
70.00	Total new budget authority (gross)	5,757		

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested		2,825	
73.10	New obligations	4,312		
73.20	Total outlays (gross)	-1,487		
73.31	Obligated balance transferred to other accounts		-2,825	
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested		2,825	

Outlays (gross), detail:

86.90	Outlays from new current authority	1,483		
86.97	Outlays from new permanent authority	4		
87.00	Total outlays (gross)	1,487		

Offsets:

Against gross budget authority and outlays:				
88.45	Offsetting collections (cash) from: Offsetting governmental collections		-4	

Net budget authority and outlays:

89.00	Budget authority	5,753		
90.00	Outlays	1,483		

Object Classification (in millions of dollars)

Identification code 86-0312-0-1-604	1997 actual	1998 est.	1999 est.
41.0	Direct obligations: Grants, subsidies, and contributions	4,308	
99.0	Reimbursable obligations: Subtotal, reimbursable obligations	4	
99.9	Total obligations	4,312	

This account includes funding provided in 1997 for preservation, modernization, public housing development, Indian housing development, and public housing operating subsidies. Pursuant to P.L. 103-65: (1) all balances for preservation were transferred to the Annual Contributions for Assisted Housing account; (2) all balances for modernization and public housing development were transferred to the Public Housing Capital Fund; (3) all balances for Indian housing development were transferred to the Indian Housing Block Grants; and, (4) all balances for operating subsidies were transferred to the Public Housing Operating Fund.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), [S2,500,000,000] \$2,550,000,000, to remain available until expended: *Provided*, That of the total amount, [S30,000,000] up to \$100,000,000 shall be for carrying out activities under section 6(j) of such Act and 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 housing

General and special funds—Continued

PUBLIC HOUSING CAPITAL FUND—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

(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 housing [program] programs and for lease adjustments to section 23 projects: [Provided further, That of the amount available under this heading, up to \$5,000,000 shall be for the Tenant Opportunity Program:] *Provided further, That all balances, as of September 30, [1997] 1998, of funds heretofore provided [(other than for Indian families) for the development or acquisition costs of public housing, for modernization of existing public housing projects, for public housing amendments, for public housing modernization and development technical assistance, for lease adjustments under the section 23 program, and for the Family Investment Centers program,] for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)*

Program and Financing (in millions of dollars)

Identification code 86-0304-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program		3,782	2,550
10.00 Total obligations (object class 41.0)		3,782	2,550
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		2,500	2,550
22.22 Unobligated balance transferred from other accounts		1,282	
23.90 Total budgetary resources available for obligation		3,782	2,550
23.95 New obligations		-3,782	-2,550
New budget authority (gross), detail:			
40.00 Appropriation		2,500	2,550
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested			7,270
73.10 New obligations		3,782	2,550
73.20 Total outlays (gross)		-3,810	-3,509
73.32 Obligated balance transferred from other accounts		7,299	
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested			7,270
			6,311
Outlays (gross), detail:			
86.93 Outlays from current balances		3,810	3,511
Net budget authority and outlays:			
89.00 Budget authority		2,500	2,550
90.00 Outlays		3,810	3,509

The Public Housing Capital Fund, which is a comprehensive formula-driven program based on need, is designed to respond to the capital and management improvement requirements of public housing. The fund consolidates the following programs: public housing modernization; public housing development; Major Reconstruction of Obsolete Public Housing (MROP) Projects; public housing amendments; lease adjustments; and Family Investment Centers.

The 1999 Budget proposes to transfer all balances reflected in the Annual Contributions for Assisted Housing account for the Public Housing Service Coordinators program to the Public Housing Capital Fund.

Pursuant to P.L. 105-65, all balances for modernization and public housing development previously funded under the Annual Contributions for Assisted Housing and Preserving Existing Housing Investment accounts were transferred to the Public Housing Capital Fund.

PUBLIC HOUSING OPERATING FUND

[(INCLUDING TRANSFERS OF FUNDS)]

For payments to public housing agencies 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] \$2,818,000,000, to remain available until expended[: *Provided, That all balances outstanding, as of September 30, 1997, of funds heretofore provided (other than for Indian families) for payments to public housing agencies for operating subsidies for low-income housing projects, shall be transferred to and merged with amounts made available under this heading. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)*]

Program and Financing (in millions of dollars)

Identification code 86-0163-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Operating subsidies		2,901	2,931
10.00 Total obligations (object class 41.0)		2,901	2,931
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested			113
22.00 New budget authority (gross)		2,900	2,818
22.22 Unobligated balance transferred from other accounts		114	
23.90 Total budgetary resources available for obligation		3,014	2,931
23.95 New obligations		-2,901	-2,931
24.40 Unobligated balance available, end of year: Uninvested			113
New budget authority (gross), detail:			
40.00 Appropriation		2,900	2,818
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	1,606	74	1,395
73.10 New obligations		2,901	2,931
73.20 Total outlays (gross)	-1,529	-3,090	-2,861
73.32 Obligated balance transferred from other accounts		1,510	
73.40 Adjustments in expired accounts	-3		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	74	1,395	1,465
Outlays (gross), detail:			
86.90 Outlays from new current authority		1,392	1,353
86.93 Outlays from current balances	1,529	1,698	1,508
87.00 Total outlays (gross)	1,529	3,090	2,861
Net budget authority and outlays:			
89.00 Budget authority		2,900	2,818
90.00 Outlays	1,529	3,090	2,861

Operating subsidies are provided to public housing authorities (PHAs) to assist in funding the operation and maintenance expenses of public housing units in accordance with Section 9 of the United States Housing Act of 1937, as amended. Annual subsidy requirements are calculated on the basis of the Performance Funding System (PFS) formula. It is anticipated that sufficient funds will be available to provide 100 percent of PFS requirements in 1999.

Pursuant to P.L. 105-65, all balances of operating subsidy funding that were provided under the Preserving Existing Housing Investment account in 1997 were transferred to this account.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

[(INCLUDING TRANSFER OF FUNDS)]

For grants to public housing agencies and tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901-11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921-

11925, \$310,000,000, to remain available until expended, of which \$10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training); \$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; \$10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and \$20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug-related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: *Provided*, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: *Provided further*, 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: *Provided further*, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)			
Identification code 86-0197-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	78	591	310
10.00 Total obligations (object class 41.0)	78	591	310
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	68	281	
22.00 New budget authority (gross)	290	310	310
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	359	591	310
23.95 New obligations	-78	-591	-310
24.40 Unobligated balance available, end of year:			
Uninvested	281		
New budget authority (gross), detail:			
40.00 Appropriation	290	310	310
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	516	302	605
73.10 New obligations	78	591	310
73.20 Total outlays (gross)	-291	-288	-273
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	302	605	642
Outlays (gross), detail:			
86.93 Outlays from current balances	291	288	273
Net budget authority and outlays:			
89.00 Budget authority	290	310	310
90.00 Outlays	291	288	273

The \$310 million requested for this program in 1999 includes funding for technical assistance for drug elimination, operation safe home activities and the new approach anti-drug program.

The Public Housing Drug Elimination Grants program has been authorized since 1988, and provides funds to Public

Housing Authorities (PHAs) and Tribally Designated Housing Entities (TDHEs) for their anti-drug, anti-crime efforts. To combat the concentration of crime in and around public housing, staff and residents use these resources to increase police coverage and security as well as to provide alternative activities to residents. Eligible activities include reimbursing local law enforcement for additional services, security contracts, investigators, and training residents for volunteer resident programs. Recent appropriation acts have expanded the definition of crime beyond drug-related patrols, physical changes to enhance security, drug prevention, and intervention and treatment; thus allowing housing authorities greater scope in targeting crime and developing successful alternatives.

Of the \$310 million requested in 1999, \$243.8 million will be targeted to PHA and TDHE grants and clearinghouse information services. In addition, \$50 million will be available to HUD for: (1) technical assistance, training, and information dissemination; (2) Operation Safe Home; and, (3) the New Approach Anti-Drug program. An additional \$16.2 million is estimated to be available for other Federally assisted low-income housing grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

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 displaced by the demolition, \$550,000,000, to remain available until expended, of which the Secretary may use up to \$10,000,000 for technical assistance and contract expertise, 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: *Provided*, That [of the amount made available under this heading, \$26,000,000 shall be made available, including up to \$10,000,000 for Heritage House in Kansas City, Missouri, for the demolition of obsolete elderly public housing projects and the replacement, where appropriate, and revitalization of the elderly public housing as new communities for the elderly designed to meet the special needs and physical requirements of the elderly: *Provided further*, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, and 1997, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996] *for purposes of environmental review pursuant to the National Environment Policy Act of 1969, a grant under this head or under prior appropriations Acts for this head shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: Provided further*, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)			
Identification code 86-0218-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	391	604	550
10.00 Total obligations (object class 41.0)	391	604	550
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	539	698	644
22.00 New budget authority (gross)	550	550	550

General and special funds—Continued

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0218-0-1-604	1997 actual	1998 est.	1999 est.
23.90 Total budgetary resources available for obligation	1,089	1,248	1,194
23.95 New obligations	-391	-604	-550
24.40 Unobligated balance available, end of year:			
Uninvested	698	644	644
New budget authority (gross), detail:			
40.00 Appropriation	550	550	550
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	1,377	1,563	1,761
73.10 New obligations	391	604	550
73.20 Total outlays (gross)	-205	-405	-524
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,563	1,761	1,787
Outlays (gross), detail:			
86.93 Outlays from current balances	205	405	524
Net budget authority and outlays:			
89.00 Budget authority	550	550	550
90.00 Outlays	205	405	524

This program utilizes 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. The funds may also be used for project demolition, hard replacement units, as well as tenant-based rental assistance.

[NATIVE AMERICAN] INDIAN HOUSING BLOCK GRANTS

[(INCLUDING TRANSFER OF FUNDS)]

For the [Native American] Indian Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104-330), \$600,000,000, to remain available until expended, of which [\$5,000,000] up to \$6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to [\$200,000] \$300,000 for related travel: *Provided*, That of the amount provided under this heading, \$5,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: *Provided further*, That such costs, including the costs of modifying such notes and other obligations, 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 the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$217,000,000: *Provided further*, That the funds made available in the first proviso are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas: *Provided further*, That all balances outstanding as of September 30, 1997, previously appropriated under the headings "Annual Contributions for Assisted Housing", "Development of Additional New Subsidized Housing", "Preserving Existing Housing Investment", "HOME Investment Partnerships Program", "Emergency Shelter Grants Program", and "Homeless Assistance Funds", identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas, shall be transferred to and merged with amounts made available under this heading]. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0313-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Indian Housing Block Grants		703	600
00.02 Title VI Indian Federal Guarantees		4	
10.00 Total obligations (object class 41.0)		707	600
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		600	600
22.21 Unobligated balance transferred to other accounts		-1	
22.22 Unobligated balance transferred from other accounts		108	
23.90 Total budgetary resources available for obligation		707	600
23.95 New obligations		-707	-600
New budget authority (gross), detail:			
40.00 Appropriation		600	600
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			2,400
73.10 New obligations		707	600
73.20 Total outlays (gross)		-81	-240
73.31 Obligated balance transferred to other accounts		-3	
73.32 Obligated balance transferred from other accounts		1,777	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		2,400	2,760
Outlays (gross), detail:			
86.90 Outlays from new current authority		71	70
86.93 Outlays from current balances		10	170
87.00 Total outlays (gross)		81	240
Net budget authority and outlays:			
89.00 Budget authority		600	600
90.00 Outlays		81	240

Title I of the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330) authorized the Native American Housing Block Grants program. This program provides an allocation of funds on a formula basis to Indian tribes and their tribally designated housing entities to help them address housing needs within their communities. Indian tribes 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 Indian housing plan.

Pursuant to P.L. 105-65, all balances previously appropriated under Annual Contributions for Assisted Housing, Development of Additional New Subsidized Housing, Preserving Existing Housing Investment, HOME Investment Partnerships Program, Emergency Shelter Grants Program, and Homeless Assistance Funds identified for Indian Housing Authorities and other agencies primarily serving Indians or Indian areas were transferred to this account.

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	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Capital investment: Loans to public housing agencies and Indian housing authorities	82	60	50
10.00 Total obligations (object class 33.0)	82	60	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	13	3	3
22.00 New budget authority (gross)	152	130	121
22.60 Redemption of debt	-80	-70	-71

23.90	Total budgetary resources available for obligation	85	63	53
23.95	New obligations	-82	-60	-50
24.40	Unobligated balance available, end of year:			
	Uninvested	3	3	3

New budget authority (gross), detail:				
67.15	Authority to borrow (indefinite)	85	60	50
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	67	70	71
70.00	Total new budget authority (gross)	152	130	121

Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	1,176	1,068	964
73.10	New obligations	82	60	50
73.20	Total outlays (gross)	-189	-164	-149
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	1,068	964	865

Outlays (gross), detail:				
86.97	Outlays from new permanent authority	67	60	50
86.98	Outlays from permanent balances	122	104	99
87.00	Total outlays (gross)	189	164	149

Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-65	-70	-71
88.40	Non-Federal sources	-2		
88.90	Total, offsetting collections (cash)	-67	-70	-71

Net budget authority and outlays:				
89.00	Budget authority	85	60	50
90.00	Outlays	122	94	78

Status of Direct Loans (in millions of dollars)

Identification code 86-4098-0-3-604				
		1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	1,627	1,562	1,492
1251	Repayments: Repayments and prepayments	-65	-70	-71
1290	Outstanding, end of year	1,562	1,492	1,421

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4098-0-3-604				
		1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	3,861	3,586	3,306
2251	Repayments and prepayments	-275	-280	-280
2290	Outstanding, end of year	3,586	3,306	3,026
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	3,586	3,306	3,026

The Low-Rent Public Housing Loan Fund provides 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 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, \$85 million of borrowings from the Treasury were forgiven in 1997, an estimated \$60 million will be borrowed from the Treasury and forgiven in 1998, and an estimated \$50 million will be borrowed from the Treasury and forgiven in 1999.

Since 1987, new reservations of capital funds for construction, acquisition, and modernization activities have been provided directly from the Annual Contributions and Public Housing Capital Fund appropriations.

Operating results.—The actual and estimated net operating income for 1996, 1997, 1998, and 1999 follows:

Statement of Operations (in millions of dollars)

Identification code 86-4098-0-3-604					
		1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue	112	108	104	100
0102	Expense	-127	-99	-95	-91
0109	Net income or loss (-)	-15	9	9	9

Balance Sheet (in millions of dollars)

Identification code 86-4098-0-3-604					
		1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	1,189	1,072	968	854
Investments in US securities:					
1106	Receivables, net	1,726	1,656	1,585	1,513
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:					
1601	Direct loans, gross	45	45	35	24
1602	Interest receivable	3	6	3	3
1603	Allowance for estimated uncollectible loans and interest (-)	-12	-13	-12	-12
1604	Direct loans and interest receivable, net	36	38	26	15
1699	Value of assets related to direct loans	36	38	26	15
1999	Total assets	2,951	2,766	2,579	2,382
LIABILITIES:					
Federal liabilities:					
2102	Interest payable	198	189	181	173
2104	Resources payable to Treasury	1,627	1,561	1,491	1,420
2207	Non-Federal liabilities: Other	1	1	1	1
2999	Total liabilities	1,826	1,751	1,673	1,594
NET POSITION:					
3100	Appropriated capital	1,076	972	866	757
3300	Cumulative results of operations	49	43	40	31
3999	Total net position	1,125	1,015	906	788
4999	Total liabilities and net position	2,951	2,766	2,579	2,382

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), **[\$5,000,000] \$6,000,000**, to remain available until expended: *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 **[\$73,800,000] \$68,881,000**.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0223-0-1-371				
		1997 actual	1998 est.	1999 est.
Obligations by program activity:				
00.01	Direct program	4	5	6
10.00	Total obligations (object class 41.0)	4	5	6
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	4	5	6
23.95	New obligations	-4	-5	-6
24.40	Unobligated balance available, end of year:			
	Uninvested	1		

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0223-0-1-371	1997 actual	1998 est.	1999 est.
New budget authority (gross), detail:			
40.00 Appropriation	3	5	6
50.00 Reappropriation	1		
70.00 Total new budget authority (gross)	4	5	6
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	5	6	8
73.10 New obligations	4	5	6
73.20 Total outlays (gross)	-1	-3	-3
73.40 Adjustments in expired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	6	8	11
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
86.93 Outlays from current balances		2	3
87.00 Total outlays (gross)	1	3	3
Net budget authority and outlays:			
89.00 Budget authority	4	5	6
90.00 Outlays	1	3	3

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

Identification code 86-0223-0-1-371	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	47	62	69
2159 Total loan guarantee levels	47	62	69
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	8.13	8.13	8.13
2329 Weighted average subsidy rate	8.13	8.13	8.13
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	4	5	6
2339 Total subsidy budget authority	4	5	6
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	1	3	3
2349 Total subsidy outlays	1	3	3

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 beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value basis. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing for Indian families, Indian tribes and their tribally designated housing entities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land.

It is anticipated that the funding requested for 1999 will support 420 loans.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4104-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	2	5

22.00 New financing authority (gross)	1	3	3
23.90 Total budgetary resources available for obligation	2	5	8
24.40 Unobligated balance available, end of year:			
Uninvested	2	5	8

New financing authority (gross), detail:

68.00 Spending authority from offsetting collections (gross):			
Federal sources	1	3	3

Offsets:

Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources:			
Payments from program account	-1	-3	-3

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-1	-3	-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4104-0-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	53	62	69
2112 Uncommitted loan guarantee limitation	-6		
2150 Total guaranteed loan commitments	47	62	69
2199 Guaranteed amount of guaranteed loan commitments	47	62	69
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	6	17	37
2231 Disbursements of new guaranteed loans	11	20	34
2290 Outstanding, end of year	17	37	71
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	17	37	71

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 1992 and beyond (including modifications of loan guarantees that resulted from obligations in any year). The amounts in this account are a means of financing and not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4104-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2	2	3	4
Investments in US securities:				
1106 Receivables, net	1			
1999 Total assets	3	2	3	4
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees	1	2	3	3
2999 Total liabilities	1	2	3	3
NET POSITION:				
3100 Appropriated capital	2			
3999 Total net position	2			
4999 Total liabilities and net position	3	2	3	3

**TITLE VI INDIAN FEDERAL GUARANTEES PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

For the cost of guaranteed loans, \$5,000,000, to remain available until expended, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: 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 \$43,636,000. In addition, for administrative expenses to carry out the guaranteed loan program, up to \$200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees; Provided further, That all balances, as of September 30, 1998, of funds previously provided for the cost of guaranteed notes and other obligations under the heading, "Indian Housing Block Grants," shall be transferred to and merged with amounts made available under this heading.

Program and Financing (in millions of dollars)			
Identification code 86-0322-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Title VI Indian Federal loan guarantees			6
10.00 Total obligations (object class 41.0)			6
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			1
22.00 New budget authority (gross)			5
22.22 Unobligated balance transferred from other accounts		1	
23.90 Total budgetary resources available for obligation		1	6
23.95 New obligations			-6
24.40 Unobligated balance available, end of year:			
Uninvested		1	
New budget authority (gross), detail:			
40.00 Appropriation			5
Change in unpaid obligations:			
73.10 New obligations			6
73.20 Total outlays (gross)			-1
73.32 Obligated balance transferred from other accounts		3	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		3	5
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			5
90.00 Outlays			1
Summary of Loan Levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
Identification code 86-0322-0-1-604	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels			44
2159 Total loan guarantee levels			44
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			11.00
2329 Weighted average subsidy rate			11.00
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority			5
2339 Total subsidy budget authority			5
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			1
2349 Total subsidy outlays			1

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 1998 and beyond (including modifications of guarantees that resulted from obligations in any year), 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.

Title VI of the Native American Housing Assistance and Self-Determination Act of 1996 (P.L. 104-330) authorized the Federal Guarantees for Financing for Tribal Housing Activities. This program provides for the guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purposes of financing affordable housing activities described in section 202 of the Act. In 1998, \$5,000,000 was set aside for this program under the Indian Housing Block Grants appropriation. The 1999 budget proposes a separate appropriation for this program.

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)			
Identification code 86-4244-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			4
22.00 New financing authority (gross)		4	5
23.90 Total budgetary resources available for obligation		4	9
24.40 Unobligated balance available, end of year:			
Uninvested		4	9
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)		4	5
Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-4	-5
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-4	-5
Status of Guaranteed Loans (in millions of dollars)			
Identification code 86-4244-0-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders		45	44
2112 Uncommitted loan guarantee limitation			
2150 Total guaranteed loan commitments		45	44
2199 Guaranteed amount of guaranteed loan commitments		45	44
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			11
2231 Disbursements of new guaranteed loans		11	11
2290 Outstanding, end of year		11	22
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		11	22

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 beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4244-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury			4	5

Credit accounts—Continued

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4244-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
Investments in US securities:				
1106 Receivables, net				
1999 Total assets			4	5
LIABILITIES:				
2204 Non-Federal liabilities: Liabilities for loan guarantees				
2999 Total liabilities				
NET POSITION:				
3100 Appropriated capital			4	5
3999 Total net position			4	5
4999 Total liabilities and net position			4	5

Outlays (gross), detail:				
86.90	Outlays from new current authority	4	4	5
86.93	Outlays from current balances	126	164	171
87.00	Total outlays (gross)	130	168	176
Net budget authority and outlays:				
89.00	Budget authority	196	204	225
90.00	Outlays	130	168	176

The Housing Opportunities for Persons with AIDS program was established as a separate account in 1997. All of the balances from prior appropriations for this program have been transferred to and merged with this account, and it is now accounted for on an obligational basis. 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 HIV/AIDS and their families.

States and metropolitan areas receive 90 percent of the funds by formula based on the incidence of HIV/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 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), [\$204,000,000] \$225,000,000, to remain available until expended: *Provided, That up to 1 percent of such funds shall be available to the Secretary for technical assistance*: *Provided, That of the amount made available under this heading for non-formula allocation, the Secretary may designate, on a noncompetitive basis, one or more nonprofit organizations that provide meals delivered to homebound persons with acquired immunodeficiency syndrome or a related disease to receive grants, not exceeding \$250,000 for any grant, and the Secretary shall assess the efficacy of providing such assistance to such persons*. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0308-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing for AIDS victims	201	240	225
10.00 Total obligations (object class 41.0)	201	240	225
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested		36	
22.00 New budget authority (gross)	196	204	225
22.22 Unobligated balance transferred from other accounts	41		
23.90 Total budgetary resources available for obligation	237	240	225
23.95 New obligations	-201	-240	-225
24.40 Unobligated balance available, end of year: Uninvested		36	
New budget authority (gross), detail:			
40.00 Appropriation	171	204	225
42.00 Transferred from other accounts	25		
43.00 Appropriation (total)	196	204	225
70.00 Total new budget authority (gross)	196	204	225
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested		439	511
73.10 New obligations	201	240	225
73.20 Total outlays (gross)	-130	-168	-176
73.32 Obligated balance transferred from other accounts	368		
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested		439	511

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

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 "Act" herein) (42 U.S.C. 5301), [\$4,675,000,000] \$4,725,000,000, to remain available until September 30, [2000] 2001: *Provided, That \$67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$2,100,000 shall be available as a grant to the Housing Assistance Council; \$1,500,000 shall be available as a grant to the National American Indian Housing Council; \$32,000,000 \$50,000,000 shall be for grants pursuant to section 107 of such Act; \$7,500,000 shall be for the Community Outreach Partnership program; \$16,700,000 shall be for grants pursuant to section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120)] \$20,000,000 shall be provided to Habitat for Humanity: *Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than [a grant made available under the preceding proviso to the Housing Assistance Council or the National American Indian Housing Council, or] a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.**

[Of the amount made available under this heading, \$15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing", as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103-120), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas.]

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to \$55,000,000 for a public and assisted housing self-sufficiency program, of which [up to \$5,000,000 may be used for the Moving to Work Demonstration, and] at least \$7,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: *Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), 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 (42 U.S.C. 1437f), and other low-income families and individuals: *Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working,**

seeking work, or is preparing for work by participating in job training or educational programs: *Provided further*, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including [academic] *Case management* skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs[,] *such as* transportation, and child care: *Provided further*, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: *Provided further*, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

[Of the amount made available under this heading, notwithstanding any other provision of law, \$35,000,000 shall be available 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. Local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding.]

[Of the amount made available under this heading, \$25,000,000 shall be available for the Secretary, in consultation with the Secretary of Agriculture, to make grants, not to exceed \$4,000,000 each, for rural and tribal areas, including at least one Native American area in Alaska and one rural area in each of the States of Iowa and Missouri, to test comprehensive approaches to developing a job base through economic development, developing affordable low- and moderate-income rental and homeownership housing, and increasing the investment of both private and nonprofit capital.]

[Of the amount made available under this heading, \$138,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including \$100,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the conference report and the joint explanatory statement of the committee of conference accompanying this Act.]

[Of the amount made available under this heading, notwithstanding any other provision of law, \$60,000,000 shall be available for the lead-based paint hazard reduction program as authorized under sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992.]

[Of the amount made available under this heading, \$25,000,000, including \$15,000,000 for the County of San Bernardino, California, shall be used for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.]

Of the amount made available under this heading, \$100,000,000 shall be for Regional Connections, for grants to facilitate existing and new coordinated regional approaches to economic growth, housing, and community development, and to encourage and stimulate the development of coordinated regional strategies that promote economic empowerment of a region's low- and moderate-income residents: Provided, That such grants shall be made to entities eligible under title I of the Housing and Community Development Act of 1974, for activities which may be assisted under section 105 of such Act.

For the cost of guaranteed loans, \$29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: *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, 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 \$1,261,000,000, 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 pro-

gram, \$1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

[Of the \$500,000,000 made available under the heading "Community Development Block Grants Fund" in the 1997 Emergency Supplemental Appropriations Act for Recovery from Natural Disasters, and for Overseas Peacekeeping Efforts, Including Those in Bosnia (Public Law 105-18), not more than \$3,500,000 shall be made available for the non-Federal cost-share for a levee project at Devils Lake, North Dakota: *Provided*, That the Secretary of Housing and Urban Development shall provide the State of North Dakota with a waiver to allow the use of its annual Community Development Block Grant allocation for use in funding the non-Federal cost-share for a levee project at Devils Lake, North Dakota: *Provided further*, That notwithstanding any other provision of law, the Secretary is prohibited from providing waivers, other than those provided herein, for funds in excess of \$100,000 in emergency Community Development Block Grants funds for the non-Federal cost-share of projects funded by the Secretary of the Army through the Corps of Engineers.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)			
Identification code 86-0162-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Community development	4,804	5,701	4,725
10.00 Total obligations (object class 41.0)	4,804	5,701	4,725
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	726	777	
22.00 New budget authority (gross)	4,854	4,924	4,725
22.10 Resources available from recoveries of prior year obligations	2		
22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	5,581	5,701	4,725
23.95 New obligations	-4,804	-5,701	-4,725
24.40 Unobligated balance available, end of year:			
Uninvested	777		
New budget authority (gross), detail:			
40.00 Appropriation	4,600	4,675	4,725
40.15 Appropriation (emergency)	250	250	
40.79 Line item veto cancellation		-1	
42.00 Transferred from other accounts	4		
43.00 Appropriation (total)	4,854	4,924	4,725
70.00 Total new budget authority (gross)	4,854	4,924	4,725
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	8,512	8,793	9,505
73.10 New obligations	4,804	5,701	4,725
73.20 Total outlays (gross)	-4,517	-4,989	-4,959
73.40 Adjustments in expired accounts	-4		
73.45 Adjustments in unexpired accounts	-2		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	8,793	9,505	9,271
Outlays (gross), detail:			
86.90 Outlays from new current authority	194	98	95
86.93 Outlays from current balances	4,323	4,891	4,864
87.00 Total outlays (gross)	4,517	4,989	4,959
Net budget authority and outlays:			
89.00 Budget authority	4,854	4,924	4,725
90.00 Outlays	4,517	4,989	4,959

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. The proposed level of funding for CDBG and the Sec-

General and special funds—Continued

COMMUNITY DEVELOPMENT BLOCK GRANTS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

tion 108 Loan Guarantee Program will support an estimated 276,000 jobs. These funds will also help to rehabilitate 171,100 housing units.

Section 107 Grants include funding for Insular Areas, technical assistance, Historically Black Colleges and Universities, management information systems support, and the Community Development Work Study and Community Outreach Partnership programs.

Habitat for Humanity International would use this funding to undertake innovative homeownership opportunities through the provision of self-help housing, under which a homeowner would contribute a significant amount of sweat equity toward the construction of the new dwelling. These decent, safe and sanitary nonluxury dwellings must be made available to eligible homeowners at prices below prevailing market prices. Eligible activities include land acquisition (including financing and closing costs) and infrastructure improvement (installing, extending, constructing, rehabilitating or otherwise improving utilities and other infrastructure).

The 1999 request includes funding of \$55 million for the Resident Opportunity and Supportive Services (ROSS) program. Formerly called the Economic Development and Supportive Services (EDSS) and Tenant Opportunity Program (TOP) programs, ROSS is intended to fuse the objectives of the two predecessor programs. The program will also address the expanded needs among residents and housing authorities brought upon by welfare reform legislation that sets time limits on how long recipients can receive welfare assistance. Principally for the benefit of public housing residents, ROSS grants are intended to assist the elderly and disabled, and families with children where the head of the household is working, seeking work, or participating in job training or educational programs. Eligible services under ROSS include academic skills training, residential management, microenterprise and small business development and start-ups, and social service support programs.

The Regional Connections initiative will make funds available to States and localities to develop and implement strategic plans that address key regional issues facing the nation's metropolitan areas and rural communities. The initiative will help communities address the significant demographic and economic shifts that are taking place in metropolitan regions by encouraging regional strategies that emphasize coordinated metropolitan economic growth and regional solutions to a range of environmental and social equity issues.

The initiative will enable communities to address one or more of the following topics: regional economic development strategies, that tap the competitive advantage or location efficiency of the inner city; sustainable growth or compact development strategies; regional job training and access to work initiatives; regional affordable housing strategies; or, other regional concerns identified by communities themselves. Proposed outcomes include: strengthened partnerships between city and suburban governments and their private sector partners; enhanced regional coordination of Federal resources and planning requirements; expanded use of HUD's existing Consolidated Planning process; and, increased community capacity to implement more comprehensive, regional solutions to local problems.

Funds for this initiative will be distributed by competition and are intended to: (1) maximize local innovation and creativity; (2) maximize participation by local partners, including multiple jurisdictions and private sector and community stakeholders; and, (3) maximize and enhance coordination with existing planning and regional development efforts. HUD will undertake this initiative in close cooperation with other

Federal agencies and will utilize the expertise of an Advisory Board of distinguished urban planners, economists and regional experts to implement the program.

ECONOMIC DEVELOPMENT INITIATIVE

For grants for the Economic Development Initiative (EDI), as authorized by section 108(q) of the Housing and Community Development Act of 1974, to finance a variety of economic development efforts, \$400,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0173-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Economic development			400
10.00 Total obligations (object class 41.0)			400
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			400
23.95 New obligations			-400
New budget authority (gross), detail:			
40.00 Appropriation			400
Change in unpaid obligations:			
73.10 New obligations			400
73.20 Total outlays (gross)			-8
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			392
Outlays (gross), detail:			
86.90 Outlays from new current authority			8
Net budget authority and outlays:			
89.00 Budget authority			400
90.00 Outlays			8

Funding requested for the Economic Development Initiative (EDI)/Community Empowerment Fund (CEF) will support the financing for a variety of economic development efforts, in tandem with the existing Section 108 guaranteed loan program, to facilitate and encourage use of the Section 108 Program by State and local governments. The purpose of the EDI program is to help communities enhance the security of the Section 108 guaranteed loans and to improve the viability of projects financed with these loans.

The EDI/CEF financing will support new jobs, thereby assisting former welfare recipients to successfully move from welfare to work. It will be used in conjunction with Section 108 Loan Guarantees to support a variety of employment-generating investments, including: (1) revolving loan funds for business expansion or modernization; (2) startup funds for new, small- and medium-sized businesses; (3) preservation and expansion of new and existing industrial facilities; (4) neighborhood-based commercial revitalization efforts; and, (5) regional economic strategies. The 1999 request of \$400 million will leverage an estimated \$2 billion in private sector loans and will support an estimated 280,000 jobs when projects are completed.

The EDI/CEF grants will include mechanisms to: (1) assist state and local governments to standardize the underwriting and documentation of loans to businesses in distressed areas; (2) expand credit for economic and community development lending; (3) augment communities' underwriting and loan servicing capacity; and, (4) use funds more efficiently for credit enhancement. These mechanisms will help reduce risk to the communities' and States' CDBG program funds and remove the impediments to the use of Section 108.

In 1998, Congress provided \$138 million for EDI, including \$100 million for Congressionally earmarked projects. The Administration has objected repeatedly to the inclusion of earmarked projects in Appropriations Acts. The Administration

urges the Congress to permit a merit selection process for all communities for EDI grants in 1999.

[EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES] URBAN EMPOWERMENT ZONES

[For planning grants, technical assistance, contracts and other assistance, and training in connection with Empowerment Zones and Enterprise Communities, designated by the Secretary of Housing and Urban Development, to continue efforts to stimulate economic opportunity in America's distressed communities, \$5,000,000, to remain available until expended.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0315-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Develop urban sites		5	
10.00 Total obligations (object class 41.0)		5	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		5	
23.95 New obligations		-5	
New budget authority (gross), detail:			
40.00 Appropriation		5	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			5
73.10 New obligations		5	
73.20 Total outlays (gross)			-2
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		5	3
Outlays (gross), detail:			
86.93 Outlays from current balances			2
Net budget authority and outlays:			
89.00 Budget authority		5	
90.00 Outlays			2

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	1997 actual	1998 est.	1999 est.
Budget Authority		5	
Outlays			2
Legislative proposal, subject to PAYGO:			
Budget Authority			150
Outlays			3
Total:			
Budget Authority		5	150
Outlays			5

The goal of the Empowerment Zone (EZ) initiative is to revitalize city neighborhoods in a way that will retain and attract middle-class residents and provide employment opportunities that will move people from welfare to work. Grant funds will allow the 15 new urban EZs that were authorized by the Taxpayer Relief Act of 1997, in accordance with their strategic plans, to create economic opportunity in America's distressed communities, with a special emphasis on stimulating job creation linked to welfare reform. Flexible grant funds will be used to integrate human capital needs with economic development initiatives.

Funding will be available for a broad range of activities aimed at assisting residents, businesses and organizations in urban EZs, including: community policing; health care; neighborhood development; brownfields clean-up and redevelopment; support for financing of capital projects; education; work force preparation and job creation efforts linked to welfare reform; repayment of debt financing by municipal bonds;

financing of projects in conjunction with the Section 108 loan guarantee program and other economic development projects; support for project-based rental assistance; and, financing other housing activities.

Preliminary reports indicate that the Round I EZ's are stimulating billions of dollars in private investment, reviving inner city neighborhoods once given up for dead, and supporting jobs and helping families move from welfare to work. The second round will build on these successes.

**URBAN EMPOWERMENT ZONES
(Legislative proposal, subject to PAYGO)**

Program and Financing (in millions of dollars)

Identification code 86-0315-4-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Urban empowerment zones			150
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
73.20 Total outlays (gross)			-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			147
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
Net budget authority and outlays:			
89.00 Budget authority			150
90.00 Outlays			3

In 1999, the Administration is proposing mandating funding of \$150 million a year (for 10 years) for this program.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, **[\$25,000,000]** \$50,000,000, to remain available until expended: *Provided*, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0314-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Cleanup and develop contaminated sites		25	50
10.00 Total obligations (object class 41.0)		25	50
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		25	50
23.95 New obligations		-25	-50
New budget authority (gross), detail:			
40.00 Appropriation		25	50
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			24
73.10 New obligations		25	50
73.20 Total outlays (gross)		-1	-10
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		24	64

General and special funds—Continued

BROWNFIELDS REDEVELOPMENT—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0314-0-1-451	1997 actual	1998 est.	1999 est.
Outlays (gross), detail:			
86.90 Outlays from new current authority		1	1
86.93 Outlays from current balances			9
87.00 Total outlays (gross)		1	10
Net budget authority and outlays:			
89.00 Budget authority		25	50
90.00 Outlays		1	10

The Brownfields Redevelopment program was first provided an initial appropriation of \$25 million in 1998. The \$50 million request for FY 1999 represents an acceleration of the President's commitment to help communities clean up and redevelop the approximately 450,000 brownfields sites nationwide. This level of funding is expected to leverage \$200 million in Section 108 loan guarantee commitments, which will support more than 28,000 jobs.

This program provides competitive economic development grants in conjunction with Section 108 loan guarantees for qualified brownfield projects. Eligible communities will be invited to submit proposals to return contaminated sites to productive and employment-generating uses, with an emphasis on creating substantial numbers of jobs for lower-income people in physically and economically distressed neighborhoods.

Grants will be made in accordance with section 108(q) selection criteria and such other criteria deemed appropriate for brownfield projects, including the extent to which an applicant is currently operating a brownfields program and is working with appropriate environmental regulatory agencies. Priority would be given to those projects that are located in designated Empowerment Zones or Enterprise Communities.

HOMEOWNERSHIP ZONES

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0323-2-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Develop homeownership			25
10.00 Total obligations (object class 41.0)			25
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			25
23.95 New obligations			-25
New budget authority (gross), detail:			
40.00 Appropriation			25
Change in unpaid obligations:			
73.10 New obligations			25
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested			24
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			25
90.00 Outlays			1

The 1999 request includes \$25 million for Homeownership Zones in 1999. This level of funding would support approxi-

mately five zones at an average of \$5 million each, and would create 1,500 new homeowners. The Homeownership Zones program will provide flexible grants on a competitive basis to local governments for large-scale redevelopment of abandoned neighborhoods to create viable communities of mixed income homebuyers. Applications will be evaluated on specific criteria, such as the degree to which the proposed activities meet the goal of the program, the financial soundness of the proposals, level of economic distress of the area to be served, and the capacity of applicants to carry out the proposal. Funds will be used to create new housing opportunities in distressed areas. Eligible activities will include: property acquisition; housing construction; housing rehabilitation; demolition; site preparation; homeownership counseling; relocation; housing marketing; activities to further fair housing; and, other activities essential to homeownership.

YOUTHBUILD PROGRAM

For the Hope for Youth: Youthbuild program, authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$45,000,000, to remain available until expended.

Program and Financing (in millions of dollars)

Identification code 86-0219-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Youth training	3		45
10.00 Total obligations (object class 41.0)	3		45
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	3		
22.00 New budget authority (gross)			45
23.90 Total budgetary resources available for obligation	3		45
23.95 New obligations	-3		-45
New budget authority (gross), detail:			
40.00 Appropriation			45
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	43	13	5
73.10 New obligations	3		45
73.20 Total outlays (gross)	-32	-8	-5
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	13	5	45
Outlays (gross), detail:			
86.93 Outlays from current balances	32	8	5
Net budget authority and outlays:			
89.00 Budget authority			45
90.00 Outlays	32	8	5

This program provides resources to educate, train, and provide stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of 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. The 1999 request will provide 5,000-6,000 young people with skills they need to get jobs and will provide 750-800 families with homes in distressed communities.

For 1996 through 1998, funding for the Youthbuild program was included in the Community Development Block Grants account.

HOME INVESTMENT PARTNERSHIPS PROGRAM

[INCLUDING TRANSFER OF FUNDS]

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, **[\$1,500,000,000]** \$1,883,000,000, to remain available until expended: *Provided, That \$1,550,000,000 shall be for grants under the HOME Investment Partnerships Program, [:] [Provided, That] including up to \$7,000,000 [shall be available] for the development and operation of integrated community development management information systems[: Provided further, That], and including \$25,000,000 [shall be available] for Housing Counseling under section 106 of the Housing and Urban Development Act of [1968: Provided further, That up to \$10,000,000 shall be available to carry out a demonstration program in which the Secretary makes grants to up to three organizations exempt from Federal taxation under section 501(c)(3) of the Internal Revenue Code, selected on a competitive basis, to demonstrate methods of expanding homeownership opportunities for low-income borrowers through expanding the secondary market for non-conforming home mortgage loans to low-wealth borrowers: Provided further, That grantees for such demonstration program shall have experience in working with lenders who make non-conforming loans to low-income borrowers, have experience in expanding the secondary market for such loans, have demonstrated success in carrying out such activities including raising non-Federal grants and capital on concessionary terms for the purpose of expanding the secondary market for loans in the previous two years in amounts equal to or exceeding the amount awarded to such organization under this paragraph, and have demonstrated the ability to provide data on the performance of such loans sufficient to allow for future analysis of the investment risk of such loans] 1986: Provided further, That \$159,000,000 shall be available for housing for the elderly under a formula block grant program, including funds for capital advance contracts and project rental assistance: Provided further, That \$50,000,000 shall be used to provide tenant-based assistance for the elderly under section 8(o) of the United States Housing Act of 1937: Provided further, That \$174,000,000 shall be available for a grant program, including amendments to capital advance contracts and project rental assistance, for housing for persons with disabilities, of which at least 25 percent will be designated by the Secretary for tenant-based assistance for persons with disabilities under section 8(o) of the United States Housing Act of 1937. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998; additional authorizing legislation required.)*

74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	3,511	3,614	3,972
Outlays (gross), detail:				
86.90	Outlays from new current authority		30	31
86.93	Outlays from current balances	1,211	1,529	1,494
87.00	Total outlays (gross)	1,211	1,559	1,525
Net budget authority and outlays:				
89.00	Budget authority	1,400	1,500	1,883
90.00	Outlays	1,211	1,559	1,525

The HOME Investment Partnership 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 1999 request of \$1.550 billion will result in the production of 78,500 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 11,200 units.

Funding is included for a new component of the HOME program, integrating housing assistance for the elderly and disabled into the HOME account. The consolidated program will include project-based assistance through the current nonprofit delivery system. For the elderly, a total of \$159 million is proposed, including \$50 million to fund an estimated 8,839 section 8 vouchers and 1,938 new units for the elderly. For persons with disabilities, \$174 million is proposed, of which at least 25 percent shall be used for tenant-based rental assistance in order to provide 3,118 units for the disabled.

The HOME request also includes up to \$7 million to continue to develop, implement and refine integrated community development management information systems in order to establish a national database of local programs. Funding for technical assistance is also included.

HOMELESS ASSISTANCE GRANTS

[For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), \$823,000,000, to remain available until expended.]

For grants to States, units of general government, nonprofit organizations, or public housing authorities, and for related expenses not otherwise provided for, to carry out a comprehensive homeless assistance program that emphasizes performance, \$1,150,000,000, to remain available until expended, of which \$192,000,000 shall be for section 8 rental assistance under the United States Housing Act of 1937 (42 U.S.C. 1437): Provided, That up to one percent of the funds provided shall be available to the Secretary for technical assistance: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers funded under this account heading during fiscal year 1999. (Additional authorizing legislation required.) (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Identification code 86-0205-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 HOME grants	1,373	1,697	1,550
00.02 Elderly program			109
00.03 Disabled program			174
00.04 Elderly vouchers			50
10.00 Total obligations (object class 41.0)	1,373	1,697	1,883
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	182	210	
22.00 New budget authority (gross)	1,400	1,500	1,883
22.10 Resources available from recoveries of prior year obligations	1		
22.21 Unobligated balance transferred to other accounts		-13	
23.90 Total budgetary resources available for obligation	1,583	1,697	1,883
23.95 New obligations	-1,373	-1,697	-1,883
24.40 Unobligated balance available, end of year:			
Uninvested	210		
New budget authority (gross), detail:			
40.00 Appropriation	1,400	1,500	1,883

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	3,350	3,511	3,614
73.10 New obligations	1,373	1,697	1,883
73.20 Total outlays (gross)	-1,211	-1,559	-1,525
73.31 Obligated balance transferred to other accounts		-35	
73.45 Adjustments in unexpired accounts	-1		

Identification code 86-0192-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homeless assistance grants	758	1,778	958
00.02 Homeless vouchers			192
10.00 Total obligations (object class 41.0)	758	1,778	1,150

General and special funds—Continued

HOMELESS ASSISTANCE GRANTS—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0192-0-1-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	888	955	
22.00 New budget authority (gross)	823	823	1,150
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	1,712	1,778	1,150
23.95 New obligations	-758	-1,778	-1,150
24.40 Unobligated balance available, end of year:			
Uninvested	955		
New budget authority (gross), detail:			
40.00 Appropriation	823	823	1,150
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	857	1,294	2,461
73.10 New obligations	758	1,778	1,150
73.20 Total outlays (gross)	-319	-609	-798
73.31 Obligated balance transferred to other accounts		-2	
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1,294	2,461	2,813
Outlays (gross), detail:			
86.90 Outlays from new current authority	41	41	67
86.93 Outlays from current balances	278	568	731
87.00 Total outlays (gross)	319	609	798
Net budget authority and outlays:			
89.00 Budget authority	823	823	1,150
90.00 Outlays	319	609	798

The Homeless Assistance Grants program consolidates the activities of HUD's six McKinney homeless assistance programs—Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, Section 8 Single Room Occupancy, Rural Homeless Grants and Safe Havens—as well as those of the Innovative Homeless Initiatives Demonstration program. This consolidation enables localities to continue to shape and implement comprehensive, flexible, coordinated “continuum of care” approaches to solving rather than institutionalizing homelessness. In fact, over the last four years, many communities have made great strides in developing holistic continuum of care approaches to solving homelessness. A community-based process is required as part of the application process. Communities are required to include in their applications performance measures that contain specific goals that would accrue from the community's efforts, and are required to demonstrate tangible results on an annual basis. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness. The 1999 request will provide between 125,000–140,000 transitional and 59,000–62,500 permanent housing beds.

Funding is also requested for technical assistance to provide needed assistance to grantees in resolving problems that hinder successful project completion and implementation.

Funding for incremental housing vouchers will be used to provide permanent housing vouchers for up to 34,000 families or individuals who have achieved a sufficient level of independence to move to permanent housing linked to services. These vouchers will offer the ongoing assistance so desperately needed to help move homeless people into the housing mainstream when they are ready to do so. These vouchers are intended for homeless individuals and families who would otherwise have the most difficult time in securing permanent housing resources, as determined through the approved Continuum of Care strategy. Helping them secure permanent

housing will allow HUD to assist even more homeless persons through existing emergency and transitional programs.

URBAN DEVELOPMENT ACTION GRANTS

Program and Financing (in millions of dollars)

Identification code 86-0170-0-1-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	-4		
22.10 Resources available from recoveries of prior year obligations	4		
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
41.00 Transferred to other accounts	-4		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	136	102	52
73.20 Total outlays (gross)	-30	-50	-30
73.45 Adjustments in unexpired accounts	-4		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	102	52	22
Outlays (gross), detail:			
86.93 Outlays from current balances	30	50	30
Net budget authority and outlays:			
89.00 Budget authority	-4		
90.00 Outlays	30	50	30

Title I of the Housing and Community Development Act of 1974, as amended, authorized grants to distressed cities and distressed urban counties to fund economic development projects. The program was terminated in 1990.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0222-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Build capacity of community development organizations		30	
10.00 Total obligations (object class 41.0)		30	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		30	
22.00 New budget authority (gross)	30		
23.90 Total budgetary resources available for obligation	30	30	
23.95 New obligations		-30	
24.40 Unobligated balance available, end of year:			
Uninvested	30		
New budget authority (gross), detail:			
42.00 Transferred from other accounts	30		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	13	5	23
73.10 New obligations		30	
73.20 Total outlays (gross)	-8	-12	-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	5	23	8
Outlays (gross), detail:			
86.93 Outlays from current balances	8	12	15
Net budget authority and outlays:			
89.00 Budget authority	30		
90.00 Outlays	8	12	15

As authorized by section 4 of the HUD Demonstration Act of 1993, this program provides 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. Funding for this program was provided under the Annual Contributions for Assisted Housing account in 1996. Public Law 105-18 amended authorizing legislation to include additional eligible recipients and provided funding for this program through a transfer from the Homeownership and Opportunity for People Everywhere Grants account in 1997. Public Law 105-65 provided funding for this program under the Community Development Block Grant Account in 1998. No funding is being requested for 1999.

EMERGENCY SHELTER GRANTS PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0181-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	6	2	
73.20 Total outlays (gross)	-4	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	2		
Outlays (gross), detail:			
86.93 Outlays from current balances	4	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	4	2	

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 and units of local government to provide emergency shelter and other support for the homeless. Since 1995, this assistance has been funded under the Homeless Assistance Grants account.

SUPPORTIVE HOUSING PROGRAM

[Of the funds made available under this heading in Public Law 102-389 and prior laws for the Supportive Housing Demonstration Program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$6,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.] (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0188-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	15	19	
10.00 Total obligations (object class 41.0)	15	19	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	31	19	
22.00 New budget authority (gross)		-6	
22.10 Resources available from recoveries of prior year obligations	3	6	
23.90 Total budgetary resources available for obligation	34	19	
23.95 New obligations	-15	-19	
24.40 Unobligated balance available, end of year:			
Uninvested	19		
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded		-6	

Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	462	315	182
73.10 New obligations	15	19	
73.20 Total outlays (gross)	-159	-146	-112
73.45 Adjustments in unexpired accounts	-3	-6	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	315	182	70
Outlays (gross), detail:			
86.93 Outlays from current balances	159	146	112
Net budget authority and outlays:			
89.00 Budget authority		-6	
90.00 Outlays	159	146	112

Title IV, subtitle C, of the Stewart B. McKinney Homeless Assistance Act authorizes assistance to promote the development of supportive housing and services, especially for: deinstitutionalized homeless individuals; homeless families with children; homeless individuals with mental disabilities; and other persons including those with AIDS. 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.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

Public Law 105-65 included a \$6 million rescission of funding, recaptured in 1998, for approved projects from prior years which were either not undertaken or utilized less funding than was originally obligated.

SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS

Program and Financing (in millions of dollars)

Identification code 86-0187-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention		1	
10.00 Total obligations (object class 41.0)		1	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	1	
23.95 New obligations		-1	
24.40 Unobligated balance available, end of year:			
Uninvested	1		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	3	1	
73.10 New obligations		1	
73.20 Total outlays (gross)	-2	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	1		
Outlays (gross), detail:			
86.93 Outlays from current balances	2	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	2	2	

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.

General and special funds—Continued

SHELTER PLUS CARE

[Of the funds made available under this heading in Public Law 102-389 and prior laws for the Shelter Plus Care program, as authorized by the Stewart B. McKinney Homeless Assistance Act, \$4,000,000 of funds recaptured during fiscal year 1998 shall be rescinded.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0204-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	8	10	
10.00 Total obligations (object class 41.0)	8	10	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	16	10	
22.00 New budget authority (gross)		-4	
22.10 Resources available from recoveries of prior year obligations	2	4	
23.90 Total budgetary resources available for obligation	18	10	
23.95 New obligations	-8	-10	
24.40 Unobligated balance available, end of year:			
Uninvested	10		
New budget authority (gross), detail:			
40.36 Unobligated balance rescinded		-4	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	419	367	326
73.10 New obligations	8	10	
73.20 Total outlays (gross)	-58	-47	-49
73.45 Adjustments in unexpired accounts	-2	-4	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	367	326	277
Outlays (gross), detail:			
86.93 Outlays from current balances	58	47	49
Net budget authority and outlays:			
89.00 Budget authority		-4	
90.00 Outlays	58	47	49

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 and units of general local government.

Since 1995, this type of assistance has been funded under the Homeless Assistance Grants account.

Public Law 105-65 included a \$4 million rescission of funding, recaptured in 1998, for approved projects from prior years which were either not undertaken or utilized less funding than was originally obligated.

INNOVATIVE HOMELESS INITIATIVES DEMONSTRATION PROGRAM

Program and Financing (in millions of dollars)

Identification code 86-0221-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	58	37	20
73.20 Total outlays (gross)	-21	-17	-14
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	37	20	6
Outlays (gross), detail:			
86.93 Outlays from current balances	21	17	14

Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	21	17	14

Section 2 of the HUD Demonstration Act of 1993 authorized assistance for projects intended to provide a continuum of care for homeless persons and for innovative programs to assist homeless persons. Eligible recipients included States, units of local government, Indian tribes, and nonprofit organizations. Authorization for this program expired at the end of 1994.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.01 Loan servicing	5	7	7
09.02 Maintenance of acquired security and collateral		6	6
09.03 Administrative expenses	1	1	1
10.00 Total obligations	6	14	14
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	97	103	89
22.00 New budget authority (gross)	71	60	55
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund	-60	-60	-55
23.90 Total budgetary resources available for obligation	109	103	89
23.95 New obligations	-6	-14	-14
24.40 Unobligated balance available, end of year:			
Uninvested	103	89	75
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	71	60	55
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	27	19	9
73.10 New obligations	6	14	14
73.20 Total outlays (gross)	-14	-24	-23
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	19	9	
Outlays (gross), detail:			
86.98 Outlays from permanent balances	14	24	23
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-71	-60	-55
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-57	-36	-32

Status of Direct Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	328	271	231
1251 Repayments: Repayments and prepayments	-52	-40	-40
1263 Write-offs for default: Direct loans	-5		
1290 Outstanding, end of year	271	231	191

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	3	2	1

2251	Repayments and prepayments	-1	-1	-1
2290	Outstanding, end of year	2	1	.....
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	2	1	.....

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriation Act of 1955 for the 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	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	31	15	14	13
0102 Expense	-18	-12	-11	-10
0109 Net income or loss (-)	13	3	3	3

Balance Sheet (in millions of dollars)

Identification code 86-4015-0-3-451	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	125	121	115	110
Non-Federal assets:				
1206 Receivables, net	4	3	2	2
1207 Advances and prepayments .....	.....	1	.....	.....
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	331	274	233	193
1602 Interest receivable	18	18	18	18
1603 Allowance for estimated uncollectible loans and interest (-)	-25	-24	-20	-18
1604 Direct loans and interest receivable, net	324	268	231	193
1606 Foreclosed property	1	1	.....	.....
1699 Value of assets related to direct loans	325	269	231	193
1999 Total assets	454	394	348	305
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable .....	.....	.....	.....	.....
2207 Other	9	8	7	6
2999 Total liabilities	9	8	7	6
NET POSITION:				
3100 Appropriated capital	28	25	23	21
3200 Invested capital	301	172	126	83
3300 Cumulative results of operations	116	189	192	195
3999 Total net position	445	386	341	299
4999 Total liabilities and net position	454	394	348	305

Object Classification (in millions of dollars)

Identification code 86-4015-0-3-451	1997 actual	1998 est.	1999 est.
25.2 Other services	1	6	6
32.0 Land and structures	5	8	8
99.9 Total obligations	6	14	14

Credit accounts:

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-0198-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.02 Community development loan guarantee credit subsidy	6	29	29
00.09 Administrative expense	1	1	1

10.00	Total obligations (object class 33.0)	7	30	30
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	32	30	30
22.30	Unobligated balance expiring	-25	.....	.....
23.90	Total budgetary resources available for obligation	7	30	30
23.95	New obligations	-7	-30	-30

New budget authority (gross), detail:

40.00	Appropriation	32	30	30
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Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	9	13	27
73.10	New obligations	7	30	30
73.20	Total outlays (gross)	-3	-16	-17
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	13	27	40

Outlays (gross), detail:

86.90	Outlays from new current authority	1	5	5
86.93	Outlays from current balances	2	11	14
87.00	Total outlays (gross)	3	16	17

Net budget authority and outlays:

89.00	Budget authority	32	30	30
90.00	Outlays	3	16	17

Guaranteed Loans.—The Community Development Block Grant program includes a guaranteed loan provision (Section 108). A commitment level of \$1.3 billion is proposed for the Community Development Loan Guarantees (Section 108) program for 1999. The credit subsidy/administrative cost estimate for the guaranteed loan program is \$30 million in 1999.

Section 108 loan guarantees are used by entitlement and nonentitlement communities (assisted by their State), to cover the cost of: acquiring real property; rehabilitating publicly owned real property; housing rehabilitation; and, certain other economic development activities. In addition, Section 108 has, in some cases, been used to finance the construction of housing by nonprofit organizations.

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

Identification code 86-0198-0-1-451	1997 actual	1998 est.	1999 est.	
Guaranteed loan levels supportable by subsidy budget authority:				
2150	Loan guarantee levels	1,380	1,261	1,261
2159	Total loan guarantee levels	1,380	1,261	1,261
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	2.30	2.30	2.30
2329	Weighted average subsidy rate	2.30	2.30	2.30
Guaranteed loan subsidy budget authority:				
2330	Subsidy budget authority	31	29	29
2339	Total subsidy budget authority	31	29	29
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	2	15	16
2349	Total subsidy outlays	2	15	16
Administrative expense data:				
3510	Budget authority	1	1	1
3590	Outlays from new authority	1	1	1

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 beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), 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.

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4096-0-3-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested		2	18
22.00 New financing authority (gross)	2	16	18
23.90 Total budgetary resources available for obligation	2	18	36
24.40 Unobligated balance available, end of year:			
Uninvested	2	18	36
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	2	16	18
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Federal sources	-2	-15	-16
88.25 Interest on uninvested funds		-1	-2
88.90 Total, offsetting collections (cash)	-2	-16	-18
Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements	-2	-16	-18

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4096-0-3-451	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	1,389	1,261	1,261
2112 Uncommitted loan guarantee limitation	-1,111		
2150 Total guaranteed loan commitments	278	1,261	1,261
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	633	775	1,640
2231 Disbursements of new guaranteed loans	189	1,000	1,000
2251 Repayments and prepayments	-47	-135	-200
2290 Outstanding, end of year	775	1,640	2,440
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	775	1,640	2,440

Guaranteed loans.—The Community Development Loan Guarantees program provides a mechanism for the Federal guarantee 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.

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 beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

COMMUNITY DEVELOPMENT LOAN GUARANTEES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	3	4	4
22.60 Redemption of debt	-3	-4	-4
23.90 Total budgetary resources available for obligation			
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	3	4	4
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	147	147	147
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	147	147	147
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-3	-4	-4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-3	-4	-4

Status of Direct Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	39	36	32
1251 Repayments: Repayments and prepayments	-3	-4	-4
1290 Outstanding, end of year	36	32	28

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4097-0-3-451	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	243	198	175
2231 Disbursements of new guaranteed loans		10	10
2251 Repayments and prepayments	-45	-33	-30
2290 Outstanding, end of year	198	175	155
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	198	175	155

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 (FFB) 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 economic development activities, housing rehabilitation, public facilities, 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 required 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.

HOME LOAN GUARANTEE PROGRAM ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-0175-2-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing loan credit subsidy			11
10.00 Total obligations (object class 33.0)			11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			11
23.95 New obligations			-11
New budget authority (gross), detail:			
40.00 Appropriation			11
Change in unpaid obligations:			
73.10 New obligations			11
73.20 Total outlays (gross)			-3
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			8
Outlays (gross), detail:			
86.90 Outlays from new current authority			3
Net budget authority and outlays:			
89.00 Budget authority			11
90.00 Outlays			3

The HOME Loan Guarantee program will complement the existing HOME program. The proposal will authorize loan guarantees for up to five times a Participating Jurisdiction's latest HOME allocation, and will enable the jurisdictions to formulate and implement neighborhood strategies to build or rehabilitate large numbers of units as a single undertaking within a short period of time. A loan guarantee option would greatly magnify the impact of HOME Federal housing dollars.

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

Identification code 86-0175-2-1-604	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels			100
2159 Total loan guarantee levels			100
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate			11.00
2329 Weighted average subsidy rate			11.00
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority			11
2339 Total subsidy budget authority			11
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays			3
2349 Total subsidy outlays			3

HOME LOAN GUARANTEE FINANCING ACCOUNT
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4245-2-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00 New financing authority (gross)			3
24.40 Unobligated balance available, end of year:			
Uninvested			3
New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)			3

Offsets:

Against gross financing authority and financing disbursements:			
88.00	Offsetting collections (cash) from: Federal sources		-3

Net financing authority and financing disbursements:

89.00	Financing authority		
90.00	Financing disbursements		-3

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4245-2-3-604	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111	Limitation on guaranteed loans made by private lenders		100
2150	Total guaranteed loan commitments		100
Cumulative balance of guaranteed loans outstanding:			
2210	Outstanding, start of year		
2231	Disbursements of new guaranteed loans		27
2251	Repayments and prepayments		
2290	Outstanding, end of year		27
Memorandum:			
2299	Guaranteed amount of guaranteed loans outstanding, end of year		27

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 beyond (including modifications of loan guarantees that resulted from commitments in any year). The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

HOUSING PROGRAMS

Federal Funds

General and special funds:

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING

Program and Financing (in millions of dollars)

Identification code 86-0310-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01	Direct program	190	
10.00	Total obligations (object class 41.0)	190	
Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
Uninvested			849
22.00	New budget authority (gross)	1,039	
22.21	Unobligated balance transferred to other accounts		-849
23.90	Total budgetary resources available for obligation	1,039	
23.95	New obligations	-190	
24.40	Unobligated balance available, end of year:		
Uninvested			849
New budget authority (gross), detail:			
40.00	Appropriation	1,039	
Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
Uninvested			188
73.10	New obligations	190	
73.20	Total outlays (gross)	-2	
73.31	Obligated balance transferred to other accounts		-188
74.40	Unpaid obligations, end of year: Obligated balance:		
Uninvested			188

General and special funds—Continued

DEVELOPMENT OF ADDITIONAL NEW SUBSIDIZED HOUSING—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0310-0-1-604	1997 actual	1998 est.	1999 est.
Outlays (gross), detail:			
86.90 Outlays from new current authority	2		
Net budget authority and outlays:			
89.00 Budget authority	1,039		
90.00 Outlays	2		

In 1997, elderly, disabled and Indian housing development were funded in this program. Pursuant to P.L. 105-65, all balances for elderly and disabled housing were transferred to the Housing for Special Populations program and all balances for Indian housing development were transferred to the Indian Housing Block Grants program.

**HOUSING FOR SPECIAL POPULATIONS
(INCLUDING TRANSFERS OF FUNDS)**

[For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low-income families under the United States Housing Act of 1937, as amended (42 U.S.C. 1437), not otherwise provided for, \$839,000,000, to remain available until expended: *Provided*, That of the total amount provided under this heading, \$645,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and \$194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: *Provided further*, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: *Provided further*, That 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 and tenant-based 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: *Provided further*, That all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for the elderly, under section 202(c)(2) of such Act, shall be transferred to and merged with the amounts for those purposes under this heading; and, all balances, as of September 30, 1997, remaining in either the "Annual Contributions for Assisted Housing" account or the "Development of Additional New Subsidized Housing" account for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, and for project rental assistance, and amendments to contracts for project rental assistance, for supportive housing for persons with disabilities, as authorized under section 811 of such Act, shall be transferred to and merged with the amounts for those purposes under this heading.] (Departments

of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0320-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program		1,640	
10.00 Total obligations (object class 41.0)		1,640	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		839	
22.22 Unobligated balance transferred from other accounts		801	
23.90 Total budgetary resources available for obligation		1,640	
23.95 New obligations		-1,640	
New budget authority (gross), detail:			
40.00 Appropriation		839	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			6,498
73.10 New obligations		1,640	
73.20 Total outlays (gross)		-650	-759
73.32 Obligated balance transferred from other accounts		5,508	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		6,498	5,739
Outlays (gross), detail:			
86.93 Outlays from current balances		650	759
Net budget authority and outlays:			
89.00 Budget authority		839	
90.00 Outlays		650	759

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. Program activity prior to 1997 was reflected in the Annual Contributions for Assisted Housing account. Renewal of prior year contracts is reflected in the Housing Certificate Fund.

For 1999, funding is being requested for assistance on behalf of the elderly and disabled as a new component of the HOME Investment Partnerships Program. Language is being proposed to transfer the obligated and unobligated balances from Housing for Special Populations to the HOME Investment Partnerships account.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

[(RESCISSION)]

[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 1998 by not more than \$7,350,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts: *Provided*, That up to \$125,000,000 of recaptured budget authority shall be canceled.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0206-0-1-999	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Rent supplement	14	9	7
00.02 Homeownership and rental housing assistance (Sections 235 and 236)	19	70	60
00.03 College housing debt service	2		
00.04 IRP Rehab Grants		26	727
10.00 Total obligations (object class 41.0)	35	105	794

Budgetary resources available for obligation:				
Unobligated balance available, start of year:				
21.40	Uninvested	15	8	9
21.49	Contract authority (available)	978	970	1,250
21.99	Total unobligated balance, start of year	993	978	1,259
22.00	New budget authority (gross)	-152	-125	
22.10	Resources available from recoveries of prior year obligations	8,642	512	1,018
22.75	Balance of contract authority withdrawn	-8,472		
23.90	Total budgetary resources available for obligation	1,011	1,365	2,277
23.95	New obligations	-35	-105	-794
Unobligated balance available, end of year:				
24.40	Uninvested	8	9	9
24.49	Contract authority (available)	970	1,250	1,474
24.99	Total unobligated balance, end of year	978	1,259	1,483
New budget authority (gross), detail:				
Current:				
Unobligated balance rescinded:				
40.36	Preservation prepayment rescission	-150		
40.36	Multifamily enforcement rescission		-125	
40.36	Other unobligated balances rescinded	-2		
43.00	Appropriation (total)	-152	-125	
Permanent:				
60.05	Appropriation (indefinite)	741	18	18
60.49	Portion applied to liquidate contract authority	-741	-18	-18
63.00	Appropriation (total)			
70.00	Total new budget authority (gross)	-152	-125	
Change in unpaid obligations:				
Unpaid obligations, start of year:				
Obligated balance:				
72.40	Administrative commitment (reserved)	140	127	129
72.49	Contract authority	21,687	12,338	11,176
72.99	Total unpaid obligations, start of year	21,827	12,465	11,305
73.10	New obligations	35	105	794
73.20	Total outlays (gross)	-755	-754	-676
73.45	Adjustments in unexpired accounts	-8,642	-512	-1,018
Unpaid obligations, end of year:				
Obligated balance:				
74.40	Administrative commitment reserved	127	129	130
74.49	Contract authority	12,338	11,176	10,275
74.99	Total unpaid obligations, end of year	12,465	11,305	10,405
Outlays (gross), detail:				
86.93	Outlays from current balances	755	754	676
Net budget authority and outlays:				
89.00	Budget authority	-152	-125	
90.00	Outlays	755	754	676

Status of Contract Authority (in millions of dollars)				
Identification code 86-0206-0-1-999	1997 actual	1998 est.	1999 est.	
0100	Balance, start of year	22,665	13,308	12,426
Contract authority:				
0200	Contract authority	-152	-125	
0400	Appropriation to liquidate contract authority	-741	-18	-18
0600	Balance of contract authority withdrawn	-8,472		
0700	Balance, end of year	13,308	12,426	11,749

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Assistance contracts:			
Rent supplement	14	9	7
Homeownership and rental housing assistance (sections 235 and 236)	19	70	60
College Housing	2		
IRP Rehab Grants		26	727
Administrative commitments, start of year	16	16	16
Administrative commitments, end of year	-16	-16	-16
Total obligations	35	105	794

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. This replaced earlier versions of the program, the original and the revised versions. All were below interest rate mortgages for single family homes.

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.

IRP Rehab Grants.—Title V of the 1998 Appropriations Act (P.L. 105-65) establishes a program of rehabilitation grants for owners of projects eligible for the program of multifamily portfolio re-engineering. An estimated \$727 million of such grants are expected in 1999.

The table below reflects the consolidated outlay total for: the Annual Contributions for Assisted Housing account; the Housing Certificate Fund; the Public Housing Capital Fund; the Section 8 Reserve Preservation account; and the Other Assisted Housing account, for 1997, 1998, and 1999.

SUMMARY OF OUTLAYS¹

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Subsidized housing programs, total	21,323	21,213	21,066
Low-income housing assistance (sec. 8)	20,568	16,649	16,881
Public housing capital fund		3,810	3,509
Rent supplement	56	58	59
Homeownership assistance (sec. 235)	79	79	70
Rental housing assistance (sec. 236)	604	601	531
College housing grants	16	16	16

¹Includes outlays for contract renewals.

HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE GRANTS (HOPE GRANTS)

Program and Financing (in millions of dollars)

Identification code 86-0196-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Hope 1	1	3	
00.02 Hope 2		5	
00.03 Hope 3	1	3	
10.00 Total obligations (object class 41.0)	2	11	
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40 Uncommitted	34	10	
21.40 Administratively committed	4	1	
21.99 Total unobligated balance, start of year	38	11	
22.00 New budget authority (gross)	-30		
22.10 Resources available from recoveries of prior year obligations	5		
23.90 Total budgetary resources available for obligation	13	11	
23.95 New obligations	-2	-11	
Unobligated balance available, end of year:			
Uninvested:			
24.40 Uncommitted	10		
24.40 Administratively committed	1		
24.99 Total unobligated balance, end of year	11		
New budget authority (gross), detail:			
41.00 Transferred to other accounts	-30		

General and special funds—Continued

**HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE
GRANTS (HOPE GRANTS)—Continued**

Program and Financing (in millions of dollars)—Continued

Identification code 86-0196-0-1-604	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	185	132	92
73.10 New obligations	2	11	
73.20 Total outlays (gross)	-49	-51	-42
73.45 Adjustments in unexpired accounts	-5		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	132	92	50
Outlays (gross), detail:			
86.93 Outlays from current balances	49	51	42
Net budget authority and outlays:			
89.00 Budget authority	-30		
90.00 Outlays	49	51	42

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 1999. 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	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 41.0)	1		
Budgetary resources available for obligation:			
23.95 New obligations	-1		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	30	22	15
73.10 New obligations	1		
73.20 Total outlays (gross)	-7	-7	-7
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	22	15	7
Outlays (gross), detail:			
86.93 Outlays from current balances	7	7	7
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	7	7	7

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. Funding for this activity will be requested in the supportive services set-aside within the Community Development Block Grant account for 1999. This schedule reflects the liquidation of prior year balances from the separately appropriated Congregate Services Program.

HOUSING COUNSELING ASSISTANCE

Program and Financing (in millions of dollars)

Identification code 86-0156-0-1-506	1997 actual	1998 est.	1999 est.
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	6	2	
73.20 Total outlays (gross)	-3	-2	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	2		
Outlays (gross), detail:			
86.93 Outlays from current balances	3	2	
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	2	

The Housing Counseling Assistance program provides comprehensive housing counseling services to eligible homeowners and tenants, including pre-purchase, default and renter counseling.

In 1997, housing counseling was appropriated as a \$15 million set-aside in the HOME Investment Partnerships Program. The program was funded at \$20 million in 1998. The Budget proposes Housing Counseling as a \$25 million HOME set-aside for 1999.

SECTION 8 MODERATE REHABILITATION

SINGLE ROOM OCCUPANCY

Program and Financing (in millions of dollars)

Identification code 86-0195-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Homelessness prevention	20	86	
10.00 Total obligations (object class 41.0)	20	86	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	106	86	
23.95 New obligations	-20	-86	
24.40 Unobligated balance available, end of year:			
Uninvested	86		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	382	376	404
73.10 New obligations	20	86	
73.20 Total outlays (gross)	-25	-58	-56
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	376	404	348
Outlays (gross), detail:			
86.93 Outlays from current balances	25	58	56
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	25	58	56

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. Since 1995, these activities have been funded in the Homeless Assistance Grants account.

CAPITAL GRANTS/CAPITAL LOANS PRESERVATION ACCOUNT

[At the discretion of the Secretary, to reimburse owners, nonprofits, and tenant groups for which plans of action were submitted with regard to eligible properties under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA) or the

Emergency Low Income Housing Preservation Act of 1987 (ELIHPA) prior to the effective date of this Act, but were not executed for lack of available funds, with such reimbursement available only for documented costs directly applicable to the preparation of the plan of action or any purchase agreement as determined by the Secretary, on terms and conditions to be established by the Secretary, \$10,000,000 shall be made available.】 (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)			
Identification code 86-0231-0-1-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)		10	
Budgetary resources available for obligation:			
22.00 New budget authority (gross)		10	
23.95 New obligations		-10	
New budget authority (gross), detail:			
40.00 Appropriation		10	
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			6
73.10 New obligations		10	
73.20 Total outlays (gross)		-4	-6
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested		6	
Outlays (gross), detail:			
86.90 Outlays from new current authority		4	
86.93 Outlays from current balances			6
87.00 Total outlays (gross)		4	6
Net budget authority and outlays:			
89.00 Budget authority		10	
90.00 Outlays		4	6

Funds were provided in 1998 to permit the Secretary, at his discretion, to reimburse groups who submitted plans of action under the preservation program that were not funded. As this is a non-recurring cost, no additional funds are requested for this activity.

MANUFACTURED HOME INSPECTION AND MONITORING

Unavailable Collections (in millions of dollars)

Identification code 86-5271-0-2-376	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 Manufactured home inspection and monitoring	14	16	17
Appropriation:			
05.01 Manufactured home inspection and monitoring	-14	-16	-17
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5271-0-2-376	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Transfer to salaries and expenses	1	1	1
00.02 Other program costs	13	14	15
10.00 Total obligations (object class 25.2)	14	15	16
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			10
22.00 New budget authority (gross)	14	16	17
23.90 Total budgetary resources available for obligation	23	25	27
23.95 New obligations	-14	-15	-16
24.40 Unobligated balance available, end of year:			
Uninvested	9	10	11

New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	14	16	17
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	2	3	3
73.10 New obligations	14	15	16
73.20 Total outlays (gross)	-13	-13	-15
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	3	3	3
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	13	13	15
Net budget authority and outlays:			
89.00 Budget authority	14	16	17
90.00 Outlays	13	13	15

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 manufactured 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 and its 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. In 1997, an estimated 403,000 manufactured homes and 600,000 transportable sections were produced.

INTERSTATE LAND SALES

Unavailable Collections (in millions of dollars)

Identification code 86-5270-0-2-376	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	1		
Receipts:			
02.01 Interstate land sales		1	1
04.00 Total: Balances and collections	1	1	1
Appropriation:			
05.01 Interstate land sales	-1	-1	-1
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5270-0-2-376	1997 actual	1998 est.	1999 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	1
23.95 New obligations		-1	-1
New budget authority (gross), detail:			
60.25 Appropriation (special fund, indefinite)	1	1	1
Change in unpaid obligations:			
73.10 New obligations		1	1
73.20 Total outlays (gross)	-1	-1	-1
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1	1	1
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays		1	1

General and special funds—Continued

INTERSTATE LAND SALES—Continued

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.

The estimated annual program activity level will continue at 1,700 filings, approximately the same level as in recent years.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4041-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program	52	47	42
10.00 Total obligations (object class 25.2)	52	47	42
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	1	1	1
22.00 New budget authority (gross)	52	47	42
23.90 Total budgetary resources available for obligation	53	48	43
23.95 New obligations	-52	-47	-42
24.40 Unobligated balance available, end of year:			
Uninvested	1	1	1
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	52	47	42
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	8	22	
73.10 New obligations	52	47	42
73.20 Total outlays (gross)	-37	-69	-42
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	22		
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	37	47	42
86.98 Outlays from permanent balances		22	
87.00 Total outlays (gross)	37	69	42
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-52	-47	-42
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-14	22	

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	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	53	55	47	42
0102 Expense	-53	-53	-47	-42
0109 Net income or loss (-)		2		

Balance Sheet (in millions of dollars)

Identification code 86-4041-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with				
Treasury	8	22	1	1
1206 Non-Federal assets: Receivables, net	7	9		
1999 Total assets	15	31	1	1
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	4	17		
2105 Other	3	5		
2999 Total liabilities	7	22		
NET POSITION:				
3300 Cumulative results of operations	7	9	1	1
3999 Total net position	7	9	1	1
4999 Total liabilities and net position	14	31	1	1

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, [1997] 1998, and any collections made during fiscal year [1998] 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-4044-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program	14	19	43
10.00 Total obligations (object class 41.0)	14	19	43
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	103	73	114
21.41 U.S. Securities: Par value	39	106	106
21.99 Total unobligated balance, start of year	142	179	220
22.00 New budget authority (gross)	52	60	21
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	195	239	241
23.95 New obligations	-14	-19	-43
Unobligated balance available, end of year:			
24.40 Uninvested	73	114	90
24.41 U.S. Securities: Par value	106	106	106
24.99 Total unobligated balance, end of year	179	220	196
New budget authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	52	60	21
Change in unpaid obligations:			
72.41 Unpaid obligations, start of year: Obligated balance:			
U.S. Securities: Par value	101	44	1

73.10	New obligations	14	19	43
73.20	Total outlays (gross)	-71	-62	-33
73.45	Adjustments in unexpired accounts	-1		
74.41	Unpaid obligations, end of year: Obligated balance: U.S. Securities: Par value	44	1	11
Outlays (gross), detail:				
86.98	Outlays from permanent balances	71	62	33
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources	-38	-47	-7
88.20	Interest on U.S. securities	-9	-9	-10
88.40	Non-Federal sources	-5	-4	-4
88.90	Total, offsetting collections (cash)	-52	-60	-21
88.95	Change in orders on hand from Federal sources			
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	18	2	12

Status of Direct Loans (in millions of dollars)

Identification code 86-4044-0-3-604	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	676	744	802
1231	Disbursements: Direct loan disbursements	71	62	33
1251	Repayments: Repayments and prepayments	-3	-4	-4
1290	Outstanding, end of year	744	802	831

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. Since 1996, these resources have not been used for new reservations but they continue to offset Flexible Subsidy outlays and other discretionary expenditures.

Summary of Administrative Commitments

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Program by activities:			
Capital investments:			
Flexible subsidy reservations	19	43	
Administrative commitments, start of year	15	19	43
Administrative commitments, end of year	-19	-43	
Capital investment—obligations	15	19	43

Statement of Operations (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
0101	Revenue	66	65	55
0102	Expense	-64	-81	-6
0109	Net income or loss (-)	2	-16	49

Balance Sheet (in millions of dollars)

Identification code 86-4044-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.	
ASSETS:					
Federal assets:					
1101	Fund balances with Treasury	120	92	88	111

Investments in US securities:				
1102 Treasury securities, par	140	150	150	150
1106 Receivables, net	4	9		
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	676	743	802	831
1603 Allowance for estimated uncollectible loans and interest (-)	-536	-607	-654	-678
1699 Value of assets related to direct loans	140	136	148	153
1901 Other Federal assets: Other assets	4			
1999 Total assets	408	387	386	414
LIABILITIES:				
2201 Non-Federal liabilities: Accounts payable	1			
2999 Total liabilities	1			
NET POSITION:				
3100 Appropriated capital	217	217	217	217
3300 Cumulative results of operations	191	169	168	196
3999 Total net position	408	386	385	413
4999 Total liabilities and net position	409	386	385	413

HOMEOWNERSHIP ASSISTANCE FUND

Program and Financing (in millions of dollars)

Identification code 86-4043-0-3-604	1997 actual	1998 est.	1999 est.	
Budgetary resources available for obligation:				
Unobligated balance available, start of year:				
21.40	Uninvested	1	3	3
21.41	U.S. Securities: Par value	18	18	18
21.49	Contract authority	60	61	61
21.99	Total unobligated balance, start of year	79	82	82
22.00	New budget authority (gross)	2	2	2
22.22	Unobligated balance transferred from other accounts	2		
23.90	Total budgetary resources available for obligation	83	84	84
Unobligated balance available, end of year:				
24.40	Uninvested	3	3	3
24.41	U.S. Securities: Par value	18	18	18
24.49	Contract authority	61	61	61
24.99	Total unobligated balance, end of year	82	82	82
New budget authority (gross), detail:				
68.00	Spending authority from offsetting collections (gross): Offsetting collections (cash)	2	2	2
Change in unpaid obligations:				
72.40	Unpaid obligations, start of year: Obligated balance: Uninvested	-1	-1	-1
74.40	Unpaid obligations, end of year: Obligated balance: Uninvested	-1	-1	-1

Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.00	Federal sources: Interest on U.S. securities			
88.40	Non-Federal sources	-2	-2	-2
88.90	Total, offsetting collections (cash)	-2	-2	-2

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-2	-2	-2

Status of Contract Authority (in millions of dollars)

Identification code 86-4043-0-3-604	1997 actual	1998 est.	1999 est.	
0100	Balance, start of year	60	61	61
0700	Balance, end of year	61	61	61

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,

Public enterprise funds—Continued

HOMEOWNERSHIP ASSISTANCE FUND—Continued

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 86-4043-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	2	1	1	1
0102 Expense				
0109 Net income or loss (-)	2	1	1	1

Balance Sheet (in millions of dollars)

Identification code 86-4043-0-3-604	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	1	3	3	3
Investments in US securities:				
1102 Treasury securities, par	18	18	18	18
1106 Receivables, net		1	1	1
1999 Total assets	19	22	22	22
NET POSITION:				
3100 Appropriated capital		12	12	12
3300 Cumulative results of operations	19	9	9	9
3999 Total net position	19	21	21	21
4999 Total liabilities and net position	19	21	21	21

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

Identification code 86-4071-0-3-604	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.00 Reimbursable program		21	
10.00 Total obligations (object class 33.0)		21	
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	21	21	
23.95 New obligations		-21	
24.40 Unobligated balance available, end of year:			
Uninvested	21		
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	10	7	20
73.10 New obligations		21	
73.20 Total outlays (gross)	-3	-8	-4
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	7	20	16
Outlays (gross), detail:			
86.93 Outlays from current balances	3	8	4
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	3	8	4

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 and obligated balances.

Credit accounts:

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year [1998] 1999, 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 \$110,000,000,000.

During fiscal year [1998] 1999, 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] \$50,000,000: *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 the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, [\$338,421,000] \$328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed [\$326,309,000] \$324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed [\$12,112,000] \$4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the Mutual Mortgage Insurance guaranteed and direct loan program, \$200,000,000, to be derived from the FHA-mutual mortgage insurance guaranteed loan receipt account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Unavailable Collections (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			
Receipts:			
02.01 FHA Mutual Mortgage Insurance Guaranteed Loan, negative subsidies	351	338	529
Appropriation:			
05.01 FHA mutual mortgage insurance program account	-351	-338	-529
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.09 Other administrative expenses, FHA			200
00.10 Administrative expenses, salaries & expenses transfer	351	338	329
10.00 Total obligations	351	338	529
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	351	338	529
23.95 New obligations	-351	-338	-529
New budget authority (gross), detail:			
40.25 Appropriation (special fund, definite)	351	338	529
Change in unpaid obligations:			
73.10 New obligations	351	338	529
73.20 Total outlays (gross)	-351	-338	-529
Outlays (gross), detail:			
86.90 Outlays from new current authority	351	338	529
Net budget authority and outlays:			
89.00 Budget authority	351	338	529
90.00 Outlays	351	338	529

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

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Direct loan levels	200	200	50
1159 Total direct loan levels	200	200	50

Guaranteed loan levels supportable by subsidy budget authority:				
2150	MMI Fund, Section 203(b)	75,432	82,260	83,494
2150	Standby commitment authority	34,568	27,740	26,506
2159	Total loan guarantee levels	110,000	110,000	110,000
Guaranteed loan subsidy (in percent):				
2320	Subsidy rate	-2.88	-2.99	-2.62
2329	Weighted average subsidy rate	-2.88	-2.99	-2.62
Guaranteed loan subsidy budget authority:				
2330	MMI Section 203(b) negative subsidy	-1,392	-1,653	-1,594
2330	Subsidy budget authority—reestimate	-340		
2330	Subsidy—Note Sales	-448	-128	
2330	Indirect modification Assignment Reform	-56		
2339	Total subsidy budget authority	-2,236	-1,781	-1,594
Guaranteed loan subsidy outlays:				
2340	Subsidy outlays	-2,236	-1,781	-1,594
2349	Total subsidy outlays	-2,236	-1,781	-1,594

The Federal Housing Administration provides mortgage insurance to encourage lenders to make credit available to expand homeownership, and to predominantly serve borrowers that the conventional market does not adequately provide for including: first-time homebuyers; minorities; lower-income families; and, residents of underserved areas (central cities and rural areas). Currently, the maximum mortgage amount for FHA-insured one-family loans is set at 95 percent of area median house price, provided that the amount is never less than 38 percent of the conforming loan limit—the maximum mortgage amount for loans purchased by the housing secondary market Government-Sponsored Enterprises, Fannie Mae and Freddie Mac—and never more than 75 percent of the conforming loan limit. The Administration proposes to increase the maximum mortgage amount for FHA-insured loans in all areas to equal the conforming loan limit. FHA has also proposed new legislation to allow greater flexibility in single family property disposition.

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

Beginning in 1999, an appropriation of \$200,000,000 is requested, to be derived from the negative subsidy account, for certain administrative expenses. All administrative expenses will be recorded in the program account. The transfer is derived from negative credit subsidy amounts associated with guaranteed loan activities.

Object Classification (in millions of dollars)

Identification code 86-0183-0-1-371	1997 actual	1998 est.	1999 est.
25.2 Other services			200
25.3 Purchases of goods and services from Government accounts	351	338	329
99.9 Total obligations	351	338	529

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4242-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct loans	3	25	50
00.02 Interest paid to Treasury		2	6
00.03 Claims & other			2
10.00 Total obligations	3	27	58

Budgetary resources available for obligation:			
21.40	Unobligated balance available, start of year:		
	Uninvested	1	1
22.00	New financing authority (gross)	3	29
23.90	Total budgetary resources available for obligation	4	30
23.95	New obligations	-3	-27
24.40	Unobligated balance available, end of year:		
	Uninvested	1	3

New financing authority (gross), detail:			
67.15	Authority to borrow (indefinite)	1	25
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	2	4
70.00	Total new financing authority (gross)	3	29

Change in unpaid obligations:			
72.40	Unpaid obligations, start of year: Obligated balance:		
	Uninvested		2
73.10	New obligations	3	27
73.20	Total financing disbursements (gross)	-1	-27
74.40	Unpaid obligations, end of year: Obligated balance:		
	Uninvested	2	2
87.00	Total financing disbursements (gross)	1	27

Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25	Interest on uninvested funds	-1	-3
88.40	Other collections from non-Federal sources	-1	-1
88.90	Total, offsetting collections (cash)	-2	-4

Net financing authority and financing disbursements:			
89.00	Financing authority	1	25
90.00	Financing disbursements	-1	23

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. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

The \$50 million in 1999 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 moderate-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	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111	Limitation on direct loans	200	200
1112	Unobligated direct loan limitation	-197	-175
1150	Total direct loan obligations	3	25

Cumulative balance of direct loans outstanding:			
1210	Outstanding, start of year	2	2
1231	Disbursements: Direct loan disbursements	1	27
1251	Repayments: Repayments and prepayments	-1	-1
1263	Write-offs for default: Direct loans		
1290	Outstanding, end of year	2	28

Credit accounts—Continued

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 86-4242-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross	2	2	28	75
1499 Net present value of assets related to direct loans	2	2	28	75
1999 Total assets	2	2	28	75
LIABILITIES:				
2103 Federal liabilities: Treasury borrowing		2	28	75
2999 Total liabilities		2	28	75
4999 Total liabilities and net position		2	28	75

FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4587-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Default claims and other	2,951	2,785	2,927
00.05 Payment of negative subsidy to receipt account	351	338	529
00.06 Payment of negative subsidy to liquidating account	1,392	1,315	1,066
00.07 Subsidy reestimate paid to liquidating account	340		
00.08 Interest payments to Treasury	207	404	429
00.09 Payment to liquidating account of value of assets sold	918	200	
00.10 Negative subsidy from asset sales paid to liquidating account	449	111	
00.11 Indirect modification savings paid to liquidating account	56		
00.12 Negative subsidy to liquidating account for new legislation—FHA loan limit increase			228
00.14 Negative subsidy to liquidating account, new legislation			527
10.00 Total obligations	6,664	5,153	5,706
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	907	182	288
22.00 New financing authority (gross)	5,939	5,259	5,719
23.90 Total budgetary resources available for obligation	6,846	5,441	6,007
23.95 New obligations	-6,664	-5,153	-5,706
24.40 Unobligated balance available, end of year: Uninvested	182	288	301
New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)	364	400	700
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	5,484	4,950	5,019
68.10 Change in receivables (Interest from Treasury)	91	-91	
68.90 Spending authority from offsetting collections (total)	5,575	4,859	5,019
70.00 Total new financing authority (gross)	5,939	5,259	5,719
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	47	-23	68
72.95 Receivables from Treasury (interest)		91	
72.99 Total unpaid obligations, start of year	47	68	68
73.10 New obligations	6,664	5,153	5,706
73.20 Total financing disbursements (gross)	-6,643	-5,153	-5,706
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	-23	68	68
74.95 EOY Receivables from Treasury (interest)	91		
74.99 Total unpaid obligations, end of year	68	68	68
87.00 Total financing disbursements (gross)	6,643	5,153	5,706

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds		-98	-11
Non-Federal sources:			
88.40 Fees and premiums	-2,253	-2,612	-3,057
88.40 Recoveries on defaults	-2,013	-1,842	-1,951
88.40 Gross proceeds from asset sales	-1,218	-398	
88.90 Total, offsetting collections (cash)	-5,484	-4,950	-5,019
88.95 Change in receivables from program accounts	-91	91	

Net financing authority and financing disbursements:

89.00 Financing authority	364	400	700
90.00 Financing disbursements	1,159	203	687

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4587-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	110,000	110,000	110,000
2112 Uncommitted loan guarantee limitation	-34,568	-27,740	-11,969
2150 Total guaranteed loan commitments	75,432	82,260	98,031
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	235,291	272,750	318,818
2231 Disbursements of new guaranteed loans	61,175	58,613	67,222
2251 Repayments and prepayments	-20,882	-10,014	-16,719
Adjustments:			
2261 Terminations for default that result in loans receivable	-354	-7	-12
2262 Terminations for default that result in acquisition of property	-2,404	-2,436	-2,619
2263 Terminations for default that result in claim payments	-76	-88	-126
2290 Outstanding, end of year	272,750	318,818	366,564
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	272,750	318,818	366,564
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	866	285	54
2331 Disbursements for guaranteed loan claims	354	7	12
2351 Repayments of loans receivable	-10	-4	-1
2364 Other adjustments, net	-925	-234	-3
2390 Outstanding, end of year	285	54	62

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 loans insured in 1992 and thereafter. The amounts in this account are considered a means of financing and are not included in the budget totals. As required by the Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet (in millions of dollars)

Identification code 86-4587-0-3-371	1996 actual ¹	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	954	159	355	353
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501 Defaulted guaranteed loans receivable, gross	866	285	53	60
1504 Foreclosed property	521	1,104	1,114	1,164
1505 Allowance for subsidy cost	-405	-443	-447	-467
1599 Net value of assets related to defaulted guaranteed loan	982	946	720	757
1901 Other Federal assets: Other assets		3	3	3
1999 Total assets	1,936	1,108	1,078	1,113

LIABILITIES:					
2103	Federal liabilities: Federal liabilities, Debt	2,698	3,062	3,462	3,662
Non-Federal liabilities:					
2204	Liabilities for loan guarantees	-762	-1,978	-2,539	-2,823
2207	Other	24	156	274	
2999	Total liabilities	1,936	1,108	1,079	1,113
4999	Total liabilities and net position	1,936	1,108	1,079	1,113

¹As reflected in the 1998 Budget. Subsidy reestimates for fiscal year 1997 disbursements will be performed for the mid-session review of the Budget.

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT

Unavailable Collections (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99	Balance, start of year		
03.00	Offsetting collections		527
07.99	Total balance, end of year		527

Program and Financing (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
Operating expenses:				
00.03	Other operating costs	93	189	49
00.05	Participation payments	1	1	1
00.91	Total operating expenses	94	190	50
Capital investment:				
01.02	Assignment of defaulted mortgages	82	4	6
01.03	Acquisition of real properties	1,552	1,513	1,072
01.05	Acquisition of other assets	13	13	13
01.07	Capitalized property expenses	229	161	136
01.08	Loss on defaulted guaranteed loans	1	16	13
01.09	Preforeclosure sale claims	19	43	47
01.91	Total capital investment	1,896	1,750	1,288
10.00	Total obligations	1,990	1,940	1,337

Budgetary resources available for obligation:

Unobligated balance available, start of year:				
21.40	Uninvested	2,219	-8	233
U.S. Securities:				
21.41	Par value	7,730	13,467	15,567
21.42	Unrealized discounts	-86	-238	-284
21.99	Total unobligated balance, start of year	9,863	13,221	15,516
22.00	New budget authority (gross)	5,348	4,236	3,716
23.90	Total budgetary resources available for obligation	15,211	17,457	19,232
23.95	New obligations	-1,990	-1,940	-1,337
Unobligated balance available, end of year:				
24.40	Uninvested	-8	233	75
U.S. Securities:				
24.41	Par value	13,467	15,567	18,131
24.42	Unrealized discounts	-238	-284	-312
24.99	Total unobligated balance, end of year	13,221	15,516	17,894

New budget authority (gross), detail:

68.00	Spending authority from offsetting collections (gross):			
	Offsetting collections (cash)	5,348	4,236	3,716

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	685	325	325
73.10	New obligations	1,990	1,940	1,337
73.20	Total outlays (gross)	-2,346	-1,941	-1,338
73.31	Obligated balance transferred to other accounts	-4		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	325	325	325

Outlays (gross), detail:

86.97	Outlays from new permanent authority	1,661	1,467	864
86.98	Outlays from permanent balances	685	474	474

87.00	Total outlays (gross)	2,346	1,941	1,338
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on U.S. securities	-721	-1,260	-1,383
Non-Federal sources:				
88.40	Fees and premiums	-90	-84	-78
88.40	Rebate of unearned prepaid premiums collected	220	24	8
88.40	Proceeds from sale of real property	-1,427	-1,366	-969
88.40	Proceeds from sale of mortgage notes	-926	-200	
88.40	Repayment of mortgage notes and sales contracts	-1	-1	-1
88.40	Interest and operating income	-7	-2	-1
88.40	Recoveries on defaulted mortgages	-27	-9	-2
88.40	Payment from financing account	-2,237	-1,315	-1,266
88.40	Miscellaneous collections	-47		
88.40	Other income	-85	-23	-24
88.90	Total, offsetting collections (cash)	-5,348	-4,236	-3,716
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-3,002	-2,295	-2,378

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority			
Outlays	-3,002	-2,295	-2,378
Legislative proposal, not subject to PAYGO:			
Budget Authority			-527
Outlays			-527
Legislative proposal, subject to PAYGO:			
Budget Authority			
Outlays			-228
Total:			
Budget Authority			-527
Outlays	-3,002	-2,295	-3,133

Status of Direct Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	7	5	3
1251	Repayments: Repayments and prepayments	-1	-1	-1
1264	Write-offs for default: Other adjustments, net	-1	-1	
1290	Outstanding, end of year	5	3	2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	102,159	87,755	81,393
2251	Repayments and prepayments	-12,750	-4,785	-4,517
Adjustments:				
2261	Terminations for default that result in loans receivable	-82	-5	-6
2262	Terminations for default that result in acquisition of property	-1,552	-1,513	-1,072
2263	Terminations for default that result in claim payments	-20	-59	-60
2264	Other adjustments, net			
2290	Outstanding, end of year	87,755	81,393	75,738

Memorandum:

2299	Guaranteed amount of guaranteed loans outstanding, end of year	87,755	81,393	75,738
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Addendum:

Cumulative balance of defaulted guaranteed loans that result in loans receivable:				
2310	Outstanding, start of year	1,862	287	57
2331	Disbursements for guaranteed loan claims	82	5	6
2351	Repayments of loans receivable	-953	-209	-2
2361	Write-offs of loans receivable	-550	-26	-1
2364	Other adjustments, net	-154		
2390	Outstanding, end of year	287	57	60

Credit accounts—Continued

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

The Federal Housing Administration Fund currently consists of four separate insurance funds.

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

The Federal Credit Reform Act of 1990 creates a structure of three accounts for existing credit program. 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 loans insured 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 loans insured 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]

	1997 actual ¹	1998 est.	1999 est.
Insurance initiation:			
Mortgage insurance commitments (units)	852,546	960,240	1,037,380
Mortgage insurance written (in fiscal year):			
Units	740,320	697,094	744,445
Amount	61,175	58,613	67,222
Insurance maintenance: Outstanding balance of insurance in force, end of year:			
Mortgage insurance	360,505	400,211	442,301

¹ Unaudited preliminary results.

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	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
0101 Revenue	2,103	1,854	2,636	1,455
0102 Expense	-1,097	-577	-688	-437
0109 Net income or loss (-)	1,006	1,277	1,948	1,018

¹ As reflected in the 1998 Budget.

² Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4070-0-3-371	1996 actual ¹	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2,905	318	512	325

Investments in US securities:				
Treasury securities, par:				
1102 Treasury securities, par	7,729	13,467	15,567	16,867
1102 Unamortized net premium/discount	-87	-246	-284	-308
1106 Receivables, net	106	1	1	1
1107 Advances and prepayments				
Non-Federal assets:				
1206 Receivables, net	207	61	61	61
1207 Advances and prepayments	-62	32	32	32
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	7	5	3	2
1603 Allowance for estimated uncollectible loans and interest (-)	-1	-2	-1	-1
1699 Value of assets related to direct loans	6	3	2	1
1701 Defaulted guaranteed loans, gross	1,862	287	58	62
1703 Allowance for estimated uncollectible loans and interest (-)	-495	-39	-8	-8
1704 Defaulted guaranteed loans and interest receivable, net	1,367	248	50	54
1705 Allowance for uncollectibles from foreclosed property	-354	-370	-263	-186
1706 Foreclosed property	872	946	672	473
1799 Value of assets related to loan guarantees	1,885	824	459	341
1901 Other Federal assets: Other assets	18	20	9	1
1999 Total assets	12,707	14,480	16,359	17,321
LIABILITIES:				
2101 Federal liabilities: Accounts payable				
Non-Federal liabilities:				
2201 Accounts payable	676	1,600	2,688	2,623
2206 Pension and other actuarial liabilities	2,175	549	549	549
2207 Unearned revenue and advances	1,061	7	17	25
2999 Total liabilities	3,912	2,156	3,254	3,197
NET POSITION:				
3100 Appropriated capital	19	18	18	18
3300 Cumulative results of operations	8,776	12,306	13,087	14,106
3999 Total net position	8,795	12,324	13,105	14,124
4999 Total liabilities and net position	12,707	14,480	16,359	17,321

¹ As reflected in the 1998 Budget.

Object Classification (in millions of dollars)

Identification code 86-4070-0-3-371	1997 actual	1998 est.	1999 est.
25.2 Other services	93	189	49
32.0 Land and structures	1,782	1,673	1,208
33.0 Investments and loans	94	18	19
42.0 Insurance claims and indemnities	20	59	60
44.0 Refunds	1	1	1
99.9 Total obligations	1,990	1,940	1,337

FHA—MUTUAL MORTGAGE INSURANCE AND COOPERATIVE HOUSING LIQUIDATING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4070-2-3-371	1997 actual	1998 est.	1999 est.
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)			527
68.45 Portion applied to capital reserve (limitation on obligations)			-527
68.90 Spending authority from offsetting collections (total)			
Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Payment from financing account			-527

Net budget authority and outlays:		
89.00	Budget authority	-527
90.00	Outlays	-527

Single Family Claims Reform and Sale of Property

This proposal would provide HUD with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or homes.

Currently, section 204(a) of the National Housing Act sets forth the conditions under which HUD pays insurance benefits for defaulted single family mortgages and details the manner of calculating the amount of insurance benefits. This provision updates the current section 204(a) and adds authority for HUD to take assignment of mortgages.

Under this proposal the Department would be able to take assignment of mortgage notes (instead of taking properties into inventory) and then sell or transfer them to a third party for servicing, loss mitigation, foreclosure, and disposition of the property, depending upon the circumstances. It is expected that savings will result from a higher return on sales and expected property disposition.

The proposal would also provide flexible authority for HUD to participate in joint venture arrangements in the sale of single family properties.

sured financing carries favorable terms which may not be available to many working families in high cost areas, who may be constrained from entering the homeownership market because of a lack of downpayment. The proposal reflects the Administration's National Homeownership Strategy, which continue to be successful in raising the national homeowner-ship rate.

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

For the cost 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), \$81,000,000, 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 any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts] \$18,100,000,000.

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 \$50,000,000; of which not to exceed \$100,000,000 \$30,000,000 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, \$222,305,000 \$211,455,000, of which \$218,134,000, including \$25,000,000 for the enforcement of housing standards on FHA-insured multifamily projects,] \$193,134,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which \$4,171,000 \$18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

In addition, for non-overhead administrative expenses necessary to carry out the guaranteed and direct loan programs, \$104,000,000. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

FHA—MUTUAL MORTGAGE INSURANCE AND COOPERATIVE HOUSING LIQUIDATING ACCOUNT

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4070-4-3-371	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
22.00	New budget authority (gross)		228
24.40	Unobligated balance available, end of year:		
	Uninvested		228
New budget authority (gross), detail:			
68.00	Spending authority from offsetting collections (gross):		
	Offsetting collections (cash)		228
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.20	Interest on U.S. securities		
88.40	Payment from financing account		-228
88.90	Total, offsetting collections (cash)		-228
Net budget authority and outlays:			
89.00	Budget authority		
90.00	Outlays		-228

This proposal will permit the Federal Housing Administration (FHA) to insure a single family mortgage with a principal amount not exceeding the average of the conforming mortgage loan limits established by Freddie Mac and Fannie Mae (\$227,150 for a one-family residence in 1998). Under current law, FHA cannot insure a mortgage with a principal amount that exceeds 75% of the conforming mortgage limit established by Freddie Mac.

The proposal also would eliminate other dollar limitations on mortgage amounts that are in the current law. These include "floor" limits for certain areas and limits based upon 95% of median home price for others. Currently, the maximum amount for an FHA-insured mortgage varies from the "floor" of \$86,317 to higher amounts up to \$170,363 which are determined on a county or metropolitan statistical area (MSA) basis.

The proposal would increase and standardize the maximum insurable mortgage amount throughout the country. FHA-in-

Unavailable Collections (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Balance, start of year:				
01.99	Balance, subsidy downward reestimate, start of year	1,506	2,138	2,840
Receipts:				
02.01	Negative Subsidies	607	702	243
02.02	Negative Subsidies, legislative proposal not subject to PAYGO			50
02.03	Downward reestimates of subsidies	25		
02.99	Total receipts	632	702	293
04.00	Total: Balances and collections	2,138	2,840	3,133
07.99	Total balance, end of year	2,138	2,840	3,133

Program and Financing (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.	
Obligations by program activity:				
00.01	Guaranteed loan subsidy	138	151	134
00.02	Prior year adjustment	22	-22	
00.04	FHA multi-family demonstration	22		
00.09	Administrative expenses, salaries & expenses transfer	207	222	211
00.10	Administrative expenses, FHA		104	104
10.00	Total obligations	389	455	449

Credit accounts—Continued

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT—Continued

(INCLUDING TRANSFERS OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
Uninvested:			
21.40 Uncommitted	534	449	314
21.40 Administratively committed	56	49	38
21.99 Total unobligated balance, start of year	590	498	352
22.00 New budget authority (gross)	305	319	396
22.30 Unobligated balance expiring	-8	-10	
23.90 Total budgetary resources available for obligation	887	807	748
23.95 New obligations	-389	-455	-449
Unobligated balance available, end of year:			
Uninvested:			
24.40 Uncommitted	449	314	266
24.40 Administratively committed	49	38	33
24.99 Total unobligated balance, end of year	498	352	299
New budget authority (gross), detail:			
Appropriation:			
40.00 Appropriation	292	303	396
40.00 FHA multi-family demonstration	10		
43.00 Appropriation (total)	302	303	396
50.05 Reappropriation (indefinite)	3	16	
70.00 Total new budget authority (gross)	305	319	396
Change in unpaid obligations:			
Unpaid obligations, start of year: Obligated balance:			
Uninvested			
73.10 New obligations	389	455	449
73.20 Total outlays (gross)	-378	-466	-451
73.40 Adjustments in expired accounts	-2	-16	
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			
	55	28	26
Outlays (gross), detail:			
86.90 Outlays from new current authority	207	295	350
86.93 Outlays from current balances	171	171	101
87.00 Total outlays (gross)	378	466	451
Net budget authority and outlays:			
89.00 Budget authority	305	319	396
90.00 Outlays	378	466	451

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

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.
Direct loan levels supportable by subsidy budget authority:			
1150 Single-family PMMs		20	20
1150 Multifamily bridge loans		100	30
1159 Total direct loan levels		120	50
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Multifamily development	1,609	1,585	1,344
2150 Refinance of FHA-insured mortgages	1,485	1,973	2,100
2150 Risk sharing programs	222	913	708
2150 Section 221(d)(3)	25	19	27
2150 Section 223(d)	9	8	10
2150 Mixed Income	9	4	5
2150 Hospitals	137	450	600
2150 Nursing homes	564	649	600
2150 Very small projects		113	204
2150 Tax credit new construction			75
2150 Section 241 supplemental loans	92	24	100
2150 Neighborhood improvements		10	10

2150 Mobile home parks			10
2150 Single family	7,690	8,500	9,120
2150 Title I guarantees	1,476	2,400	2,187
2150 Standby authority		752	1,000
2159 Total loan guarantee levels	13,318	17,400	18,100
Guaranteed loan subsidy (in percent):			
2320 Multifamily development	8.78	8.51	6.95
2320 Refinance of multifamily mortgages	-0.79	-0.75	-0.78
2320 Multifamily risk sharing programs	-0.34	-0.52	-0.57
2320 Section 221(d)(3)	30.47	29.21	17.27
2320 Section 223(d)	30.47	29.21	24.18
2320 Mixed income	12.26	12.13	12.13
2320 Nursing Homes	0.00	-0.70	-0.70
2320 Hospitals	0.00	1.49	1.53
2320 Section 241 supplemental	0.00	0.00	17.06
2320 Mobile home parks	0.00	0.00	6.95
2320 Very small projects	0.00	-0.48	-0.63
2320 Tax credit new construction	0.00	0.00	-0.88
2320 Neighborhood improvements	0.00	17.04	17.06
2320 Single family programs	-1.55	-1.32	-1.32
2320 Title I	-1.59	-1.50	-1.35
2329 Weighted average subsidy rate	-0.02	-0.13	-0.27
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	98	97	81
2339 Total subsidy budget authority	98	97	81
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	171	166	136
2349 Total subsidy outlays	171	166	136
Administrative expense data:			
3510 Budget authority, S&E Transfer	207	222	211
3510 Budget authority, FHA			104
3580 Outlays from balances			26
3590 Outlays from new authority	207	222	289

Multifamily Products.—This account includes budget authority for multifamily insurance programs requiring positive credit subsidies, as well as for salaries and expenses for all General and Special Risk Insurance Fund programs.

The credit subsidy appropriation of \$81 million requested for 1999 will be used in conjunction with \$49 million of carry-over budget authority to provide a total program level of \$130 million.

As required by the Federal Credit Reform Act of 1990, this account records, for the single family, multifamily, hospital, and Title I insurance programs of FHA's General Insurance 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.

FHA has corrected the allocation of administrative expenses among its budgetary accounts. Beginning in 1998, all administrative expenses are recorded in the program account. In 1999, \$104 million in appropriations has been requested to provide consistency with this approach.

Object Classification (in millions of dollars)

Identification code 86-0200-0-1-371	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services		104	104
25.3 Purchases of goods and services from Government accounts	207	222	211
41.0 Grants, subsidies, and contributions	182	129	134
99.9 Total obligations	389	455	449

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4077-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Capital investment, claims and other:			
00.01	702	986	1,221
00.02			8
00.03		4	8
00.04	142	140	143
00.05	42	82	118
00.06	25		
00.08			
00.09	384		100
00.10	536		285
00.11	2		
00.12	80	562	50
00.13	7		
10.00	1,920	1,774	1,933
Budgetary resources available for obligation:			
21.40			
22.00	2,135	2,137	2,323
22.60	-77	-135	-135
23.90	2,333	2,416	2,830
23.95	-1,920	-1,774	-1,933
24.40	414	642	897
New financing authority (gross), detail:			
67.15	227	1,260	750
Spending authority from offsetting collections:			
68.00	1,777	1,008	1,573
68.10	131	-131	
68.90	1,908	877	1,573
70.00	2,135	2,137	2,323
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40	42	-82	49
72.95		131	
72.99	42	49	49
73.10	1,920	1,774	1,933
73.20	-1,913	-1,774	-1,933
Unpaid obligations, end of year:			
74.40	-82	49	49
74.95	131		
74.99	49	49	49
87.00	1,913	1,774	1,933
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
Federal sources:			
88.00	-157	-166	-136
88.00	-97	-117	-217
88.25		-23	-23
Non-Federal sources:			
88.40	-277	-486	-574
88.40	-60	-55	-49
88.40	-246	-153	-168
88.40	-6	-8	-13
88.40	-934		-393
88.90	-1,777	-1,008	-1,573
88.95	-131	131	
Net financing authority and financing disbursements:			
89.00	227	1,260	750
90.00	136	766	360

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4077-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111	17,400	17,400	18,100
2112	-4,082	-752	-1,000
2150	13,318	16,648	17,100
Cumulative balance of guaranteed loans outstanding:			
2210	40,319	45,663	55,662
2231	12,677	14,323	14,416
2251	-6,144	-3,594	-2,973
Adjustments:			
2261	-167	-333	-512
2262	-227	-285	-310
2263	-100	-112	-126
2264	-695		
2290	45,663	55,662	66,157
Memorandum:			
2299	45,663	55,662	66,157
Addendum:			
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310	159	210	518
2331	167	333	512
2351	-67	-25	-39
2361	-49		
2390	210	518	991

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. As required by the Federal Credit Reform Act of 1990, no administrative expenses can be recorded in the financing account.

Balance Sheet¹ (in millions of dollars)

Identification code 86-4077-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101	589	333	152	152
Investments in US securities:				
1107	336		622	405
Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable:				
1501	159	210	518	991
1504	118	195	271	311
1505	-164	-235	-457	-732
1599	113	170	332	570
1901	1			97
1999	1,038	504	1,106	1,224
LIABILITIES:				
Federal liabilities: Debt				
2103	421	572	1,195	1,336
Non-Federal liabilities:				
2204	617	-72	-89	-112
2207	4			
2999	1,038	504	1,106	1,224
NET POSITION:				
3999				

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT—Continued****Balance Sheet¹ (in millions of dollars)—Continued**

Identification code 86-4077-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
4999 Total liabilities and net position	1,038	504	1,106	1,224

¹Preliminary results pending final audit. Subsidy reestimates for fiscal year 1997 disbursements 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	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct loans	1	20	50
00.02 Interest paid to Treasury		2	7
10.00 Total obligations	1	22	57

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			1
22.00 New financing authority (gross)	1	23	60
23.90 Total budgetary resources available for obligation	1	23	61
23.95 New obligations	-1	-22	-57
24.40 Unobligated balance available, end of year:			
Uninvested		1	4

New financing authority (gross), detail:			
67.15 Authority to borrow (indefinite)		20	50
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1	3	10
70.00 Total new financing authority (gross)	1	23	60

Change in unpaid obligations:			
73.10 New obligations	1	22	57
73.20 Total financing disbursements (gross)	-1	-22	-57
87.00 Total financing disbursements (gross)	1	22	57

Offsets:			
Against gross financing authority and financing disbursements:			
88.40 Offsetting collections (cash) from: Interest received on loans	-1	-3	-10

Net financing authority and financing disbursements:			
89.00 Financing authority		20	50
90.00 Financing disbursements		19	47

Status of Direct Loans (in millions of dollars)

Identification code 86-4105-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on obligations:			
1111 Limitation on direct loans	120	120	120
1112 Unobligated direct loan limitation	-119	-100	-70
1150 Total direct loan obligations	1	20	50

Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year		1	21
1231 Disbursements: Direct loan disbursements	1	20	50
1251 Repayments: Repayments and prepayments			-5
1290 Outstanding, end of year	1	21	66

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 Insurance and Special Risk Insurance Fund programs.

The amounts in this account are a means of financing and are not included in the budget totals. As required by the Federal Reform Act of 1990, no administrative expenses can be recorded in the financing account.

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	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury			1	4
Net value of assets related to post-1991 direct loans receivable:				
1401 Direct loans receivable, gross		1	21	66
1499 Net present value of assets related to direct loans		1	21	66
1999 Total assets		1	22	70
LIABILITIES:				
Federal liabilities:				
2103 Treasury borrowing		1	21	66
2104 Resources payable to Treasury			1	4
2999 Total liabilities		1	22	70
4999 Total liabilities and net position		1	22	70

FHA—LOAN GUARANTEE RECOVERY FUND—FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

Identification code 86-4106-0-3-371	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested			3
22.00 New financing authority (gross)		3	2
23.90 Total budgetary resources available for obligation		3	5
24.40 Unobligated balance available, end of year:			
Uninvested		3	5

New financing authority (gross), detail:			
68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)		3	2

Offsets:			
Against gross financing authority and financing disbursements:			
88.00 Offsetting collections (cash) from: Federal sources		-3	-2

Net financing authority and financing disbursements:			
89.00 Financing authority			
90.00 Financing disbursements		-3	-2

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4106-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	10	10	
2113 Uncommitted limitation carried forward	-10		
2150 Total guaranteed loan commitments		10	

Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			3
2231 Disbursements of new guaranteed loans		3	3
2290 Outstanding, end of year		3	6

Memorandum:
2299 Guaranteed amount of guaranteed loans outstanding,
end of year 3 6

Section 4 of the Church Arson Prevention Act of 1996 (P.L. 104-155), entitled "Loan Guarantee Recovery Fund," authorizes the Secretary of Housing and Urban Development to guarantee loans made by financial institutions to assist certain nonprofit organizations that were damaged as a result of acts of arson or terrorism.

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4072-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Operating expenses:			
00.02 Interest on debentures	5	5	5
00.03 Other operating costs	50	8	8
00.04 Property disposition related contracts		4	8
00.05 Legislative savings repayments	109	117	217
00.06 PAE & 3rd party restructuring fees		6	69
00.91 Total operating expenses	164	140	307
Capital investment: Claims and other:			
01.01 Acquisition of defaulted Title I notes	37	33	30
01.02 Assignment of mortgages	333	428	544
01.03 Acquisition of real properties	215	199	152
01.04 Rehabilitation of real properties	54	34	44
01.05 Mark-to-Market Restructures		102	1,603
01.07 Capitalized property expenses	112	147	147
01.08 Loss on defaulted guaranteed loans	14		
01.10 Tax advances on held mortgages	65	33	33
01.11 SF partial claims		4	3
01.91 Total capital investment	829	980	2,556
10.00 Total obligations	994	1,120	2,863
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	2,089	2,420	
21.41 U.S. Securities: Par value	7	8	
21.99 Total unobligated balance, start of year	2,096	2,428	
22.00 New budget authority (gross)	1,386	713	2,929
22.10 Resources available from recoveries of prior year obligations	1		
22.40 Capital transfer to general fund		-1,955	
22.60 Redemption of debt	-61	-66	-66
23.90 Total budgetary resources available for obligation	3,422	1,120	2,863
23.95 New obligations	-994	-1,120	-2,863
Unobligated balance available, end of year:			
24.40 Uninvested	2,420		
24.41 U.S. Securities: Par value	8		
24.99 Total unobligated balance, end of year	2,428		
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)			1,873
67.15 Authority to borrow (indefinite)	47	66	66
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	1,339	647	990
70.00 Total new budget authority (gross)	1,386	713	2,929
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	279	423	423
73.10 New obligations	994	1,120	2,863
73.20 Total outlays (gross)	-853	-1,120	-2,863
73.32 Obligated balance transferred from other accounts	4		
73.45 Adjustments in unexpired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	423	423	423
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	47	713	2,863
86.98 Outlays from permanent balances	806	407	

87.00 Total outlays (gross)	853	1,120	2,863
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Non-Federal sources:			
88.40 Fees and premiums	-232	-201	-194
88.40 Rebates of insurance premiums	7	7	7
88.40 Multifamily foreclosure sales	-3	-108	-147
88.40 Proceeds from sale of real property	-186	-158	-184
88.40 Proceeds from sale of mortgage notes	-560		-285
88.40 MTM second mortgage repayments		-1	-7
88.40 Prior year adjustment	3		
88.40 Recoveries on defaulted mortgages	-131	-53	-52
88.40 Interest and operating income	-206	-105	-110
88.40 Recoveries on defaulted Title I mortgages	-15	-12	-10
88.40 Other interest, dividends and revenue	-8	-9	-8
88.40 Modification subsidy & transfers from financing acct.	-8	-7	
88.90 Total, offsetting collections (cash)	-1,339	-647	-990
Net budget authority and outlays:			
89.00 Budget authority	47	66	1,939
90.00 Outlays	-486	473	1,873

Summary of Budget Authority and Outlays

(in millions of dollars)

	1997 actual	1998 est.	1999 est.
Enacted/requested:			
Budget Authority	47	66	1,939
Outlays	-486	473	1,873
Legislative proposal, not subject to PAYGO:			
Budget Authority			23
Outlays			-2
Total:			
Budget Authority	47	66	1,962
Outlays	-486	473	1,871

Status of Direct Loans (in millions of dollars)

Identification code 86-4072-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	97	78	65
1251 Repayments: Repayments and prepayments	-13	-10	-8
1264 Write-offs for default: Other adjustments, net	-6	-3	-2
1290 Outstanding, end of year	78	65	55

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4072-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	48,423	42,405	39,690
2251 Repayments and prepayments	-3,422	-1,949	-1,756
Adjustments:			
2261 Terminations for default that result in loans receivable	-369	-465	-577
2262 Terminations for default that result in acquisition of property	-215	-199	-152
2263 Terminations for default that result in claim payments	-14	-102	-1,603
2264 Other adjustments, net	-1,998		
2290 Outstanding, end of year	42,405	39,690	35,602
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year	42,405	39,690	35,602

Addendum:

	1997 actual	1998 est.	1999 est.
Cumulative balance of defaulted guaranteed loans that result in loans receivable:			
2310 Outstanding, start of year	2,941	2,210	2,388
2331 Disbursements for guaranteed loan claims	369	465	577
2351 Repayments of loans receivable	-1,050	-121	-445
2361 Write-offs of loans receivable	-93	-232	-545
2364 Other adjustments, net	43	66	
2390 Outstanding, end of year	2,210	2,388	1,975

The General Insurance fund provides for a large number of specialized mortgage insurance programs, including the in-

Credit accounts—Continued

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

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 insurance on behalf of mortgagors 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 was not observed.

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. New insurance and direct loan activity in 1992 and thereafter in the GI/SRI programs is recorded in corresponding program (86-0200) and financing (86-4077 and 86-4105) accounts.

Section 571 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 established the Office of Multifamily Housing Assistance Restructuring within HUD to administer the program of mortgage and rental assistance restructuring. Included in the budget estimates for this account are projections for the financial operations of the office. More detailed information will be provided to Congress at a later date.

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	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
0101 Revenue	370	520	299	299
0102 Expense	-167	-55	-368	-2,083
0109 Net income or loss (-)	203	465	-69	-1,784

¹ As reflected in the 1998 Budget.
² Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

Identification code 86-4072-0-3-371	1996 actual ¹	1997 actual ²	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	2,092	2,842	423	423
Investments in US securities:				
1102 Treasury securities, par	7	7		
1106 Receivables, net	16	3	3	3
1107 Advances and prepayments				
Non-Federal assets:				
1206 Receivables, net	175	86	86	86
1207 Advances and prepayments				
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	97	78	65	55
1603 Allowance for estimated uncollectible loans and interest (-)	-21	-59	-49	-41
1699 Value of assets related to direct loans	76	19	16	14
1701 Defaulted guaranteed loans, gross	2,940	2,210	2,388	1,975
1703 Allowance for estimated uncollectible loans and interest (-)	-1,957	-1,801	-1,946	-1,609
1704 Defaulted guaranteed loans and interest receivable, net	983	409	442	366
1705 Allowance for uncollectables from foreclosed property	-479	-182	-160	-150
1706 Foreclosed property	632	295	260	244
1799 Value of assets related to loan guarantees	1,136	522	542	460

1901 Other Federal assets: Other assets	330	330	330	
1999 Total assets	3,502	3,809	1,400	1,316
LIABILITIES:				
Federal liabilities:				
2101 Accounts payable	373	363	363	363
2102 Interest payable				
2104 Resources payable to Treasury				
Non-Federal liabilities:				
2201 Accounts payable	131	443	443	443
2202 Interest payable				
2203 Debt	82			
2206 Pension and other actuarial liabilities	8,890	6,685	6,300	6,000
Other:				
2207 Unearned revenue and advances ...	111	124	124	124
2207 Other	209			
2999 Total liabilities	9,796	7,615	7,230	6,930
NET POSITION:				
3100 Appropriated capital	5,350	5,290	5,290	7,290
3300 Cumulative results of operations	-19,115	-16,567	-16,636	-18,420
Other:				
3600 Debt Forgiveness	7,471	7,471	7,471	7,471
3600 Balances transferred			-1,955	-1,955
3999 Total net position	-6,294	-3,806	-5,830	-5,614
4999 Total liabilities and net position	3,502	3,809	1,400	1,316

¹ As reflected in 1998 Budget.
² Preliminary pending final audit.

Object Classification (in millions of dollars)

Identification code 86-4072-0-3-371	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services		4	8
25.2 Other services	50	14	77
32.0 Land and structures	269	233	196
33.0 Investments and loans	370	567	2,180
42.0 Insurance claims and indemnities	191	180	180
43.0 Interest and dividends	5	5	5
44.0 Repayments to financing account	109	117	217
99.9 Total obligations	994	1,120	2,863

FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING (Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 86-4072-2-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Increase in 3rd party fees			5
Capital investment: Claims and other:			
01.01 Change to baseline project restructuring costs			-25
01.03 Legislative savings repayment to financing account			18
01.91 Total capital investment			-7
10.00 Total obligations			-2
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			23
22.40 Capital transfer to general fund			-25
23.90 Total budgetary resources available for obligation			-2
23.95 New obligations			2
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)			23
Change in unpaid obligations:			
73.10 New obligations			-2
73.20 Total outlays (gross)			2
Outlays (gross), detail:			
86.97 Outlays from new permanent authority			23
86.98 Outlays from permanent balances			-25
87.00 Total outlays (gross)			-2
Net budget authority and outlays:			
89.00 Budget authority			23
90.00 Outlays			-2

This adjustment reflects the effect of repealing sections 513(b)(7)(g) and 517(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997. Section 513(b)(7)(g) of the Act prohibits any private entity from sharing, participating in, or otherwise benefiting from any equity created, received, or restructured as a result of a portfolio restructuring agreement. Section 517(d) of the Act prohibits the Secretary of HUD from participating in any equity sharing or profit sharing arrangement.

The Department will be reporting in February, 1998, on possible ways that equity sharing might be developed in connection with portfolio restructuring. Currently, HUD is using joint venture arrangements with non-profit partners under the multifamily demonstration as a mechanism to achieve savings.

Object Classification (in millions of dollars)

Identification code 86-4072-2-3-371	1997 actual	1998 est.	1999 est.
25.1 Advisory and assistance services			5
33.0 Investments and loans			-25
44.0 Repayments to financing account			18
99.9 Total obligations			-2

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Capital investment:			
00.01 Housing for the elderly or handicapped loans	2	13	
00.02 Maintenance security and collateral	2	4	4
00.91 Subtotal, capital investment	4	17	4
01.01 Operating expenses: Interest on borrowings	436	361	309
10.00 Total obligations	440	378	313
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	462	920	
22.00 New budget authority (gross)	786	751	751
22.10 Resources available from recoveries of prior year obligations	112		
22.60 Redemption of debt		-1,293	-438
23.90 Total budgetary resources available for obligation	1,360	378	313
23.95 New obligations	-440	-378	-313
24.40 Unobligated balance available, end of year:			
Uninvested	920		
New budget authority (gross), detail:			
60.05 Appropriation (indefinite)	735	881	
60.47 Portion applied to debt reduction	-735	-881	
63.00 Appropriation (total)			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	786	751	751
70.00 Total new budget authority (gross)	786	751	751
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	425	107	123
73.10 New obligations	440	378	313
73.20 Total outlays (gross)	-646	-362	-325
73.45 Adjustments in unexpired accounts	-112		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	107	123	110
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	646	362	202
86.98 Outlays from permanent balances			123
87.00 Total outlays (gross)	646	362	325

Offsets:			
Against gross budget authority and outlays:			
88.40 Offsetting collections (cash) from: Non-Federal sources	-786	-751	-751
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-141	-389	-426

Status of Direct Loans (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	8,306	8,228	8,342
1231 Disbursements: Direct loan disbursements	6	184	
1251 Repayments: Repayments and prepayments	-84	-70	-71
Write-offs for default:			
1263 Direct loans			
1264 Other adjustments, net			
1290 Outstanding, end of year	8,228	8,342	8,271

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 included 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.

For 1999, funding is being requested for assistance on behalf of the elderly and disabled under the HOME Investment Partnerships Program.

The program and financing schedule for this account summarizes the Federal government's obligations for this loan program.

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	1996 actual	1997 actual	1998 est.	1999 est.
0101 Revenue	700	699	681	680
0102 Expense	-573	-440	-364	-313
0109 Net income or loss (-)	127	259	317	367

Balance Sheet (in millions of dollars)

Identification code 86-4115-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	887	1,027	1,417	1,177
1206 Non-Federal assets: Receivables, net	83	81	81	81
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	8,306	8,228	8,343	8,272
1602 Interest receivable				

Credit accounts—Continued

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT—Continued

Balance Sheet (in millions of dollars)—Continued

Identification code 86-4115-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
1603 Allowance for estimated uncollectible loans and interest (-)	-20	-21	-21	-21
1604 Direct loans and interest receivable, net	8,286	8,207	8,322	8,251
1606 Acquired Real Property		1	1	1
1699 Value of assets related to direct loans	8,286	8,208	8,323	8,252
1901 Other Federal assets: Other assets	1			
1999 Total assets	9,257	9,316	9,821	9,510
LIABILITIES:				
Federal liabilities:				
2102 Interest payable	291	90	184	157
2104 Resources payable to Treasury	8	9	9	9
2207 Non-Federal liabilities: Other	6,909	6,174	5,293	4,628
2999 Total liabilities	7,208	6,273	5,486	4,794
NET POSITION:				
3100 Appropriated capital	2,021	2,784	2,784	2,784
3300 Cumulative results of operations	28	259	1,551	1,932
3999 Total net position	2,049	3,043	4,335	4,716
4999 Total liabilities and net position	9,257	9,316	9,821	9,510

Object Classification (in millions of dollars)

Identification code 86-4115-0-3-371	1997 actual	1998 est.	1999 est.
32.0 Land and structures	2	4	4
33.0 Investments and loans	2	13	
43.0 Interest and dividends	436	361	309
99.9 Total obligations	440	378	313

NONPROFIT SPONSOR ASSISTANCE LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4042-0-3-604	1997 actual	1998 est.	1999 est.
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	6	6	
22.40 Capital transfer to general fund		-6	
23.90 Total budgetary resources available for obligation	6		
24.40 Unobligated balance available, end of year:			
Uninvested	6		
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	1997 actual	1998 est.	1999 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	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	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
1699 Value of assets related to direct loans				
1999 Total assets	6	6		
NET POSITION:				
3300 Cumulative results of operations	6	6		
3999 Total net position	6	6		
4999 Total liabilities and net position	6	6		

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

Federal Funds

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

Financing.—Ginnie Mae issuers are assessed commitment, guarantee and other fees to cover costs incurred by Ginnie Mae 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 \$329 million and \$402 million in 1998 and 1999 respectively.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year [1998] 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed [\$130,000,000,000] \$150,000,000,000.

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 departmental salaries and expenses. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Unavailable Collections (in millions of dollars)

Identification code 86-0186-0-1-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year			382
Receipts:			
02.01 Guarantees of mortgage backed securities guarantee loans, negative subsidies	9	391	5,715
04.00 Total: Balances and collections	9	391	6,097
Appropriation:			
05.01 Guarantees of mortgage-backed securities loan guarantee program account	-9	-9	-9

07.99 Total balance, end of year 382 6,088

Program and Financing (in millions of dollars)

Identification code 86-0186-0-1-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Administrative expenses	9	9	9
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
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
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	1997 actual	1998 est.	1999 est.
Guaranteed loan levels supportable by subsidy budget authority:			
2150 Loan guarantee levels	110,000	130,000	150,000
2159 Total loan guarantee levels	110,000	130,000	150,000
Guaranteed loan subsidy (in percent):			
2320 Subsidy rate	0.00	-0.32	-0.42
2329 Weighted average subsidy rate	0.00	-0.32	-0.42
Guaranteed loan subsidy budget authority:			
2330 Subsidy budget authority	-9	-9	-9
2339 Total subsidy budget authority	-9	-9	-9
Guaranteed loan subsidy outlays:			
2340 Subsidy outlays	-9	-9	-9
2349 Total subsidy outlays	-9	-9	-9

The schedule above reflects new methodology under credit reform for Ginnie Mae. During transition to the new methodology, negative subsidy will not match disbursement from the Ginnie Mae financing account to the Ginnie Mae receipt account.

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	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Payment to receipt account for administration	9	9	9
00.02 Payment to receipt account for negative subsidy	45	286	
00.03 Payment to receipt account for multi-class savings proposals		27	
00.04 Operating expenses		38	43
00.05 Capital investment		82	80
10.00 Total obligations	9	201	418

Budgetary resources available for obligation:

21.40 Unobligated balance available, start of year:			
Uninvested	127	155	407
22.00 New financing authority (gross)	37	453	505
23.90 Total budgetary resources available for obligation	164	608	912
23.95 New obligations	-9	-201	-418
24.40 Unobligated balance available, end of year:			
Uninvested	155	407	494

New financing authority (gross), detail:

68.00 Spending authority from offsetting collections (gross):			
Offsetting collections (cash)	37	453	505

Change in unpaid obligations:

72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested			-9
73.10 New obligations	9	201	418
73.20 Total financing disbursements (gross)	-9	-211	-413
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested			-9
87.00 Total financing disbursements (gross)	9	211	413

Offsets:

Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.25 Interest on uninvested funds	-10	-12	-24
Non-Federal sources:			
88.40 Non-Federal sources: Commitment and other fees		-286	-351
88.40 Non-Federal sources		-81	-55
88.40 Non-Federal sources	-27	-63	-64
88.40 Non-Federal sources		-11	-11
88.90 Total, offsetting collections (cash)	-37	-453	-505
88.95 Change in receivables from program accounts			

Net financing authority and financing disbursements:

89.00 Financing authority			
90.00 Financing disbursements	-28	-242	-92

Status of Direct Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 est.	1999 est.
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year			255
Disbursements:			
1232 Purchase of loans assets from the public		74	71
1233 Purchase of loans assets from a liquidating account		265	
1252 Repayments: Proceeds from loan asset sales to the public or discounted		-84	-58
1290 Outstanding, end of year		255	268

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4240-0-3-371	1997 actual	1998 est.	1999 est.
Position with respect to appropriations act limitation on commitments:			
2111 Limitation on guaranteed loans made by private lenders	110,000	130,000	150,000
2112 Uncommitted loan guarantee limitation			
2150 Total guaranteed loan commitments	110,000	130,000	150,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year			468,737
2231 Disbursements of new guaranteed loans		107,472	108,658
2251 Repayments and prepayments		-200	-289
2264 Adjustments: Other adjustments, net		361,465	
2290 Outstanding, end of year		468,737	577,106
Memorandum:			
2299 Guaranteed amount of guaranteed loans outstanding, end of year		468,737	577,106

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING ACCOUNT—Continued

Balance Sheet (in millions of dollars)

Identification code 86-4240-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
1101 Federal assets: Fund balances with Treasury	127	155	397	495
1206 Non-Federal assets: Receivables, net			23	30
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross			274	380
1603 Allowance for estimated uncollectible loans and interest (-)			-159	-217
1699 Value of assets related to direct loans			115	163
1801 Other Federal assets: Cash and other monetary assets			8	10
1999 Total assets	127	155	543	698
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable			19	40
2207 Other			402	453
2999 Total liabilities			421	493
NET POSITION:				
3300 Cumulative results of operations	127	155	120	206
3999 Total net position	127	155	120	206
4999 Total liabilities and net position	127	155	541	699

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

GUARANTEES OF MORTGAGE-BACKED SECURITIES LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Functional services	13	3	1
Operating expenses:			
00.02 Default expenses	10	2	1
00.03 Servicing expenses	6	1	1
00.04 Other expenses	16	3	2
00.05 REMIC expenses	4		
00.91 Total operating expenses	49	9	5
Capital investment:			
01.01 Advances of guaranty payments	94	18	8
01.02 Real estate owned properties	15	3	1
01.91 Total capital investment	109	21	9
Other:			
02.01 Transfer to Receipt Account		310	5,420
10.00 Total obligations	158	340	5,434
Budgetary resources available for obligation:			
Unobligated balance available, start of year:			
21.40 Uninvested	82	85	61
U.S. Securities:			
21.41 Par value	4,772	5,382	5,368
21.42 Unrealized discounts	-10	-15	
21.99 Total unobligated balance, start of year	4,844	5,452	5,429
22.00 New budget authority (gross)	766	317	5
23.90 Total budgetary resources available for obligation	5,610	5,769	5,434
23.95 New obligations	-158	-340	-5,434
Unobligated balance available, end of year:			
24.40 Uninvested	85	61	
U.S. Securities:			
24.41 Par value	5,382	5,368	
24.42 Unrealized discounts	-15		
24.99 Total unobligated balance, end of year	5,452	5,429	

New budget authority (gross), detail:

Spending authority from offsetting collections:				
Offsetting collections (cash):				
68.00	Offsetting collections (cash)	754	317	5
68.00	Spending authority from offsetting collections (REMICs)	12		
68.90	Spending authority from offsetting collections (total)	766	317	5
70.00	Total new budget authority (gross)	766	317	5

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested ¹	-78	-85	-62
73.10	New obligations	158	340	5,434
73.20	Total outlays (gross)	-164	-627	-5,372
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	-85	-62	

Outlays (gross), detail:

86.98	Outlays from permanent balances	164	627	5,372
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Offsets:

Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
88.20	Interest on U.S. securities	-306	-259	
88.25	Interest on uninvested funds		-3	
Non-Federal sources:				
88.40	Guarantee fees	-326	-55	-5
88.40	Repayments of guaranteed payments	-84		
88.40	Commitment and other fees	-22		
88.40	Servicing income	-11		
88.40	Receipts from sale of REO properties and mobile home units	-16		
88.40	Repayments on mortgages	-1		
88.40	Sale of servicing rights			
88.90	Total, offsetting collections (cash)	-766	-317	-5

Net budget authority and outlays:

89.00	Budget authority			
90.00	Outlays	-602	310	5,367

¹ This line nets unpaid obligations and offsetting collections from new Federal sources.

Status of Direct Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of direct loans outstanding:				
1210	Outstanding, start of year	321	332	85
1232	Disbursements: Purchase of loans assets from the public	98	19	8
1252	Repayments: Proceeds from loan asset sales to the public or discounted	-87	-1	
1264	Write-offs for default: Other adjustments, net		-265	
1290	Outstanding, end of year	332	85	93

Status of Guaranteed Loans (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.	
Cumulative balance of guaranteed loans outstanding:				
2210	Outstanding, start of year	497,433	530,042	90,317
2231	Disbursements of new guaranteed loans	97,569		
2251	Repayments and prepayments	-64,960	-78,260	-82,607
2264	Adjustments: Other adjustments, net		-361,465	
2290	Outstanding, end of year	530,042	90,317	7,710
Memorandum:				
2299	Guaranteed amount of guaranteed loans outstanding, end of year	530,041	90,316	7,709

Budget Program.—Program activity is summarized below:

Mortgage-backed Securities*

[In millions of dollars]

	1997 actual	1998 est.	1999 est.
Commitment limitation	110,000	130,000	150,000
Commitments issued	98,869	130,000	150,000
Guarantees issued	97,569	107,472	108,000
Securities outstanding	530,041	649,369	592,525

* Includes both financing and liquidating account activity.

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$573 million in 1997, \$309 million in 1998, and \$1 million in 1999. 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	1996 actual	1997 actual	1998 est.	1999 est.
Revenue:				
0101 Revenue	576	641	317	5
0101 Revenue (REMICs)	11	12		
Expense:				
0102 Expense	-96	-76	-8	-4
0102 Expense (REMICs)	-4	-4		
Net income or loss (-):				
0109 Net income or loss (-)	480	565	309	1
0109 Net income or loss (-) (REMICs)	7	8		
0199 Net income or loss	487	573	309	1

Balance Sheet (in millions of dollars)

Identification code 86-4238-0-3-371	1996 actual	1997 actual	1998 est.	1999 est.
ASSETS:				
Federal assets:				
1101 Fund balances with Treasury	4	1	1	
Investments in US securities:				
1102 Treasury securities, par	4,785	5,382	5,368	
1104 Agency securities, par				
1106 Receivables, net	60	73	61	
1206 Non-Federal assets: Receivables, net	28	33	8	4
Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable:				
1601 Direct loans, gross	321	332	85	93
1603 Allowance for estimated uncollectible loans and interest (-)	-288	-303	-52	-86
1699 Value of assets related to direct loans	33	29	33	7
1801 Other Federal assets: Cash and other monetary assets	5	10	2	
1999 Total assets	4,915	5,528	5,473	11
LIABILITIES:				
Non-Federal liabilities:				
2201 Accounts payable	36	39	7	4
2207 Other	473	509	101	50
2999 Total liabilities	509	548	108	54
NET POSITION:				
3300 Cumulative results of operations	4,406	4,979	5,365	-43
3999 Total net position	4,406	4,979	5,365	-43
4999 Total liabilities and net position	4,915	5,527	5,473	11

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

Object Classification (in millions of dollars)

Identification code 86-4238-0-3-371	1997 actual	1998 est.	1999 est.
25.2 Other services	45	9	5
33.0 Investments and loans	113	21	9
92.0 Undistributed		310	5,420
99.9 Total obligations	158	340	5,434

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, **[\$36,500,000]** \$50,000,000, to remain available until September 30, **[1999]** 2000, of which \$10,000,000 shall be for activities to support the Partnership for Advanced Technologies in Housing.

[Of the amount made available under this heading, \$500,000 shall be made available for a contract with the National Academy of Public Administration to evaluate the Secretary's efforts to implement needed management systems and processes.] (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0108-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Housing Research	35	40	40
00.02 Research Fund for America			10
10.00 Total obligations	35	40	50
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	2	3	
22.00 New budget authority (gross)	36	37	50
23.90 Total budgetary resources available for obligation	38	40	50
23.95 New obligations	-35	-40	-50
24.40 Unobligated balance available, end of year:			
Uninvested	3		
New budget authority (gross), detail:			
Current:			
Appropriation:			
40.00 Appropriation	34	37	40
40.00 Appropriation			10
43.00 Appropriation (total)	34	37	50
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2		
70.00 Total new budget authority (gross)	36	37	50
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	25	26	26
73.10 New obligations	35	40	50
73.20 Total outlays (gross)	-33	-40	-41
73.40 Adjustments in expired accounts	-1		
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	26	26	35
Outlays (gross), detail:			
86.90 Outlays from new current authority	14	15	20
86.93 Outlays from current balances	19	25	21
87.00 Total outlays (gross)	33	40	41
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-2		
Net budget authority and outlays:			
89.00 Budget authority	34	37	50
90.00 Outlays	31	40	41

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 con-

General and special funds—Continued

RESEARCH AND TECHNOLOGY—Continued

tracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 1999, the research program will focus on activities to support research examining the implications of significant changes in public and assisted housing policy, the impacts of welfare reform on HUD-assisted households and HUD-subsidized developments, the success of instituting a continuum of care approach to help the homeless and other areas. National Housing Surveys will continue in 1999.

The 1999 request includes \$10 million to support an initiative known as the Partnership for Advancing Technologies in Housing (PATH). PATH is a key component of the President's Climate Change Technology Initiative (CCTI). Energy use in buildings accounts for more than one-third of air emissions, producing more than 350 million metric tons of carbon emissions. PATH will help to significantly reduce: housing utility costs; carbon emissions; construction injuries; losses due to fire and disasters. The funds will be used for PATH-related housing technology research, field demonstrations of promising new technologies, information dissemination, and the development of product evaluation systems.

Funding for PATH is proposed as part of the Research Fund for America. This proposal highlights the Administration's priority to providing needed and sustained investments in important Federal research programs on a deficit neutral basis. A discussion of the Research Fund for America, and two other funds for the environment and transportation, can be found in Section II of the *Budget* volume.

Object Classification (in millions of dollars)

Identification code 86-0108-0-1-451	1997 actual	1998 est.	1999 est.
25.2 Other services	31	35	45
41.0 Grants, subsidies, and contributions	4	5	5
99.9 Total obligations	35	40	50

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, **[\$30,000,000] \$52,000,000**, to remain available until September 30, **[1999] 2000**, of which **[\$15,000,000] \$29,000,000** shall be to carry out activities pursuant to such section 561. No funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Program and Financing (in millions of dollars)

Identification code 86-0144-0-1-751	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Fair housing assistance	11	23	23
00.02 Fair housing initiatives	24	15	29
10.00 Total obligations (object class 41.0)	35	38	52
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year: Uninvested	13	8	
22.00 New budget authority (gross)	30	30	52

22.30 Unobligated balance expiring	-1		
23.90 Total budgetary resources available for obligation	42	38	52
23.95 New obligations	-35	-38	-52
24.40 Unobligated balance available, end of year: Uninvested	8		
New budget authority (gross), detail:			
40.00 Appropriation	30	30	52
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	32	39	55
73.10 New obligations	35	38	52
73.20 Total outlays (gross)	-28	-22	-29
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	39	55	78
Outlays (gross), detail:			
86.93 Outlays from current balances	28	22	29
Net budget authority and outlays:			
89.00 Budget authority	30	30	52
90.00 Outlays	28	22	29

The Budget proposes an appropriation of \$52 million in 1999 for fair housing activities to fund programs, consistent with the President's "One America" policy, which will support new efforts to end housing discrimination, including a commitment to double the number of housing discrimination enforcement actions over the next 4 years. Of the amount requested, \$23 million is for the Fair Housing Assistance Program and \$29 million is for the Fair Housing Initiatives Program.

The Fair Housing Assistance Program (FHAP), 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 additional \$8 million in funding requested for FHAP will support the President's fair housing enforcement initiative by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. These funds will be used for joint investigations and enforcement activities with State and local fair housing agencies to address housing discrimination. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 85 in 1999 from 78 in 1997.

The Fair Housing Initiatives Program (FHIP), 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.

Of the \$29 million requested, \$10 million will be used to fund an audit-based enforcement initiative which will address the continued existence of a high level of both blatant and subtle forms of housing discrimination confirmed through testing experience. Additional FHIP funding will support extended testing and other anti-discrimination activities by private fair housing groups.

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, **\$85,000,000** to remain available until expended, of which **\$25,000,000** shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and

Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative 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, \$1,000,826,000, of which **[\$544,443,000]** \$518,000,000 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] \$1,000,000 shall be provided from the "Community Development Grants Program" account, \$200,000 shall be provided from the "Title VI Indian Federal Guarantees Program Account," and \$400,000 shall be provided from the "Indian Housing Loan Guarantee Fund Program Account". (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)			
Identification code 86-0174-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Lead abatement			85
10.00 Total obligations (object class 41.0)			85
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			85
23.95 New obligations			-85
New budget authority (gross), detail:			
40.00 Appropriation			85
Change in unpaid obligations:			
73.10 New obligations			85
73.20 Total outlays (gross)			-1
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested			84
Outlays (gross), detail:			
86.90 Outlays from new current authority			1
Net budget authority and outlays:			
89.00 Budget authority			85
90.00 Outlays			1

Title X of the Housing and Community Development Act of 1992 (Public Law 102-550), known as the Residential Lead-Based Paint Hazard Reduction Act, authorized the Secretary to establish the Lead-Based Paint Hazard Control Grant Program. The primary purpose of the program is to reduce the exposure of young children to lead-based paint hazards in their homes.

To accomplish this, two major activities are being conducted within the Department's Office of Lead Hazard Control. The first is the Healthy Homes Initiative, which will include a program to conduct lead-based paint compliance checks. The Healthy Homes Initiative will also enable the Department to control additional childhood diseases and injuries that are caused by housing related factors. The initiative will allow for a demonstration that evaluates methods of controlling two or more housing related diseases through a single intervention. A public education/outreach effort, to enable the public to act effectively to protect their children, will also be conducted.

The second activity is the continuation of the Lead Hazard Control Grant Program, which provides grants of \$1 to \$4 million to State and local governments for control of lead-based paint hazards in privately owned, low-income owner-occupied and rental housing. The grants are also designed to stimulate the development of a trained and certified hazard evaluation and control industry by requiring all contractors to be certified and all workers to be trained through a State-accredited program. In awarding grants, HUD promotes the use of cost-effective approaches to hazard control that can be replicated across the nation.

Prior to 1997, funding for the lead hazard control grant program was provided under the Annual Contributions for Assisted Housing Account. In 1997 and 1998, the program was funded as a set-aside under the Community Development Block Grant (CDBG) account. In 1999 the program is being proposed as a separate, stand-alone program.

Program and Financing (in millions of dollars)			
Identification code 86-0143-0-1-999	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
Direct program:			
00.01 Housing, mortgage credit, regulatory and energy conservation	146	134	129
00.02 Community planning and development programs	60	61	60
00.03 Equal opportunity and research programs	62	61	60
00.04 Departmental management, legal and audit services	52	52	55
00.05 Field direction and administration	97	138	168
00.91 Total direct program	417	446	472
09.01 Reimbursable program	561	555	529
09.99 Total reimbursable program	561	555	529
10.00 Total obligations	978	1,001	1,001
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	981	1,001	1,001
22.30 Unobligated balance expiring	-3		
23.90 Total budgetary resources available for obligation	978	1,001	1,001
23.95 New obligations	-978	-1,001	-1,001
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	420	446	472
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	561	555	529
70.00 Total new budget authority (gross)	981	1,001	1,001
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance: Uninvested	136	126	126
73.10 New obligations	978	1,001	1,001
73.20 Total outlays (gross)	-981	-995	-995
73.40 Adjustments in expired accounts	-7	-6	-6
74.40 Unpaid obligations, end of year: Obligated balance: Uninvested	126	126	126
Outlays (gross), detail:			
86.90 Outlays from new current authority	324	343	363
86.93 Outlays from current balances	96	97	103
86.97 Outlays from new permanent authority	561	555	529
87.00 Total outlays (gross)	981	995	995
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-561	-555	-529
Net budget authority and outlays:			
89.00 Budget authority	420	446	472
90.00 Outlays	419	440	466

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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	1997 actual	1998 est.	1999 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	221	228	228
11.3 Other than full-time permanent	7	7	7
11.5 Other personnel compensation	5	5	5
11.8 Special personal services payments	3	1	
11.9 Total personnel compensation	236	241	240
12.1 Civilian personnel benefits	48	48	47
13.0 Benefits for former personnel	9	3	
21.0 Travel and transportation of persons	6	11	13
22.0 Transportation of things		1	1
23.1 Rental payments to GSA	32	35	38
23.3 Communications, utilities, and miscellaneous charges	11	12	9
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	13	12	35
25.2 Other services	1	1	3
25.3 Purchases of goods and services from Government accounts	46	65	69
25.4 Operation and maintenance of facilities	6	6	6
26.0 Supplies and materials	3	3	3
31.0 Equipment	3	5	5
99.0 Subtotal, direct obligations	417	446	472
99.0 Reimbursable obligations	561	555	529
99.9 Total obligations	978	1,001	1,001

Personnel Summary

Identification code 86-0143-0-1-999	1997 actual	1998 est.	1999 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	4,332	4,207	4,231
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	5,787	5,235	4,724

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, \$66,850,000, of which [\$16,283,000] \$22,343,000 shall be provided from the various funds of the Federal Housing Administration and \$10,000,000 shall be transferred from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income Housing" account. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.)

Program and Financing (in millions of dollars)

Identification code 86-0189-0-1-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	36	41	35
09.01 Reimbursable program	17	26	32
10.00 Total obligations	53	67	67
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	53	67	67
23.95 New obligations	-53	-67	-67

New budget authority (gross), detail:

Current:				
40.00	Appropriation	36	41	35
Permanent:				
68.00	Spending authority from offsetting collections: Offsetting collections (cash)	17	26	32
70.00	Total new budget authority (gross)	53	67	67

Change in unpaid obligations:

72.40	Unpaid obligations, start of year: Obligated balance:			
	Uninvested	18	11	11
73.10	New obligations	53	67	67
73.20	Total outlays (gross)	-58	-67	-67
73.40	Adjustments in expired accounts	-2		
74.40	Unpaid obligations, end of year: Obligated balance:			
	Uninvested	11	11	11

Outlays (gross), detail:

86.90	Outlays from new current authority	36	32	27
86.93	Outlays from current balances	5	9	9
86.97	Outlays from new permanent authority	17	26	32
87.00	Total outlays (gross)	58	67	67

Offsets:

Against gross budget authority and outlays:				
88.00	Offsetting collections (cash) from: Federal sources	-17	-26	-32

Net budget authority and outlays:

89.00	Budget authority	36	41	35
90.00	Outlays	41	41	35

This appropriation provides agencywide 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	1997 actual	1998 est.	1999 est.	
Direct obligations:				
Personnel compensation:				
11.1	Full-time permanent	19	22	19
11.5	Other personnel compensation	1	2	2
11.9	Total personnel compensation	20	24	21
12.1	Civilian personnel benefits	5	6	5
21.0	Travel and transportation of persons	3	3	3
23.1	Rental payments to GSA	3	3	3
25.1	Advisory and assistance services	1	3	1
25.2	Other services	1	1	1
25.3	Purchases of goods and services from Government accounts	2	1	1
31.0	Equipment	1		
99.0	Subtotal, direct obligations	36	41	35
99.0	Reimbursable obligations	17	26	32
99.9	Total obligations	53	67	67

Personnel Summary

Identification code 86-0189-0-1-451	1997 actual	1998 est.	1999 est.	
Direct:				
1001	Total compensable workyears: Full-time equivalent employment	339	363	319
Reimbursable:				
2001	Total compensable workyears: Full-time equivalent employment	160	230	292

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, **[\$16,000,000]** \$16,551,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: *Provided*, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: *Provided further*, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than \$0. (*Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998.*)

Unavailable Collections (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
Balance, start of year:			
01.99 Balance, start of year	1		
Receipts:			
02.01 Office of federal housing enterprise oversight	15	16	17
04.00 Total: Balances and collections	16	16	17
Appropriation:			
05.01 Office of federal housing enterprise oversight	-16	-16	-17
07.99 Total balance, end of year			

Program and Financing (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
00.01 Direct program	15	16	17
10.00 Total obligations	15	16	17
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	16	16	17
23.95 New obligations	-15	-16	-17
New budget authority (gross), detail:			
40.20 Appropriation (special fund, definite)	16	16	17
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance:			
Uninvested	7	5	5
73.10 New obligations	15	16	17
73.20 Total outlays (gross)	-17	-16	-17
74.40 Unpaid obligations, end of year: Obligated balance:			
Uninvested	5	5	5
Outlays (gross), detail:			
86.90 Outlays from new current authority	12	12	13
86.93 Outlays from current balances	5	4	4
87.00 Total outlays (gross)	17	16	17
Net budget authority and outlays:			
89.00 Budget authority	16	16	17
90.00 Outlays	17	16	17

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 risk-based capital standard for the GSEs, and gave the regulator enhanced authority to enforce those standards. The office is also required by statute to conduct on-site annual examinations at the GSEs to determine the condition of each enterprise for the purpose of ensuring their financial safety and soundness.

Object Classification (in millions of dollars)

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Personnel Compensation	7	8	8
12.1 Civilian personnel benefits	1	1	2
23.1 Rental payments to GSA	2	2	2
25.2 Other services	5	4	4
99.0 Subtotal, direct obligations	15	15	16
99.5 Below reporting threshold		1	1
99.9 Total obligations	15	16	17

Personnel Summary

Identification code 86-5272-0-2-371	1997 actual	1998 est.	1999 est.
1001 Total compensable workyears: Full-time equivalent employment	69	78	78

Intragovernmental funds:

WORKING CAPITAL FUND

Program and Financing (in millions of dollars)

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
Obligations by program activity:			
09.01 Reimbursable program	220	259	262
10.00 Total obligations	220	259	262
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year:			
Uninvested	30	6	6
22.00 New budget authority (gross)	195	259	262
22.10 Resources available from recoveries of prior year obligations	1		
23.90 Total budgetary resources available for obligation	226	265	268
23.95 New obligations	-220	-259	-262
24.40 Unobligated balance available, end of year:			
Uninvested	6	6	6
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	228	259	262
68.10 Change in orders on hand from Federal sources	-32		
68.15 Adjustment to orders on hand from Federal sources	-1		
68.90 Spending authority from offsetting collections (total)	195	259	262
70.00 Total new budget authority (gross)	195	259	262
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance: Uninvested	-3	25	25
72.95 Orders on hand from Federal sources	55	23	23
72.99 Total unpaid obligations, start of year	52	48	48
73.10 New obligations	220	259	262
73.20 Total outlays (gross)	-224	-259	-262
73.45 Adjustments in unexpired accounts	-1		
Unpaid obligations, end of year:			
74.40 Obligated balance: Uninvested	25	25	25
74.95 Orders on hand from Federal sources	23	23	23
74.99 Total unpaid obligations, end of year	48	48	48
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	195	259	262
86.98 Outlays from permanent balances	29		
87.00 Total outlays (gross)	224	259	262
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-228	-259	-262
88.95 Change in orders on hand from Federal sources	32		
88.96 Adjustment to orders on hand from Federal sources	1		

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
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	1997 actual	1998 est.	1999 est.
11.1 Personnel compensation: Full-time permanent	17	19	19
12.1 Civilian personnel benefits	3	4	4
21.0 Travel and transportation of persons	1	1	1
23.3 Communications, utilities, and miscellaneous charges	50	50	51
25.1 Advisory and assistance services	122	169	170
26.0 Supplies and materials	1	1	1
31.0 Equipment	26	15	16
99.9 Total obligations	220	259	262

Personnel Summary

Identification code 86-4586-0-4-451	1997 actual	1998 est.	1999 est.
2001 Total compensable workyears: Full-time equivalent employment	279	330	330

ADMINISTRATIVE PROVISIONS

SEC. 201. EXTENDERS. (a) **ONE-FOR-ONE REPLACEMENT OF PUBLIC HOUSING.**—Section 1002(d) of Public Law 104-19 is amended by striking ["1997"] "1998" and inserting ["1998"] "1999".

(b) **STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.**—Section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996, is amended by striking "fiscal years 1996, [and] 1997, and 1998" and inserting "fiscal years 1996, 1997, [and] 1998, and 1999".

[(c) **SECTION 8 RENT ADJUSTMENTS.**—Section 8(c)(2)(A) of the United States Housing Act of 1937 is amended—

(1) in the third sentence, by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998"; and

(2) in the last sentence, by striking "fiscal year 1997" and inserting "fiscal years 1997 and 1998".]

[(d)] (c) **PUBLIC AND ASSISTED HOUSING RENTS, INCOME ADJUSTMENTS AND PREFERENCES.**—

(1) Section 402(a) of The Balanced Budget Downpayment Act, I is amended by striking "fiscal [year] years 1997 and 1998" and inserting "fiscal years 1997, [and] 1998, and 1999".

(2) Section 402(f) of The Balanced Budget Downpayment Act, I is amended by striking "fiscal years 1996, [and] 1997, and 1998" and inserting "fiscal years 1996, 1997, [and] 1998, and 1999".

(3) Section 16 of the United States Housing Act of 1937 is amended by revising the heading and subsections (a) through (c) to read as follows:

"SEC. 16. **ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.**

"(a) **PUBLIC HOUSING.**

"(1) **PROGRAM REQUIREMENT.**—Of the public housing units of a public housing agency that are made available for occupancy by eligible families in any fiscal year of the agency—

"(A) at least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

"(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area.

"(2) **DEVELOPMENT REQUIREMENT.**—At least 40 percent of the units in each public housing development shall be occupied by families

with incomes which are less than 30 percent of the median income for the area, except that no family may be required to move to achieve compliance with this requirement.

"(b) **SECTION 8 ASSISTANCE.**

"(1) **TENANT-BASED, MODERATE REHABILITATION, AND PROJECT-BASED CERTIFICATE ASSISTANCE.**—In any fiscal year of a public housing agency, at least 75 percent of all families who initially receive tenant-based assistance from the agency, assistance under the moderate rehabilitation program of the agency, or assistance under the project-based certificate program of the agency shall be families whose incomes do not exceed 30 percent of the median income for the area.

"(2) **PROJECT-BASED ASSISTANCE.**—Of the dwelling units in a project receiving section 8 assistance, other than assistance described in paragraph (1), that are made available for occupancy by eligible families in any year (as determined by the Secretary)—

"(A) At least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

"(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area.

"(c) **DEFINITION OF AREA MEDIAN INCOME.**—The term "area median income", as used in subsections (a) and (b), refers to the median income of an area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in subsections (a) and (b) if the Secretary determines that such variations are necessary because of unusually high or low family incomes."

"(ii) Section 16 of the United States Housing Act of 1937, as amended by this section, is further amended by inserting the following new heading after subsection designation (d): "APPLICABILITY.—"

"(iii) This paragraph shall be effective initially for fiscal year 1999. For future fiscal years, this paragraph shall be effective only to the extent provided by section 402(f) of The Balanced Budget Downpayment Act, I."

[SEC. 202. **DELAY REISSUANCE OF VOUCHERS AND CERTIFICATES.**—Section 403(c) of The Balanced Budget Downpayment Act, I is amended—

(1) by striking "fiscal years 1996 and 1997" and inserting "fiscal years 1996, 1997, and 1998";

(2) by striking "1996 and October" and inserting "1996, October"; and

(3) by inserting before the semicolon the following: "and October 1, 1998 for assistance made available during fiscal year 1998".]

[SEC. 203. **WAIVER.**—The part of the HUD 1996 Community Development Block Grant to the State of Illinois which is administered by the State of Illinois Department of Commerce and Community Affairs (grant number B-96-DC-170001) and which, in turn, was granted by the Illinois Department of Commerce and Community Affairs to the city of Oglesby, Illinois, located in LaSalle County, Illinois (State of Illinois Department of Commerce and Community Affairs grant number 96-24104), for the purpose of providing infrastructure for a warehouse in Oglesby, Illinois, is exempt from the provisions of section 104(g)(2), (g)(3), and (g)(4) of title I of the Housing and Community Development Act of 1974, as amended.]

SEC. [204] 202. **FINANCING ADJUSTMENT FACTORS.**—Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628; 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. [205] 203. **ANNUAL ADJUSTMENT FACTORS.**—Section 8(c)(2)(A) of the United States Housing Act of 1937, as amended by section 201 of this title, is further amended by inserting the following new sentences at the end: "In establishing annual adjustment factors for units in new construction and substantial rehabilitation projects, the Secretary shall take into account the fact that

debt service is a fixed expense. The immediately foregoing sentence shall be effective only during fiscal year 1998.”] *STATE CDBG IDIS FUNDING.*—During fiscal year 1999, from amounts received by a State under section 106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or \$50,000, to administer the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

[SEC. 206. COMMUNITY DEVELOPMENT BLOCK GRANT.—Notwithstanding any other provision of law, the \$7,100,000 appropriated for an industrial park at 18th Street and Indiana Avenue shall be made available by the Secretary instead to 18th and Vine for rehabilitation and infrastructure development associated with the “Negro Leagues Baseball Museum” and the jazz museum.]

[SEC. 207. FAIR HOUSING AND FREE SPEECH.—None of the amounts made available under this Act may be used during fiscal year 1998 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.]

[SEC. 208. REQUIREMENT FOR HUD TO MAINTAIN PUBLIC NOTICE AND COMMENT RULEMAKING.—Notwithstanding any other provision of law, for fiscal year 1998 and for all fiscal years thereafter, the Secretary of Housing and Urban Development shall maintain all current requirements under part 10 of the Department of Housing and Urban Development regulations (24 CFR part 10) with respect to the Department’s policies and procedures for the promulgation and issuance of rules, including the use of public participation in the rulemaking process.]

SEC. [209] 204. BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY.—During fiscal [year] years 1998 and 1999, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

[SEC. 210. PARTIAL PAYMENT OF CLAIMS ON HEALTH CARE FACILITIES.—Section 541(a) of the National Housing Act is amended—

(1) in the section heading, by adding “and health care facilities” at the end; and

(2) in subsection (a)—

(A) by inserting “or a health care facility (including a nursing home, intermediate care facility, or board and care home (as those terms are defined in section 232 of this Act), a hospital (as that term is defined in section 242 of this Act), or a group practice facility (as that term is defined in section 1106 of this Act))” after “1978”; and

(B) by inserting “or for keeping the health care facility operational to serve community needs,” after “character of the project.”]

[SEC. 211. CALCULATION OF DOWNPAYMENT.—Section 203(b) of the National Housing Act is amended by striking “fiscal year 1997” in paragraph (10)(A) and inserting “fiscal years 1997 and 1998.”]

SEC. 205. INCENTIVE TO REDUCE POVERTY CONCENTRATIONS OF CERTIFICATE AND VOUCHER FAMILIES.—(a) Section 202(b) of the Departments of Veterans Affairs and Housing Development, and Independent Agencies Appropriations Act, 1997 is amended—

(1) by striking “and” at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting “; and”; and

(3) by inserting the following new paragraph at the end:

“(4) agencies that demonstrate to the satisfaction of the Secretary that the poverty concentration of families assisted under the certificate and voucher programs has been reduced.”.

(b) Section 8(q) of the United States Housing Act of 1937 is hereby repealed.

[SEC. 212. HOPE VI NOFA.—Notwithstanding any other provision of law, including the July 22, 1996 Notice of Funding Availability (61 Fed. Reg. 38024), the demolition of units at developments funded under the Notice of Funding Availability shall be at the option of the New York City Housing Authority and the assistance awarded shall be allocated by the public housing agency among other eligible activities under the HOPE VI program and without the development costs limitations of the Notice, provided that the public housing agen-

cy shall not exceed the total cost limitations for the public housing agency, as provided by the Department of Housing and Urban Development.]

SEC. 206. TRANSFER FOR EVALUATION OF HUD PROGRAMS.—(a) The Secretary may transfer to the departmental Salaries and Expenses account up to 1 percent of the amount appropriated in any account listed to which subsection (b) refers, for evaluation and monitoring of programs and collecting and maintaining data under section 7(r) of the Department of Housing and Urban Development Act as determined by the Secretary, including such activities as may be required under the Government Performance and Results Act of 1993 and 31 U.S.C. 1115, 1116 and 9703.

(b) The accounts referred to in subsection (a) are those for the Housing Opportunities for Persons with AIDS program under subtitle D of title VIII of the Cranston-Gonzalez National Affordable Housing Act, and for programs the authorities for which are listed in section 7(r)(2) of the Department of Housing and Urban Development Act.

(c) Any amounts transferred under this section shall be in addition to amounts appropriated for and otherwise transferred to the departmental Salaries and Expenses account. Any amounts transferred may be used for purposes that are also authorized under such account, and amounts otherwise in such account may continue to be used for the purposes for which the transfers authorized under this section may be used.

SEC. [213] 207. ENHANCED DISPOSITION AUTHORITY.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking [inserting after “owned by the Secretary” the following: “, including,] for “fiscal years 1997 and 1998”, the provision of grants and loans from the General Insurance Fund (12 U.S.C. 1735c) for the necessary costs of rehabilitation or demolition.”]

SEC. 208. TRANSFER LIMITATION.—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 appropriations or earmarked amounts, respectively, but no appropriations or earmarked amounts shall be increased or decreased by more than 2 percent by any such transfer.

[SEC. 214. HOME PROGRAM FORMULA.—The first sentence of section 217(b)(3) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking “only those jurisdictions that are allocated an amount of \$500,000 or greater shall receive an allocation” and inserting the following: “jurisdictions that are allocated an amount of \$500,000 or more, and participating jurisdictions (other than consortia that fail to renew the membership of all of their member jurisdictions) that are allocated an amount less than \$500,000, shall receive an allocation.”]

[SEC. 215. HUD RENT REFORM.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may provide tenant-based assistance to eligible tenants of a project insured under either section 221(d)(3) or 236 of the National Housing Act in the same manner as if the owner had prepaid the insured mortgage to the extent necessary to minimize any rent increases or to prevent displacement of low-income tenants in accordance with a transaction approved by the Secretary provided that the rents are no higher than the published section 8 fair market rents, as of the date of enactment, during the tenants’ occupancy of the property.]

[SEC. 216. NURSING HOME LEASE TERMS.—Section 232(b)(4)(B) of the National Housing Act is amended by striking “fifty years from the date the mortgage was executed” and inserting “ten years to run beyond the maturity date of the mortgage.”]

SEC. [217] 209. HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal [year] years 1998 and 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation [for] in a prior fiscal year [1997] under clause (ii) of such section; and

(2) [is not otherwise eligible for an allocation for fiscal year 1998 under such clause (ii) because the State does not have the number of cases of acquired immunodeficiency syndrome required under such clause; and] is not otherwise eligible for an allocation for fiscal years 1998 or 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

Intragovernmental funds—Continued**ADMINISTRATIVE PROVISIONS—Continued**

[(3) would meet such requirement if the cases in the metropolitan statistical area for any city within the State, which city was not eligible for an allocation for fiscal year 1997 under clause (i) of such section but is eligible for an allocation for fiscal year 1998 under such clause, were considered to be cases outside of metropolitan statistical areas described in clause (i) of such section.]

[(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be the amount that is equal to the lesser of—

(1) the difference between—

(A) the total amount allocated for such State under section 854(c)(1)(A)(ii) of the AIDS Housing Opportunity Act for fiscal year 1997; and

(B) the total amount allocated for the city described in subsection (a)(3) of this section under section 854(c)(1)(A)(i) of such Act for fiscal year 1998 (from amounts made available under this title); and

(2) \$300,000.]

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

[SEC. 218. DEBT FORGIVENESS.—The Secretary of Housing and Urban Development shall cancel the indebtedness of the Village of Robbins, Illinois, relating to loans under the Reconstruction Finance Corporation and refinanced under the Public Facility Loan program (loan numbers ILL–11–RFC–0029 and ILL–11–PFL0111). The Village is hereby relieved of all liability to the Federal Government for the outstanding principal balance on such loans, for the amount of accrued interest on such loans, and for any fees and charges payable in connection with such loans.]

SEC. 210. DRAWDOWN OF FUNDS.—Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437(q)(1)) is amended by inserting after the first sentence the following sentence: “Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.”

SEC. 211. MULTIFAMILY RESTRUCTURING.—Sections 513(b)(7)(B) and 517(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 are hereby repealed.

SEC. 212. SINGLE FAMILY CLAIMS REFORM AND SALE OF PROPERTY.

(a) REVISION OF CLAIMS PROCEDURES.—Section 204(a) of the National Housing Act is amended to read as follows:

“(a)(1) AUTHORIZED CLAIMS PROCEDURES.—The Secretary is authorized, in accordance with this subsection and terms and conditions prescribed by the Secretary, to pay insurance benefits to the mortgagee for any mortgage insured under section 203 of this Act through any of the methods described in this paragraph.

“(A) ASSIGNMENT OF MORTGAGE.—The Secretary may pay insurance benefits whenever a mortgage has been in a monetary default for at least three full monthly installments or whenever the mortgagee is entitled to foreclosure for a non-monetary default. Insurance benefits shall be paid only upon the assignment, transfer and delivery to the Secretary of—

“(i) all rights and interests arising under the mortgage;

“(ii) all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

“(iii) title evidence satisfactory to the Secretary; and

“(iv) such records relating to the mortgage transaction as the Secretary may require.

“(B) CONVEYANCE OF TITLE TO PROPERTY.—The Secretary may pay insurance benefits if the mortgagee has acquired title to the mortgaged property through foreclosure or has otherwise acquired such property from the mortgagor after a default upon—

“(i) the prompt conveyance to the Secretary of title to the property which meets the standards of the Secretary in force at the time the mortgage was insured, and which is evidenced in the manner provided by such standards; and

“(ii) the assignment to the Secretary of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Secretary.

The Secretary is authorized to permit the mortgagee to tender to the Secretary a satisfactory conveyance of title and transfer of possession directly from the mortgagor or other appropriate grantor, and to pay to the mortgagee the insurance benefits to which it would otherwise be entitled if such conveyance had been made to the mortgagee and from the mortgagee to the Secretary.

“(C) CLAIM WITHOUT CONVEYANCE OF TITLE.—The Secretary may pay insurance benefits upon sale of the mortgaged property at foreclosure where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and upon assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B).

“(D) PRE-FORECLOSURE SALE.—The Secretary may pay insurance benefits upon the sale of the mortgaged property by the mortgagor after default and the assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B), if—

“(i) the sale of the mortgaged property has been approved by the Secretary;

“(ii) the mortgagee receives an amount at least equal to the fair market value of the property (with appropriate adjustments), as determined by the Secretary; and

“(iii) the mortgagor has received an appropriate disclosure, as determined by the Secretary.

“(2) PAYMENT FOR LOSS MITIGATION.—The Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for its actions to provide an alternative to foreclosure of a mortgage that is in default, which actions may include such actions as special forbearance, loan modification, and deeds in lieu of foreclosure, all upon such terms and conditions as the mortgagee shall determine in the mortgagee's sole discretion within guidelines provided by the Secretary, but which may not include assignment of a mortgage to the Secretary. For purposes of the preceding sentence, no action authorized by the Secretary and no action taken, nor any failure to act, by the Secretary or the mortgagee shall be subject to judicial review.

“(3) DETERMINING CLAIMS PROCEDURE.—The Secretary shall publish guidelines for determining which of the procedures for payment of insurance specified in paragraph (1) are available to a mortgagee when it claims insurance benefits. At least one of the procedures for payment of insurance benefits specified in paragraph (1)(A) or (1)(B) shall be available to a mortgagee with respect to a mortgage, but the same procedure is not required to be available for all of the mortgages held by a mortgagee.

“(4) SERVICING ASSIGNED MORTGAGE.—If a mortgage is assigned to the Secretary under paragraph (1)(A), the Secretary may permit the assigning mortgagee or its servicer to continue to service the mortgage for reasonable compensation and on terms and conditions determined by the Secretary. Neither the Secretary nor any servicer of the mortgage shall be required to forbear from collection of amounts due under the mortgage or otherwise pursue loss mitigation measures.

“(5) CALCULATING INSURANCE BENEFITS.—Insurance benefits shall be paid as provided in section 520 of this Act, and shall be equal to the original principal obligation of the mortgage which was unpaid on the date the mortgage was assigned to the Secretary, or on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, or on the date of sale of the mortgaged property by the mortgagor, with such additions and deductions as the Secretary deems appropriate.

“(6) FORBEARANCE AND RECASTING AFTER DEFAULT.—The mortgagee may, upon such terms and conditions as the Secretary may prescribe—

“(A) extend the time for the curing of the default, and the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, to such time as the mortgagee determines is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Secretary is authorized to include in the amount of insurance benefits an amount equal to any unpaid mortgage interest; or

“(B) provide for a modification of the terms of the mortgage for the purpose of recasting, over the remaining term of the mortgage or over such longer period pursuant to guidelines as may be prescribed by the Secretary, the total unpaid amount then due, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered the ‘original principal obligation of the mortgage’ as that term is used in this section for the purpose of paragraph (5).

“(7) TERMINATION OF PREMIUM OBLIGATION.—The obligation of the mortgagee to pay the premium charges for insurance shall cease upon fulfillment of the appropriate requirements under which the Secretary may pay insurance benefits, as described in paragraph (1). The Secretary may also terminate the mortgagee’s obligation to pay mortgage insurance premiums upon receipt of an application filed by the mortgagee for insurance benefits under paragraph (1), or in the event the contract of insurance is terminated pursuant to section 229 of this Act.

“(8) RELATIONSHIP TO SECTION 230.—Nothing in this section shall limit the authority of the Secretary to pay insurance benefits under section 230 of this Act.”

(b) EFFECTIVE DATE.—The Secretary shall publish a notice in the Federal Register stating the effective date of the terms and conditions prescribed by the Secretary under section 204(a)(1) of the National Housing Act, as amended by this section. Sections 204 (a) and (k) of the National Housing Act as they existed immediately prior to the effective date of the terms and conditions implementing the amendment to section 204(a) made by this Act shall continue to apply to any mortgage insured under section 203 of the National Housing Act prior to such date, except that the Secretary is authorized, at the request of the mortgagee, to pay insurance benefits as provided in sections 204(a)(1) (A) and (D) of such Act to calculate insurance benefits in accordance with section 204(a)(5) of such Act.

(c) REDUNDANT PROVISION REPEALED.—Section 204(k) of the National Housing Act is hereby repealed.

(d) AUTHORITY TO SELL.—Section 204(g) of the National Housing Act is amended by adding at the end the following: “The Secretary may sell real and personal property on such terms and conditions as the Secretary may prescribe.”

(e) AUTHORITY TO INSURE MORTGAGE.—Section 223(c) of the National Housing Act is amended by—

(1) striking “him” each place it appears and inserting “the Secretary”; and

(2) inserting after “sale by the Secretary”, the following: “, including a sale through another entity under authority of the fourth sentence of section 204(g).”

SEC. 213. ISSUANCE OF CERTIFICATES AND VOUCHERS TO SINGLE PERSONS.

(a) CERTIFICATE PROGRAM.—Section 8(c)(1) of the United States Housing Act of 1937 is amended by inserting after the third sentence the following new sentence:

“The maximum monthly rent for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person’s care or well-being) receiving tenant-based rental assistance in the certificate program under subsection (b)(1) shall not exceed by more than the amount permitted under the second sentence of this paragraph the fair market rental for an efficiency unit, except that the Secretary, or the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.”

(b) VOUCHER PROGRAM.—Section 8(o) of such Act is amended by inserting the following at the end of paragraph (1):

“The payment standard for a single person (other than an elderly person or person with disabilities, if such elderly person or person with disabilities is living with one or more persons determined under the regulations of the Secretary to be essential to such person’s care or well-being) shall be based on the fair market rental for an efficiency unit, except that the Secretary, or the public housing agency in accordance with guidelines established by the Secretary, may determine not to apply the limitation in this sentence if there is an insufficient supply of efficiency units in the market area or if necessary to meet the needs of persons with disabilities.”

(c) APPLICABILITY.—This section shall become effective 60 days after the later of October 1, 1998 or the date of enactment of this Act.

SEC. 214. ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE.

(a) Section 8(o)(2) of the United States Housing Act of 1937 is amended by inserting the following new sentence at the end: “Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family’s monthly adjusted income or 10 percent of the family’s monthly income.”

(b) This section shall become effective 60 days after the later of October 1, 1998 or the date of enactment of this Act.

SEC. 215. ENFORCEMENT OF RENT REASONABLENESS REQUIREMENTS.—The Secretary of Housing and Urban Development shall take steps to assure that public housing agencies administering tenant-based assistance under section 8 of the United States Housing Act of 1937 comply with applicable rent reasonableness requirements, to assure that assistance provided on behalf of eligible families is not excessive.

SEC. 216. TECHNICAL CORRECTION TO NURSING HOME LEASE TERMS PROVISION.

(a) TECHNICAL CORRECTION.—Section 216 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, is amended by striking “fifty years from the date” and inserting “fifty years to run from the date”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.