

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

This chapter presents the budget estimates and program justifications for the Department of Housing and Urban Development (HUD). HUD's core mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. The 2004 Budget for HUD reflects the continuation of a multi-year comprehensive reform effort that will enhance the effectiveness of programs, reduce high unobligated and obligated balances, and return HUD to its core mission. Congress has provided significant increases in several HUD programs over the past several years.

The Department continues to emphasize expanding homeownership opportunities for all. In addition, borrowers who because of poor credit would be served at higher cost by the conventional market or not at all may take advantage of a new FHA mortgage product that rewards "good behavior" by reducing borrower mortgage insurance premiums by one percentage point after a series of consecutive on-time mortgage payments. Housing counseling increases by \$10 million. Also, the HOME Investment Partnerships Program is increased by \$113 million. This increase includes \$200 million for the down payment initiative. The 2004 budget continues the expanded Self-Help Homeownership Opportunity Program (SHOP) in an effort to accelerate home ownership by lower-income families.

The 2004 budget proposes to allow housing authorities to use up to \$131 million to reform the public housing subsidy system in a manner similar to the President's 2003 proposal.

The budget provides a means by which Public Housing Authorities (PHAs) can privately finance the capital needs of properties that can be underwritten to market standards. A loan guarantee of up to 80 percent would be established as a credit enhancement to protect lenders in the case of default. Properties recapitalized under this new financing model would be converted to project-based vouchers. Conversion would allow capital needs to be financed on a property basis as is done in the private sector, and the project-based voucher program gives additional choice and mobility to residents in the selection of their housing. In addition, such conversion will facilitate PHA management and finance on a property-by-property basis and thus increase accountability for efficient management. Many housing authorities will take advantage of this voluntary initiative to improve living conditions for their residents.

The 2004 Budget proposes the Housing Assistance for Needy Families (HANF) program. Housing vouchers will be converted to a State run block grant and will continue to assist at least the same number of low-income families. Administration by states will better assist low-income households to locate decent, safe, and affordable housing by allowing them to tailor programs to fit the needs of particular communities. Coordination by states with Temporary Assistance for Needy Families (TANF) programs will be encouraged to better reach families transitioning from welfare to work. States will provide better program administration adapted to their needs, leading to better utilization of funds to help more low-income households secure housing. The Department will also continue to fully renew contracts to assist rental of low-income elderly units in the Housing for the Elderly Program (under Section 202 of the Housing Act of 1959).

HUD continues to focus on combating homelessness and in addition eliminating chronic homelessness over a ten-year period with \$1.375 billion for the Homeless Assistance pro-

gram overall. The effort includes a \$50 million Samaritan housing program that will be jointly administered with the Departments of Health and Human Services and Veterans Affairs focused on compassionate and effective assistance for chronically homeless persons. Funding also supports a consolidated comprehensive homeless effort, including Shelter Plus Care renewals, and support for the leadership of the Inter-agency Council on Homelessness.

The transfer of the Emergency Food and Shelter Program from the Federal Emergency Management Agency (FEMA), to HUD contributes to the ongoing effort to better coordinate overall homeless program efforts.

Funding in the 2004 budget for the Fair Housing Assistance and Fair Housing Initiatives programs (FHAP and FHIP) will strengthen the ability of public and private fair housing groups, and partnerships between them, to enforce the laws protecting all Americans against illegal housing discrimination.

With the publication of the National Discrimination Study HUD now has the information necessary to improve enforcement, reduce discrimination and address accessibility issues.

The Community Development Block Grant program is funded at \$4.7 billion with \$4.4 billion for formula grants. The CDBG Formula is significantly impacted by the Census and other factors. The Department is pursuing proposals that would better reflect current data, fiscal need, levels of poverty, and effective use of funds.

HUD is one of five Departments that are leading the Federal Government in tapping the potential of faith-based and community organizations to improve housing and help develop communities.

The 2004 budget includes a 10 percent increase in lead hazard reduction grants to continue the 10-year program to eradicate lead hazards in housing.

In order to ensure the effective implementation of its programs, the Department's Office of Policy Development and Research (PD&R) will be provided with funds necessary to ensure timely provision of data, provide research and analysis of national housing and economic conditions, and measure the performance of programs, consistent with the Government Performance and Results Act of 1994.

The Department will continue the management reform effort initiated in 2001 and undertake further efforts in 2004 to refocus HUD on its core mission and key programs as part of a continuing series of planned reforms to improve program performance.

PUBLIC AND INDIAN HOUSING

Federal Funds

General and special funds:

HOUSING ASSISTANCE FOR NEEDY FAMILIES

For activities and assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (the "Act"), \$8,335,201,000 to remain available until expended: Provided, That \$4,200,000,000 appropriated under the heading "Housing Certificate Fund" for fiscal year 2003 that become available on October 1, 2003 shall be transferred to and merged with such amounts. Provided further, That the total of such amounts are available as follows:

(1) \$11,481,616,000 for renewals of expiring section 8 subsidy contracts (including amendments and renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)); Provided, That notwithstanding

General and special funds—Continued

HOUSING ASSISTANCE FOR NEEDY FAMILIES—Continued

any other provision of law, the Secretary shall renew expiring section 8 subsidy contracts for each public housing agency (PHA) based on the most recent information the Secretary determines to be available and reliable regarding the total number of unit months under lease (and including (A) unit months representing units to be leased under existing contracts or agreements to enter into contracts for PHA project-based assistance, and (B) for agencies participating in the Moving to Work demonstration, unit months representing section 8 subsidy contracts committed to fulfill requirements for specific numbers of vouchers specified in existing agreements), and by applying an inflation factor based on local or regional factors to the actual per unit cost reported.

(2) \$609,000,000 for a central fund to be allocated by the Secretary for the support of section 8 subsidy contracts or amendments to such contracts, and for such other purposes as are set forth in this paragraph: Provided, That the Secretary may use amounts in such fund, as necessary, for contracts or contract amendments resulting from a significant change in the total number of unit months under lease, a significant change in per-unit costs, or otherwise to provide funds so that public housing agencies may lease units up to their allocation baselines: Provided further, That the Secretary shall use amounts in such fund to provide States with up to \$100,000,000 as determined by the Secretary, for costs associated with developing the capacity of States to assume the administration of the Housing Assistance for Needy Families program: Provided further, That the Secretary shall use up to \$36,000,000 in such fund for incremental vouchers under section 8 of the Act to be used for non-elderly disabled families affected by the designation of a public housing development under section 7 of the 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 (42 U.S.C. 13618): Provided further, That to the extent the Secretary determines that amounts in such fund are sufficient for purposes set forth in the three immediately preceding provisos, the Secretary may make any remaining amounts in such fund available to States for section 8 tenant-based rental and homeownership assistance: Provided further, That any State using amounts pursuant to the preceding proviso for section 8 tenant-based rental and homeownership assistance, shall administer such assistance in accordance with section 8 statutory and regulatory requirements: Provided further, That a State may petition the Secretary, and the Secretary may waive any statutory or regulatory provision pertaining to such rental or homeownership assistance and may make provision for alternative conditions or terms where appropriate where the Secretary determines that such waiver will improve performance relative to the objectives of such assistance when administered by a State: Provided further, That a State may petition the Secretary with respect to rental or homeownership assistance administered by a public housing agency in the State, and the Secretary may waive any regulation pertaining to such assistance and may make provision for alternative conditions or terms where appropriate where the Secretary determines that such waiver will improve performance relative to the objectives of such assistance: Provided further, That the Secretary may allocate and distribute any such remaining amounts to States or public housing agencies notwithstanding section 213(d) of the Housing and Community Development Act of 1974.

(3) \$252,203,000 for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Recissions and Appropriations Act of 1996 (Public Law 104-134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, 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, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)), and tenant protection assistance, including replacement and relocation assistance.

(4) \$72,000,000 for Family Self-Sufficiency Coordinators.

(5) \$1,192,382,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program: Provided, That, notwithstanding any other provision of law, administrative fees shall be paid only for dwelling units covered by a section 8 housing assistance payments contract and such fees shall be paid at a rate that for each public housing agency

shall not exceed 10 percent of the total annual budget authority applicable for rental and homeownership assistance to such units leased by the public housing agency: Provided further, That all such administrative fee amounts provided under this paragraph shall be only for activities related to the provision of rental and homeownership assistance under section 8:

Provided further, That upon advance notice to the Committees on Appropriations the Secretary may transfer funds provided under paragraphs (1), (2) or (5) among such paragraphs, if the Secretary determines that such action is necessary because the funding authorized under one such paragraph otherwise would be depleted and as a result, the maximum utilization of section 8 tenant-based assistance with the funds appropriated for this purpose by this Act would not be feasible: Provided further, That, hereafter, the Secretary shall require public housing agencies to submit accounting data for funds disbursed under this heading by source of funds: Provided further, That an additional \$4,200,000,000 shall be available on October 1, 2004 and remain available until expended: Provided further, That \$1,072,000,000 from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under the heading "Housing certificate fund" or the heading "Annual contribution for assisted housing" shall be transferred to and merged with the amounts provided under this heading.

| | | Program and Financing (in millions of dollars) | | |
|--|---|--|-----------|-----------|
| Identification code 86-0332-0-1-604 | | 2002 actual | 2003 est. | 2004 est. |
| Obligations by program activity: | | | | |
| 00.01 | Rental assistance Block Grant | | | 13,607 |
| 10.00 | Total new obligations (object class 41.0) | | | 13,607 |
| Budgetary resources available for obligation: | | | | |
| 22.00 | New budget authority (gross) | | | 12,535 |
| 22.22 | Unobligated balance transferred from other accounts | | | 1,072 |
| 23.90 | Total budgetary resources available for obligation | | | 13,607 |
| 23.95 | Total new obligations | | | -13,607 |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | | | 8,335 |
| 55.00 | Advance appropriation | | | 4,200 |
| 70.00 | Total new budget authority (gross) | | | 12,535 |
| Change in obligated balances: | | | | |
| 73.10 | Total new obligations | | | 13,607 |
| 73.20 | Total outlays (gross) | | | -6,086 |
| 74.40 | Obligated balance, end of year | | | 7,521 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | | | 5,014 |
| 86.93 | Outlays from discretionary balances | | | 1,072 |
| 87.00 | Total outlays (gross) | | | 6,086 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | 12,535 |
| 90.00 | Outlays | | | 6,086 |

Housing Assistance for Needy Families. This proposal establishes a new block grant program to States called Housing Assistance for Needy Families (HANF). The Department will be submitting a comprehensive legislative proposal to authorize this proposal. When the proposed legislation is adopted, this block grant program will replace the current tenant-based Housing Choice Voucher Program. Converting the current program to a block grant approach is necessary to improve the delivery of rental and homeownership subsidies for low-income families and eliminate the significant utilization and recapture problems that plague the current tenant-based program.

Fiscal year 2004 will be a transitional year in which HUD will provide voucher payments directly to Public Housing Agencies (PHAs) currently managing the program to cover units leased. HUD will also remit payment to PHAs for ad-

ministrative fees. States will use fiscal year 2004 as the transition year to ramp up with staff and systems.

A Central Fund will be available for use to: (1) fund State start-up costs; (2) support leasing up to the baseline; (3) and fund additional units in PHAs or States that have utilized one hundred percent of allocated funds.

Contract Renewals. Contract renewals provide funding to renew expiring rental assistance contracts covering certificates, vouchers (including project-based vouchers), and moderate rehabilitation. The account also includes \$72 million in funding for Family Self-Sufficiency Coordinators.

Incremental Rental Assistance.—For 2004, the Department is requesting \$36 million in budget authority for approximately 5,500 vouchers for persons with disabilities. Additional funding for tenant-based housing assistance may become available in the central reserve fund.

PIH Tenant Protection Vouchers.—The Housing Assistance for Needy Families account will continue to support families living in public and assisted housing units affected by changes in the status of the units. Income-eligible families who are affected by the demolition, disposition, revitalization or other capital improvements through no fault of their own, will continue to be eligible to receive relocation/replacement vouchers.

Housing Tenant Protection Vouchers.—The Housing Assistance for Needy Families account will also continue 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 or owner's decision to prepay their mortgage or opt-out of project-based section 8 contracts, be aided through HANF.

Proposed minimum rent.—A new minimum rent of \$50 a month is proposed for recipients of low-income housing assistance. This would apply to households headed by an able-bodied working age individual. It is intended to promote work and increase equity in the treatment of recipient households with similar needs.

PROJECT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) ("Act") not otherwise provided for, \$4,823,405,379 and amounts recaptured in this account, to remain available until expended; of which up to \$100,000,000 is for contract administrators; of which no less than \$3,010,000 shall be transferred to the Working Capital fund for development of and modifications to information technology systems which serve programs or activities under this heading and under "Housing Assistance for Needy Families"; and of which \$4,720,395,379 is for expiring project-based section 8 subsidy contracts, for amendments to project-based section 8 subsidy contracts, and for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, and for 1-year renewals of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: Provided, That \$300,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading or the heading "Annual contributions for assisted housing" or any other heading for fiscal year 2003 and prior years, to be effected by the Secretary no later than September 30, 2004: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall not be available for this rescission: Provided further, That any obligated balances of contract authority that have been terminated shall be canceled.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0319-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Contract renewals | 15,573 | 17,272 | 4,720 |
| 00.02 Contract Administrator | 148 | 289 | 100 |
| 00.03 Rental Assistance | 145 | 388 | ..... |
| 00.04 Preservation Amendment ..... | ..... | 2 | ..... |
| 00.05 Section 514 Technical Assistance | 8 | ..... | ..... |
| 00.06 Non-Elderly Disabled | 40 | 40 | ..... |
| 00.08 Regional Opportunity Counseling | 10 | ..... | ..... |
| 00.09 Section 8 Amendment | 359 | 23 | ..... |
| 00.11 Incremental vouchers | 104 | 164 | ..... |
| 00.12 Other ..... | ..... | 2 | ..... |
| 00.13 Job Plus ..... | ..... | 6 | ..... |
| 00.14 Working Capital Fund | 13 | 3 | 3 |
| 00.15 Section 8 Counseling | 1 | 2 | ..... |
| 00.17 Home (City of New Rochelle) | 6 | ..... | ..... |
| 10.00 Total new obligations (object class 41.0) | 16,407 | 18,191 | 4,823 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,676 | 1,738 | 1,072 |
| 22.00 New budget authority (gross) | 13,948 | 16,427 | 4,523 |
| 22.10 Resources available from recoveries of prior year obligations | 2,539 | 1,100 | 300 |
| 22.21 Unobligated balance transferred to other accounts ..... | ..... | ..... | -1,072 |
| 22.75 Balance of contract authority withdrawn | -17 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 18,146 | 19,265 | 4,823 |
| 23.95 Total new obligations | -16,407 | -18,191 | -4,823 |
| 24.40 Unobligated balance carried forward, end of year | 1,738 | 1,072 | ..... |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 11,336 | 13,327 | 4,823 |
| 40.36 Unobligated balance rescinded | -1,588 | -1,100 | -300 |
| 43.00 Appropriation (total discretionary) | 9,748 | 12,227 | 4,523 |
| 55.00 Advance appropriation | 4,200 | 4,200 | ..... |
| Mandatory: | | | |
| 60.00 Appropriation | 5,105 | 5,000 | 5,000 |
| 60.49 Portion applied to liquidate contract authority | -5,105 | -5,000 | -5,000 |
| 62.50 Appropriation (total mandatory) ..... | ..... | ..... | ..... |
| 70.00 Total new budget authority (gross) | 13,948 | 16,427 | 4,523 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 42,520 | 37,889 | 35,106 |
| 73.10 Total new obligations | 16,407 | 18,191 | 4,823 |
| 73.20 Total outlays (gross) | -18,499 | -19,874 | -14,369 |
| 73.45 Recoveries of prior year obligations | -2,539 | -1,100 | -300 |
| 74.40 Obligated balance, end of year | 37,889 | 35,106 | 25,260 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority ..... | ..... | 1,917 | 623 |
| 86.93 Outlays from discretionary balances | 18,499 | 17,957 | 13,746 |
| 87.00 Total outlays (gross) | 18,499 | 19,874 | 14,369 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 13,948 | 16,427 | 4,523 |
| 90.00 Outlays | 18,499 | 19,874 | 14,369 |

This account was formerly known as the Housing Certificate Fund. Beginning in 2004, all new activity under the Housing Choice Voucher Program is funded under "Housing Assistance for Needy Families." Funding requested in 2004 under this account is only for project-based rental assistance contract renewals and supporting activities in contract administration and information technology spending under the Working Capital Fund. Spending from obligated balances resulting from Housing Certificate Fund appropriations in 2003 and prior will continue to be shown under this account.

Contract Renewals. Contract renewals provide funding to renew expiring Section 8 rental assistance contracts covering Loan Management, New Construction/Substantial Rehabilitation, Property Disposition, and Preservation, and contracts authorized under section 441 of the McKinney-Vento Homeless Assistance Act.

General and special funds—Continued

PROJECT-BASED RENTAL ASSISTANCE—Continued

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)—Continued

Status of Contract Authority (in millions of dollars)

| Identification code 86-0319-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 0400 Appropriation to liquidate contract authority | -5,105 | -5,000 | -5,000 |
| 0600 Balance of contract authority withdrawn | -17 | | |

MOVING TO WORK

Program and Financing (in millions of dollars)

| Identification code 86-0331-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 3 | 2 | 1 |
| 73.20 Total outlays (gross) | -1 | -1 | -1 |
| 74.40 Obligated balance, end of year | 2 | 1 | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 1 | 1 | 1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | 1 | 1 |

The Moving-to-Work demonstration provides unprecedented autonomy and flexibility to a select group of high-performing public housing authorities (PHAs) in order to assess the potential impacts of Federal deregulation on resident households, housing developments, and local housing programs. Through waivers of requirements of the 1937 Housing Act, as amended, and related Federal regulations, participating PHAs can combine Federal funding allocated for public housing operating subsidy, capital subsidy, and Section 8 vouchers into a flexible housing assistance fund. PHAs may provide incentives to families that work, are seeking work, or are preparing for work, PHAs are also allowed to change administrative procedures and management policies so they can reallocate resources to better address local housing needs and priorities. No additional funding is being requested for this demonstration.

PUBLIC HOUSING CAPITAL FUND
(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) (the "Act"), \$2,641,000,000, to remain available until September 30, 2007; of which up to the specified following amounts shall be available as provided herein: for section 9(h) of such Act, \$50,000,000, of which \$13,000,000 shall be for the provision of remediation services to public housing agencies identified as "troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act; for partial guarantees of loans to finance the conversion of public housing subsidies to project-based voucher assistance where such conversion is done in conjunction with financing of any necessary capital improvements of properties that will be covered by such assistance, \$131,000,000; for lease adjustments to section 23 projects, \$500,000; for the development of and modifications to information technology systems which serve programs or activities under Public and Indian Housing, no less than \$10,610,000 to be transferred to the Working Capital Fund; to make grants to public housing agencies for emergency capital needs and natural disasters in fiscal year 2004, \$40,000,000; for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996,

\$40,000,000; for demolition, site revitalization, replacement housing, and tenant-based assistance grants, \$30,000,000: Provided, That no funds may be used under this heading for the purposes specified in section 9(k) of the Act.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0304-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Capital Grants | 2,678 | 2,891 | 2,577 |
| 00.02 Emergency/Disaster | 12 | 40 | 40 |
| 00.03 Technical Assistance | 37 | 45 | 50 |
| 00.04 Working Capital Fund | 53 | 19 | 11 |
| 00.05 Neighborhood Network Initiative | 12 | 10 | |
| 00.06 Resident Opportunities and Supportive Services | | 55 | 40 |
| 00.07 Tenant Opportunity Programs | 8 | | |
| 00.08 Public Housing Amendments | 1 | | |
| 10.00 Total new obligations (object class 41.0) | 2,801 | 3,060 | 2,718 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 696 | 751 | 117 |
| 22.00 New budget authority (gross) | 2,843 | 2,426 | 2,641 |
| 22.10 Resources available from recoveries of prior year obligations | 35 | | |
| 22.75 Balance of contract authority withdrawn | -22 | | |
| 23.90 Total budgetary resources available for obligation | 3,552 | 3,177 | 2,758 |
| 23.95 Total new obligations | -2,801 | -3,060 | -2,718 |
| 24.40 Unobligated balance carried forward, end of year | 751 | 117 | 40 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 2,843 | 2,426 | 2,641 |
| Mandatory: | | | |
| 60.00 Appropriation | 500 | 589 | 589 |
| 60.49 Portion applied to liquidate contract authority | -500 | -589 | -589 |
| 62.50 Appropriation (total mandatory) | | | |
| 70.00 Total new budget authority (gross) | 2,843 | 2,426 | 2,641 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 11,996 | 10,995 | 10,454 |
| 73.10 Total new obligations | 2,801 | 3,060 | 2,718 |
| 73.20 Total outlays (gross) | -3,767 | -3,601 | -3,808 |
| 73.45 Recoveries of prior year obligations | -35 | | |
| 74.40 Obligated balance, end of year | 10,995 | 10,454 | 9,362 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 164 | 161 | 172 |
| 86.93 Outlays from discretionary balances | 3,603 | 3,440 | 3,636 |
| 87.00 Total outlays (gross) | 3,767 | 3,601 | 3,808 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 2,843 | 2,426 | 2,641 |
| 90.00 Outlays | 3,767 | 3,601 | 3,808 |

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

Of the \$2.6 billion requested for the Public Housing Capital Fund, approximately \$2.3 billion is provided to cover annual accrual needs. Up to \$131 million may be used for partial loan guarantees for a new initiative that has the promise to address the public housing capital backlog by enabling housing authorities to privately finance their properties. Other uses include up to \$40 million to provide supportive services to public housing residents under the Resident Opportunities and Supportive Services (ROSS) program, up to \$40 million for emergencies or disasters, up to \$50 million

for technical assistance, up to \$30 million for demolition, site revitalization, replacement housing, and tenant based assistance grants, and no less than \$10.61 million for the Working Capital Fund.

The budget provides a means by which Public Housing Authorities (PHAs) can privately finance the capital needs of properties that can be underwritten to market standards. A loan guarantee of 80 percent would be established as a credit enhancement to protect lenders in the case of default. Properties recapitalized under this new financing model would be converted to project-based vouchers. Conversion would allow capital needs to be financed on a property basis as is done in the private sector, and the project-based voucher program gives additional choice and mobility to residents in the selection of their housing. In addition, such conversion will facilitate PHA management and finance on a property-by-property basis and thus increase accountability for efficient management, and will relate ongoing Federal subsidies more closely to the rental market. Many housing authorities should be able to take advantage of this voluntary initiative to improve the living conditions of their residents and their own management.

Legislation is being proposed to accompany this proposal. It provides changes in the applicability of the project-based voucher so that the program is workable for current public housing sites; allows for partial loan guarantees; and authorizes the use of up-front capital contributions where necessary.

Status of Contract Authority (in millions of dollars)

| Identification code 86-0304-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 0400 Appropriation to liquidate contract authority | -500 | -589 | -589 |
| 0600 Balance of contract authority withdrawn | -22 | | |

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

| Identification code 86-0304-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Public Housing Reform Initiative | | | 1,715 |
| 215901 Total loan guarantee levels | | | 1,715 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Public Housing Reform Initiative | | | 7.66 |
| 232901 Weighted average subsidy rate | | | 7.66 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Public Housing Reform Initiative | | | 131 |
| 233901 Total subsidy budget authority | | | 131 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Public Housing Reform Initiative | | | 7 |
| 234901 Total subsidy outlays | | | 7 |

PUBLIC HOUSING OPERATING FUND (INCLUDING TRANSFER OF FUNDS)

For 2004 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), \$3,574,000,000, to remain available until September 30, 2005; of which \$15,000,000 shall be for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996: Provided, That in 2004 and hereafter, no amounts provided under this header may be used for payments to public housing agencies for the costs of operation and management of public housing in any year prior to the current year.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0163-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Operating by program activity: | | | |
| 00.01 Operating Subsidy | 3,621 | 3,546 | 3,574 |
| 00.02 Office of Inspector General | 5 | | |
| 00.03 Department of Justice Anti-Drug | 10 | 10 | |
| 10.00 Total new obligations (object class 41.0) | 3,636 | 3,556 | 3,574 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 141 | 26 | |
| 22.00 New budget authority (gross) | 3,495 | 3,530 | 3,574 |
| 22.10 Resources available from recoveries of prior year obligations | 26 | | |
| 23.90 Total budgetary resources available for obligation | 3,662 | 3,556 | 3,574 |
| 23.95 Total new obligations | -3,636 | -3,556 | -3,574 |
| 24.40 Unobligated balance carried forward, end of year | 26 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 3,495 | 3,530 | 3,574 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1,683 | 1,658 | 1,757 |
| 73.10 Total new obligations | 3,636 | 3,556 | 3,574 |
| 73.20 Total outlays (gross) | -3,635 | -3,457 | -3,565 |
| 73.45 Recoveries of prior year obligations | -26 | | |
| 74.40 Obligated balance, end of year | 1,658 | 1,757 | 1,766 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1,842 | 1,805 | 1,823 |
| 86.93 Outlays from discretionary balances | 1,793 | 1,652 | 1,742 |
| 87.00 Total outlays (gross) | 3,635 | 3,457 | 3,565 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 3,495 | 3,530 | 3,574 |
| 90.00 Outlays | 3,635 | 3,457 | 3,565 |

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(e) of the United States Housing Act of 1937, as amended.

The following tables display the sources of housing authorities' expected revenue and expenditures by category. The distribution is based on historical data reported by housing authorities to HUD on the Statement of Operating Receipts and Expenditures.

Sources of Housing Authorities' Operating Revenue (in millions of dollars)

| Category | Annual income | Percent of total |
|--------------------------------|---------------|------------------|
| Operating Subsidies | \$3,559 | 53% |
| Dwelling Rental | 2,618 | 39% |
| Investment | 269 | 4% |
| Other Income | 269 | 4% |
| Total, Operating Revenue | 6,715 | 100% |

Operating Subsidies.—Represent HUD's contributions to a housing authority's operating budget. Under the current formula-based approach, HUD sets a formula-determined allowable expense level (AEL) for each PHA and separately computes utility and audit costs. The PHA's dwelling rental income is also projected and the subsidy is the difference between the projected AEL, utility, and audit expenses and projected dwelling rental income.

Dwelling Rental.—Income derived from tenants' rents.

Investment Income.—Income from interest earned on general fund investments.

Other Income.—Includes income from other sources such as renting rooftop space for signs or broadcasting and from operating services for tenants, such as laundromats or day care centers.

General and special funds—Continued

PUBLIC HOUSING OPERATING FUND—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

Housing Authorities' Operating Expenditures (in millions of dollars)

| Category | Annual expenditures | Percent of total |
|--|---------------------|------------------|
| Utilities | 1,477 | 22% |
| Administration | 1,813 | 27% |
| General Operating Expenses | 537 | 8% |
| Maintenance | 2,417 | 36% |
| Tenant Services | 134 | 2% |
| Protective Services | 201 | 3% |
| Capital Expenditures | 67 | 1% |
| Operating Reserve | 67 | 1% |
| Total, Operating Expenses | 6,715 | 100% |

Utilities.—Includes water, sewer, electricity, gas, and fuel.

Administration.—Includes administrative salaries, legal expenses, staff training, travel, accounting fees, auditing fees, sundry, and outside management costs.

General Operating Expenses.—Includes insurance, payments made to local governments in lieu of taxes, terminal leave payments, employees benefit contributions, collection losses, interest on administrative and sundry notes, and other general expenses.

Ordinary Maintenance and Operations.—Consists of expenses for labor, materials, contracts and garbage fees associated with the day-to-day operation of the public housing authority.

Tenant Services.—Cover salaries, recreation, publication, contract costs, training, and other expenses.

Protective Services.—Includes expenses for labor, materials, and contract costs.

Capital Expenditures.—Includes extraordinary maintenance, casualty losses, and property betterments (e.g. roofs and furnaces).

Operating reserves.—Provides working capital funds and is a reserve for emergencies.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFERS OF FUNDS)

Program and Financing (in millions of dollars)

| Identification code 86-0197-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 92 | 24 | |
| 00.02 Federally Assisted Housing | 17 | 3 | |
| 00.03 Operation Safe Home | | 9 | |
| 00.04 New Approach Anti-Drug Program | 21 | 3 | |
| 10.00 Total new obligations (object class 41.0) | 130 | 39 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 171 | 39 | |
| 22.00 New budget authority (gross) | -11 | | |
| 22.10 Resources available from recoveries of prior year obligations | 9 | | |
| 23.90 Total budgetary resources available for obligation | 169 | 39 | |
| 23.95 Total new obligations | -130 | -39 | |
| 24.40 Unobligated balance carried forward, end of year | 39 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | -11 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 490 | 286 | 125 |
| 73.10 Total new obligations | 130 | 39 | |
| 73.20 Total outlays (gross) | -325 | -200 | -74 |
| 73.45 Recoveries of prior year obligations | -9 | | |
| 74.40 Obligated balance, end of year | 286 | 125 | 51 |

| Outlays (gross), detail: | | | | |
|--|---|-----|-----|----|
| 86.93 | Outlays from discretionary balances | 325 | 200 | 74 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | -11 | | |
| 90.00 | Outlays | 325 | 200 | 74 |

The Public Housing Drug Elimination Grants program was terminated in the 2002 Budget. The program was found to have limited impact; current regulatory tools, such as eviction, are effective in reducing drug-related crime in public housing; and finally, fighting crime and drugs is not directly related to HUD's core mission—it is the mission of federal law enforcement and other agencies whose programs help combat illegal drugs and crime in public housing communities. PHAs can supplement other public housing security efforts using operating funds if they choose.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0218-0-1-604 | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-----------|-----------|-----|
| Obligations by program activity: | | | | |
| 00.01 Direct Program Activity | 569 | 580 | 557 | |
| 00.02 Technical Assistance | 7 | 6 | 6 | |
| 00.05 Neighborhood Networks | | 5 | 5 | |
| 10.00 Total new obligations (object class 41.0) | 576 | 591 | 568 | |
| Budgetary resources available for obligation: | | | | |
| 21.40 Unobligated balance carried forward, start of year | 581 | 587 | 570 | |
| 22.00 New budget authority (gross) | 574 | 574 | | |
| 22.10 Resources available from recoveries of prior year obligations | 8 | | | |
| 23.90 Total budgetary resources available for obligation | 1,163 | 1,161 | 570 | |
| 23.95 Total new obligations | -576 | -591 | -568 | |
| 24.40 Unobligated balance carried forward, end of year | 587 | 570 | 2 | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 Appropriation | 574 | 574 | | |
| Change in obligated balances: | | | | |
| 72.40 Obligated balance, start of year | 2,579 | 2,681 | 2,726 | |
| 73.10 Total new obligations | 576 | 591 | 568 | |
| 73.20 Total outlays (gross) | -466 | -546 | -609 | |
| 73.45 Recoveries of prior year obligations | -8 | | | |
| 74.40 Obligated balance, end of year | 2,681 | 2,726 | 2,685 | |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 1 | 6 | |
| 86.93 | Outlays from discretionary balances | 465 | 540 | 609 |
| 87.00 | Total outlays (gross) | 466 | 546 | 609 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 574 | 574 | |
| 90.00 | Outlays | 466 | 546 | 609 |

No additional funds are requested for this program in 2004. This program utilized Federal resources to rehabilitate and restore severely distressed public housing projects, thereby expanding the supply of decent, safe, and affordable housing for low-income individuals and families. The funds were used for project demolition, hard replacement units, and tenant-based rental assistance.

NATIVE AMERICAN HOUSING BLOCK GRANTS
(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$646,600,000, to remain available until expended, of which \$5,000,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which no less than \$2,720,000 shall be transferred to the Working Capital Fund for development of and modifications to information technology systems which serve programs or activities under "Public and Indian Housing": Provided, That of the amount provided under this heading, \$1,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: 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 \$8,049,242: Provided further, That the Secretary of Housing and Urban Development may provide technical and financial assistance to Indian tribes and their tribally-designated housing entities in accordance with the provisions of NAHASDA for emergency housing, housing assistance, and other assistance to address the problem of mold: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 86-0313-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 0100 Negative subsidies/subsidy reestimates | | 1 | |

Program and Financing (in millions of dollars)

| Identification code 86-0313-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Indian Housing Block Grants | 691 | 641 | 641 |
| 00.02 Title VI Loan Guarantee Subsidy | 6 | 2 | 2 |
| 00.03 Technical Assistance | 4 | 3 | 3 |
| 00.04 Working Capital Fund | 3 | 1 | 1 |
| 10.00 Total new obligations (object class 41.0) | 704 | 647 | 647 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 187 | 139 | 139 |
| 22.00 New budget authority (gross) | 649 | 647 | 647 |
| 22.10 Resources available from recoveries of prior year obligations | 7 | | |
| 23.90 Total budgetary resources available for obligation | 843 | 786 | 786 |
| 23.95 Total new obligations | -704 | -647 | -647 |
| 24.40 Unobligated balance carried forward, end of year | 139 | 139 | 139 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 649 | 647 | 647 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 1,034 | 1,018 | 925 |
| 73.10 Total new obligations | 704 | 647 | 647 |
| 73.20 Total outlays (gross) | -713 | -740 | -820 |
| 73.45 Recoveries of prior year obligations | -7 | | |
| 74.40 Obligated balance, end of year | 1,018 | 925 | 752 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 113 | 113 | 113 |
| 86.93 Outlays from discretionary balances | 600 | 627 | 707 |
| 87.00 Total outlays (gross) | 713 | 740 | 820 |

Net budget authority and outlays:

| | | | |
|------------------------------|-----|-----|-----|
| 89.00 Budget authority | 649 | 647 | 647 |
| 90.00 Outlays | 713 | 740 | 820 |

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

| Identification code 86-0313-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Title VI | 53 | 17 | 8 |
| 215901 Total loan guarantee levels | 53 | 17 | 8 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Title VI | 11.07 | 11.07 | 10.56 |
| 232901 Weighted average subsidy rate | 11.07 | 11.07 | 10.56 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Title VI | 6 | 2 | 1 |
| 233901 Total subsidy budget authority | 6 | 2 | 1 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Title VI | 6 | 3 | 2 |
| 234901 Total subsidy outlays | 6 | 3 | 2 |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 Title VI | | -1 | |
| 237901 Total downward reestimate subsidy budget authority | | -1 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 Title VI | | -1 | |
| 238901 Total downward reestimate subsidy outlays | | -1 | |

Title I of the Native American Housing Assistance and Self-Determination Act (NAHASDA) of 1996 (P.L. 104-330) authorized the Native American Housing Block Grant 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.

The Native American Housing Block Grant program includes a guaranteed loan provision (Title VI). A guarantee level of \$8 million is proposed for this loan guarantee program for 2004. The subsidy rate for this program is set at 10.56 percent with a federal guarantee of 80 percent. A primary goal of the Title VI program is to encourage private lenders to provide financing in Indian country. Therefore, the program provides for the federal guarantee of notes or other obligations issued by Indian tribes or tribally designated housing entities for the purpose of financing affordable housing activities described in section 202 of the Act.

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 given 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.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), \$10,000,000, to remain available until expended, of which \$400,000 shall be for training and technical assistance activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General and special funds—Continued

NATIVE HAWAIIAN HOUSING BLOCK GRANT—Continued

Program and Financing (in millions of dollars)

| Identification code 86-0235-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Native Hawaiian Housing Block Grant | | 10 | 10 |
| 10.00 Total new obligations (object class 41.0) | | 10 | 10 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 10 | 10 |
| 23.95 Total new obligations | | -10 | -10 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 10 | 10 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 10 |
| 73.10 Total new obligations | | 10 | 10 |
| 73.20 Total outlays (gross) | | | -11 |
| 74.40 Obligated balance, end of year | | 10 | 9 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | 1 |
| 86.93 Outlays from discretionary balances | | | 10 |
| 87.00 Total outlays (gross) | | | 11 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 10 | 10 |
| 90.00 Outlays | | | 11 |

The Hawaiian Homelands Homeownership Act of 2000 (P.L. 106-568) amended the Native American Housing Assistance and Self-Determination Act of 1996 by adding Title VIII, which authorized the Native Hawaiian Housing Block Grant program. This program provides an allocation of funds to assist and promote affordable housing activities to develop, maintain and operate affordable housing for eligible low-income Native Hawaiian families.

It authorizes annual grants to the Department of Hawaiian Home Lands (DHHL) for housing and housing-related assistance, pursuant to an annual housing plan, within the area in which DHHL is authorized to provide that assistance. DHHL uses performance measures and benchmarks that are consistent with the national goals of the program, but it can base these measures on the needs and priorities that it establishes in its five- and one-year housing plans.

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 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Reimbursable program: Capital investment loans to PHAs | 7 | 40 | 30 |
| 10.00 Total new obligations (object class 33.0) | 7 | 40 | 30 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 20 | 20 | 21 |
| 22.00 New budget authority (gross) | 97 | 115 | 114 |
| 22.60 Portion applied to repay debt | -90 | -74 | -79 |
| 23.90 Total budgetary resources available for obligation | 27 | 61 | 56 |
| 23.95 Total new obligations | -7 | -40 | -30 |
| 24.40 Unobligated balance carried forward, end of year | 20 | 21 | 26 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | 25 | 40 | 30 |

| | | | |
|--|----|-----|-----|
| 69.00 Offsetting collections (cash) | 72 | 75 | 84 |
| 70.00 Total new budget authority (gross) | 97 | 115 | 114 |

Change in obligated balances:

| | | | |
|--|-----|------|------|
| 72.40 Obligated balance, start of year | 682 | 597 | 522 |
| 73.10 Total new obligations | 7 | 40 | 30 |
| 73.20 Total outlays (gross) | -92 | -115 | -114 |
| 74.40 Obligated balance, end of year | 597 | 522 | 438 |

Outlays (gross), detail:

| | | | |
|--|----|-----|-----|
| 86.97 Outlays from new mandatory authority | 92 | 115 | 114 |
|--|----|-----|-----|

Offsets:

Against gross budget authority and outlays:

| | | | |
|--|-----|-----|-----|
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -71 | -75 | -84 |
| 88.40 Non-Federal sources | -1 | | |
| 88.90 Total, offsetting collections (cash) | -72 | -75 | -84 |

Net budget authority and outlays:

| | | | |
|------------------------------|----|----|----|
| 89.00 Budget authority | 25 | 40 | 30 |
| 90.00 Outlays | 20 | 40 | 30 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1,280 | 1,209 | 1,134 |
| 1251 Repayments: Repayments and prepayments | -71 | -75 | -84 |
| 1290 Outstanding, end of year | 1,209 | 1,134 | 1,050 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 2,464 | 2,189 | 1,909 |
| 2251 Repayments and prepayments | -275 | -280 | -280 |
| 2290 Outstanding, end of year | 2,189 | 1,909 | 1,629 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 2,189 | 1,909 | 1,629 |

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 by borrowing from the Treasury. Under legislation enacted during 1986 (Public Law 99-272), amounts borrowed 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, \$25 million borrowed from the Treasury was forgiven in 2002, an estimated \$40 million will be borrowed from the Treasury and forgiven in 2003, and an estimated \$30 million will be borrowed from the Treasury and forgiven in 2004.

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

Operating results.—The actual and estimated net operating income for 2001, 2002, 2003 and 2004 follows:

Statement of Operations (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 89 | 92 | 92 | 92 |
| 0102 Expense | -91 | -91 | -91 | -91 |
| 0105 Net income or loss (-) | -2 | 1 | 1 | 1 |

Balance Sheet (in millions of dollars)

| Identification code 86-4098-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 702 | 617 | 617 | 617 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 1,282 | 1,210 | 1,210 | 1,210 |
| 1602 Interest receivable | 80 | 75 | 75 | 75 |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -1 | | | |
| 1604 Direct loans and interest receivable, net | 1,361 | 1,285 | 1,285 | 1,285 |
| 1699 Value of assets related to direct loans | 1,361 | 1,285 | 1,285 | 1,285 |
| 1999 Total assets | 2,063 | 1,902 | 1,902 | 1,902 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 151 | 147 | 147 | 147 |
| 2104 Resources payable to Treasury | 1,279 | 1,207 | 1,207 | 1,207 |
| 2207 Non-Federal liabilities: Other | 2 | 2 | 2 | 2 |
| 2999 Total liabilities | 1,432 | 1,356 | 1,356 | 1,356 |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 636 | 551 | 551 | 551 |
| 3300 Cumulative results of operations | -5 | -5 | -5 | -5 |
| 3999 Total net position | 631 | 546 | 546 | 546 |
| 4999 Total liabilities and net position | 2,063 | 1,902 | 1,902 | 1,902 |

Credit accounts:

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), \$1,000,000, 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 \$27,472,528.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$250,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 86-0223-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 0101 Indian housing loan guarantee fund, downward reestimates of subsidies | | 1 | |

Program and Financing (in millions of dollars)

| Identification code 86-0223-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Guaranteed loan subsidy | 1 | 9 | 1 |
| 10.00 Total new obligations (object class 41.0) | 1 | 9 | 1 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 22 | 29 | 25 |
| 22.00 New budget authority (gross) | 6 | 5 | 1 |
| 22.10 Resources available from recoveries of prior year obligations | 2 | | |
| 23.90 Total budgetary resources available for obligation | 30 | 34 | 26 |

| | | | |
|--|----|----|----|
| 23.95 Total new obligations | -1 | -9 | -1 |
| 24.40 Unobligated balance carried forward, end of year | 29 | 25 | 25 |

New budget authority (gross), detail:

| | | | |
|---------------------------|---|---|---|
| Discretionary: | | | |
| 40.00 Appropriation | 6 | 5 | 1 |

Change in obligated balances:

| | | | |
|--|----|----|----|
| 72.40 Obligated balance, start of year | 3 | 1 | 5 |
| 73.10 Total new obligations | 1 | 9 | 1 |
| 73.20 Total outlays (gross) | -1 | -4 | -5 |
| 73.45 Recoveries of prior year obligations | -2 | | |
| 74.40 Obligated balance, end of year | 1 | 5 | 1 |

Outlays (gross), detail:

| | | | |
|--|---|---|---|
| 86.90 Outlays from new discretionary authority | | 1 | |
| 86.93 Outlays from discretionary balances | 1 | 3 | 5 |
| 87.00 Total outlays (gross) | 1 | 4 | 5 |

Net budget authority and outlays:

| | | | |
|------------------------------|---|---|---|
| 89.00 Budget authority | 6 | 5 | 1 |
| 90.00 Outlays | 1 | 4 | 5 |

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

| Identification code 86-0223-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Indian Housing Loan Guarantee | 234 | 197 | 27 |
| 215901 Total loan guarantee levels | 234 | 197 | 27 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Indian Housing Loan Guarantee | 2.47 | 2.43 | 2.73 |
| 232901 Weighted average subsidy rate | 2.47 | 2.43 | 2.73 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Indian Housing Loan Guarantee | 6 | 5 | 1 |
| 233901 Total subsidy budget authority | 6 | 5 | 1 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Indian Housing Loan Guarantee | 1 | 3 | 3 |
| 234901 Total subsidy outlays | 1 | 3 | 3 |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 Indian Housing Loan Guarantee | | 1 | |
| 237901 Total downward reestimate subsidy budget authority | | 1 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 Indian Housing Loan Guarantee | | 1 | |
| 238901 Total downward reestimate 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 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.

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4104-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity (Default Claims) | 1 | | |
| 08.02 Downward subsidy rate reestimate | | 1 | |
| 10.00 Total new obligations (object class 33.0) | 1 | 1 | |

Credit accounts—Continued

INDIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT—
Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-4104-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 6 | 5 | 7 |
| 22.00 New financing authority (gross) | -1 | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 5 | 8 | 10 |
| 23.95 Total new obligations | -1 | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 5 | 7 | 10 |

New financing authority (gross), detail:

| Spending authority from offsetting collections: | | | |
|--|----|---|---|
| Discretionary: | | | |
| 68.00 Federal sources | 1 | 3 | 3 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | -2 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | -1 | 3 | 3 |

Change in obligated balances:

| | | | |
|--|----|----|----|
| 72.40 Obligated balance, start of year | -3 | -1 | -1 |
| 73.10 Total new obligations | 1 | 1 | |
| 73.20 Total financing disbursements (gross) | -1 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 2 | | |
| 74.40 Obligated balance, end of year | -1 | -1 | -1 |
| 87.00 Total financing disbursements (gross) | 1 | | |

Offsets:

| Against gross financing authority and financing disbursements: | | | |
|--|----|----|----|
| 88.00 Offsetting collections (cash) from: Federal sources: Payments from program account | -1 | -3 | -3 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | 2 | | |

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 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 234 | 197 | 27 |
| 2121 Limitation available from carry-forward | 272 | 505 | 682 |
| 2143 Uncommitted limitation carried forward | -505 | -682 | -686 |
| 2150 Total guaranteed loan commitments | 1 | 20 | 23 |
| 2199 Guaranteed amount of guaranteed loan commitments | 1 | 20 | 23 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 66 | 58 | 57 |
| 2231 Disbursements of new guaranteed loans | 1 | 10 | 19 |
| 2251 Repayments and prepayments | -8 | -9 | -11 |
| 2263 Adjustments: Terminations for default that result in claim payments | -1 | -2 | -2 |
| 2290 Outstanding, end of year | 58 | 57 | 63 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 58 | 57 | 63 |

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 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 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 86-4104-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 4 | 5 | 6 | 6 |
| 1999 Total assets | 4 | 5 | 6 | 6 |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 4 | 5 | 6 | 6 |
| 2999 Total liabilities | 4 | 5 | 6 | 6 |
| 4999 Total liabilities and net position | 4 | 5 | 6 | 6 |

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM
ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b), \$1,000,000, 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 \$35,347,985.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for "Salaries and expenses", to be used only for the administrative costs of these guarantees.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0233-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Guaranteed loan subsidy | | 1 | 1 |
| 10.00 Total new obligations (object class 41.0) | | 1 | 1 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 1 | 1 |
| 22.00 New budget authority (gross) | 1 | 1 | 1 |
| 23.90 Total budgetary resources available for obligation | 1 | 2 | 2 |
| 23.95 Total new obligations | | -1 | -1 |
| 24.40 Unobligated balance carried forward, end of year | 1 | 1 | 1 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1 | 1 | 1 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 1 | 1 |
| 73.20 Total outlays (gross) | | -1 | -1 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | | 1 | 1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1 | 1 | 1 |
| 90.00 Outlays | | 1 | 1 |

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

| Identification code 86-0233-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Native Hawaiian Housing | 40 | 40 | 35 |
| 215901 Total loan guarantee levels | 40 | 40 | 35 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Native Hawaiian Housing | 2.47 | 2.43 | 2.73 |

| | | | |
|---|------|------|------|
| 232901 Weighted average subsidy rate | 2.47 | 2.43 | 2.73 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Native Hawaiian Housing | 1 | 1 | 1 |
| 233901 Total subsidy budget authority | 1 | 1 | 1 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Native Hawaiian Housing | | 1 | 1 |
| 234901 Total subsidy outlays | | 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 2001 and beyond (including modifications of guarantees that resulted from obligations in any year). The subsidy amounts are estimated on a net present value. The administrative expenses are shown on a cash basis.

This program provides access to sources of private financing to eligible Native Hawaiian families who reside on the Hawaiian Home Lands and who otherwise could not acquire private financing because of the unique legal status of the Hawaiian Home Lands.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4351-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | | 1 |
| 22.00 New financing authority (gross) | | 1 | 1 |
| 23.90 Total budgetary resources available for obligation | | 1 | 2 |
| 24.40 Unobligated balance carried forward, end of year | | 1 | 1 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Federal sources | | 1 | 1 |

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

| | | | |
|---|--|----|----|
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | | -1 | -1 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4351-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 40 | 40 | 35 |
| 2121 Limitation available from carry-forward | | 40 | 79 |
| 2143 Uncommitted limitation carried forward | -40 | -79 | -112 |
| 2150 Total guaranteed loan commitments | | 1 | 2 |
| 2199 Guaranteed amount of guaranteed loan commitments | | 1 | 2 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | | | 1 |
| 2231 Disbursements of new guaranteed loans | | 1 | 2 |
| 2251 Repayments and prepayments | | | -1 |
| 2290 Outstanding, end of year | | 1 | 2 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | | 1 | 2 |

Balance Sheet (in millions of dollars)

| Identification code 86-4351-0-3-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | | | 1 | |
| 1999 Total assets | | | 1 | |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | | | 1 | |
| 2999 Total liabilities | | | 1 | |
| 4999 Total liabilities and net position | | | 1 | |

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 the loan guarantees committed in 2001 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 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.

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4244-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 08.02 Downward Reestimate | | 1 | |
| 10.00 Total new obligations | | 1 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 8 | 10 |
| 22.00 New financing authority (gross) | 6 | 3 | 2 |
| 23.90 Total budgetary resources available for obligation | 7 | 11 | 12 |
| 23.95 Total new obligations | | -1 | |
| 24.40 Unobligated balance carried forward, end of year | 8 | 10 | 12 |

| | | | |
|---|---|---|---|
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | 6 | 3 | 2 |

| | | | |
|--------------------------------------|--|---|--|
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 1 | |

| | | | |
|---|----|----|----|
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -6 | -3 | -2 |

| | | | |
|---|----|----|----|
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | -6 | -3 | -2 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4244-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 53 | 17 | 8 |
| 2121 Limitation available from carry-forward | 193 | 191 | 191 |
| 2143 Uncommitted limitation carried forward | -191 | -191 | -187 |
| 2150 Total guaranteed loan commitments | 55 | 17 | 12 |
| 2199 Guaranteed amount of guaranteed loan commitments | 44 | 14 | 10 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 10 | 65 | 76 |
| 2231 Disbursements of new guaranteed loans | 55 | 14 | 10 |
| 2251 Repayments and prepayments | | -2 | -5 |

Credit accounts—Continued

TITLE VI INDIAN FEDERAL GUARANTEES FINANCING ACCOUNT—
Continued

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

| Identification code 86-4244-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 2263 Adjustments: Terminations for default that result in claim payments | | -1 | -1 |
| 2290 Outstanding, end of year | 65 | 76 | 80 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 52 | 61 | 64 |

Balance Sheet (in millions of dollars)

| Identification code 86-4244-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 1 | 8 | 3 | |
| 1999 Total assets | 1 | 8 | 3 | |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 1 | 8 | 3 | |
| 2999 Total liabilities | 1 | 8 | 3 | |
| NET POSITION: | | | | |
| 3999 Total net position | | | | |
| 4999 Total liabilities and net position | 1 | 8 | 3 | |

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.

PUBLIC HOUSING, REFORM INITIATIVE GUARANTEED LOAN
FINANCING ACCOUNT

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 86-4352-2-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 22.00 New financing authority (gross) | | | 7 |
| 24.40 Unobligated balance carried forward, end of year | | | 7 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | | | 7 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | | | -7 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | | |
| 90.00 Financing disbursements | | | -7 |

This proposal is described under the Public Housing Capital Fund.

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4352-2-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | | | 1,715 |
| 2121 Limitation available from carry-forward | | | |
| 2143 Uncommitted limitation carried forward | | | |
| 2150 Total guaranteed loan commitments | | | 1,715 |
| 2199 Guaranteed amount of guaranteed loan commitments | | | 1,372 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | | | |
| 2231 Disbursements of new guaranteed loans | | | 86 |
| 2251 Repayments and prepayments | | | -2 |
| 2263 Adjustments: Terminations for default that result in claim payments | | | |
| 2290 Outstanding, end of year | | | 84 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | | | 67 |

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 et seq.), \$297,000,000, to remain available until September 30, 2005: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: Provided further, That the Secretary may use up to \$3,000,000 of the funds under this heading for training, oversight, and technical assistance activities.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0308-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Housing for Persons with HIV/AIDS | 276 | 383 | 297 |
| 10.00 Total new obligations (object class 41.0) | 276 | 383 | 297 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 88 | 91 | |
| 22.00 New budget authority (gross) | 277 | 292 | 297 |
| 22.10 Resources available from recoveries of prior year obligations | 1 | | |
| 23.90 Total budgetary resources available for obligation | 366 | 383 | 297 |
| 23.95 Total new obligations | -276 | -383 | -297 |
| 24.40 Unobligated balance carried forward, end of year | 91 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 277 | 292 | 297 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 439 | 399 | 490 |
| 73.10 Total new obligations | 276 | 383 | 297 |
| 73.20 Total outlays (gross) | -314 | -292 | -311 |
| 73.45 Recoveries of prior year obligations | -1 | | |
| 74.40 Obligated balance, end of year | 399 | 490 | 476 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 12 | 12 |
| 86.93 Outlays from discretionary balances | 312 | 280 | 299 |

| | | | | |
|--|-----------------------------|-----|-----|-----|
| 87.00 | Total outlays (gross) | 314 | 292 | 311 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 277 | 292 | 297 |
| 90.00 | Outlays | 314 | 292 | 311 |

The Housing Opportunities for Persons with AIDS program provides 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.

Up to \$3 million is used for technical assistance to grantees and project sponsors to strengthen management of programs and ensure responsiveness in meeting client needs. States and metropolitan areas receive 90 percent of the remaining funds by formula based on the number of cases of AIDS and, for metropolitan areas, the incidence of AIDS in that area. The final 10 percent is awarded competitively to States, local governments, and private nonprofit entities, including faith-based organizations, for projects of national significance with priority for renewal of the projects providing permanent supportive housing. Awards are also made to States and local governments for projects in jurisdictions which do not qualify for a formula allocation. The requested funding for 2004 will support an additional 1,250 households, for a total of approximately 74,250 housing units for persons with HIV/AIDS and their families.

**COMMUNITY DEVELOPMENT BLOCK GRANTS
(INCLUDING TRANSFERS OF FUNDS)**

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$4,716,000,000, to remain available until September 30, 2006, of which Provided, That of the amount provided, \$4,436,000,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.); \$72,500,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$3,000,000 shall be for a grant to the Housing Assistance Council; \$2,200,000 shall be for a grant to the National American Indian Housing Council; and \$37,900,000 shall be for grants pursuant to section 107 of the Act, of which \$2,400,000 shall be to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended, \$3,000,000 shall be for tribal colleges and universities to build, expand, renovate and equip their facilities, and not less than \$3,000,000 shall be for technical assistance pursuant to section 107(b)(4) of the Act; of which no less than \$4,900,000 shall be transferred to the Working Capital Fund for the development of and modification to information technology systems: which serve programs or activities under "Community Planning and Development"; and of which \$65,000,000 shall be for grants pursuant to the Self Help Homeownership Opportunity Program, including \$3,000,000 shall be for technical assistance: Provided, That not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for "Planning and Management Development" and "Administration", as defined in regulations promulgated by the Department.

Of the amount under this heading, \$29,500,000 shall be for capacity building, of which \$25,000,000 shall be for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), 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, and of which \$4,500,000 shall be for capacity building activities administered by Habitat for Humanity International.

Of the amount made available under this heading, notwithstanding any other provision of law, \$65,000,000 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: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That no more than 10 percent of any grant award may be used for administrative costs: Provided further, That not less than \$10,000,000 shall be available for grants to establish YouthBuild programs in underserved and rural areas: Provided further, That of the amount provided under this paragraph, \$2,000,000 shall be set aside and made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0162-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Community Development Grants | 5,042 | 4,742 | 4,746 |
| 00.02 World Trade Center Response | 2,700 | 783 | |
| 00.03 Working Capital Fund | 14 | 3 | 5 |
| 10.00 Total new obligations (object class 41.0) | 7,756 | 5,528 | 4,751 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,026 | 1,747 | 935 |
| 22.00 New budget authority (gross) | 7,783 | 4,716 | 4,716 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 22.22 Unobligated balance transferred from other accounts | 700 | | |
| 23.90 Total budgetary resources available for obligation | 9,512 | 6,463 | 5,651 |
| 23.95 Total new obligations | -7,756 | -5,528 | -4,751 |
| 23.98 Unobligated balance expiring or withdrawn | -9 | | |
| 24.40 Unobligated balance carried forward, end of year | 1,747 | 935 | 900 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| Appropriation: | | | |
| 40.00 Appropriation | 5,000 | 4,716 | 4,716 |
| 40.00 Appropriation | 2,783 | | |
| 43.00 Appropriation (total discretionary) | 7,783 | 4,716 | 4,716 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 9,091 | 11,409 | 10,287 |
| 73.10 Total new obligations | 7,756 | 5,528 | 4,751 |
| 73.20 Total outlays (gross) | -5,429 | -6,650 | -6,124 |
| 73.40 Adjustments in expired accounts (net) | -6 | | |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 11,409 | 10,287 | 8,914 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 111 | 94 | 94 |
| 86.93 Outlays from discretionary balances | 5,318 | 6,556 | 6,030 |
| 87.00 Total outlays (gross) | 5,429 | 6,650 | 6,124 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 7,783 | 4,716 | 4,716 |
| 90.00 Outlays | 5,429 | 6,650 | 6,124 |

Summary of Budget Authority and Outlays

(in millions of dollars)

| Enacted/requested: | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budget Authority | 7,783 | 4,716 | 4,716 |
| Outlays | 5,429 | 6,650 | 6,124 |
| Legislative proposal, not subject to PAYGO: | | | |
| Budget Authority | | 16 | 16 |
| Outlays | | | 5 |
| Total: | | | |
| Budget Authority | 7,783 | 4,732 | 4,732 |
| Outlays | 5,429 | 6,650 | 6,129 |

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 under the Community Development Block Grant (CDBG) program and States to fund local community development programs.

General and special funds—ContinuedCOMMUNITY DEVELOPMENT BLOCK GRANTS—Continued
(INCLUDING TRANSFERS OF FUNDS)—Continued

The 2004 Budget allocates \$72.5 million to Indian tribes as authorized by Section 106(a)(1) of the Housing and Community Development Act of 1974. Since its inception, funds made available to Native American communities have supported a wide variety of community development activities, predominantly, but not exclusively, community facilities, infrastructure and buildings to help meet the basic needs of low and moderate income community members. Since the vast majority of eligible tribes and Alaska Native Villages have non-existent tax bases, this program has helped to finance those public facilities needed to maintain or establish community viability. While it has had a significant impact on many Native American communities throughout the Nation, basic community development needs throughout Indian Country remain substantial.

Seventy percent of CDBG formula funds are allocated to metropolitan cities and urban counties that receive their grants using the higher of two objective formulas. States and small cities receive 30 percent of the formula funds. The proposed level of funding for CDBG will support an estimated 90,000 jobs. These funds will also help to rehabilitate an estimated 185,000 housing units.

Section 107 Grants include funding for technical assistance to support local and State grantees including efforts to streamline the Consolidated Plan, program management and analytical support of information technology projects such as enhancements to the Integrated Disbursement and Information System (IDIS). Historically Black Colleges and Universities, Hispanic serving Institutions, the Community Development Work Study, Community Outreach Partnership Centers (COPC), Tribal Colleges and Universities and Alaska Native and Native Hawaiian Serving Institutions programs. There is also a legislative proposal to move the funding for the Insular areas out of Section 107 and into Section 106, the Formula program.

As authorized by Section 4 of the HUD Demonstration Act of 1993, the National Community Development Initiative (NCDI) helps build capacity of community-based development corporations and housing development organizations, and assist such corporations and organizations to carry out community development and affordable housing activities. The 2004 Budget includes \$25 million for this program. In addition, \$4.5 million is set aside for Habitat for Humanity capacity building programs. Both programs will target their efforts to increasing minority homeownership.

The Youthbuild program provides resources to educate, train and supply stipends for economically disadvantaged young adults through their participation in the construction and rehabilitation of housing for low-income and homeless families and individuals. The program expands the supply of affordable housing and, at the same time, enables high school drop-outs to obtain the education and employment skills necessary to achieve self-sufficiency. The 2004 request for \$65 million will provide more than 3,728 young people with skills they need to obtain jobs. Funding of \$65 million is provided for the Self-Help Homeownership Opportunity Program (Shop) including \$3 million for technical assistance is targeted at very low-income populations. The three-fold increase reflects the growing capacity of self-help housing organizations to expand upon recent successes in making home ownership a viable option. In addition, \$3 million is provided for the Housing Assistance Council as well as \$2.2 million for the Native American Indian Housing Council to meet unserved rural and Native American housing needs.

The 2004 Budget also includes \$3 million in competitive grants to Tribal Colleges and Universities (TCU) to provide

resources to build, expand, renovate and equip facilities. In addition, \$2.4 million is provided to assist Alaska Native and Native Hawaiian Serving institutions. A transfer of \$4.9 million to the Working Capital Fund is included.

COMMUNITY DEVELOPMENT BLOCK GRANTS
(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 86-0162-2-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Colonias Gateway Initiative | | 16 | 16 |
| 10.00 Total new obligations (object class 41.0) | | 16 | 16 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 16 | 16 |
| 23.95 Total new obligations | | -16 | -16 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 16 | 16 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 16 |
| 73.10 Total new obligations | | 16 | 16 |
| 73.20 Total outlays (gross) | | | -5 |
| 74.40 Obligated balance, end of year | | 16 | 27 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | | | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 16 | 16 |
| 90.00 Outlays | | | 5 |

The Budget also provides \$16 million for the Colonias Gateway Initiative to enhance the availability of affordable housing, economic opportunity, and infrastructure in the Colonias by establishing a non-profit entity with the mission of improving the coordination of public, private, and community-based resources in the Colonias. Colonias are rural communities within 150 miles of the U.S. Mexican border that lack adequate infrastructure and other basic services.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

Program and Financing (in millions of dollars)

| Identification code 86-0315-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Develop urban sites | 42 | 3 | |
| 10.00 Total new obligations (object class 41.0) | 42 | 3 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | 3 | |
| 22.00 New budget authority (gross) | 45 | | |
| 23.90 Total budgetary resources available for obligation | 45 | 3 | |
| 23.95 Total new obligations | -42 | -3 | |
| 24.40 Unobligated balance carried forward, end of year | 3 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 45 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 246 | 231 | 159 |
| 73.10 Total new obligations | 42 | 3 | |
| 73.20 Total outlays (gross) | -57 | -75 | -70 |
| 74.40 Obligated balance, end of year | 231 | 159 | 89 |

| | | | | |
|--|---|----|----|----|
| Outlays (gross), detail: | | | | |
| 86.93 | Outlays from discretionary balances | 57 | 75 | 70 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 45 | | |
| 90.00 | Outlays | 57 | 75 | 70 |

The Empowerment Zone (EZ) initiative helps revitalize city neighborhoods by attracting business development and providing employment opportunities to residents of empowerment zones. Empowerment Zone principles include a strategic vision for change, a community-based partnership, providing economic opportunity and sustainable community development.

The VA HUD Appropriations Act of 2001 (P.L. 106-377 and P.L. 106-554) provided \$185 million for Round II Urban Empowerment Zones. The VA HUD Appropriations Act of 2002 (P.L. 107-73) provided \$45 million for Round II Urban Empowerment Zones which brought the total funding for Round II urban EZs through 2002 to \$330 million. No new funding is proposed for EZ's in FY 2004.

Funding has provided 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; leveraging private sector resources, 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.

EZs are helping to stimulate billions of dollars in private investment, reviving inner city neighborhoods and supporting jobs, and helping families move from welfare to work.

The Community Renewal and Tax Relief Act of 2000 (P.L. 106-554) authorized the designation of a third round of 7 urban and 2 rural empowerment zones and 40 competitively selected Renewal Communities administered by HUD.

BROWNFIELDS REDEVELOPMENT

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 86-0314-0-1-451 | | | | |
| | | 2002 actual | 2003 est. | 2004 est. |
| Obligations by program activity: | | | | |
| 00.01 | Cleanup and develop contaminated sites | 22 | 29 | |
| 10.00 | Total new obligations (object class 41.0) | 22 | 29 | |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 1 | 4 | |
| 22.00 | New budget authority (gross) | 25 | 25 | |
| 23.90 | Total budgetary resources available for obligation | 26 | 29 | |
| 23.95 | Total new obligations | -22 | -29 | |
| 24.40 | Unobligated balance carried forward, end of year | 4 | | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 25 | 25 | |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 91 | 109 | 128 |
| 73.10 | Total new obligations | 22 | 29 | |
| 73.20 | Total outlays (gross) | -5 | -10 | -13 |
| 74.40 | Obligated balance, end of year | 109 | 128 | 115 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | | 1 | |

| | | | | |
|--|---|----|----|----|
| 86.93 | Outlays from discretionary balances | 5 | 9 | 13 |
| 87.00 | Total outlays (gross) | 5 | 10 | 13 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 25 | 25 | |
| 90.00 | Outlays | 5 | 10 | 13 |

The 2004 Budget proposes no new funding for this program. The Brownfields Redevelopment initiative provided competitive economic development grants, in conjunction with Section 108 loan guarantees, for the redevelopment of qualified brownfield projects.

Grants are 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.

The Brownfields Redevelopment initiative has received annual appropriations of \$25 million since its inception in 1998.

YOUTHBUILD PROGRAM

Program and Financing (in millions of dollars)

| | | | | |
|--|---|-------------|-----------|-----------|
| Identification code 86-0219-0-1-604 | | | | |
| | | 2002 actual | 2003 est. | 2004 est. |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 1 | 1 | |
| 73.20 | Total outlays (gross) | | -1 | |
| 74.40 | Obligated balance, end of year | 1 | | |
| Outlays (gross), detail: | | | | |
| 86.93 | Outlays from discretionary balances | | 1 | |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | | 1 | |

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 expands the supply of affordable housing and, at the same time, enables high school dropouts to obtain the education and life and employment skills necessary to achieve self-sufficiency. The Youthbuild program has been funded as a set-aside within the CDBG program since 1996. The 2004 CDBG set aside request of \$65 million will provide more than 3,728 young people with skills they need to get jobs. The obligated balance and outlays represent activity in the separate youthbuild 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, as amended, \$2,197,400,000, to remain available until September 30, 2006, of which \$200,000,000 shall be available for the Downpayment Assistance Initiative; of which \$25,000,000 shall be for a lead hazard reduction demonstration; and no less than \$2,100,000 shall be transferred to the Working Capital Fund for the development and maintenance of, and modification to information technology systems which serve Programs or activities under "Community Planning and Development".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

General and special funds—Continued

HOME INVESTMENT PARTNERSHIPS PROGRAM—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)

| Identification code 86-0205-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 HOME grants | 1,827 | 2,089 | 2,199 |
| 10.00 Total new obligations (object class 41.0) | 1,827 | 2,089 | 2,199 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 284 | 256 | 251 |
| 22.00 New budget authority (gross) | 1,796 | 2,084 | 2,197 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | | |
| 23.90 Total budgetary resources available for obligation | 2,083 | 2,340 | 2,448 |
| 23.95 Total new obligations | -1,827 | -2,089 | -2,199 |
| 24.40 Unobligated balance carried forward, end of year | 256 | 251 | 249 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,846 | 2,084 | 2,197 |
| 40.35 Appropriation rescinded | -50 | | |
| 43.00 Appropriation (total discretionary) | 1,796 | 2,084 | 2,197 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 4,383 | 4,667 | 5,156 |
| 73.10 Total new obligations | 1,827 | 2,089 | 2,199 |
| 73.20 Total outlays (gross) | -1,540 | -1,600 | -1,700 |
| 73.45 Recoveries of prior year obligations | -3 | | |
| 74.40 Obligated balance, end of year | 4,667 | 5,156 | 5,655 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 27 | 42 | 44 |
| 86.93 Outlays from discretionary balances | 1,513 | 1,558 | 1,656 |
| 87.00 Total outlays (gross) | 1,540 | 1,600 | 1,700 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,796 | 2,084 | 2,197 |
| 90.00 Outlays | 1,540 | 1,600 | 1,700 |

The HOME Investment Partnerships program is authorized by the National Affordable Housing Act (P.L. 101-625). This program provides assistance to States and units of local government, through formula allocation, expanding the supply and affordability of housing. Eligible activities include acquisition, rehabilitation, and new construction of housing and tenant-based rental assistance. The 2004 request will result in the production of 109,200 units of affordable housing through new construction, rehabilitation, or acquisition. In addition, tenant-based rental assistance will be provided for 13,335 units.

Funding of \$25 million is included for a new competitive set-aside to demonstrate innovative local strategies targeted at making homes lead safe for low-income children. This initiative will involve private sector matching funds and will be evaluated so the lessons learned can be extended to the Lead Hazard Reduction program.

The HOME request also includes up to \$2.1 million for systems development and related projects including improvements to the Integrated Disbursement and Information System (IDIS), funding for technical assistance, and \$1 million for program management and analytical support.

HOMELESS ASSISTANCE GRANTS
(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento 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 McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, \$1,325,000,000, to remain available until September 30, 2006: Provided, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: Provided further, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: Provided further, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funded through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: Provided further, That \$12,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project and technical assistance: Provided further, That no less than \$2,580,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Community Planning and Development": Provided further, That \$1,500,000 shall be made available to the Interagency Council on the Homeless for administrative needs.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0192-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Homeless assistance grants | 994 | 1,138 | 1,365 |
| 10.00 Total new obligations (object class 41.0) | 994 | 1,138 | 1,365 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,408 | 1,583 | 1,575 |
| 22.00 New budget authority (gross) | 1,123 | 1,130 | 1,325 |
| 22.10 Resources available from recoveries of prior year obligations | 47 | | |
| 23.90 Total budgetary resources available for obligation | 2,578 | 2,713 | 2,900 |
| 23.95 Total new obligations | -994 | -1,138 | -1,365 |
| 24.40 Unobligated balance carried forward, end of year | 1,583 | 1,575 | 1,535 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,123 | 1,130 | 1,325 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2,500 | 2,428 | 2,509 |
| 73.10 Total new obligations | 994 | 1,138 | 1,365 |
| 73.20 Total outlays (gross) | -1,019 | -1,057 | -1,174 |
| 73.45 Recoveries of prior year obligations | -47 | | |
| 74.40 Obligated balance, end of year | 2,428 | 2,509 | 2,700 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 12 | 34 | 40 |
| 86.93 Outlays from discretionary balances | 1,007 | 1,023 | 1,134 |
| 87.00 Total outlays (gross) | 1,019 | 1,057 | 1,174 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,123 | 1,130 | 1,325 |
| 90.00 Outlays | 1,019 | 1,057 | 1,174 |

The Homeless Assistance Grants program funds the Shelter Plus Care, Supportive Housing, Emergency Shelter Grants, and Section 8 Moderate Rehabilitation Single Room Occupancy programs. These funds will enable localities to shape and implement comprehensive, flexible, coordinated ap-

proaches to solving rather than institutionalizing homelessness. In fact, in recent years, many communities have made great strides in developing holistic approaches to solving homelessness. Requested funding would be available for a wide range of activities to assist homeless persons and prevent future homelessness, and will support the Department's effort to end chronic homelessness within a decade. The Administration will propose legislation to combine HUD's three competitive programs—Shelter Plus Care, Supportive Housing, and Section 8 Moderate Rehabilitation Single Room Occupancy into a single program with enough flexibility to meet community needs. The Department is also continuing to pursue expanded interagency efforts to meet the needs of the homeless.

Funding is also requested for technical assistance to provide needed assistance to grantees to resolve problems that hinder successful project completion and implementation, and for management information systems support, including the continuing operation of tracking systems required by House Report 105-610.

SAMARITAN HOUSING

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 86-0400-2-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity | | | 50 |
| 10.00 Total new obligations (object class 41.0) | | | 50 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | 50 |
| 23.95 Total new obligations | | | -50 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | 50 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | | 50 |
| 73.20 Total outlays (gross) | | | -5 |
| 74.40 Obligated balance, end of year | | | 45 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | 50 |
| 90.00 Outlays | | | 5 |

The Administration will submit legislation for the Samaritan Housing initiative, a new competitive grant program that supports the Administration's efforts to end chronic homelessness within a decade. Funding of \$50 million for housing grants is requested in 2004 to support the most promising local strategies to move chronically homeless persons from the streets to safe permanent housing with supportive services. The Samaritan Housing initiative is part of a broader interagency Samaritan Initiative involving the Departments of Housing and Urban Development (HUD), Health and Human Services (HHS), and Veterans Affairs (VA) and other Federal agencies to end chronic homelessness.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Program and Financing (in millions of dollars)

| Identification code 86-0324-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Rural Housing | 25 | 26 | |

| | | | |
|--|-----|-----|-----|
| 10.00 Total new obligations (object class 41.0) | 25 | 26 | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 26 | 26 | |
| 22.00 New budget authority (gross) | 25 | | |
| 23.90 Total budgetary resources available for obligation | 51 | 26 | |
| 23.95 Total new obligations | -25 | -26 | |
| 24.40 Unobligated balance carried forward, end of year | 26 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 25 | | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 31 | 34 | 35 |
| 73.10 Total new obligations | 25 | 26 | |
| 73.20 Total outlays (gross) | -22 | -25 | -23 |
| 74.40 Obligated balance, end of year | 34 | 35 | 12 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 22 | 25 | 23 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 25 | | |
| 90.00 Outlays | 22 | 25 | 23 |

This program encouraged new and innovative approaches to serving the housing and economic development needs of the nation's rural communities. The 2004 Budget proposes no new funding for this program.

EMERGENCY FOOD AND SHELTER PROGRAM

(Legislative proposal, not subject to PAYGO)

Program and Financing (in millions of dollars)

| Identification code 86-0230-2-1-605 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 04.10 Direct Program Activity | | 153 | 153 |
| 10.00 Total new obligations (object class 41.0) | | 153 | 153 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | 153 | 153 |
| 23.95 Total new obligations | | -153 | -153 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 153 | 153 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | 153 | 153 |
| 73.20 Total outlays (gross) | | -153 | -153 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 153 | 153 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 153 | 153 |
| 90.00 Outlays | | 153 | 153 |

Legislation will be submitted to transfer this program from the Federal Emergency Management Agency to HUD in order to consolidate emergency homeless assistance. The Emergency Food and Shelter program distributes funds rapidly and equitably to local jurisdictions to supplement community efforts to provide emergency food and shelter services. Funds will be obligated to a National Board, which will be chaired by HUD and whose non-profit partners (American Red Cross, The Salvation Army, United Way of America, and others) provide professional expertise. This National Board then works through similarly composed local boards to advertise the availability of funds, assess community needs, and make allocation choices. These community-based Local Boards also assure coordination of effort and development of systems to

General and special funds—Continued

EMERGENCY FOOD AND SHELTER PROGRAM—Continued

prevent duplication of benefits. The Budget proposes no changes in the program's design or operation. The 2004 Budget proposes \$153 million.

URBAN DEVELOPMENT ACTION GRANTS

From balances of the Urban Development Action Grant Program, as authorized by title I of the Housing and Community Development Act of 1974, as amended, \$30,000,000 are cancelled.

Program and Financing (in millions of dollars)

| Identification code 86-0170-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | -30 |
| 22.10 Resources available from recoveries of prior year obligations | | | 30 |
| 23.90 Total budgetary resources available for obligation | | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | | | -30 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 67 | 61 | 51 |
| 73.20 Total outlays (gross) | -6 | -10 | -10 |
| 73.45 Recoveries of prior year obligations | | | -30 |
| 74.40 Obligated balance, end of year | 61 | 51 | 11 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 6 | 10 | 10 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | -30 |
| 90.00 Outlays | 6 | 10 | 10 |

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. The Budget proposes a cancellation of \$30 million from terminated Urban Development Action Grants.

CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT AND AFFORDABLE HOUSING

Program and Financing (in millions of dollars)

| Identification code 86-0222-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 2 | | |
| 73.20 Total outlays (gross) | -2 | | |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 2 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 2 | | |

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. Funding of \$28 million was provided for this program in 2001 in Public Law 106-377 as a set-aside within the CDBG program. P.L. 107-73 provided \$29 million for this program in 2002. Funding of \$29.5 million is being requested in 2004, again as a set-aside within CDBG.

SHELTER PLUS CARE RENEWALS

Program and Financing (in millions of dollars)

| Identification code 86-0232-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Renewal of Expiring Contracts | 57 | 18 | 1 |
| 10.00 Total new obligations (object class 41.0) | 57 | 18 | 1 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 76 | 19 | 1 |
| 23.95 Total new obligations | -57 | -18 | -1 |
| 24.40 Unobligated balance carried forward, end of year | 19 | 1 | |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 22 | 54 | 37 |
| 73.10 Total new obligations | 57 | 18 | 1 |
| 73.20 Total outlays (gross) | -25 | -35 | -37 |
| 74.40 Obligated balance, end of year | 54 | 37 | 1 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 25 | 35 | 37 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 25 | 35 | 37 |

Shelter Plus Care provides rental assistance that, when combined with social services, supplies supportive housing for homeless people with disabilities and their families. Homeless people with disabilities often need more than shelter to live independently, such as medical care or other social services. Shelter Plus Care provides for a variety of housing choices such as group homes or individual units, coupled with a range of supportive services (which are funded by other sources). Grantees must match the rental assistance with supportive services that are at least equal in value to the amount of HUD's rental assistance. The Shelter Plus Care renewal funding renews contracts on a one-year basis and provides funding to amend contracts that were previously extended but which will run out of funding. The 2002 VA HUD Appropriations Act (P.L. 107-73) provided funding for Shelter Plus Care in the Homeless Assistance Grants account. Amounts provided in 2002 are sufficient to cover Shelter Plus Care Renewals in 2003. Shelter Plus Care Renewals are funded in the Homeless Assistance Grants account in 2004.

Public enterprise funds:

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Loan servicing | 2 | | |
| 10.00 Total new obligations | 2 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 31 | 20 | 11 |
| 22.00 New budget authority (gross) | 1 | 1 | 1 |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 22.40 Capital transfer to general fund | -15 | -10 | -8 |

| | | | | |
|-------|--|----|----|---|
| 23.90 | Total budgetary resources available for obligation | 21 | 11 | 4 |
| 23.95 | Total new obligations | -2 | | |
| 24.40 | Unobligated balance carried forward, end of year | 20 | 11 | 3 |

New budget authority (gross), detail:

| | | | | |
|-------------------|-------------------------------|---|---|---|
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 1 | 1 | 1 |

Change in obligated balances:

| | | | | |
|-------|--------------------------------------|----|----|----|
| 72.40 | Obligated balance, start of year | 7 | 3 | 1 |
| 73.10 | Total new obligations | 2 | | |
| 73.20 | Total outlays (gross) | -1 | -2 | -1 |
| 73.45 | Recoveries of prior year obligations | -4 | | |
| 74.40 | Obligated balance, end of year | 3 | 1 | |

Outlays (gross), detail:

| | | | | |
|-------|---------------------------------|---|---|---|
| 86.98 | Outlays from mandatory balances | 1 | 2 | 1 |
|-------|---------------------------------|---|---|---|

Offsets:

| | | | | |
|--|---|----|----|----|
| Against gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -1 | -1 | -1 |

Net budget authority and outlays:

| | | | | |
|-------|------------------|--|---|--|
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | | 1 | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2002 actual | 2003 est. | 2004 est. | |
|--|--|-----------|-----------|----|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 19 | 18 | 17 |
| 1251 | Repayments: Repayments and prepayments | | | -1 |
| 1263 | Write-offs for default: Direct loans | -1 | -1 | -1 |
| 1290 | Outstanding, end of year | 18 | 17 | 15 |

The Revolving fund (liquidating programs) was established by the Independent Offices Appropriations Act of 1955 for the efficient liquidation of assets acquired under a number of housing and urban development programs. The account's largest influx of funds in fiscal year 2001 resulted from the sale of most of the section 312 loan portfolio to the private sector for \$64 million.

Statement of Operations (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|------------------------|-------------|-----------|-----------|
| 0101 | Revenue | 4 | 1 | 1 |
| 0102 | Expense | -183 | -16 | -9 |
| 0105 | Net income or loss (-) | -179 | -15 | -8 |

Balance Sheet (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|--|--|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 38 | 23 | 14 |
| 1207 | Non-Federal assets: Advances and prepayments | 1 | 1 | 1 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 | Direct loans, gross | 19 | 18 | 16 |
| 1602 | Interest receivable | 4 | 4 | 4 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -8 | -7 | -7 |
| 1604 | Direct loans and interest receivable, net | 15 | 15 | 13 |
| 1606 | Foreclosed property | 3 | 2 | 1 |
| 1699 | Value of assets related to direct loans | 18 | 17 | 14 |
| 1801 | Other Federal assets: Cash and other monetary assets | | | |
| 1999 | Total assets | 57 | 41 | 29 |

LIABILITIES:

Non-Federal liabilities:

| | | | | |
|----------------------|------------------------------------|----|----|----|
| 2201 | Accounts payable | 1 | | |
| 2207 | Other | 9 | 8 | 9 |
| 2999 | Total liabilities | 9 | 9 | 8 |
| NET POSITION: | | | | |
| 3100 | Appropriated capital | 3 | 3 | 3 |
| 3300 | Cumulative results of operations | 45 | 29 | 17 |
| 3999 | Total net position | 48 | 32 | 20 |
| 4999 | Total liabilities and net position | 57 | 41 | 29 |

Object Classification (in millions of dollars)

| Identification code 86-4015-0-3-451 | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|-----------------------|-----------|-----------|
| 25.2 | Other services | 1 | |
| 32.0 | Land and structures | 1 | |
| 99.9 | Total new obligations | 2 | |

Credit accounts:

**COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT
(INCLUDING TRANSFER OF FUNDS)**

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0198-0-1-451 | 2002 actual | 2003 est. | 2004 est. | |
|--|---|-----------|-----------|----|
| Obligations by program activity: | | | | |
| 00.02 | Community development loan guarantee credit subsidy | 7 | 9 | 4 |
| 00.09 | Administrative expense | 1 | 1 | |
| 10.00 | Total new obligations (object class 33.0) | 8 | 10 | 4 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | | 7 | 4 |
| 22.00 | New budget authority (gross) | 15 | 7 | |
| 23.90 | Total budgetary resources available for obligation | 15 | 14 | 4 |
| 23.95 | Total new obligations | -8 | -10 | -4 |
| 24.40 | Unobligated balance carried forward, end of year | 7 | 4 | |

New budget authority (gross), detail:

| | | | | |
|-----------------------|---------------|----|---|--|
| Discretionary: | | | | |
| 40.00 | Appropriation | 15 | 7 | |

Change in obligated balances:

| | | | | |
|-------|---------------------------------------|----|----|----|
| 72.40 | Obligated balance, start of year | 18 | 18 | 21 |
| 73.10 | Total new obligations | 8 | 10 | 4 |
| 73.20 | Total outlays (gross) | -6 | -7 | -7 |
| 73.40 | Adjustments in expired accounts (net) | -1 | | |
| 74.40 | Obligated balance, end of year | 18 | 21 | 18 |

Outlays (gross), detail:

| | | | | |
|-------|--|---|---|---|
| 86.90 | Outlays from new discretionary authority | 3 | 2 | |
| 86.93 | Outlays from discretionary balances | 3 | 5 | 7 |
| 87.00 | Total outlays (gross) | 6 | 7 | 7 |

Net budget authority and outlays:

| | | | | |
|-------|------------------|----|---|---|
| 89.00 | Budget authority | 15 | 7 | |
| 90.00 | Outlays | 6 | 7 | 7 |

Guaranteed Loans.—No funds are requested for the Community Development Loan Guarantee program (Section 108) in 2004.

Section 108 loan guarantees have been used by Community Development Block Grant entitlement and nonentitlement communities (assisted by their State) for economic development activities, acquisition of real property, rehabilitation of publicly owned real property, and housing rehabilitation.

Credit accounts—Continued

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM
ACCOUNT—Continued

(INCLUDING TRANSFER OF FUNDS)—Continued

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

| Identification code 86-0198-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Community development loan guarantee levels | 609 | 275 | ..... |
| 215901 Total loan guarantee levels | 609 | 275 | ..... |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Community development loan guarantee levels | 2.30 | 2.30 | 0.00 |
| 232901 Weighted average subsidy rate | 2.30 | 2.30 | 0.00 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Loan guarantee levels | 14 | 6 | ..... |
| 233901 Total subsidy budget authority | 14 | 6 | ..... |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Community development loan guarantee levels | 5 | 6 | 7 |
| 234901 Total subsidy outlays | 5 | 6 | 7 |
| Administrative expense data: | | | |
| 351001 Budget authority | 1 | 1 | ..... |
| 359001 Outlays from new authority | 1 | 1 | ..... |

As required by the Federal Credit Reform Act of 1990, this account records the subsidy costs associated with the loan guarantees committed since 1992 (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses for this program. The subsidy amounts are estimated on a present value basis; the administrative expenses are estimated on a cash basis.

COMMUNITY DEVELOPMENT LOAN GUARANTEES FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4096-0-3-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 48 | 56 | 65 |
| 22.00 New financing authority (gross) | 7 | 9 | 11 |
| 23.90 Total budgetary resources available for obligation | 55 | 65 | 76 |
| 24.40 Unobligated balance carried forward, end of year | 56 | 65 | 76 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | 7 | 9 | 11 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -18 | -18 | -18 |
| 74.40 Obligated balance, end of year | -18 | -18 | -18 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | -5 | -6 | -7 |
| 88.25 Interest on uninvested funds | -2 | -3 | -4 |
| 88.90 Total, offsetting collections (cash) | -7 | -9 | -11 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority ..... | ..... | ..... | ..... |
| 90.00 Financing disbursements | -7 | -9 | -11 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4096-0-3-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 609 | 275 | ..... |
| 2121 Limitation available from carry-forward ..... | ..... | 298 | 183 |
| 2143 Uncommitted limitation carried forward | -298 | -183 | ..... |
| 2150 Total guaranteed loan commitments | 311 | 390 | 183 |
| 2199 Guaranteed amount of guaranteed loan commitments | 311 | 390 | 183 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 1,887 | 2,040 | 2,051 |
| 2231 Disbursements of new guaranteed loans | 309 | 261 | 304 |
| 2251 Repayments and prepayments | -156 | -250 | -300 |
| 2290 Outstanding, end of year | 2,040 | 2,051 | 2,055 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 2,040 | 2,051 | 2,055 |

Balance Sheet (in millions of dollars)

| Identification code 86-4096-0-3-451 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 30 | 38 | 50 | 62 |
| 1999 Total assets | 30 | 38 | 50 | 62 |
| LIABILITIES: | | | | |
| 2204 Non-Federal liabilities: Liabilities for loan guarantees | 30 | 38 | 50 | 62 |
| 2999 Total liabilities | 30 | 38 | 50 | 62 |
| 4999 Total liabilities and net position | 30 | 38 | 50 | 62 |

Guaranteed loans.—The Community Development Loan Guarantees program has provided a mechanism for the Federal guarantee of private loans. An accompanying liquidating account shows activity for Federal Financing Bank (FFB) direct loan activity, obligated prior to July 1, 1986. The following is a status of privately financed guaranteed loan commitments made prior to 1992. No funding is requested for new section 108 loans in 2004.

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 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 01.11 Direct program activity | 18 | ..... | ..... |
| 10.00 Total new obligations (object class 44.0) | 18 | ..... | ..... |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 16 | ..... | ..... |
| 22.00 New budget authority (gross) | 5 | ..... | ..... |
| 22.60 Portion applied to repay debt | -3 | ..... | ..... |
| 23.90 Total budgetary resources available for obligation | 18 | ..... | ..... |
| 23.95 Total new obligations | -18 | ..... | ..... |

New budget authority (gross), detail:

| | | | |
|------------|--|---|--|
| Mandatory: | | | |
| 60.00 | Appropriation | 2 | |
| 69.00 | Offsetting collections (cash) | 2 | |
| 69.10 | Change in uncollected customer payments from Federal sources (unexpired) | 1 | |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 3 | |
| 70.00 | Total new budget authority (gross) | 5 | |

Change in obligated balances:

| | | | | |
|-------|--|-----|----|----|
| 72.40 | Obligated balance, start of year | -5 | -6 | -6 |
| 73.10 | Total new obligations | 18 | | |
| 73.20 | Total outlays (gross) | -17 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -1 | | |
| 74.40 | Obligated balance, end of year | -6 | -6 | -6 |

Outlays (gross), detail:

| | | | | |
|-------|---------------------------------------|----|--|--|
| 86.98 | Outlays from mandatory balances | 17 | | |
|-------|---------------------------------------|----|--|--|

Offsets:

| | | | | |
|---|--|----|--|--|
| Against gross budget authority and outlays: | | | | |
| 88.40 | Offsetting collections (cash) from: Non-Federal sources | -2 | | |
| Against gross budget authority only: | | | | |
| 88.95 | Change in uncollected customer payments from Federal sources (unexpired) | -1 | | |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|----|--|--|
| 89.00 | Budget authority | 2 | | |
| 90.00 | Outlays | 17 | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-----------|-----------|---|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 8 | 6 | 6 |
| 1251 | Repayments: Repayments and prepayments | -2 | | |
| 1290 | Outstanding, end of year | 6 | 6 | 6 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-----------|-----------|-----|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 81 | 47 | 27 |
| 2251 | Repayments and prepayments | -34 | -20 | -15 |
| 2290 | Outstanding, end of year | 47 | 27 | 12 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 47 | 27 | 12 |

Statement of Operations (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|------------------------------|-------------|-----------|-----------|
| 0101 | Revenue | 1 | 1 | 1 |
| 0102 | Expense | -1 | -1 | -1 |
| 0105 | Net income or loss (-) | | | |

Balance Sheet (in millions of dollars)

| Identification code 86-4097-0-3-451 | 2001 actual | 2002 actual | 2003 est. | 2004 est. | |
|---|---|-------------|-----------|-----------|----|
| ASSETS: | | | | | |
| Federal assets: | | | | | |
| 1101 | Fund balances with Treasury | 11 | -8 | -6 | -4 |
| Investments in US securities: | | | | | |
| 1106 | Receivables, net | 5 | 6 | 5 | 4 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1701 | Defaulted guaranteed loans, gross | 8 | 5 | 4 | 3 |
| 1704 | Defaulted guaranteed loans and interest receivable, net | 8 | 5 | 4 | 3 |

| | | | | | |
|---------------------|--|----|----|----|----|
| 1799 | Value of assets related to loan guarantees | 8 | 5 | 4 | 3 |
| 1999 | Total assets | 24 | 3 | 3 | 3 |
| LIABILITIES: | | | | | |
| 2103 | Federal liabilities: Debt | 8 | 5 | 5 | 4 |
| 2207 | Non-Federal liabilities: Other | 16 | -2 | -2 | -1 |
| 2999 | Total liabilities | 24 | 3 | 3 | 3 |
| 4999 | Total liabilities and net position | 24 | 3 | 3 | 3 |

No funding is requested for new Section 108 loans in 2004. 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 was provided to eligible communities to finance economic development activities, housing rehabilitation, development or expansion of 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.

HOUSING PROGRAMS

Federal Funds

General and special funds:

HOUSING FOR THE ELDERLY

(INCLUDING TRANSFER OF FUNDS)

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 for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with housing, \$773,636,000, plus recaptures and cancelled commitments, to remain available until September 30, 2006, of which \$53,000,000, shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount \$30,000,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration": Provided further, That the Secretary may waive any provision of section 202 (including the provisions governing the terms and conditions of project rental assistance that the Secretary determines is not necessary to achieve the objectives of such program, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such program, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for housing for elderly, as authorized by section 202, for project rental assistance for housing for the elderly, as authorized under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, for service coordinators and congregate service grants, and for grants for conversion of eligible projects to assisted living or related use under section 202b of such Act, shall be transferred to and merged with the amounts of these purposes under this heading.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution

General and special funds—Continued

HOUSING FOR THE ELDERLY—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

(P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0320-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Elderly and disabled housing grants | 1,481 | 1,024 | 773 |
| 10.00 Total new obligations (object class 41.0) | 1,481 | 1,024 | 773 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2,896 | 2,453 | 2,453 |
| 22.00 New budget authority (gross) | 1,024 | 1,024 | 773 |
| 22.10 Resources available from recoveries of prior year obligations | 14 | | |
| 22.21 Unobligated balance transferred to other accounts | | | -463 |
| 23.90 Total budgetary resources available for obligation | 3,934 | 3,477 | 2,763 |
| 23.95 Total new obligations | -1,481 | -1,024 | -773 |
| 24.40 Unobligated balance carried forward, end of year | 2,453 | 2,453 | 1,990 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 1,024 | 1,024 | 773 |
| Mandatory: | | | |
| 60.00 Appropriation | 73 | | |
| 60.49 Portion applied to liquidate contract authority | -73 | | |
| 62.50 Appropriation (total mandatory) | | | |
| 70.00 Total new budget authority (gross) | 1,024 | 1,024 | 773 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 4,062 | 4,634 | 4,763 |
| 73.10 Total new obligations | 1,481 | 1,024 | 773 |
| 73.20 Total outlays (gross) | -895 | -895 | -702 |
| 73.31 Obligated balance transferred to other accounts | | | -1,164 |
| 73.45 Recoveries of prior year obligations | -14 | | |
| 74.40 Obligated balance, end of year | 4,634 | 4,763 | 3,670 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 895 | 895 | 702 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,024 | 1,024 | 773 |
| 90.00 Outlays | 895 | 895 | 702 |

This account consolidates activity under the Section 202 Housing for the Elderly Program and the Section 811 Housing for the Disabled Program. In 2004, housing for persons with disabilities is proposed as a separate account. A total of \$773 million is proposed for housing for the elderly. Of this amount \$30 million is for the capital grant program to convert existing 202 properties to assisted living under appropriate conditions. These funds for capital grants are available to existing HUD elderly subsidized (Section 202) projects that convert some or all units to Assisted Living.

\$53.0 million is provided for a service coordinator program that will serve both residents of HUD-assisted elderly housing, other eligible elderly residing in the neighborhood in which such projects are located on an exception basis, and residents of projects assisted under section 811.

Status of Contract Authority (in millions of dollars)

| Identification code 86-0320-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 0400 Appropriation to liquidate contract authority | -73 | | |

HOUSING FOR PERSONS WITH DISABILITIES

For 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 supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$250,515,000, to remain available until September 30, 2006: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration: Provided further, That of the amount appropriated under this heading, other than amounts for renewal of expiring project-based or tenant-based rental assistance contracts, the Secretary may designate up to 25 percent for new incremental tenant-based rental assistance, as authorized by section 811 of such Act, (which assistance is 5 years in duration)": Provided further, That the Secretary may waive any provision of section 811 (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 such programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such programs, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811, for project rental assistance for supportive housing for persons with disabilities, as authorized under section 811(d)(2), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1), shall be transferred to and merged with the amounts for these purposes under this heading.

zalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2016, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, \$250,515,000, to remain available until September 30, 2006: Provided, That no less than \$470,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration: Provided further, That of the amount appropriated under this heading, other than amounts for renewal of expiring project-based or tenant-based rental assistance contracts, the Secretary may designate up to 25 percent for new incremental tenant-based rental assistance, as authorized by section 811 of such Act, (which assistance is 5 years in duration)": Provided further, That the Secretary may waive any provision of section 811 (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 such programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under such programs, and may make provision for alternative conditions or terms where appropriate. Provided further, That all balances outstanding, as of September 30, 2003, for capital advances, including amendments to capital advances, for supportive housing for persons with disabilities, as authorized by section 811, for project rental assistance for supportive housing for persons with disabilities, as authorized under section 811(d)(2), including amendments to contracts for such assistance and renewal of expiring contracts for such assistance, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1), shall be transferred to and merged with the amounts for these purposes under this heading.

Program and Financing (in millions of dollars)

| Identification code 86-0237-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Housing for the Disabled | | | 251 |
| 10.00 Total new obligations (object class 41.0) | | | 251 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | | | 251 |
| 22.22 Unobligated balance transferred from other accounts | | | 463 |
| 23.90 Total budgetary resources available for obligation | | | 714 |
| 23.95 Total new obligations | | | -251 |
| 24.40 Unobligated balance carried forward, end of year | | | 463 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | | 251 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | | | 251 |
| 73.20 Total outlays (gross) | | | -228 |
| 73.32 Obligated balance transferred from other accounts | | | 1,164 |
| 74.40 Obligated balance, end of year | | | 1,187 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | | | 228 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | 251 |
| 90.00 Outlays | | | 228 |

The budget proposes a new account for supportive housing for persons with disabilities. These funds were formerly combined with housing for the elderly in the Housing for Special Populations account. For 2004, the Administration will propose reforms to increase flexibility in the use of funds to provide more housing and strengthen program performance. Projects that are part of a strategy to end chronic homelessness by housing those disabled most at risk of homelessness will be given priority. In 2005, tenant based rental assistance

provided in this program is proposed to be administered as part of the Housing Assistance for Needy Families (HANF) program.

HOUSING COUNSELING ASSISTANCE

For contracts, grants and other assistance other than loans, as authorized under Section 106 of the Housing and Urban Development Act of 1968, as amended, \$45,000,000, to remain available until September 30, 2005: Provided, That funds shall be used for providing counseling and advice to tenants and homeowners both current and prospective with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0156-0-1-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Housing Assistance | | 5 | 35 |
| 10.00 Total new obligations (object class 41.0) | | 5 | 35 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | | | 30 |
| 22.00 New budget authority (gross) | | 35 | 45 |
| 23.90 Total budgetary resources available for obligation | | 35 | 75 |
| 23.95 Total new obligations | | -5 | -35 |
| 24.40 Unobligated balance carried forward, end of year | | 30 | 40 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 35 | 45 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | | | 1 |
| 73.10 Total new obligations | | 5 | 35 |
| 73.20 Total outlays (gross) | | -4 | -31 |
| 74.40 Obligated balance, end of year | | 1 | 5 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 4 | 5 |
| 86.93 Outlays from discretionary balances | | | 26 |
| 87.00 Total outlays (gross) | | 4 | 31 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 35 | 45 |
| 90.00 Outlays | | 4 | 31 |

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants, including home purchase, financial management, and rental counseling. This program has been funded through a set-aside under the HOME program appropriation for the past several years.

The Housing Counseling Assistance Program supports the delivery of a wide variety of housing counseling services to homebuyers, homeowners, low-to moderate-income renters and the homeless. The primary objectives of the program are to expand homeownership opportunities, improve access to affordable housing and aid in HUD's commitment to bridging the gap of homeownership of minorities and other select groups in comparison to the National homeownership rate.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

Up to \$303,000,000 of recaptured section 236 budget authority resulting from prepayment of mortgages subsidized under section 236

of the National Housing Act (12 U.S.C. 1715z-1) is hereby cancelled in fiscal year 2004: Provided, That the limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 is reduced in fiscal year 2004 by not more than \$303,000,000 in uncommitted balances of authorizations of contract authority provided for this purpose in prior appropriations Acts.

Program and Financing (in millions of dollars)

| Identification code 86-0206-0-1-999 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Rent supplement | 7 | 10 | 10 |
| 00.02 Homeownership and rental housing assistance (Sections 235 and 236) | 20 | 34 | 34 |
| 10.00 Total new obligations (object class 41.0) | 27 | 44 | 44 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,044 | 1,420 | 1,320 |
| 22.00 New budget authority (gross) | -300 | -100 | -303 |
| 22.10 Resources available from recoveries of prior year obligations | 798 | 44 | 44 |
| 22.75 Balance of contract authority withdrawn | -95 | | |
| 23.90 Total budgetary resources available for obligation | 1,447 | 1,364 | 1,061 |
| 23.95 Total new obligations | -27 | -44 | -44 |
| 24.40 Unobligated balance carried forward, end of year | 1,420 | 1,320 | 1,017 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 735 | 672 | 672 |
| 40.49 Portion applied to liquidate contract authority | -735 | -672 | -672 |
| 43.00 Appropriation (total discretionary) | | | |
| 49.35 Contract authority rescinded | -300 | -100 | -303 |
| 70.00 Total new budget authority (gross) | -300 | -100 | -303 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 9,719 | 8,293 | 7,621 |
| 73.10 Total new obligations | 27 | 44 | 44 |
| 73.20 Total outlays (gross) | -655 | -672 | -672 |
| 73.45 Recoveries of prior year obligations | -798 | -44 | -44 |
| 74.40 Obligated balance, end of year | 8,293 | 7,621 | 6,949 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 655 | 672 | 672 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -300 | -100 | -303 |
| 90.00 Outlays | 655 | 672 | 672 |

Status of Contract Authority (in millions of dollars)

| Identification code 86-0206-0-1-999 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Contract authority: | | | |
| 0200 Contract authority | -300 | -100 | -303 |
| 0400 Appropriation to liquidate contract authority | -735 | -672 | -672 |
| 0600 Balance of contract authority withdrawn | -95 | | |

OTHER ASSISTED HOUSING

Summary of Administrative Commitments

(in millions of dollars)

| | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Assistance contracts: | | | |
| Rent supplement | 7 | 10 | 10 |
| Homeownership and rental housing assistance (sections 235 and 236) | 20 | 34 | 34 |
| IRP Rehab Grants | | | |
| Administrative commitments, start of year | 9 | 9 | 9 |
| Administrative commitments, end of year | -9 | -9 | -9 |
| Total obligations | 27 | 44 | 44 |

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 18,600 units which have not converted to section 8.

General and special funds—Continued

OTHER ASSISTED HOUSING PROGRAMS—Continued

RENTAL HOUSING ASSISTANCE—Continued

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 eligible projects.

The table below reflects the consolidated outlay total for: the Housing Certificate Fund; the Public Housing Capital Fund; and the Other Assisted Housing account.

SUMMARY OF OUTLAYS¹

(in millions of dollars)

| | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Subsidized housing programs, total | 22,921 | 21,147 | 24,937 |
| Low-income housing assistance (sec. 8) | 18,499 | 19,874 | 20,455 |
| Public housing capital fund | 3,767 | 3,601 | 3,810 |
| Rent supplement | 54 | 54 | 54 |
| Homeownership assistance (sec. 235) | 11 | 11 | 11 |
| Rental housing assistance (sec. 236) | 578 | 595 | 595 |
| College housing grants | 12 | 12 | 12 |

¹ Includes 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 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | 5 | 5 |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 Total budgetary resources available for obligation | 5 | 5 | 5 |
| 24.40 Unobligated balance carried forward, end of year | 5 | 5 | 5 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 26 | 19 | 16 |
| 73.20 Total outlays (gross) | –3 | –3 | –3 |
| 73.45 Recoveries of prior year obligations | –4 | | |
| 74.40 Obligated balance, end of year | 19 | 16 | 13 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 3 | 3 | 3 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 3 | 3 | 3 |

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 multi-family 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 2004. This schedule reflects the liquidation of prior year balances.

MANUFACTURED HOME INSPECTION AND MONITORING

(INCLUDING TRANSFERS OF FUNDS)

Program and Financing (in millions of dollars)

| Identification code 86–5271–0–2–376 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 Other program costs | 1 | | |
| 10.00 Total new obligations (object class 25.2) | 1 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 23.95 Total new obligations | –1 | | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 1 | | |
| 73.20 Total outlays (gross) | –1 | | |
| Outlays (gross), detail: | | | |
| 86.98 Outlays from mandatory balances | 1 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 1 | | |

This account provided spending for HUD and its agents for development of manufactured housing standards. Consistent with the Manufactured Housing Improvement Act of 2000, spending for 2004 on these activities is proposed in the discretionary Manufactured Housing Fees Trust Fund account.

Public enterprise funds:

RENTAL HOUSING ASSISTANCE FUND

Program and Financing (in millions of dollars)

| Identification code 86–4041–0–3–604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.01 Refunds of Excess Income | 1 | 5 | 5 |
| 10.00 Total new obligations (object class 25.2) | 1 | 5 | 5 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 10 | 16 | 27 |
| 22.00 New budget authority (gross) | 7 | 16 | 16 |
| 23.90 Total budgetary resources available for obligation | 17 | 32 | 43 |
| 23.95 Total new obligations | –1 | –5 | –5 |
| 24.40 Unobligated balance carried forward, end of year | 16 | 27 | 38 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 7 | 16 | 16 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 7 | 7 | –4 |
| 73.10 Total new obligations | 1 | 5 | 5 |
| 73.20 Total outlays (gross) | –1 | –16 | –16 |
| 74.40 Obligated balance, end of year | 7 | –4 | –15 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 1 | 16 | 16 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.40 Offsetting collections (cash) from: Non-Federal sources | –7 | –16 | –16 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |

90.00 Outlays -6

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, with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569.

FLEXIBLE SUBSIDY FUND
(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2003, and any collections made during fiscal year 2004 (with the exception of amounts required to make refunds of excess income remittances as authorized by Public Law 106-569), shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 09.00 Reimbursable program | 2 | | |
| 10.00 Total new obligations (object class 41.0) | 2 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 282 | 291 | 311 |
| 22.00 New budget authority (gross) | 11 | 20 | 20 |
| 23.90 Total budgetary resources available for obligation | 293 | 311 | 331 |
| 23.95 Total new obligations | -2 | | |
| 24.40 Unobligated balance carried forward, end of year | 291 | 311 | 331 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | 11 | 20 | 20 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 13 | 6 | 6 |
| 73.10 Total new obligations | 2 | | |
| 73.20 Total outlays (gross) | -9 | | |
| 74.40 Obligated balance, end of year | 6 | 6 | 6 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 9 | | |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Federal sources | | -12 | -12 |
| 88.20 Interest on Federal securities | -4 | | |
| 88.40 Non-Federal sources | -7 | -8 | -8 |
| 88.90 Total, offsetting collections (cash) | -11 | -20 | -20 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -2 | -20 | -20 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 648 | 658 | 654 |
| 1231 Disbursements: Direct loan disbursements | 9 | | |
| 1251 Repayments: Repayments and prepayments | -5 | -4 | -4 |
| 1264 Write-offs for default: Write-off for default: Other adjustments, net | 6 | | |
| 1290 Outstanding, end of year | 658 | 654 | 650 |

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.

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. In 2001, Congress enacted legislation which permits excess income balances in the Rental Housing Assistance Fund or transferred to the Flexible Subsidy Fund to be used for refunds of prior excess income remittances, as permitted by law.

Statement of Operations (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|-------------|-------------|-----------|-----------|
| 0101 Revenue | 1 | 15 | 15 | |
| 0102 Expense | -20 | -10 | -10 | |
| 0105 Net income or loss (-) | -19 | 5 | 5 | |

Balance Sheet (in millions of dollars)

| Identification code 86-4044-0-3-604 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 295 | 297 | 278 | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 Direct loans, gross | 711 | 721 | 784 | |
| 1602 Interest receivable | 65 | 74 | | |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -528 | -544 | -705 | |
| 1699 Value of assets related to direct loans | 248 | 251 | 79 | |
| 1999 Total assets | 543 | 548 | 357 | |
| LIABILITIES: | | | | |
| 2207 Non-Federal liabilities: Other | 2 | 2 | 3 | |
| 2999 Total liabilities | 2 | 2 | 3 | |
| NET POSITION: | | | | |
| 3100 Appropriated capital | 217 | 217 | 217 | |
| 3300 Cumulative results of operations | 324 | 329 | 137 | |
| 3999 Total net position | 541 | 546 | 354 | |
| 4999 Total liabilities and net position | 543 | 548 | 357 | |

Public enterprise funds—Continued

HOMEOWNERSHIP ASSISTANCE FUND

Program and Financing (in millions of dollars)

| Identification code 86-4043-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 85 | 86 | 84 |
| 24.40 Unobligated balance carried forward, end of year | 86 | 84 | 84 |

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

NEHEMIAH HOUSING OPPORTUNITY FUND

Program and Financing (in millions of dollars)

| Identification code 86-4071-0-3-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 3 | 3 | 3 |
| 24.40 Unobligated balance carried forward, end of year | 3 | 3 | 3 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 13 | 11 | 6 |
| 73.20 Total outlays (gross) | -2 | -5 | -5 |
| 74.40 Obligated balance, end of year | 11 | 6 | 1 |
| Outlays (gross), detail: | | | |
| 86.93 Outlays from discretionary balances | 2 | 5 | 5 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | 2 | 5 | 5 |

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:

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2004, commitments to guarantee loans to carry out the purposes of sections 203(b) and 257 of the National Housing Act, as amended, shall not exceed a loan principal of \$185,000,000,000.

During fiscal year 2004, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$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, \$359,000,000, of which not to exceed \$355,000,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$4,000,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, \$85,000,000, of which no less than \$20,744,000 shall be transferred to the Working Capital Fund for

the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, 2004, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$30,000,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0183-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.07 Reestimates of loan guarantee negative subsidy | 915 | 1,863 | |
| 00.08 Interest on reestimates of loan guarantee subsidy | 102 | 527 | |
| 00.09 Administrative expenses, salaries & expenses transfer | 337 | 348 | 359 |
| 00.12 Non-overhead administrative expenses for FHA contracts | 162 | 86 | 85 |
| 10.00 Total new obligations | 1,516 | 2,824 | 444 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 513 | 434 | 444 |
| 22.22 Unobligated balance transferred from other accounts | 1,017 | 2,390 | |
| 23.90 Total budgetary resources available for obligation | 1,530 | 2,824 | 444 |
| 23.95 Total new obligations | -1,516 | -2,824 | -444 |
| 23.98 Unobligated balance expiring or withdrawn | -14 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 513 | 434 | 444 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 120 | 61 | 16 |
| 73.10 Total new obligations | 1,516 | 2,824 | 444 |
| 73.20 Total outlays (gross) | -1,574 | -2,869 | -444 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 61 | 16 | 16 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 464 | 418 | 428 |
| 86.93 Outlays from discretionary balances | 93 | 61 | 16 |
| 86.98 Outlays from mandatory balances | 1,017 | 2,390 | |
| 87.00 Total outlays (gross) | 1,574 | 2,869 | 444 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 513 | 434 | 444 |
| 90.00 Outlays | 1,574 | 2,869 | 444 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | | 15 | 15 |
| 99.01 Outlays | | 15 | 15 |

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

| Identification code 86-0183-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 MMI Fund, Direct loans | 250 | 50 | 50 |
| 115901 Total direct loan levels | 250 | 50 | 50 |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 MMI Fund, Section 203(b) | 157,031 | 163,008 | 177,500 |
| 215003 Standby commitment authority | 7,969 | 1,992 | 7,500 |
| 215901 Total loan guarantee levels | 165,000 | 165,000 | 185,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 MMI Fund, Section 203(b) | -2.07 | -2.53 | -2.46 |
| 232003 Standby commitment authority | 0.00 | 0.00 | 0.00 |
| 232901 Weighted average subsidy rate | -2.07 | -2.53 | -2.46 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 MMI Fund, Section 203(b) | -2,880 | -3,226 | -3,378 |

| | | | |
|---|--------|--------|--------|
| 233003 Standby commitment authority | | | |
| 233901 Total subsidy budget authority | -2,880 | -3,226 | -3,378 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 MMI Fund, Section 203(b) | -2,880 | -3,226 | -3,378 |
| 234003 Standby commitment authority | | | |
| 234901 Total subsidy outlays | -2,880 | -3,226 | -3,378 |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235001 MMI Fund, Section 203(b) | 1,017 | 2,390 | |
| 235901 Total upward reestimate budget authority | 1,017 | 2,390 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236001 MMI Fund, Section 203(b) | 1,017 | 2,390 | |
| 236901 Total upward reestimate subsidy outlays | 1,017 | 2,390 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237001 MMI Fund, Section 203(b) | -2,704 | -864 | |
| 237901 Total downward reestimate subsidy budget authority | -2,704 | -864 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238001 MMI Fund, Section 203(b) | -2,704 | -864 | |
| 238901 Total downward reestimate subsidy outlays | -2,704 | -864 | |
| Administrative expense data: | | | |
| 351001 Budget authority | 513 | 2,824 | 444 |
| 358001 Outlays from balances | 93 | 61 | 10 |
| 359001 Outlays from new authority | 464 | 2,808 | 434 |

The Federal Housing Administration (FHA) 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).

The Budget proposes an aggregate limitation of \$185 billion on commitments to guarantee loans in 2004. The Budget also proposes a new single family loan guarantee product that extends FHA insurance to borrowers who cannot meet existing underwriting standards due to poor credit ratings. Borrowers will still be required to meet debt, income, and repayment ability standards. Increased risk of default associated with these borrowers is offset by requiring greater owner equity and by charging an annual premium of up to one percent rather than the one-half of one percent charged currently. After 24 months of on-time payments, the higher annual premium will be reduced. This new program will insure mortgages on homes currently ineligible under Sec. 203(b) and Sec. 234(c) of the National Housing Act, and will be obligations of the Mutual Mortgage Insurance Fund.

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

Object Classification (in millions of dollars)

| | | | |
|---|-------------|-----------|-----------|
| Identification code 86-0183-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
| 25.2 Other services | 44 | 65 | 65 |
| 25.3 Other purchases of goods and services from Government accounts | 455 | 369 | 379 |
| 41.0 Grants, subsidies, and contributions | 916 | 1,863 | |
| 43.0 Interest and dividends | 101 | 527 | |
| 99.9 Total new obligations | 1,516 | 2,824 | 444 |

FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| | | | |
|---|-------------|-----------|-----------|
| Identification code 86-4242-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
| Obligations by program activity: | | | |
| 00.01 Direct loans | | 50 | 50 |
| 00.02 Interest paid to Treasury | | 2 | 2 |
| 00.03 Claims & other | | 4 | 4 |
| 10.00 Total new obligations | | 56 | 56 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 7 | 3 | |
| 22.00 New financing authority (gross) | 1 | 75 | 105 |
| 22.60 Portion applied to repay debt | -5 | -22 | -49 |
| 23.90 Total budgetary resources available for obligation | 3 | 56 | 56 |
| 23.95 Total new obligations | | -56 | -56 |
| 24.40 Unobligated balance carried forward, end of year | 3 | | |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | | 50 | 50 |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 1 | 25 | 55 |
| 70.00 Total new financing authority (gross) | 1 | 75 | 105 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 4 | -1 | 5 |
| 73.10 Total new obligations | | 56 | 56 |
| 73.20 Total financing disbursements (gross) | -5 | -50 | -56 |
| 74.40 Obligated balance, end of year | -1 | 5 | 5 |
| 87.00 Total financing disbursements (gross) | 5 | 50 | 56 |
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.25 Interest on uninvested funds | | -1 | -1 |
| Non-Federal sources: | | | |
| 88.40 Repayment of principal | -1 | -23 | -50 |
| 88.40 Repayment of interest | | -1 | -4 |
| 88.90 Total, offsetting collections (cash) | -1 | -25 | -55 |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | | 50 | 50 |
| 90.00 Financing disbursements | 4 | 25 | 1 |

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and thereafter (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

The \$50 million in 2004 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 | 2002 actual | 2003 est. | 2004 est. |
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 Limitation on direct loans | 250 | 50 | 50 |

Credit accounts—Continued**FHA—MUTUAL MORTGAGE INSURANCE DIRECT LOAN FINANCING
ACCOUNT—Continued****Status of Direct Loans (in millions of dollars)—Continued**

| Identification code 86-4242-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 1142 Unobligated direct loan limitation (-) | -250 | | |
| 1150 Total direct loan obligations | | 50 | 50 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 1 | | 22 |
| 1231 Disbursements: Direct loan disbursements | | 50 | 50 |
| 1251 Repayments: Repayments and prepayments | -24 | | -50 |
| Write-offs for default: | | | |
| 1263 Direct loans | | -4 | -9 |
| 1264 Other adjustments, net | -1 | | |
| 1290 Outstanding, end of year | | 22 | 13 |

Balance Sheet (in millions of dollars)

| Identification code 86-4242-0-3-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 Federal assets: Fund balances with Treasury | 11 | 3 | 3 | |
| 1206 Non-Federal assets: Receivables, net | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 Direct loans receivable, gross | 1 | | 22 | |
| 1405 Allowance for subsidy cost (-) | -2 | -3 | -7 | |
| 1499 Net present value of assets related to direct loans | -1 | -3 | 15 | |
| 1999 Total assets | 10 | | 18 | |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 Treasury borrowing | 5 | | 28 | |
| 2105 Other liabilities—intragovernmental | 4 | | -10 | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | 1 | | | |
| 2202 Interest payable | | | | |
| 2999 Total liabilities | 10 | | 18 | |
| 4999 Total liabilities and net position | 10 | | 18 | |

**FHA—MUTUAL MORTGAGE INSURANCE GUARANTEED LOAN
FINANCING ACCOUNT****Program and Financing (in millions of dollars)**

| Identification code 86-4587-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.08 Interest payments to Treasury | 432 | 900 | 1,167 |
| 00.11 Default claims and other | 5,691 | 3,888 | 4,005 |
| 00.91 Subtotal, capital/operating expenses | 6,123 | 4,788 | 5,172 |
| Negative Subsidy Activity: | | | |
| 08.01 Payment of negative subsidy to liquidating account for new business | 2,880 | 3,226 | 3,378 |
| 08.02 Reestimate of loan guarantee subsidy (downward reestimates) | 2,223 | 763 | |
| 08.04 Interest on reestimates of loan guarantee subsidy | 481 | 101 | |
| 08.91 Subtotal, subsidy activity | 5,584 | 4,090 | 3,378 |
| 10.00 Total new obligations | 11,707 | 8,878 | 8,550 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 2,703 | 1,599 | 2,071 |
| 22.00 New financing authority (gross) | 11,307 | 13,850 | 12,584 |
| 22.10 Resources available from recoveries of prior year obligations | 46 | | |
| 22.60 Portion applied to repay debt | -750 | -4,500 | -4,400 |
| 23.90 Total budgetary resources available for obligation | 13,306 | 10,949 | 10,255 |
| 23.95 Total new obligations | -11,707 | -8,878 | -8,550 |
| 24.40 Unobligated balance carried forward, end of year | 1,599 | 2,071 | 1,705 |

New financing authority (gross), detail:

| | | | |
|--|--------|--------|--------|
| Discretionary: | | | |
| 47.00 Authority to borrow | 3,400 | 5,000 | 5,500 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 7,938 | 8,850 | 7,084 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | -31 | | |
| 68.90 Spending authority from offsetting collections (total discretionary) | 7,907 | 8,850 | 7,084 |
| 70.00 Total new financing authority (gross) | 11,307 | 13,850 | 12,584 |

Change in obligated balances:

| | | | |
|--|---------|--------|--------|
| 72.40 Obligated balance, start of year | 20 | 80 | 80 |
| 73.10 Total new obligations | 11,707 | 8,878 | 8,550 |
| 73.20 Total financing disbursements (gross) | -11,632 | -8,878 | -8,550 |
| 73.45 Recoveries of prior year obligations | -46 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 31 | | |
| 74.40 Obligated balance, end of year | 80 | 80 | 80 |
| 87.00 Total financing disbursements (gross) | 11,632 | 8,878 | 8,550 |

Offsets:

| | | | |
|--|--------|--------|--------|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Transfer of Reestimates from reserves in Capital Reserve account | -1,017 | -2,390 | |
| 88.25 Interest on uninvested funds | -291 | -48 | -20 |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | -2,863 | -3,120 | -4,213 |
| 88.40 Recoveries on defaults | -3,767 | -3,292 | -2,851 |
| 88.90 Total, offsetting collections (cash) | -7,938 | -8,850 | -7,084 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | 31 | | |

Net financing authority and financing disbursements:

| | | | |
|-------------------------------------|-------|-------|-------|
| 89.00 Financing authority | 3,400 | 5,000 | 5,500 |
| 90.00 Financing disbursements | 3,694 | 28 | 1,466 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4587-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 165,000 | 165,000 | 185,000 |
| 2142 Uncommitted loan guarantee limitation | -7,969 | -1,992 | -7,500 |
| 2150 Total guaranteed loan commitments | 157,031 | 163,008 | 177,500 |
| 2199 Guaranteed amount of guaranteed loan commitments | 157,031 | 163,008 | 177,500 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 419,313 | 435,353 | 493,216 |
| 2231 Disbursements of new guaranteed loans | 136,382 | 133,582 | 139,289 |
| 2251 Repayments and prepayments | -115,070 | -72,243 | -64,119 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | | -491 | -804 |
| 2262 Terminations for default that result in acquisition of property | -5,203 | -2,942 | -2,835 |
| 2263 Terminations for default that result in claim payments | -69 | -43 | -45 |
| 2290 Outstanding, end of year | 435,353 | 493,216 | 564,702 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 435,353 | 493,216 | 564,702 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 4 | 4 | |
| 2331 Disbursements for guaranteed loan claims | | 491 | 804 |
| 2351 Repayments of loans receivable | | | |
| 2364 Other adjustments, net | | -495 | -804 |
| 2390 Outstanding, end of year | 4 | | |

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.

Balance Sheet (in millions of dollars)

| Identification code 86-4587-0-3-371 | 2001 actual ¹ | 2002 actual | 2003 est. | 2004 est. |
|--|--------------------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 2,723 | 1,679 | 5,395 | 5,007 |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 1,049 | | | |
| 1206 Non-Federal assets: Receivables, net | 172 | 267 | | |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 Defaulted guaranteed loans receivable, gross | 122 | 4 | | |
| 1502 Interest receivable | 4 | | | |
| 1504 Foreclosed property | 1,858 | 2,138 | 1,378 | 2,052 |
| 1505 Allowance for subsidy cost | -777 | | | |
| 1599 Net value of assets related to defaulted guaranteed loan | 1,207 | 2,142 | 1,378 | 2,052 |
| 1901 Other Federal assets: Other assets | | 178 | | |
| 1999 Total assets | 5,151 | 4,266 | 6,773 | 7,059 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable | 2,738 | | | |
| 2103 Federal liabilities, Debt | 3,662 | 6,312 | 6,892 | 7,970 |
| 2105 Other | | 2 | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | -67 | 153 | | |
| 2204 Liabilities for loan guarantees | -1,220 | -2,328 | -119 | -911 |
| 2207 Other | 38 | 127 | | |
| 2999 Total liabilities | 5,151 | 4,266 | 6,773 | 7,059 |
| 4999 Total liabilities and net position | 5,151 | 4,266 | 6,773 | 7,059 |

| | | | | |
|-------|--|------|--|--|
| 88.95 | Against gross budget authority only: | | | |
| | Change in uncollected customer payments from Federal sources (unexpired) | -267 | | |

Net budget authority and outlays:

| | | | | |
|-------|------------------|--------|--------|--------|
| 89.00 | Budget authority | | | |
| 90.00 | Outlays | -2,717 | -5,935 | -5,224 |

Memorandum (non-add) entries:

| | | | | |
|-------|---|--------|--------|--------|
| 92.02 | Total investments, end of year: Federal securities: | | | |
| | Net | 21,249 | 28,449 | 33,449 |

In 2002, a new Capital Reserve account was established for the Mutual Mortgage Insurance Fund. Financial reserves, including securities, of the MMI Fund were transferred from the liquidating account to the new Capital Reserve account. Starting in 2003, this new account will earn interest on Treasury investments, collect negative subsidy and downward re-estimates from the Financing account, and pay upward reestimates. The Liquidating account will now only reflect cashflows related to pre-1992 books of business.

Balance Sheet (in millions of dollars)

| Identification code 86-0236-0-1-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | | 1,699 | 1,259 | 1,498 |
| Investments in US securities: | | | | |
| 1102 Treasury securities, net | | 21,077 | 28,449 | 33,449 |
| 1106 Receivables, net | | 267 | | |
| 1999 Total assets | | 23,043 | 29,708 | 34,947 |
| NET POSITION: | | | | |
| 3300 Cumulative results of operations | | 23,043 | 29,708 | 34,947 |
| 3999 Total net position | | 23,043 | 29,708 | 34,947 |
| 4999 Total liabilities and net position | | 23,043 | 29,708 | 34,947 |

FHA—MUTUAL MORTGAGE INSURANCE CAPITAL RESERVE ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-0236-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|--|-----------|-----------|
| Budgetary resources available for obligation: | | | |
| 21.40 | Unobligated balance carried forward, start of year | 22,848 | 26,393 |
| 22.00 | New budget authority (gross) | 2,984 | 5,935 |
| 22.21 | Unobligated balance transferred to other accounts | -1,017 | -2,390 |
| 22.22 | Unobligated balance transferred from other accounts | 20,881 | |
| 23.90 | Total budgetary resources available for obligation | 22,848 | 26,393 |
| 24.40 | Unobligated balance carried forward, end of year | 22,848 | 26,393 |
| New budget authority (gross), detail: | | | |
| Mandatory: | | | |
| 69.00 | Offsetting collections (cash) | 2,717 | 5,935 |
| 69.10 | Change in uncollected customer payments from Federal sources (unexpired) | 267 | |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 2,984 | 5,935 |
| Change in obligated balances: | | | |
| 72.40 | Obligated balance, start of year | | -267 |
| 73.20 | Total outlays (gross) | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | -267 | |
| 74.40 | Obligated balance, end of year | -267 | -267 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| Federal sources: | | | |
| 88.00 | Federal sources—negative subsidy from new business | -3,226 | -3,378 |
| 88.00 | Federal sources—downward reestimates | -2,704 | -864 |
| 88.00 | Federal sources—PY unobligated balance from Liquidating Acct | -315 | |
| 88.20 | Interest on Federal securities | -13 | -1,846 |
| 88.90 | Total, offsetting collections (cash) | -2,717 | -5,935 |

FHA—MUTUAL MORTGAGE AND COOPERATIVE HOUSING INSURANCE FUNDS LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|---|-----------|-----------|
| Obligations by program activity: | | | |
| Operating expenses: | | | |
| 00.03 | Other operating costs | -4 | |
| Capital investment: | | | |
| 01.03 | Acquisition of real properties | 250 | 156 |
| 01.07 | Capitalized property expenses | 83 | 38 |
| 01.08 | Loss mitigation activities | 5 | 5 |
| 01.09 | Preforeclosure sale claims | 2 | 2 |
| 01.91 | Total capital investment | 340 | 201 |
| Other: | | | |
| 02.01 | PY unobligated balance to Capital Reserve Acct | | 316 |
| 10.00 | Total new obligations | 336 | 517 |
| Budgetary resources available for obligation: | | | |
| 21.40 | Unobligated balance carried forward, start of year | 17,747 | 244 |
| 22.00 | New budget authority (gross) | 3,710 | 273 |
| 22.10 | Resources available from recoveries of prior year obligations | 5 | |
| 22.21 | Unobligated balance transferred to other accounts | -20,881 | |
| 23.90 | Total budgetary resources available for obligation | 581 | 517 |
| 23.95 | Total new obligations | -336 | -517 |
| 24.40 | Unobligated balance carried forward, end of year | 244 | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 | Spending authority from offsetting collections: Offsetting collections (cash) | 2,880 | |
| Mandatory: | | | |
| 69.00 | Offsetting collections (cash) | 1,200 | 273 |
| 69.10 | Change in uncollected accounts receivable from Federal sources | -370 | |

Credit accounts—Continued

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

Program and Financing (in millions of dollars)—Continued

| Identification code 86-4070-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 69.90 Spending authority from offsetting collections (total mandatory) | 830 | 273 | 127 |
| 70.00 Total new budget authority (gross) | 3,710 | 273 | 127 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 542 | 950 | 1,053 |
| 73.10 Total new obligations | 336 | 517 | 127 |
| 73.20 Total outlays (gross) | -293 | -414 | -198 |
| 73.45 Recoveries of prior year obligations | -5 | | |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 370 | | |
| 74.40 Obligated balance, end of year | 950 | 1,053 | 982 |
| Outlays (gross), detail: | | | |
| 86.97 Outlays from new mandatory authority | 93 | 273 | 101 |
| 86.98 Outlays from mandatory balances | 200 | 141 | 97 |
| 87.00 Total outlays (gross) | 293 | 414 | 198 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| Offsetting collections (cash) from: | | | |
| 88.00 Payment from financing account | -2,880 | | |
| 88.20 Interest on Federal securities | -900 | | |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | -14 | -24 | -20 |
| 88.40 Rebate of unearned prepaid premiums collected | | | |
| 88.40 Proceeds from sale of real property | -271 | -243 | -107 |
| 88.40 Proceeds from sale of mortgage notes | -15 | | |
| 88.40 Repayment of mortgage notes and sales contracts | | | |
| 88.40 Interest and operating income | | | |
| 88.40 Recoveries on defaulted mortgages | | -6 | |
| 88.90 Total, offsetting collections (cash) | -4,080 | -273 | -127 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | 370 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | | |
| 90.00 Outlays | -3,786 | 141 | 71 |
| Memorandum (non-add) entries: | | | |
| 92.01 Total investments, start of year: Federal securities: Par value | 17,282 | | |
| 92.02 Total investments, end of year: Federal securities: Par value | | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 3 | 2 | |
| 1251 Repayments: Repayments and prepayments | | | |
| 1264 Write-offs for default: Other adjustments, net | -1 | -2 | |
| 1290 Outstanding, end of year | 2 | | |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 39,963 | 31,968 | 27,191 |
| 2251 Repayments and prepayments | -7,738 | -4,613 | -3,556 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | | | |
| 2262 Terminations for default that result in acquisition of property | -250 | -156 | -105 |
| 2263 Terminations for default that result in claim payments | -7 | -8 | -4 |

| | | | |
|---|--------|--------|--------|
| 2290 Outstanding, end of year | 31,968 | 27,191 | 23,526 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 31,968 | 27,191 | 23,526 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 4 | 7 | |
| 2331 Disbursements for guaranteed loan claims | | | |
| 2351 Repayments of loans receivable | -1 | | |
| 2361 Write-offs of loans receivable | -5 | | |
| 2364 Other adjustments, net | 9 | -7 | |
| 2390 Outstanding, end of year | 7 | | |

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 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.

In 2002, a new MMI capital reserve account was established to maintain reserves required by statute that were previously deposited in the liquidating account.

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) | | |
|--|--------------------------|-----------|-----------|
| | 2002 actual | 2003 est. | 2004 est. |
| Insurance initiation: | | | |
| Mortgage insurance commitments (units) | 1,299,868 | 1,419,769 | 1,474,051 |
| Mortgage insurance written (in fiscal year): | | | |
| Units | 1,221,340 | 1,163,480 | 1,156,919 |
| Amount (in millions of dollars) | \$136,382 | \$133,582 | \$139,289 |
| Insurance maintenance: Outstanding balance of insurance in force, end of year: | | | |
| Mortgage insurance (in millions of dollars) | \$467,549 | \$520,406 | \$588,228 |

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 | 2001 actual ¹ | 2002 actual ² | 2003 est. | 2004 est. |
|-------------------------------------|--------------------------|--------------------------|-----------|-----------|
| 0101 Revenue | 1,567 | 151 | 30 | 20 |

| | | | | | |
|------|----------------------------------|-------|--------|-------|-----|
| 0102 | Expense | -113 | -111 | -81 | -48 |
| 0105 | Net income or loss (-) | 1,454 | 40 | -51 | -28 |
| 0108 | Other comprehensive income | 1,104 | 19,128 | 2,938 | |

¹ Estimated result on GAAP basis pending final audit.

Balance Sheet (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2001 actual ¹ | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-------------|-----------|-----------|------|
| ASSETS: | | | | | |
| Federal assets: | | | | | |
| 1101 | Fund balances with Treasury | 1,269 | 1,193 | 71 | |
| | Investments in US securities: | | | | |
| | Receivables, net: | | | | |
| 1106 | Receivables, net | 17,105 | | | |
| 1106 | Receivables, net | 3,031 | | | |
| Non-Federal assets: | | | | | |
| 1206 | Receivables, net | 31 | 26 | 22 | 19 |
| 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 | 3 | 2 | | |
| 1602 | Interest receivable | 2 | | | |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -3 | -2 | | |
| 1699 | Value of assets related to direct loans | 2 | 1 | | |
| 1701 | Defaulted guaranteed loans, gross | 13 | 24 | | |
| 1702 | Interest receivable | 16 | 1 | | |
| 1703 | Allowance for estimated uncollectible loans and interest (-) | -25 | -6 | | |
| 1704 | Defaulted guaranteed loans and interest receivable, net | 4 | 19 | | |
| 1705 | Allowance for uncollectibles from foreclosed property | | | | |
| 1706 | Foreclosed property | 175 | 133 | 84 | 58 |
| 1799 | Value of assets related to loan guarantees | 179 | 152 | 84 | 58 |
| 1901 | Other Federal assets: Other assets | 14 | 18 | 18 | 19 |
| 1999 | Total assets | 21,631 | 1,389 | 195 | 96 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2101 | Accounts payable | 1,018 | | | |
| 2105 | Other Intragovernmental liabilities | | | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 721 | 634 | 539 | 466 |
| 2204 | Liabilities for loan guarantees | 306 | 306 | 260 | 225 |
| 2207 | Unearned revenue and advances, and other | 458 | 461 | 67 | 9 |
| 2999 | Total liabilities | 2,503 | 1,401 | 866 | 700 |
| NET POSITION: | | | | | |
| 3300 | Cumulative results of operations | 19,128 | -12 | -671 | -604 |
| 3999 | Total net position | 19,128 | -12 | -671 | -604 |
| 4999 | Total liabilities and net position | 21,631 | 1,389 | 195 | 96 |

Object Classification (in millions of dollars)

| Identification code 86-4070-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|---|-----------|-----------|
| Other services: | | | |
| 25.2 | Other services | -4 | |
| 25.2 | Other services—PY unobligated balance to Capital Reserve Acct | | 316 |
| 32.0 | Land and structures | 333 | 192 |
| 33.0 | Investments and loans | 5 | 5 |
| 42.0 | Insurance claims and indemnities | 2 | 4 |
| 99.9 | Total new obligations | 336 | 517 |

General Fund Credit Receipt Accounts (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|---|-----------|-----------|
| 0101 | FHA-General and special risk, negative subsidies | 451 | 352 |
| 0102 | FHA-General and special risk, downward reestimates of subsidies | 1,542 | 1,102 |

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, \$15,000,000, 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 \$25,000,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$50,000,000, of which not to exceed \$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, \$229,000,000, of which \$209,000,000, shall be transferred to the appropriation for "Salaries and expenses"; and of which \$20,000,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$93,780,000, of which no less than \$16,946,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, 2004, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|---|-----------|-----------|
| Obligations by program activity: | | | |
| 00.02 | Guaranteed loan subsidy | 8 | 15 |
| 00.07 | Reestimate of credit subsidy | 688 | 851 |
| 00.08 | Interest on reestimates of loan guarantee subsidy | 307 | 316 |
| 00.09 | Administrative expenses, salaries & expenses transfer | 216 | 224 |
| 00.10 | Administrative contract expenses | 94 | 94 |
| 10.00 | Total new obligations | 1,313 | 1,500 |
| Budgetary resources available for obligation: | | | |
| 21.40 | Unobligated balance carried forward, start of year | 75 | 53 |
| 22.00 | New budget authority (gross) | 1,376 | 1,500 |
| 22.60 | Portion applied to repay debt | -30 | |
| 23.90 | Total budgetary resources available for obligation | 1,421 | 1,553 |
| 23.95 | Total new obligations | -1,313 | -1,500 |
| 23.98 | Unobligated balance expiring or withdrawn | -56 | |
| 24.40 | Unobligated balance carried forward, end of year | 53 | 53 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 | Appropriation | 381 | 333 |
| Mandatory: | | | |
| 60.00 | Appropriation | 995 | 1,167 |
| 70.00 | Total new budget authority (gross) | 1,376 | 1,500 |
| Change in obligated balances: | | | |
| 72.40 | Obligated balance, start of year | 112 | 77 |
| 73.10 | Total new obligations | 1,313 | 1,500 |
| 73.20 | Total outlays (gross) | -1,340 | -1,523 |
| 73.40 | Adjustments in expired accounts (net) | -8 | |
| 74.40 | Obligated balance, end of year | 77 | 54 |
| Outlays (gross), detail: | | | |
| 86.90 | Outlays from new discretionary authority | 281 | 310 |
| 86.93 | Outlays from discretionary balances | 64 | 46 |

Credit accounts—Continued

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 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 86.97 Outlays from new mandatory authority | 995 | 1,167 | |
| 87.00 Total outlays (gross) | 1,340 | 1,523 | 338 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,376 | 1,500 | 338 |
| 90.00 Outlays | 1,340 | 1,523 | 338 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | 10 | 9 | 9 |
| 99.01 Outlays | 10 | 9 | 9 |

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

| Identification code 86-0200-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct loan levels supportable by subsidy budget authority: | | | |
| 115001 Single-family PMMs | | 2 | 2 |
| 115002 Multifamily bridge loans | | 2 | 2 |
| 115003 Unused Limitation Authority | 50 | 46 | 46 |
| 115901 Total direct loan levels | 50 | 50 | 50 |
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Apartments NC/SC | 2,843 | 2,900 | 3,000 |
| 215003 221d3 NP/Coop owned apts | 89 | 95 | 100 |
| 215004 Tax Credits NC | 765 | 800 | 850 |
| 215005 Mixed Income (Hope d4) | 15 | 16 | |
| 215006 Apartments Refinance | 1,615 | 1,700 | 1,800 |
| 215007 241a Supplemental Loans for Apts | 14 | 20 | 25 |
| 215008 Operating Loss Loans for Apts (plus 232) | 2 | 3 | 3 |
| 215009 HFA Risk Sharing | 357 | 400 | 420 |
| 215012 GSE Risk Sharing | | 100 | 120 |
| 215013 FHA Full Insurance for Health Care Facilities (plus 241/232) | 649 | 700 | 725 |
| 215014 Health Care Refinances | 1,502 | 1,600 | 1,700 |
| 215015 Hospitals | 149 | 550 | 700 |
| 215016 Other Rental (incl 207(mhp),220,231) | | 300 | 325 |
| 215017 Section 234: Condominiums | 12,982 | 13,700 | 14,100 |
| 215018 Section 203(k): Rehabilitation Mortgages | 949 | 925 | 912 |
| 215019 Section 221(d)(2): Low Income Housing | | | |
| 215021 Title 1 Property Improvement | 95 | 100 | 105 |
| 215022 Title 1 Manufactured Housing | 55 | 80 | 75 |
| 215023 Standby authority | 919 | 11 | 40 |
| 215901 Total loan guarantee levels | 23,000 | 24,000 | 25,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Apartments NC/SC | -0.14 | -0.06 | -0.62 |
| 232003 221d3 NP/Coop owned apts | 8.89 | 3.93 | 5.35 |
| 232004 Tax Credits NC | -2.50 | -0.65 | -1.59 |
| 232005 Mixed Income (Hope d4) | -0.14 | -0.33 | 0.00 |
| 232006 Apartments Refinance | -0.97 | -2.17 | -2.13 |
| 232007 241a Supplemental Loans for Apts | 28.16 | 6.35 | 8.60 |
| 232008 Operating Loss Loans for Apts (plus 232) | 19.34 | 18.69 | 17.84 |
| 232009 HFA Risk Sharing | -1.55 | -1.37 | -1.67 |
| 232012 GSE Risk Sharing | -0.57 | -1.36 | -1.08 |
| 232013 FHA Full Insurance for Health Care Facilities (plus 241/232) | -2.21 | -1.19 | -0.22 |
| 232014 Health Care Refinances | -2.54 | -1.97 | -1.28 |
| 232015 Hospitals | -0.36 | -2.76 | -3.33 |
| 232016 Other Rental (incl 207(mhp),220,231) | | -0.07 | -0.08 |
| 232017 Section 234: Condominiums | -1.99 | -1.08 | -1.03 |
| 232018 Section 203(k): Rehabilitation Mortgages | -1.53 | -0.46 | -0.02 |
| 232019 Section 221(d)(2): Low Income Housing | 0.00 | 0.00 | 0.00 |
| 232021 Title 1 Property Improvement | 0.96 | 2.02 | 1.86 |
| 232022 Title 1 Manufactured Housing | -0.84 | -0.47 | -0.14 |
| 232023 Standby authority | 0.00 | 0.00 | 0.00 |
| 232901 Weighted average subsidy rate | -1.53 | -1.05 | -1.05 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Apartments NC/SC | -4 | -2 | -19 |
| 233003 221d3 NP/Coop owned apts | 8 | 4 | 5 |
| 233004 Tax Credits NC | -19 | -5 | -14 |
| 233005 Mixed Income (Hope d4) | | | |

| | | | |
|---|--------|--------|------|
| 233006 Apartments Refinance | -16 | -37 | -38 |
| 233007 241a Supplemental Loans for Apts | 4 | 1 | 2 |
| 233008 Operating Loss Loans for Apts (plus 232) | | 1 | 1 |
| 233009 HFA Risk Sharing | -6 | -5 | -7 |
| 233012 GSE Risk Sharing | | -1 | -1 |
| 233013 FHA Full Insurance for Health Care Facilities (plus 241/232) | -14 | -8 | -2 |
| 233014 Health Care Refinances | -33 | -32 | -22 |
| 233015 Hospitals | | -15 | -23 |
| 233016 Other Rental (incl 207(mhp),220,231) | | | |
| 233017 Section 234: Condominiums | -258 | -148 | -146 |
| 233018 Section 203(k): Rehabilitation Mortgages | -15 | -4 | |
| 233019 Section 221(d)(2): Low Income Housing | | | |
| 233021 Title 1 Property Improvement | 1 | 2 | 2 |
| 233022 Title 1 Manufactured Housing | | | |
| 233023 Standby authority | | | |
| 233024 Emergency Appropriation | | | |
| 233901 Total subsidy budget authority | -352 | -251 | -262 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Apartments NC/SC | 5 | 5 | -14 |
| 234003 221d3 NP/Coop owned apts | 3 | 3 | 2 |
| 234004 Tax Credits NC | -17 | -23 | -12 |
| 234005 Mixed Income (Hope d4) | | | |
| 234006 Apartments Refinance | -13 | -43 | -38 |
| 234007 241a Supplemental Loans for Apts | 1 | 1 | 2 |
| 234008 Operating Loss Loans for Apts (plus 232) | 1 | | 1 |
| 234009 HFA Risk Sharing | -3 | -10 | -7 |
| 234012 GSE Risk Sharing | | -1 | -1 |
| 234013 FHA Full Insurance for Health Care Facilities (plus 241/232) | -14 | -21 | -3 |
| 234014 Health Care Refinances | -33 | -62 | -24 |
| 234015 Hospitals | -3 | -12 | -21 |
| 234016 Other Rental (incl 207(mhp),220,231) | | | |
| 234017 Section 234: Condominiums | -259 | -148 | -128 |
| 234018 Section 203(k): Rehabilitation Mortgages | -15 | -4 | |
| 234019 Section 221(d)(2): Low Income Housing | | | |
| 234021 Title 1 Property Improvement | 1 | 2 | 2 |
| 234022 Title 1 Manufactured Housing | | | |
| 234023 Standby authority | | | |
| 234901 Total subsidy outlays | -346 | -313 | -241 |
| Guaranteed loan upward reestimate subsidy budget authority: | | | |
| 235024 General and Special Risk | 995 | 1,167 | |
| 235901 Total upward reestimate budget authority | 995 | 1,167 | |
| Guaranteed loan upward reestimate subsidy outlays: | | | |
| 236024 General and Special Risk | 995 | 1,167 | |
| 236901 Total upward reestimate subsidy outlays | 995 | 1,167 | |
| Guaranteed loan downward reestimate subsidy budget authority: | | | |
| 237024 General and Special Risk | -1,542 | -1,102 | |
| 237901 Total downward reestimate subsidy budget authority | -1,542 | -1,102 | |
| Guaranteed loan downward reestimate subsidy outlays: | | | |
| 238024 General and Special Risk | -1,542 | -1,102 | |
| 238901 Total downward reestimate subsidy outlays | -1,542 | -1,102 | |
| Administrative expense data: | | | |
| 351001 Budget authority, S&E Transfer | 216 | 224 | 229 |
| 351001 Budget authority | 150 | 94 | 94 |
| 358001 Outlays from balances | 64 | 46 | 19 |
| 359001 Outlays from new authority | 265 | 299 | 304 |

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

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.

The Budget includes a reduction in the annual premium rate of multifamily Section 221(d)(4) loan guarantees from 57 basis points to 50 basis points. This reflects improved estimates of these loan guarantee subsidy cost.

Object Classification (in millions of dollars)

| Identification code 86-0200-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 25.1 Advisory and assistance services | 52 | 77 | 77 |
| 25.2 Other services | 42 | 17 | 17 |
| 25.3 Other purchases of goods and services from Government accounts | 216 | 224 | 229 |
| 41.0 Grants, subsidies, and contributions | 1,003 | 1,182 | 15 |
| 99.9 Total new obligations | 1,313 | 1,500 | 338 |

FHA—GENERAL AND SPECIAL RISK GUARANTEED LOAN FINANCING ACCOUNT

Program and Financing (in millions of dollars)

| Identification code 86-4077-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Capital investment, claims and other: | | | |
| 00.01 Default claims and other | 927 | 1,346 | 1,355 |
| 00.05 Interest paid to Treasury | 92 | 97 | 102 |
| 00.08 Asset sale negative subsidy payment to the receipt account | 88 | 26 | 7 |
| 00.14 Contract Costs | 18 | 20 | 20 |
| 00.91 Direct Program by Activities—Subtotal (1 level) | 1,125 | 1,489 | 1,484 |
| 08.01 Payment of negative subsidy to receipt account | 364 | 326 | 256 |
| 08.02 Downward subsidy rate reestimate | 1,091 | 774 | ..... |
| 08.04 Interest on subsidy rate reestimates | 451 | 328 | ..... |
| 08.91 Direct Program by Activities—Subtotal (1 level) | 1,906 | 1,428 | 256 |
| 10.00 Total new obligations | 3,031 | 2,917 | 1,740 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1,766 | 1,419 | 1,284 |
| 22.00 New financing authority (gross) | 2,841 | 2,982 | 1,862 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | ..... | ..... |
| 22.60 Portion applied to repay debt | -161 | -200 | -200 |
| 23.90 Total budgetary resources available for obligation | 4,449 | 4,201 | 2,946 |
| 23.95 Total new obligations | -3,031 | -2,917 | -1,740 |
| 24.40 Unobligated balance carried forward, end of year | 1,419 | 1,284 | 1,206 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 47.00 Authority to borrow | 525 | 500 | 400 |
| Spending authority from offsetting collections: | | | |
| 68.00 Offsetting collections (cash) | 2,273 | 2,482 | 1,462 |
| 68.10 Change in uncollected customer payments from Federal sources (unexpired) | 43 | ..... | ..... |
| 68.90 Spending authority from offsetting collections (total discretionary) | 2,316 | 2,482 | 1,462 |
| 70.00 Total new financing authority (gross) | 2,841 | 2,982 | 1,862 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | -123 | -158 | ..... |
| 73.10 Total new obligations | 3,031 | 2,917 | 1,740 |
| 73.20 Total financing disbursements (gross) | -3,020 | -2,759 | -1,740 |
| 73.45 Recoveries of prior year obligations | -3 | ..... | ..... |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | -43 | ..... | ..... |
| 74.40 Obligated balance, end of year | -158 | ..... | ..... |
| 87.00 Total financing disbursements (gross) | 3,020 | 2,759 | 1,740 |

Offsets:

| | | | |
|--|------|--------|-------|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| Federal sources: | | | |
| 88.00 Payments from program account | -16 | -11 | -15 |
| 88.00 Repayment of principal and interest from liquidating account | -14 | -16 | -16 |
| 88.00 Subsidy reestimate from program account | -995 | -1,167 | ..... |

| | | | |
|--|--------|--------|--------|
| 88.25 Interest on uninvested funds | -90 | -92 | -97 |
| Non-Federal sources: | | | |
| 88.40 Fees and premiums | -481 | -494 | -580 |
| 88.40 Recoveries on defaulted mortgages | -116 | -76 | -86 |
| 88.40 Title I recoveries | -23 | -3 | -3 |
| 88.40 Single family property recoveries | -247 | -440 | -452 |
| 88.40 Gross Proceeds from sale of mortgage notes (liquidating) | -88 | -26 | -7 |
| 88.40 Gross Proceeds from Mortgage Note Sales | -202 | -156 | -209 |
| 88.40 Multifamily property recoveries | -1 | -1 | -1 |
| 88.90 Total, offsetting collections (cash) | -2,273 | -2,482 | -1,466 |
| Against gross financing authority only: | | | |
| 88.95 Change in receivables from program accounts | -43 | ..... | ..... |
| Net financing authority and financing disbursements: | | | |
| 89.00 Financing authority | 525 | 500 | 396 |
| 90.00 Financing disbursements | 748 | 277 | 274 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4077-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 Limitation on guaranteed loans made by private lenders | 23,000 | 24,000 | 25,000 |
| 2150 Total guaranteed loan commitments | 23,000 | 24,000 | 25,000 |
| 2199 Guaranteed amount of guaranteed loan commitments | 23,000 | 24,000 | 25,000 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 73,376 | 74,738 | 90,889 |
| 2231 Disbursements of new guaranteed loans | 20,600 | 23,644 | 24,753 |
| 2251 Repayments and prepayments | -18,390 | -6,220 | -7,696 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -458 | -530 | -633 |
| 2262 Terminations for default that result in acquisition of property | -387 | -733 | -634 |
| 2263 Terminations for default that result in claim payments | -3 | -10 | -10 |
| 2290 Outstanding, end of year | 74,738 | 90,889 | 106,669 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 74,738 | 90,889 | 106,669 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 618 | 601 | 942 |
| 2331 Disbursements for guaranteed loan claims | 458 | 530 | 633 |
| 2351 Repayments of loans receivable | -244 | -189 | -298 |
| 2361 Write-offs of loans receivable | -231 | ..... | ..... |
| 2390 Outstanding, end of year | 601 | 942 | 1,277 |

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 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 1,643 | 1,260 | 1,663 | ..... |
| Investments in US securities: | | | | |
| 1106 Receivables, net | 332 | 28 | ..... | ..... |
| 1107 Borrowings receivable from liquidating account ..... | ..... | ..... | 202 | 202 |
| Non-Federal assets: | | | | |
| 1201 Investments in non-Federal securities, net ..... | ..... | ..... | ..... | ..... |

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 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-------------|-----------|-----------|
| 1206 Receivables, net | 16 | 12 | | |
| Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | | |
| 1501 Defaulted guaranteed loans receivable, gross | 618 | 601 | 942 | 1,277 |
| 1502 Interest receivable | 84 | 23 | | |
| 1504 Foreclosed property | 187 | 206 | 528 | 528 |
| 1505 Allowance for subsidy cost | -362 | | -1,061 | -1,061 |
| 1599 Net value of assets related to defaulted guaranteed loan | 527 | 830 | 409 | 744 |
| 1702 Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: Interest receivable | 18 | | | |
| Other Federal assets: | | | | |
| 1801 Cash and other monetary assets | 1 | | | |
| 1901 Other assets | -17 | 211 | 211 | 874 |
| 1999 Total assets | 2,520 | 2,341 | 2,485 | 1,820 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2101 Accounts payable Intragovernmental | 190 | | | |
| 2103 Debt | 877 | 1,241 | 738 | 738 |
| 2105 Payable to Special Receipt Account for Subsidy Reestimate | 12 | | | |
| Non-Federal liabilities: | | | | |
| 2201 Accounts payable | | 1 | | |
| 2202 Interest payable | 6 | 3 | | |
| 2203 Debt | -2 | | | |
| 2204 Liabilities for loan guarantees | 1,428 | 1,072 | 1,747 | 1,082 |
| 2207 Other | 9 | 24 | | |
| 2999 Total liabilities | 2,520 | 2,341 | 2,485 | 1,820 |
| 4999 Total liabilities and net position | 2,520 | 2,341 | 2,485 | 1,820 |

FHA—GENERAL AND SPECIAL RISK DIRECT LOAN FINANCING ACCOUNT**Program and Financing (in millions of dollars)**

| Identification code 86-4105-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct loans | 1 | 3 | 3 |
| 00.02 Interest paid to Treasury | | 1 | 1 |
| 10.00 Total new obligations | 1 | 4 | 4 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 1 | | |
| 22.00 New financing authority (gross) | | 3 | 3 |
| 23.90 Total budgetary resources available for obligation | 1 | 3 | 3 |
| 23.95 Total new obligations | -1 | -4 | -4 |
| New financing authority (gross), detail: | | | |
| Mandatory: | | | |
| 67.10 Authority to borrow | | 3 | 3 |
| Spending authority from offsetting collections: | | | |
| Discretionary: | | | |
| 68.00 Offsetting collections (cash) | | 4 | 4 |
| 68.47 Portion applied to repay debt | | -4 | -4 |
| 68.90 Spending authority from offsetting collections (total discretionary) | | | |
| 70.00 Total new financing authority (gross) | | 3 | 3 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 1 | 4 | 4 |
| 73.20 Total financing disbursements (gross) | | -4 | -4 |
| 87.00 Total financing disbursements (gross) | | 4 | 4 |

Offsets:

| | | | |
|--|--|----|----|
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| Non-Federal sources: | | | |
| 88.40 | Interest received on loans | -1 | -1 |
| 88.40 | Repayment of Principal | -3 | -3 |
| 88.90 | Total, offsetting collections (cash) | -4 | -4 |

Net financing authority and financing disbursements:

| | | | |
|-------|-------------------------------|----|----|
| 89.00 | Financing authority | -1 | -1 |
| 90.00 | Financing disbursements | | |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4105-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|--|-----------|-----------|
| Position with respect to appropriations act limitation on obligations: | | | |
| 1111 | Limitation on direct loans | 50 | 50 |
| 1142 | Unobligated direct loan limitation (-) | -49 | -49 |
| 1150 | Total direct loan obligations | 1 | 1 |
| Cumulative balance of direct loans outstanding: | | | |
| 1210 | Outstanding, start of year | 2 | 2 |
| 1231 | Disbursements: Direct loan disbursements | 1 | 4 |
| 1251 | Repayments: Repayments and prepayments | -1 | -4 |
| 1290 | Outstanding, end of year | 2 | 2 |

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 Credit 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 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|---|-------------|-----------|-----------|
| ASSETS: | | | | |
| Net value of assets related to post-1991 direct loans receivable: | | | | |
| 1401 | Direct loans receivable, gross | 1 | 2 | 2 |
| 1499 | Net present value of assets related to direct loans | 1 | 2 | 2 |
| 1999 | Total assets | 1 | 2 | 2 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2103 | Treasury borrowing | | 1 | 1 |
| 2104 | Resources payable to Treasury | 1 | 1 | 1 |
| 2999 | Total liabilities | 1 | 2 | 2 |
| 4999 | Total liabilities and net position | 1 | 2 | 2 |

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

| Identification code 86-4106-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|---|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 | Default Claims | 1 | |
| 10.00 | Total new obligations (object class 42.0) | 1 | |

Budgetary resources available for obligation:

| | | | | |
|-------|--|----|---|---|
| 21.40 | Unobligated balance carried forward, start of year | 3 | 3 | 5 |
| 22.00 | New financing authority (gross) | 1 | 2 | |
| 23.90 | Total budgetary resources available for obligation | 4 | 5 | 5 |
| 23.95 | Total new obligations | -1 | | |
| 24.40 | Unobligated balance carried forward, end of year | 3 | 5 | 5 |

New financing authority (gross), detail:

Discretionary:

| | | | | |
|-------|---|---|---|--|
| 68.00 | Spending authority from offsetting collections (gross): Offsetting collections (cash) | 1 | 2 | |
|-------|---|---|---|--|

Change in obligated balances:

| | | | | |
|-------|---------------------------------------|----|--|--|
| 73.10 | Total new obligations | 1 | | |
| 73.20 | Total financing disbursements (gross) | -1 | | |
| 87.00 | Total financing disbursements (gross) | 1 | | |

Offsets:

Against gross financing authority and financing disbursements:

| | | | | |
|-------|---|----|----|--|
| 88.00 | Offsetting collections (cash) from: Federal sources | -1 | -2 | |
|-------|---|----|----|--|

Net financing authority and financing disbursements:

| | | | | |
|-------|-------------------------|--|----|--|
| 89.00 | Financing authority | | | |
| 90.00 | Financing disbursements | | -2 | |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4106-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-----------|-----------|----|
| Position with respect to appropriations act limitation on commitments: | | | | |
| 2111 | Limitation on guaranteed loans made by private lenders | | | |
| 2121 | Limitation available from carry-forward | 4 | 4 | |
| 2143 | Uncommitted limitation carried forward | -4 | | |
| 2150 | Total guaranteed loan commitments | | 4 | |
| 2199 | Guaranteed amount of guaranteed loan commitments | | 4 | |
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 4 | 5 | 6 |
| 2231 | Disbursements of new guaranteed loans | 1 | 4 | |
| 2251 | Repayments and prepayments | | -3 | -3 |
| 2290 | Outstanding, end of year | 5 | 6 | 3 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 5 | 6 | 3 |

Balance Sheet (in millions of dollars)

| Identification code 86-4106-0-3-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|--|-------------|-----------|-----------|
| ASSETS: | | | | |
| Investments in US securities: | | | | |
| 1102 | Federal assets: Treasury securities, par | 3 | 3 | 5 |
| | Net value of assets related to post-1991 acquired defaulted guaranteed loans receivable: | | | |
| 1504 | Foreclosed property | 1 | 1 | 1 |
| 1599 | Net present value of assets related to defaulted guaranteed loans | 1 | 1 | 1 |
| 1999 | Total assets | 3 | 4 | 6 |
| LIABILITIES: | | | | |
| 2204 | Non-Federal liabilities: Liabilities for loan guarantees | 3 | 4 | 6 |
| 2999 | Total liabilities | 3 | 4 | 6 |
| 4999 | Total liabilities and net position | 3 | 4 | 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

Unavailable Collections (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|-------------------------------------|------------------------|-----------|-----------|---|
| 01.99 | Balance, start of year | 7 | 7 | 7 |
| 07.99 | Balance, end of year | 7 | 7 | 7 |

Program and Financing (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|---|---|-----------|-----------|-------|
| Obligations by program activity: | | | | |
| Operating expenses: | | | | |
| 00.02 | Interest on debentures | 40 | 43 | 42 |
| 00.03 | Other operating costs | 26 | 28 | 26 |
| 00.05 | Legislative savings repayments | 14 | 16 | 16 |
| 00.06 | PAE & 3rd party restructuring fees | 84 | 62 | 25 |
| 00.91 | Total operating expenses | 164 | 149 | 109 |
| Capital investment: Claims and other: | | | | |
| 01.01 | Acquisition of defaulted Title I notes | -1 | -4 | -2 |
| 01.02 | Assignment of mortgages | 73 | 112 | 134 |
| 01.03 | Assignments per 221 G4 | 119 | 182 | 219 |
| 01.05 | Mark-To-Market Restructures | 421 | 479 | 354 |
| 01.08 | Tax advances on held mortgages | 29 | 30 | 32 |
| 01.09 | Acquisition of real properties | 23 | 11 | 8 |
| 01.10 | Capitalized property expenses | 170 | 176 | 220 |
| 01.11 | Rehabilitation of real properties | 7 | 10 | 18 |
| 01.12 | Upfront Grants | 62 | 61 | 60 |
| 01.13 | Other | 214 | 90 | 85 |
| 01.14 | M&M Contract | 3 | 3 | 3 |
| 01.16 | Payment to the Financing Account-Asset Sale | 88 | 7 | 7 |
| 01.91 | Total capital investment | 1,208 | 1,157 | 1,138 |
| 10.00 | Total new obligations | 1,372 | 1,306 | 1,247 |

Budgetary resources available for obligation:

| | | | |
|-------|---|--------|--------|
| 21.40 | Unobligated balance carried forward, start of year | 1,986 | 528 |
| 22.00 | New budget authority (gross) | 2,073 | 1,531 |
| 22.10 | Resources available from recoveries of prior year obligations | 10 | |
| 22.40 | Capital transfer to general fund | | -528 |
| 22.60 | Portion applied to repay debt | -2,169 | -225 |
| 23.90 | Total budgetary resources available for obligation | 1,900 | 1,306 |
| 23.95 | Total new obligations | -1,372 | -1,306 |
| 24.40 | Unobligated balance carried forward, end of year | 528 | |

New budget authority (gross), detail:

Mandatory:

| | | | | |
|-------|--|-------|-------|-------|
| 60.00 | Appropriation | 1,094 | 472 | 577 |
| 67.10 | Authority to borrow | 249 | 225 | 220 |
| 69.00 | Offsetting collections (cash) | 739 | 834 | 670 |
| 69.10 | Change in uncollected customer payments from Federal sources (unexpired) | -9 | | |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 730 | 834 | 670 |
| 70.00 | Total new budget authority (gross) | 2,073 | 1,531 | 1,467 |

Change in obligated balances:

| | | | | |
|-------|--|--------|--------|--------|
| 72.40 | Obligated balance, start of year | 803 | 889 | 444 |
| 73.10 | Total new obligations | 1,372 | 1,306 | 1,247 |
| 73.20 | Total outlays (gross) | -1,285 | -1,751 | -1,247 |
| 73.45 | Recoveries of prior year obligations | -10 | | |
| 74.00 | Change in uncollected customer payments from Federal sources (unexpired) | 9 | | |
| 74.40 | Obligated balance, end of year | 889 | 444 | 444 |

Outlays (gross), detail:

| | | | | |
|-------|--------------------------------------|-------|-------|-------|
| 86.97 | Outlays from new mandatory authority | 1,276 | 1,306 | 1,247 |
| 86.98 | Outlays from mandatory balances | 9 | 445 | |
| 87.00 | Total outlays (gross) | 1,285 | 1,751 | 1,247 |

Offsets:

Against gross budget authority and outlays:

Offsetting collections (cash) from:

| | | | | |
|----------------------|-------------------|------|------|-----|
| 88.00 | Federal sources | -10 | | |
| Non-Federal sources: | | | | |
| 88.40 | Fees and premiums | -101 | -100 | -84 |

Credit accounts—Continued**FHA—GENERAL AND SPECIAL RISK INSURANCE FUNDS LIQUIDATING ACCOUNT—Continued****Program and Financing (in millions of dollars)—Continued**

| Identification code 86-4072-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 88.40 Rebates of insurance premiums | 2 | 2 | 2 |
| 88.40 Multifamily foreclosure sales | -27 | -147 | -52 |
| 88.40 Proceeds from sale of real property | -55 | -28 | -37 |
| 88.40 Proceeds from sale of mortgage notes | -86 | -265 | -250 |
| 88.40 MTM second mortgage repayments | -4 | -7 | -8 |
| 88.40 Recoveries on defaulted mortgages | -180 | -103 | -64 |
| 88.40 Interest | -77 | -74 | -70 |
| 88.40 Other interest, dividends and revenue | -11 | -12 | -12 |
| 88.40 Other collections | -190 | -100 | -95 |
| 88.90 Total, offsetting collections (cash) | -739 | -834 | -670 |
| 88.95 Against gross budget authority only: Change in uncollected customer payments from Federal sources (unexpired) | 9 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 1,343 | 697 | 797 |
| 90.00 Outlays | 546 | 917 | 577 |
| Memorandum (non-add) entries: | | | |
| 92.01 Total investments, start of year: Federal securities: Par value | 7 | 2 | 6 |
| 92.02 Total investments, end of year: Federal securities: Par value | 2 | 6 | 6 |

Status of Direct Loans (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of direct loans outstanding: | | | |
| 1210 Outstanding, start of year | 38 | 26 | 16 |
| 1251 Repayments: Repayments and prepayments | -12 | -10 | -7 |
| 1290 Outstanding, end of year | 26 | 16 | 9 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 Outstanding, start of year | 25,370 | 21,319 | 18,546 |
| 2251 Repayments and prepayments | -3,414 | -1,991 | -1,743 |
| Adjustments: | | | |
| 2261 Terminations for default that result in loans receivable | -614 | -768 | -704 |
| 2262 Terminations for default that result in acquisition of property | -22 | -11 | -7 |
| 2263 Terminations for default that result in claim payments | -1 | -3 | -2 |
| 2290 Outstanding, end of year | 21,319 | 18,546 | 16,090 |
| Memorandum: | | | |
| 2299 Guaranteed amount of guaranteed loans outstanding, end of year | 21,319 | 18,546 | 16,090 |
| Addendum: | | | |
| Cumulative balance of defaulted guaranteed loans that result in loans receivable: | | | |
| 2310 Outstanding, start of year | 1,999 | 2,226 | 2,114 |
| 2331 Disbursements for guaranteed loan claims | 614 | 768 | 704 |
| 2351 Repayments of loans receivable | -271 | -523 | -374 |
| 2361 Write-offs of loans receivable | -108 | -357 | -263 |
| 2364 Other adjustments, net | -8 | | |
| 2390 Outstanding, end of year | 2,226 | 2,114 | 2,181 |

The General Insurance fund provides for a large number of specialized mortgage insurance programs, including the insurance of loans for property improvements as well as for cooperatives, condominiums, nursing homes, 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.

Restructuring authorities under the Multifamily Assisted Housing Reform and Affordability Act of 1997 expire at the end of fiscal year 2006 except for binding commitments entered into prior to October 1, 2006.

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 | 2001 actual ¹ | 2002 actual ² | 2003 est. | 2004 est. |
|---------------------------------------|--------------------------|--------------------------|-----------|-----------|
| 0101 Revenue | 430 | 348 | | |
| 0102 Expense | -503 | -382 | | |
| 0105 Net income or loss (-) | -73 | -34 | | |
| 0108 Other comprehensive income | -598 | -527 | | |

¹ Preliminary results pending final audit.

Balance Sheet (in millions of dollars)

| Identification code 86-4072-0-3-371 | 2001 actual ¹ | 2002 actual | 2003 est. | 2004 est. |
|---|--------------------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| Federal assets: | | | | |
| 1101 Fund balances with Treasury | 2,782 | 1,415 | | |
| Investments in US securities: | | | | |
| 1102 Treasury securities, par | 7 | 2 | | |
| 1106 Receivables, net | 9 | | 3 | 3 |
| 1107 Advances and prepayments | 20 | | | |
| Non-Federal assets: | | | | |
| 1201 Investments in non-Federal securities, net | | | | |
| 1206 Receivables, net | 124 | 26 | 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 | 39 | 25 | 16 | 9 |
| 1602 Interest receivable | -1 | | | |
| 1603 Allowance for estimated uncollectible loans and interest (-) | -21 | -8 | -8 | -8 |
| 1699 Value of assets related to direct loans | 17 | 17 | 8 | 1 |
| 1701 Defaulted guaranteed loans, gross | 2,006 | 2,226 | 2,013 | 2,139 |
| 1702 Interest receivable | 130 | 107 | 100 | 100 |
| 1703 Allowance for estimated uncollectible loans and interest (-) | -1,126 | -917 | -1,614 | -1,740 |
| 1704 Defaulted guaranteed loans and interest receivable, net | 1,010 | 1,416 | 499 | 499 |
| 1705 Allowance for uncollectibles from foreclosed property | | 2 | 2 | 2 |
| 1706 Foreclosed property | 84 | 68 | 244 | |
| 1799 Value of assets related to loan guarantees | 1,094 | 1,486 | 745 | 501 |
| Other Federal assets: | | | | |
| 1801 Funds held by the Public | 109 | | | |
| 1901 Other assets | 18 | 120 | 120 | 120 |

| | | | | | |
|--------------------------|---|--------|--------|---------|---------|
| 1999 | Total assets | 4,180 | 3,066 | 962 | 711 |
| LIABILITIES: | | | | | |
| Federal liabilities: | | | | | |
| 2101 | Accounts payable | 52 | 27 | 363 | 363 |
| 2105 | Other Liabilities | 127 | 175 | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 444 | 405 | 443 | 443 |
| 2202 | Interest payable | -4 | 5 | | |
| 2203 | Debt | 223 | 285 | | |
| 2204 | Liabilities for loan guarantees | 6,732 | 6,059 | | |
| 2206 | Pension and other actuarial liabilities | | | 5,960 | 5,960 |
| 2207 | Unearned revenue and advances | 384 | 409 | 124 | 124 |
| 2999 | Total liabilities | 7,958 | 7,365 | 6,890 | 6,890 |
| NET POSITION: | | | | | |
| 3100 | Appropriated capital | 1,826 | 812 | 8,525 | 8,525 |
| 3300 | Cumulative results of operations | -5,604 | -5,111 | -14,453 | -14,704 |
| 3999 | Total net position | -3,778 | -4,299 | -5,928 | -6,179 |
| 4999 | Total liabilities and net position | 4,180 | 3,066 | 962 | 711 |

¹ Preliminary pending final audit.

Object Classification (in millions of dollars)

| | | | | |
|-------------------------------------|--|-------------|-----------|-----------|
| Identification code 86-4072-0-3-371 | | 2002 actual | 2003 est. | 2004 est. |
| 25.2 | Other services | 327 | 183 | 139 |
| 32.0 | Land and structures | 262 | 258 | 306 |
| 33.0 | Investments and loans | 612 | 769 | 705 |
| 42.0 | Insurance claims and indemnities | 29 | 30 | 32 |
| 43.0 | Interest and dividends | 40 | 43 | 42 |
| 44.0 | Repayments to financing account | 102 | 23 | 23 |
| 99.9 | Total new obligations | 1,372 | 1,306 | 1,247 |

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND LIQUIDATING ACCOUNT

Program and Financing (in millions of dollars)

| | | | | |
|--|--|-------------|-----------|-----------|
| Identification code 86-4115-0-3-371 | | 2002 actual | 2003 est. | 2004 est. |
| Obligations by program activity: | | | | |
| Capital investment: | | | | |
| 00.02 | Maintenance security and collateral | 4 | 5 | 5 |
| 01.01 | Operating expenses: Interest on borrowings | 250 | 229 | 188 |
| 10.00 | Total new obligations | 254 | 234 | 193 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 26 | 90 | |
| 22.00 | New budget authority (gross) | 344 | 234 | 193 |
| 22.40 | Capital transfer to general fund | -26 | -90 | |
| 23.90 | Total budgetary resources available for obligation | 344 | 234 | 193 |
| 23.95 | Total new obligations | -254 | -234 | -193 |
| 24.40 | Unobligated balance carried forward, end of year | 90 | | |
| New budget authority (gross), detail: | | | | |
| Mandatory: | | | | |
| 69.00 | Offsetting collections (cash) | 807 | 751 | 751 |
| 69.47 | Portion applied to repay debt | -463 | -517 | -558 |
| 69.90 | Spending authority from offsetting collections (total mandatory) | 344 | 234 | 193 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 152 | 128 | 140 |
| 73.10 | Total new obligations | 254 | 234 | 193 |
| 73.20 | Total outlays (gross) | -278 | -222 | -288 |
| 74.40 | Obligated balance, end of year | 128 | 140 | 45 |
| Outlays (gross), detail: | | | | |
| 86.97 | Outlays from new mandatory authority | 278 | 222 | 193 |
| 86.98 | Outlays from mandatory balances | | | 95 |
| 87.00 | Total outlays (gross) | 278 | 222 | 288 |
| Offsets: | | | | |
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.00 | Federal sources | -649 | -530 | -530 |

| | | | | |
|-------|--|------|------|------|
| 88.40 | Non-Federal sources | -158 | -221 | -221 |
| 88.90 | Total, offsetting collections (cash) | -807 | -751 | -751 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|------|------|------|
| 89.00 | Budget authority | -463 | -517 | -558 |
| 90.00 | Outlays | -529 | -529 | -463 |

Status of Direct Loans (in millions of dollars)

| | | | | |
|---|--|-------------|-----------|-----------|
| Identification code 86-4115-0-3-371 | | 2002 actual | 2003 est. | 2004 est. |
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 7,805 | 7,647 | 7,426 |
| 1231 | Disbursements: Direct loan disbursements | | | |
| 1251 | Repayments: Repayments and prepayments | -158 | -221 | -221 |
| 1264 | Write-offs for default: Other adjustments, net | | | |
| 1290 | Outstanding, end of year | 7,647 | 7,426 | 7,205 |

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.

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 | | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
| 0101 | Revenue | 659 | 646 | 525 | 493 |
| 0102 | Expense | -294 | -254 | -229 | -188 |
| 0105 | Net income or loss (-) | 365 | 392 | 296 | 305 |

Balance Sheet (in millions of dollars)

| | | | | | |
|---|--|-------------|-------------|-----------|-----------|
| Identification code 86-4115-0-3-371 | | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
| ASSETS: | | | | | |
| 1101 | Federal assets: Fund balances with Treasury | 178 | 218 | 218 | 268 |
| 1207 | Non-Federal assets: Advances and prepayments | | | | |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1601 | Direct loans, gross | 7,804 | 7,646 | 7,427 | 7,206 |
| 1602 | Interest receivable | 98 | 88 | 70 | 70 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -20 | -19 | -17 | -17 |
| 1604 | Direct loans and interest receivable, net | 7,882 | 7,715 | 7,480 | 7,259 |
| 1606 | Acquired Real Property | 9 | 9 | 8 | 8 |

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 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| 1699 Value of assets related to direct loans | 7,891 | 7,724 | 7,488 | 7,267 |
| 1999 Total assets | 8,069 | 7,942 | 7,706 | 7,535 |
| LIABILITIES: | | | | |
| Federal liabilities: | | | | |
| 2102 Interest payable | 150 | 126 | 200 | 200 |
| 2103 Debt | 3,103 | 2,640 | 2,442 | 2,363 |
| 2104 Resources payable to Treasury | 4,407 | 4,381 | 4,281 | 4,191 |
| 2207 Non-Federal liabilities: Other | 22 | 15 | 22 | 20 |
| 2999 Total liabilities | 7,682 | 7,162 | 6,945 | 6,774 |
| NET POSITION: | | | | |
| 3100 Unexpended Appropriations | 22 | 22 | 10 | 10 |
| 3300 Revolving Fund: Cumulative results of operations | 365 | 758 | 751 | 751 |
| 3999 Total net position | 387 | 780 | 761 | 761 |
| 4999 Total liabilities and net position | 8,069 | 7,942 | 7,706 | 7,535 |

Object Classification (in millions of dollars)

| Identification code 86-4115-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|-------------------------------------|-------------|-----------|-----------|
| 32.0 Land and structures | 4 | 5 | 5 |
| 43.0 Interest and dividends | 250 | 229 | 188 |
| 99.9 Total new obligations | 254 | 234 | 193 |

MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), \$17,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: Provided, That not to exceed the total amount appropriated under this heading 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 pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2004 so as to result in a final fiscal year 2004 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2004 appropriation.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

| Identification code 86-8119-0-7-376 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.00 Manufactured home inspection and monitoring | 8 | 13 | 17 |
| Appropriations: | | | |
| 05.00 Manufactured home inspection and monitoring | —8 | —13 | —17 |
| 07.99 Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-8119-0-7-376 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Transfer to salaries and expenses | 1 | 1 | 2 |
| 00.02 Other program costs | 6 | 14 | 15 |
| 10.00 Total new obligations (object class 25.2) | 7 | 15 | 17 |

Budgetary resources available for obligation:

| | | | |
|--|----|-----|-----|
| 21.40 Unobligated balance carried forward, start of year | 1 | 2 | |
| 22.00 New budget authority (gross) | 8 | 13 | 17 |
| 23.90 Total budgetary resources available for obligation | 9 | 15 | 17 |
| 23.95 Total new obligations | —7 | —15 | —17 |
| 24.40 Unobligated balance carried forward, end of year | 2 | | |

New budget authority (gross), detail:

| | | | |
|--|---|----|----|
| Discretionary: | | | |
| 40.26 Appropriation (trust fund) | 8 | 13 | 17 |

Change in obligated balances:

| | | | |
|--|----|-----|-----|
| 72.40 Obligated balance, start of year | 3 | | 5 |
| 73.10 Total new obligations | 7 | 15 | 17 |
| 73.20 Total outlays (gross) | —9 | —10 | —14 |
| 74.40 Obligated balance, end of year | | 5 | 8 |

Outlays (gross), detail:

| | | | |
|--|---|----|----|
| 86.90 Outlays from new discretionary authority | 5 | 10 | 14 |
| 86.93 Outlays from discretionary balances | 4 | | |
| 87.00 Total outlays (gross) | 9 | 10 | 14 |

Net budget authority and outlays:

| | | | |
|------------------------------|---|----|----|
| 89.00 Budget authority | 8 | 13 | 17 |
| 90.00 Outlays | 9 | 10 | 14 |

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes development and enforcement of appropriate standards for the construction, design, and performance of manufactured homes to assure their quality, durability, affordability, 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. New program requirements mandated by the Manufactured Housing Improvement Act of 2000 include procurement of an Administering Organization, formation of a Consensus Committee to recommend revisions to and interpretations of the manufactured housing standards, development and implementation of standards for installation of manufactured housing, and development and implementation of a dispute resolution program.

Fees are charged to the manufacturers for each manufactured home transportable section produced and will be used to fund the costs of all authorized activities necessary for the consensus committee, HUD, and its agents to carry out all aspects of the manufactured housing legislation. Fees are deposited in a trust 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 2002, 323,727 transportable sections were produced, for a total of 180,451 manufactured homes.

The Manufactured Housing Improvement Act of 2000 created a Manufactured Housing Fees Trust Fund and made spending subject to appropriations. This account provides spending for activities formerly funded under Manufactured Home Inspection and Monitoring.

This account also presents activities formerly shown under the Interstate Land Sales account.

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.

An estimated 600 filings in 2004 will result in \$350,000 in fees.

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 \$691 million in 2003 and \$780 million in 2004.

Credit accounts:

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

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 \$200,000,000,000, to remain available until September 30, 2005.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$10,695,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$10,695,000, shall be transferred to the appropriation for "Salaries and expenses".

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Unavailable Collections (in millions of dollars)

| Identification code 86-0186-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 01.99 Balance, start of year | 1,351 | 1,696 | 2,084 |
| Receipts: | | | |
| 02.20 Negative subsidies | 354 | 398 | 405 |
| 04.00 Total: Balances and collections | 1,705 | 2,094 | 2,489 |
| Appropriations: | | | |
| 05.00 Guarantees of mortgage-backed securities loan guarantee program account | -9 | -10 | -11 |
| 07.99 Balance, end of year | 1,696 | 2,084 | 2,478 |

Program and Financing (in millions of dollars)

| Identification code 86-0186-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Administrative expenses, salaries and expenses | 9 | 10 | 11 |
| 10.00 Total new obligations (object class 25.3) | 9 | 10 | 11 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 9 | 10 | 11 |
| 23.95 Total new obligations | -9 | -10 | -11 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.20 Appropriation (special fund) | 9 | 10 | 11 |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 9 | 10 | 11 |

| | | | |
|--|----|-----|-----|
| 73.20 Total outlays (gross) | -9 | -10 | -11 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 9 | 10 | 11 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 9 | 10 | 11 |
| 90.00 Outlays | 9 | 10 | 11 |

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

| Identification code 86-0186-0-1-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Guaranteed loan levels supportable by subsidy budget authority: | | | |
| 215001 Ginnie Mae mortgage-backed securities | 174,853 | 120,000 | 150,000 |
| 215002 Standby commitment authority | 25,147 | 80,000 | 50,000 |
| 215901 Total loan guarantee levels | 200,000 | 200,000 | 200,000 |
| Guaranteed loan subsidy (in percent): | | | |
| 232001 Ginnie Mae mortgage-backed securities | -0.33 | -0.33 | -0.27 |
| 232002 Standby commitment authority | -0.33 | -0.33 | -0.27 |
| 232901 Weighted average subsidy rate | -0.33 | -0.33 | -0.27 |
| Guaranteed loan subsidy budget authority: | | | |
| 233001 Ginnie Mae mortgage-backed securities | -363 | -396 | -405 |
| 233002 Standby commitment authority | | | |
| 233901 Total subsidy budget authority | -363 | -396 | -405 |
| Guaranteed loan subsidy outlays: | | | |
| 234001 Ginnie Mae mortgage-backed securities | -354 | -396 | -405 |
| 234002 Standby commitment authority | | | |
| 234901 Total subsidy outlays | -354 | -396 | -405 |
| Administrative expense data: | | | |
| 351001 Budget authority | 9 | 10 | 11 |
| 359001 Outlays from new authority | 9 | 10 | 11 |

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 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Operating expenses | 46 | 4 | 4 |
| 00.02 Capital investment | 27 | 102 | 41 |
| 00.91 Subtotal, Operating expenses and capital investment | 73 | 106 | 45 |
| 08.01 Payment to receipt account for negative subsidy | 354 | 396 | 405 |
| 10.00 Total new obligations | 427 | 502 | 450 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 666 | 769 | 809 |
| 22.00 New financing authority (gross) | 530 | 542 | 548 |
| 23.90 Total budgetary resources available for obligation | 1,196 | 1,311 | 1,357 |
| 23.95 Total new obligations | -427 | -502 | -450 |
| 24.40 Unobligated balance carried forward, end of year | 769 | 809 | 907 |
| New financing authority (gross), detail: | | | |
| Discretionary: | | | |
| 68.00 Spending authority from offsetting collections (gross): Offsetting collections (cash) | 530 | 542 | 548 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 26 | 35 | 39 |
| 73.10 Total new obligations | 427 | 502 | 450 |
| 73.20 Total financing disbursements (gross) | -418 | -498 | -448 |
| 74.40 Obligated balance, end of year | 35 | 39 | 41 |
| 87.00 Total financing disbursements (gross) | 418 | 498 | 448 |

Credit accounts—Continued

GUARANTEES OF MORTGAGE-BACKED SECURITIES FINANCING
ACCOUNT—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-4240-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Offsets: | | | |
| Against gross financing authority and financing disbursements: | | | |
| Offsetting collections (cash) from: | | | |
| 88.25 | | | |
| Interest on uninvested funds | - 52 | - 31 | - 38 |
| Non-Federal sources: | | | |
| 88.40 | | | |
| Guarantee Fees | - 376 | - 365 | - 390 |
| 88.40 | | | |
| Commitment and other fees | - 48 | - 83 | - 52 |
| 88.40 | | | |
| Multiclass fees | - 30 | - 39 | - 44 |
| 88.40 | | | |
| Repayment of advances | - 24 | - 24 | - 24 |
| 88.90 | | | |
| Total, offsetting collections (cash) | - 530 | - 542 | - 548 |
| Net financing authority and financing disbursements: | | | |
| 89.00 | | | |
| Financing authority | | | |
| 90.00 | | | |
| Financing disbursements | - 112 | - 44 | - 100 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4240-0-3-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Position with respect to appropriations act limitation on commitments: | | | |
| 2111 | | | |
| Limitation on guaranteed loans made by private lenders | 200,000 | 200,000 | 200,000 |
| 2121 | | | |
| Limitation available from carry-forward | 38,343 | 59,419 | |
| 2143 | | | |
| Uncommitted limitation carried forward | - 59,419 | | |
| 2150 | | | |
| Total guaranteed loan commitments | 178,924 | 259,419 | 200,000 |
| 2199 | | | |
| Guaranteed amount of guaranteed loan commitments | 178,924 | 259,419 | 200,000 |
| Cumulative balance of guaranteed loans outstanding: | | | |
| 2210 | | | |
| Outstanding, start of year | 604,309 | 568,229 | 597,721 |
| 2231 | | | |
| Disbursements of new guaranteed loans | 174,853 | 120,000 | 150,000 |
| 2251 | | | |
| Repayments and prepayments | - 210,933 | - 90,508 | - 106,733 |
| 2290 | | | |
| Outstanding, end of year | 568,229 | 597,721 | 640,988 |
| Memorandum: | | | |
| 2299 | | | |
| Guaranteed amount of guaranteed loans outstanding, end of year | 568,229 | 597,721 | 640,988 |

Operating Results.—Fee collections, interest, and other income are expected to exceed expenses by \$94 million in 2002; \$74 million in 2003 and \$112 million in 2004. These amounts will be retained against losses that may be incurred on guarantees.

Balance Sheet (in millions of dollars)

| Identification code 86-4240-0-3-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-------------|-----------|-----------|
| ASSETS: | | | | |
| 1101 | | | | |
| Federal assets: Fund balances with Treasury | 693 | 805 | 813 | 821 |
| 1206 | | | | |
| Non-Federal assets: Receivables, net | 32 | 30 | 30 | 32 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | |
| 1601 | | | | |
| Direct loans, gross | 3 | 4 | 38 | 51 |
| 1603 | | | | |
| Allowance for estimated uncollectible loans and interest (-) | | - 2 | - 11 | - 15 |
| 1699 | | | | |
| Value of assets related to direct loans | 3 | 2 | 27 | 36 |
| 1803 | | | | |
| Other Federal assets: Property, plant and equipment, net | 8 | 9 | 4 | 4 |
| 1999 | | | | |
| Total assets | 736 | 846 | 874 | 893 |
| LIABILITIES: | | | | |
| Non-Federal liabilities: | | | | |
| 2201 | | | | |
| Accounts payable | 59 | 75 | 81 | 85 |
| 2207 | | | | |
| Other | 21 | 21 | 21 | 21 |
| 2999 | | | | |
| Total liabilities | 80 | 96 | 102 | 106 |

NET POSITION:

| | | | | | |
|------|--|-----|-----|-----|-----|
| 3300 | Cumulative results of operations | 656 | 750 | 772 | 787 |
| 3999 | Total net position | 656 | 750 | 772 | 787 |
| 4999 | Total liabilities and net position | 736 | 846 | 874 | 893 |

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

Unavailable Collections (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|-------------------------------------|--|-----------|-----------|-------|
| 01.99 | Balance, start of year | | | |
| Receipts: | | | | |
| 02.80 | Guarantees of mortgage-backed securities liquidating account, offsetting collections | 400 | 389 | 392 |
| Appropriations: | | | | |
| 05.00 | Guarantees of mortgage-backed securities liquidating account | - 400 | - 389 | - 392 |
| 07.99 | Balance, end of year | | | |

Program and Financing (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|--|--|-----------|-----------|-------|
| Obligations by program activity: | | | | |
| 00.01 | Administrative contract expenses | 91 | 40 | |
| Operating expenses: | | | | |
| 00.02 | Default expenses | 11 | 1 | |
| 00.03 | Servicing expenses | 1 | 1 | |
| 00.91 | Total operating expenses | 1 | 103 | 42 |
| Capital investment: | | | | |
| 01.01 | Advances of guaranty payments | 38 | 57 | 35 |
| 10.00 | Total new obligations | 39 | 160 | 77 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 6,589 | 6,950 | 7,270 |
| 22.00 | New budget authority (gross) | 400 | 480 | 432 |
| 23.90 | Total budgetary resources available for obligation | 6,989 | 7,430 | 7,702 |
| 23.95 | Total new obligations | - 39 | - 160 | - 77 |
| 24.40 | Unobligated balance carried forward, end of year | 6,950 | 7,270 | 7,625 |

New budget authority (gross), detail:

| | | | | |
|-------------------|--|-----|-----|-----|
| Mandatory: | | | | |
| 60.00 | Appropriation | | 91 | 40 |
| 69.00 | Offsetting collections (cash) | 400 | 389 | 392 |
| 70.00 | Total new budget authority (gross) | 400 | 480 | 432 |

Change in obligated balances:

| | | | | |
|-------|---|------|-------|------|
| 72.40 | Obligated balance, start of year ¹ | - 66 | - 39 | - 49 |
| 73.10 | Total new obligations | 39 | 160 | 77 |
| 73.20 | Total outlays (gross) | - 12 | - 170 | - 77 |
| 74.40 | Obligated balance, end of year | - 39 | - 49 | - 49 |

Outlays (gross), detail:

| | | | | |
|-------|--|----|-----|----|
| 86.97 | Outlays from new mandatory authority | 12 | 170 | 77 |
|-------|--|----|-----|----|

Offsets:

| | | | | |
|---|--|-------|-------|-------|
| Against gross budget authority and outlays: | | | | |
| Offsetting collections (cash) from: | | | | |
| 88.20 | Interest on Federal securities | - 355 | - 346 | - 353 |
| Non-Federal sources: | | | | |
| 88.40 | Repayments of guaranteed payments | - 42 | - 38 | - 36 |
| 88.40 | Servicing income | - 2 | - 3 | - 2 |
| 88.40 | Repayments on mortgages | - 1 | - 2 | - 1 |
| 88.90 | Total, offsetting collections (cash) | - 400 | - 389 | - 392 |

Net budget authority and outlays:

| | | | | |
|-------|------------------------|-------|-------|-------|
| 89.00 | Budget authority | | 91 | 40 |
| 90.00 | Outlays | - 388 | - 219 | - 315 |

Memorandum (non-add) entries:

| | | | | |
|-------|--|-------|-------|-------|
| 92.01 | Total investments, start of year: Federal securities: Par value | 6,575 | 6,958 | 7,180 |
| 92.02 | Total investments, end of year: Federal securities: Par value | 6,958 | 7,180 | 7,452 |

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 | 2002 actual | 2003 est. | 2004 est. | |
|--|--|-----------|-----------|-----|
| Cumulative balance of direct loans outstanding: | | | | |
| 1210 | Outstanding, start of year | 110 | 102 | 98 |
| 1232 | Disbursements: Purchase of loans assets from the public | 38 | 37 | 35 |
| 1252 | Repayments: Proceeds from loan asset sales to the public or discounted | -45 | -40 | -37 |
| 1263 | Write-offs for default: Direct loans | -1 | -1 | -2 |
| 1290 | Outstanding, end of year | 102 | 98 | 94 |

Status of Guaranteed Loans (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2002 actual | 2003 est. | 2004 est. | |
|--|--|-----------|-----------|-----|
| Cumulative balance of guaranteed loans outstanding: | | | | |
| 2210 | Outstanding, start of year | 134 | 122 | 110 |
| 2251 | Repayments and prepayments | -12 | -12 | -14 |
| 2290 | Outstanding, end of year | 122 | 110 | 96 |
| Memorandum: | | | | |
| 2299 | Guaranteed amount of guaranteed loans outstanding, end of year | 122 | 110 | 96 |

Operating results.—Fee collections, interest, and other income are expected to exceed expenses by \$229 million in 2003 and \$273 million in 2004. 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 | 2001 actual | 2002 actual | 2003 est. | 2004 est. | |
|-------------------------------------|----------------------------------|-------------|-----------|-----------|-----|
| 0101 | Revenue | 383 | 346 | 349 | 355 |
| 0102 | Expense | | | -120 | -82 |
| 0105 | Net income or loss (-) | 383 | 346 | 229 | 273 |
| 0199 | Total comprehensive income | 383 | 346 | 229 | 273 |

Balance Sheet (in millions of dollars)

| Identification code 86-4238-0-3-371 | 2001 actual | 2002 actual | 2003 est. | 2004 est. | |
|---|--|-------------|-----------|-----------|-------|
| ASSETS: | | | | | |
| Federal assets: | | | | | |
| 1101 | Fund balances with Treasury | | | | |
| Investments in US securities: | | | | | |
| 1102 | Treasury securities, par | 6,557 | 6,935 | 7,180 | 7,452 |
| 1106 | Receivables, net | 85 | 60 | 75 | 74 |
| 1206 | Non-Federal assets: Receivables, net | 2 | 2 | 1 | 1 |
| Net value of assets related to pre-1992 direct loans receivable and acquired defaulted guaranteed loans receivable: | | | | | |
| 1601 | Direct loans, gross | 110 | 102 | 98 | 94 |
| 1603 | Allowance for estimated uncollectible loans and interest (-) | -99 | -95 | -87 | -82 |
| 1699 | Value of assets related to direct loans | 11 | 7 | 11 | 12 |
| 1999 | Total assets | 6,655 | 7,004 | 7,267 | 7,539 |
| LIABILITIES: | | | | | |
| Non-Federal liabilities: | | | | | |
| 2201 | Accounts payable | 20 | 22 | 21 | 20 |
| 2207 | Other | 515 | 517 | 538 | 549 |
| 2999 | Total liabilities | 535 | 539 | 559 | 569 |
| NET POSITION: | | | | | |
| 3300 | Cumulative results of operations | 6,120 | 6,465 | 6,708 | 6,970 |

| | | | | | |
|------|--|-------|-------|-------|-------|
| 3999 | Total net position | 6,120 | 6,465 | 6,708 | 6,970 |
| 4999 | Total liabilities and net position | 6,655 | 7,004 | 7,267 | 7,539 |

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 | 2002 actual | 2003 est. | 2004 est. | |
|-------------------------------------|-----------------------------|-----------|-----------|----|
| 25.2 | Other services | 1 | 103 | 42 |
| 33.0 | Investments and loans | 38 | 57 | 35 |
| 99.9 | Total new obligations | 39 | 160 | 77 |

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, \$51,000,000, to remain available until September 30, 2005, of which \$7,500,000 shall be for program evaluations and \$2,000,000 shall be for activities to support the removal of barriers to affordable housing.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0108-0-1-451 | 2002 actual | 2003 est. | 2004 est. | |
|--|--|-----------|-----------|-----|
| Obligations by program activity: | | | | |
| 00.01 | Housing Research | 38 | 49 | 51 |
| 00.02 | PATH | 8 | 2 | |
| 00.03 | Millennial Housing Commission | 2 | | |
| 10.00 | Total new obligations | 48 | 51 | 51 |
| Budgetary resources available for obligation: | | | | |
| 21.40 | Unobligated balance carried forward, start of year | 3 | 4 | |
| 22.00 | New budget authority (gross) | 49 | 47 | 51 |
| 23.90 | Total budgetary resources available for obligation | 52 | 51 | 51 |
| 23.95 | Total new obligations | -48 | -51 | -51 |
| 24.40 | Unobligated balance carried forward, end of year | 4 | | |
| New budget authority (gross), detail: | | | | |
| Discretionary: | | | | |
| 40.00 | Appropriation | 50 | 47 | 51 |
| 41.00 | Transferred to other accounts | -1 | | |
| 43.00 | Appropriation (total discretionary) | 49 | 47 | 51 |
| Change in obligated balances: | | | | |
| 72.40 | Obligated balance, start of year | 51 | 41 | 41 |
| 73.10 | Total new obligations | 48 | 51 | 51 |
| 73.20 | Total outlays (gross) | -57 | -51 | -50 |
| 73.40 | Adjustments in expired accounts (net) | -1 | | |
| 74.40 | Obligated balance, end of year | 41 | 41 | 42 |
| Outlays (gross), detail: | | | | |
| 86.90 | Outlays from new discretionary authority | 20 | 19 | 20 |
| 86.93 | Outlays from discretionary balances | 37 | 32 | 30 |
| 87.00 | Total outlays (gross) | 57 | 51 | 50 |
| Net budget authority and outlays: | | | | |
| 89.00 | Budget authority | 49 | 47 | 51 |
| 90.00 | Outlays | 57 | 51 | 50 |

The Housing and Urban Development Act of 1970 directs the Secretary to undertake programs of research, studies,

General and special funds—Continued

RESEARCH AND TECHNOLOGY—Continued

testing, and demonstrations related to the HUD mission. These functions are carried out internally and through contracts with industry, nonprofit research organizations, and educational institutions, and through agreements with State and local governments and other Federal agencies.

In 2004, the research program will expand funding for program evaluations and cover some of the increased costs associated with analyzing newly available 2000 census data to determine their implications for HUD programs. National Housing Surveys will continue in 2004. Research and evaluation activities will also support the Department in carrying out its responsibilities under the Government Performance and Results Act.

Object Classification (in millions of dollars)

| Identification code 86-0108-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| 25.2 Other services | 45 | 46 | 45 |
| 41.0 Grants, subsidies, and contributions | 3 | 5 | 6 |
| 99.9 Total new obligations | 48 | 51 | 51 |

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, \$50,000,000, to remain available until September 30, 2005, of which \$20,250,000 shall be to carry out activities pursuant to such section 561: Provided, That 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.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0144-0-1-751 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Fair housing assistance | 28 | 27 | 31 |
| 00.02 Fair housing initiatives | 24 | 20 | 20 |
| 10.00 Total new obligations (object class 41.0) | 52 | 47 | 51 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 31 | 23 | 22 |
| 22.00 New budget authority (gross) | 46 | 46 | 50 |
| 23.90 Total budgetary resources available for obligation | 77 | 69 | 72 |
| 23.95 Total new obligations | -52 | -47 | -51 |
| 23.98 Unobligated balance expiring or withdrawn | -2 | | |
| 24.40 Unobligated balance carried forward, end of year | 23 | 22 | 21 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 46 | 46 | 50 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 45 | 53 | 53 |
| 73.10 Total new obligations | 52 | 47 | 51 |
| 73.20 Total outlays (gross) | -43 | -47 | -46 |
| 74.40 Obligated balance, end of year | 53 | 53 | 59 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 5 | 1 | 1 |

| | | | |
|---|----|----|----|
| 86.93 Outlays from discretionary balances | 38 | 46 | 45 |
| 87.00 Total outlays (gross) | 43 | 47 | 46 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 46 | 46 | 50 |
| 90.00 Outlays | 43 | 47 | 46 |

The Budget proposes an appropriation of \$50 million in 2004 to fund fair housing activities that support efforts to end housing discrimination. Of the amount requested, \$30 million is for the Fair Housing Assistance Program and \$20 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 funding requested for FHAP will support fair housing enforcement by increasing funding to support additional State and local fair housing organizations to meet the needs of currently underserved populations. It will also address the persistent high rate of discrimination against minorities as identified by the 2000 Housing Discrimination Study. It is estimated that the number of new State and local agencies with laws equivalent to the Fair Housing Act will increase to 99 in 2004 from 98 in 2003.

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. FHIP provides funding for projects that inform and educate the public, including housing providers, on the rights and obligations of the Fair Housing Act and about substantially equivalent state and local fair housing laws.

OFFICE OF LEAD HAZARD CONTROL

Federal Funds

General and Special Funds:

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, \$136,000,000, to remain available until September 30, 2005, of which \$10,000,000 shall be for the Healthy Homes Initiative, 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 diseases and hazards.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0174-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Lead abatement | 90 | 136 | 186 |
| 10.00 Total new obligations (object class 41.0) | 90 | 136 | 186 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 86 | 110 | 100 |
| 22.00 New budget authority (gross) | 110 | 126 | 136 |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 Total budgetary resources available for obligation | 200 | 236 | 236 |
| 23.95 Total new obligations | -90 | -136 | -186 |
| 24.40 Unobligated balance carried forward, end of year | 110 | 100 | 50 |

MANAGEMENT AND ADMINISTRATION

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed \$25,000 for official reception and representation expenses, \$1,112,130,000, of which \$564,000,000 shall be provided from the various funds of the Federal Housing Administration, \$10,695,000 shall be provided from funds of the Government National Mortgage Association, \$1,000,000 shall be provided from the "Community development loan guarantees program" account, \$150,000 shall be provided by transfer from the "Native American housing block grants" account, \$250,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account and \$35,000 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0143-0-1-999 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| Direct program: | | | |
| 00.01 Housing, mortgage credit, regulatory and energy conservation | 217 | 201 | 211 |
| 00.02 Community planning and development programs | 39 | 36 | 38 |
| 00.03 Equal opportunity and research programs | 41 | 38 | 40 |
| 00.04 Departmental management, legal and audit services | 45 | 42 | 44 |
| 00.05 Field direction and administration | 208 | 193 | 203 |
| 09.01 Reimbursable program | 546 | 560 | 576 |
| 09.99 Total reimbursable program | 546 | 560 | 576 |
| 10.00 Total new obligations | 1,096 | 1,070 | 1,112 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 1,101 | 1,070 | 1,112 |
| 23.95 Total new obligations | -1,096 | -1,070 | -1,112 |
| 23.98 Unobligated balance expiring or withdrawn | -4 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 556 | 510 | 536 |
| 40.73 Reduction pursuant to P.L. 107-206 | -1 | | |
| 43.00 Appropriation (total discretionary) | 555 | 510 | 536 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 546 | 560 | 576 |
| 70.00 Total new budget authority (gross) | 1,101 | 1,070 | 1,112 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 174 | 130 | 120 |
| 73.10 Total new obligations | 1,096 | 1,070 | 1,112 |
| 73.20 Total outlays (gross) | -1,136 | -1,080 | -1,105 |
| 73.40 Adjustments in expired accounts (net) | -5 | | |
| 74.40 Obligated balance, end of year | 130 | 120 | 127 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 1,021 | 953 | 988 |
| 86.93 Outlays from discretionary balances | 115 | 127 | 117 |
| 87.00 Total outlays (gross) | 1,136 | 1,080 | 1,105 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -546 | -560 | -576 |

| | | | |
|--|-----|------|------|
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 110 | 126 | 136 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 196 | 187 | 222 |
| 73.10 Total new obligations | 90 | 136 | 186 |
| 73.20 Total outlays (gross) | -95 | -101 | -110 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 73.45 Recoveries of prior year obligations | -4 | | |
| 74.40 Obligated balance, end of year | 187 | 222 | 298 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 2 | 3 | 3 |
| 86.93 Outlays from discretionary balances | 93 | 98 | 107 |
| 87.00 Total outlays (gross) | 95 | 101 | 110 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 110 | 126 | 136 |
| 90.00 Outlays | 95 | 101 | 110 |

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.

The program is a major part of a 10-year strategy to eliminate lead poisoning in children. The 2004 Budget includes a \$10 million increase to \$116 million for HUD's Lead Hazard Control Program competitive grants and operation LEAP. Technical studies, technical assistance and the Healthy Homes Initiative are both funded at \$10 million. Operation LEAP funds will be used to leverage other private and public sector resources for the lead hazard control program.

The Lead Hazard Control Grant Program provides grants of \$1 to \$2.5 million to State and local governments and Indian tribes 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 housing maintenance and rehabilitation workforce trained in lead-safe work practices and a certified hazard evaluation and control industry. In awarding grants, HUD promotes the use of new, low cost approaches to hazard control that can be replicated across the nation.

The Healthy Homes Initiative will 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 the 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 Office of Healthy Homes and Lead Hazard Control will continue its Technical Support program, which will include public education; technical assistance for State and local agencies, private property owners, HUD programs and field offices and professional organizations; quality control to ensure that the evaluation and control of lead-based paint hazards is done properly in HUD-assisted housing; development of standards, technical guidance, regulations and improved testing; and hazard control methods.

General and special funds—Continued

SALARIES AND EXPENSES—Continued
(INCLUDING TRANSFER OF FUNDS)—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 86-0143-0-1-999 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 555 | 510 | 536 |
| 90.00 Outlays | 590 | 520 | 529 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | 51 | 51 | 51 |
| 99.01 Outlays | 51 | 51 | 51 |

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 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 315 | 323 | 335 |
| 11.3 Other than full-time permanent | 5 | 4 | 5 |
| 11.5 Other personnel compensation | 2 | 2 | 2 |
| 11.9 Total personnel compensation | 322 | 329 | 342 |
| 12.1 Civilian personnel benefits | 75 | 77 | 80 |
| 21.0 Travel and transportation of persons | 9 | 10 | 10 |
| 22.0 Transportation of things | 1 | 1 | 1 |
| 23.1 Rental payments to GSA | 47 | 46 | 51 |
| 23.3 Communications, utilities, and miscellaneous charges | 13 | 13 | 15 |
| 24.0 Printing and reproduction | 2 | 2 | 2 |
| 25.1 Advisory and assistance services | 50 | 20 | 22 |
| 25.2 Other services | 5 | 2 | 2 |
| 25.3 Other purchases of goods and services from Government accounts | 17 | 7 | 7 |
| 25.4 Operation and maintenance of facilities | 1 | 1 | 1 |
| 25.7 Operation and maintenance of equipment | 1 | | |
| 26.0 Supplies and materials | 3 | 2 | 2 |
| 31.0 Equipment | 3 | | 1 |
| 42.0 Insurance claims and indemnities | 1 | | |
| 99.0 Direct obligations | 550 | 510 | 536 |
| 99.0 Reimbursable obligations | 546 | 560 | 576 |
| 99.9 Total new obligations | 1,096 | 1,070 | 1,112 |

Personnel Summary

| Identification code 86-0143-0-1-999 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Civilian full-time equivalent employment | 4,473 | 4,500 | 4,500 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Civilian full-time equivalent employment | 4,440 | 4,830 | 4,830 |

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$100,080,000, of which \$24,000,000 shall be provided from the various funds of the Federal Housing Administration: Provided, That no less than \$300,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems for the Office of Inspector General.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 207-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-0189-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 68 | 75 | 76 |
| 09.01 Reimbursable program | 27 | 23 | 24 |
| 10.00 Total new obligations | 95 | 98 | 100 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 95 | 98 | 100 |
| 23.95 Total new obligations | -95 | -98 | -100 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | 68 | 75 | 76 |
| 68.00 Spending authority from offsetting collections: Offsetting collections (cash) | 27 | 23 | 24 |
| 70.00 Total new budget authority (gross) | 95 | 98 | 100 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 26 | 22 | 24 |
| 73.10 Total new obligations | 95 | 98 | 100 |
| 73.20 Total outlays (gross) | -98 | -96 | -100 |
| 73.40 Adjustments in expired accounts (net) | -1 | | |
| 74.40 Obligated balance, end of year | 22 | 24 | 24 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 82 | 81 | 83 |
| 86.93 Outlays from discretionary balances | 16 | 15 | 17 |
| 87.00 Total outlays (gross) | 98 | 96 | 100 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -27 | -23 | -24 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 68 | 75 | 76 |
| 90.00 Outlays | 70 | 73 | 76 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | 4 | 4 | 4 |
| 99.01 Outlays | 4 | 4 | 4 |

This appropriation provides agency wide audit and investigative functions to identify and correct management and administrative deficiencies that create conditions for existing or potential instances of fraud, waste and mismanagement. The audit function provides internal audit and contract audit. Internal audits review and evaluate all facets 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 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| Personnel compensation: | | | |
| 11.1 Full-time permanent | 35 | 41 | 41 |
| 11.5 Other personnel compensation | 2 | 2 | 2 |
| 11.9 Total personnel compensation | 37 | 43 | 43 |
| 12.1 Civilian personnel benefits | 10 | 11 | 12 |
| 21.0 Travel and transportation of persons | 4 | 4 | 4 |
| 23.1 Rental payments to GSA | 5 | 6 | 6 |
| 23.3 Communications, utilities, and miscellaneous charges | 1 | 1 | 1 |
| 25.1 Advisory and assistance services | 8 | 7 | 7 |
| 25.3 Other purchases of goods and services from Government accounts | 1 | 1 | 1 |
| 26.0 Supplies and materials | 1 | 1 | 1 |
| 31.0 Equipment | 1 | 1 | 1 |
| 99.0 Direct obligations | 68 | 75 | 76 |
| 99.0 Reimbursable obligations | 27 | 23 | 24 |
| 99.9 Total new obligations | 95 | 98 | 100 |

Personnel Summary

| Identification code 86-0189-0-1-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Civilian full-time equivalent employment | 467 | 517 | 509 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Civilian full-time equivalent employment | 181 | 158 | 166 |

**CONSOLIDATED FEE FUND
(RESCISSION)**

All unobligated balances remaining available from fees and charges under section 7(j) of the Department of Housing and Urban Development Act on October 1, 2003 are rescinded.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-5486-0-2-604 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity | 1 | | |
| 10.00 Total new obligations (object class 25.3) | 1 | | |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 16 | 8 | |
| 22.00 New budget authority (gross) | -7 | -8 | |
| 23.90 Total budgetary resources available for obligation | 9 | | |
| 23.95 Total new obligations | -1 | | |
| 24.40 Unobligated balance carried forward, end of year | 8 | | |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.36 Unobligated balance rescinded | -7 | -8 | |
| Change in obligated balances: | | | |
| 73.10 Total new obligations | 1 | | |
| 73.20 Total outlays (gross) | -1 | 1 | 1 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | -1 | |
| 86.93 Outlays from discretionary balances | | | -1 |
| 86.98 Outlays from mandatory balances | 1 | | |
| 87.00 Total outlays (gross) | 1 | -1 | -1 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | -7 | -8 | |
| 90.00 Outlays | 1 | -1 | -1 |

Section 7(j) of the Department of Housing and Urban Development Act established fees and charges from selected programs to offset the costs of audits, inspections and other related expenses that may be incurred by the Department in monitoring these programs. These funds are no longer needed. In 2004, the budget proposes a rescission of all unobligated funds.

**OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF FUNDS)**

Unavailable Collections (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| 01.99 Balance, start of year | | | |
| Receipts: | | | |
| 02.60 Office of federal housing enterprise oversight | 27 | 30 | 32 |
| Appropriations: | | | |
| 05.00 Office of federal housing enterprise oversight | -27 | -30 | -32 |

| | | | |
|----------------------------------|--|--|--|
| 07.99 Balance, end of year | | | |
|----------------------------------|--|--|--|

Program and Financing (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct program | 27 | 30 | 32 |
| 10.00 Total new obligations | 27 | 30 | 32 |
| Budgetary resources available for obligation: | | | |
| 22.00 New budget authority (gross) | 27 | 30 | 32 |
| 23.95 Total new obligations | -27 | -30 | -32 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.20 Appropriation (special fund) | 27 | 30 | 32 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 5 | 5 | 6 |
| 73.10 Total new obligations | 27 | 30 | 32 |
| 73.20 Total outlays (gross) | -27 | -29 | -31 |
| 74.40 Obligated balance, end of year | 5 | 6 | 7 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | 23 | 24 | 26 |
| 86.93 Outlays from discretionary balances | 4 | 5 | 6 |
| 87.00 Total outlays (gross) | 27 | 29 | 31 |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | 27 | 30 | 32 |
| 90.00 Outlays | 27 | 29 | 31 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | 1 | 1 | 1 |
| 99.01 Outlays | 1 | 1 | 1 |

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 two housing Government Sponsored Enterprises (GSEs)—Fannie Mae and Freddie Mac. 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.

In order to treat OFHEO similarly to other financial regulators, including the regulator of the Federal Home Loan Bank System, the Budget proposes legislation that would provide direct funding of OFHEO's activities with mandatory assessments on Fannie Mae and Freddie Mac.

Object Classification (in millions of dollars)

| Identification code 86-5272-0-2-371 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Personnel Compensation | 13 | 16 | 19 |
| 12.1 Civilian personnel benefits | 3 | 4 | 5 |
| 23.2 Rental payments to others | 2 | 3 | 3 |
| 25.2 Other services | 1 | 5 | 3 |
| 31.0 Equipment | 6 | 1 | 1 |
| 32.0 Land and structures | 2 | | |
| 99.0 Direct obligations | 27 | 29 | 31 |
| 99.5 Below reporting threshold | | 1 | 1 |
| 99.9 Total new obligations | 27 | 30 | 32 |

Personnel Summary

| Identification code 86-5272-0-2-371 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Civilian full-time equivalent employment | 112 | 135 | 151 |

Intragovernmental funds:

WORKING CAPITAL FUND

For additional capital for Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide Information technology systems, and for the continuing operation of both Department-wide and program-specific information systems, \$276,300,000 to remain available until September 30, 2005: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended.

Note.—A regular 2003 appropriation for this account had not been enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 107-229, as amended). The amounts included for 2003 in this budget reflect the Administration's 2003 policy proposals.

Program and Financing (in millions of dollars)

| Identification code 86-4586-0-4-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Obligations by program activity: | | | |
| 00.01 Direct Program Activity | | 276 | 276 |
| 09.01 Reimbursable program | 314 | 108 | 75 |
| 10.00 Total new obligations | 314 | 384 | 351 |
| Budgetary resources available for obligation: | | | |
| 21.40 Unobligated balance carried forward, start of year | 24 | 58 | 27 |
| 22.00 New budget authority (gross) | 345 | 351 | 341 |
| 22.10 Resources available from recoveries of prior year obligations | 3 | 2 | 2 |
| 23.90 Total budgetary resources available for obligation | 372 | 411 | 370 |
| 23.95 Total new obligations | -314 | -384 | -351 |
| 24.40 Unobligated balance carried forward, end of year | 58 | 27 | 19 |
| New budget authority (gross), detail: | | | |
| Discretionary: | | | |
| 40.00 Appropriation | | 276 | 276 |
| Mandatory: | | | |
| 69.00 Offsetting collections (cash) | 364 | 75 | 65 |
| 69.10 Change in uncollected customer payments from Federal sources (unexpired) | -19 | | |
| 69.90 Spending authority from offsetting collections (total mandatory) | 345 | 75 | 65 |
| 70.00 Total new budget authority (gross) | 345 | 351 | 341 |
| Change in obligated balances: | | | |
| 72.40 Obligated balance, start of year | 71 | 125 | 94 |
| 73.10 Total new obligations | 314 | 384 | 351 |
| 73.20 Total outlays (gross) | -277 | -413 | -341 |
| 73.45 Recoveries of prior year obligations | -3 | -2 | -2 |
| 74.00 Change in uncollected customer payments from Federal sources (unexpired) | 19 | | |
| 74.40 Obligated balance, end of year | 125 | 94 | 102 |
| Outlays (gross), detail: | | | |
| 86.90 Outlays from new discretionary authority | | 213 | 213 |
| 86.93 Outlays from discretionary balances | | | 63 |
| 86.97 Outlays from new mandatory authority | 277 | 75 | 65 |
| 86.98 Outlays from mandatory balances | | 125 | |
| 87.00 Total outlays (gross) | 277 | 413 | 341 |
| Offsets: | | | |
| Against gross budget authority and outlays: | | | |
| 88.00 Offsetting collections (cash) from: Federal sources | -364 | -75 | -65 |
| Against gross budget authority only: | | | |
| 88.95 Change in uncollected customer payments from Federal sources (unexpired) | 19 | | |
| Net budget authority and outlays: | | | |
| 89.00 Budget authority | | 276 | 276 |
| 90.00 Outlays | -88 | 338 | 276 |
| Additional net budget authority and outlays to cover cost of fully accruing retirement: | | | |
| 99.00 Budget authority | 2 | 2 | 2 |
| 99.01 Outlays | 2 | 2 | 2 |

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. In

2001 and 2002 the fund was financed from fees charged for services performed. In 2003 and 2004, a direct appropriation is requested for the operations of the computer system and for development and modifications of Department-wide systems. Fees will continue for services to develop and modify systems where the benefit is limited to a specific program.

Object Classification (in millions of dollars)

| Identification code 86-4586-0-4-451 | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Direct obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | | 34 | 34 |
| 12.1 Civilian personnel benefits | | 6 | 6 |
| 21.0 Travel and transportation of persons | | 2 | 2 |
| 23.3 Communications, utilities, and miscellaneous charges | | 40 | 40 |
| 25.1 Advisory and assistance services | | 158 | 158 |
| 26.0 Supplies and materials | | 1 | 1 |
| 31.0 Equipment | | 35 | 35 |
| 99.0 Direct obligations | | 276 | 276 |
| Reimbursable obligations: | | | |
| 11.1 Personnel compensation: Full-time permanent | 28 | | |
| 12.1 Civilian personnel benefits | 7 | | |
| 21.0 Travel and transportation of persons | 1 | | |
| 23.3 Communications, utilities, and miscellaneous charges | 47 | | |
| 25.1 Advisory and assistance services | 209 | 108 | 75 |
| 26.0 Supplies and materials | 1 | | |
| 31.0 Equipment | 21 | | |
| 99.0 Reimbursable obligations | 314 | 108 | 75 |
| 99.9 Total new obligations | 314 | 384 | 351 |

Personnel Summary

| Identification code 86-4586-0-4-451 | 2002 actual | 2003 est. | 2004 est. |
|--|-------------|-----------|-----------|
| Direct: | | | |
| 1001 Total compensable workyears: Civilian full-time equivalent employment | | 380 | 380 |
| Reimbursable: | | | |
| 2001 Total compensable workyears: Civilian full-time equivalent employment | 354 | | |

ADMINISTRATIVE PROVISIONS

SEC. 201. Section 3(a)(3) of the United States Housing Act of 1937 is amended in subsection (A) by striking the words, "non-elderly, non-disabled" before the word "family" the first time it appears, and thereafter, and by striking the words, "not more than", and inserting in lieu thereof the words, "at least", before the words "\$50 per month," and in subsection (B) by deleting the entire subsection and inserting the words "Notwithstanding subparagraph (A), a hardship exemption may be granted on a case-by-case basis as determined by the Secretary.

SEC. 202. (a) 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 2004 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 in a prior fiscal year under clause (i) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2004 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2004 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) 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) of such section 854(c)(1)(A) in fiscal year 2004, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

SEC. 203. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2004 and thereafter to the City of Philadelphia, Pennsylvania on behalf of the Philadelphia, PA-NJ Pri-

mary Metropolitan Statistical Area (hereafter 'metropolitan area'), under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan area's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area that is located in New Jersey. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan area that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year 2004 and thereafter under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

SEC. 204. (a) During fiscal year 2004, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

(b) The counties specified in this subsection are Oakland County, Macomb County, Wayne County, and Washtenaw County, in the State of Michigan.

SEC. 205. Service Coordinators for Section 811 Housing.—Section 683(2) of the Housing and Community Development Act of 1992 is amended—

(1) in subparagraph (F), by striking "and";

(2) in subparagraph (G), by striking "section." and inserting "section, and"; and

(3) by adding the following new subparagraph at the end:

"(H) housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act."

SEC. 206. Section 1316 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4516) is amended in subsection (a) in the first sentence by striking " , to the extent provided in appropriation Acts," and in subsection (f) in the third sentence by striking " , to the extent provided in appropriation Acts and subsection (e) ,".

SEC. 207. Repeal of Section 236(s) Loan Program.—

(a) Section 236(s) of the National Housing Act (12 U.S.C. 1715z-1(s)) is amended—

(1) in the heading by striking "AND LOANS";

(2) in paragraph (1), by striking "and loans";

(3) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "or loan"; and

(B) in subparagraph (E)(i), by striking "or loan (as appropriate)";

(4) in paragraph (3), in the matter that precedes subparagraph (A), by striking "or loan";

(5) in paragraph (4)—

(A) in the paragraph heading, by striking "and loan"; and

(B) by striking "or loan" after "grant" each place it appears;

(6) in paragraph (7), by striking subparagraph (D); and

(7) by striking paragraph (5) and redesignating paragraphs (6) and (7) as (5) and (6).

SEC. 208. Development-Based Subsidies.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended by adding at the end the following new subsection:

"(o) DEVELOPMENT-BASED SUBSIDIES.—

"(1) IN GENERAL.—In order to facilitate the financing of capital needs and development-based financial management and account-

ability, the Secretary may approve, on a project-by-project basis, the conversion of a public housing project or a portion of a public housing project to structures receiving project-based voucher assistance, which structures may be on or off the original site of the public housing project, provided—

"(A) that the number of public housing units converted under this subsection shall be equal to the number of units receiving project-based voucher assistance under this subsection, and that a commitment has first been obtained from an approved lender for a mortgage loan secured by the property to finance qualified, necessary acquisition or capital improvements under terms established by the Secretary; and

"(B) that the Secretary shall not approve the conversion of any public housing project or portion of a project that is owned by a public housing agency that is not in compliance with the provisions of subsection (j) at such time as the Secretary is asked to consider such approval.

"For purposes of this subsection and any other section or subsection of this Act, where the Secretary determines that such construction would assist with the execution of this subsection, any reference to a project or dwelling unit owned by a public housing agency shall be deemed to include a project or dwelling unit owned by an entity controlled by such agency.

(2) FUNDING OF VOUCHERS.—The initial year of any contract for project-based voucher assistance under this subsection may be funded with amounts made available in an appropriations Act under the headings making amounts available for the purposes set forth in subsections (d) or (e) of this section. Any renewal of such contracts shall be funded with appropriated amounts available for the renewal of assistance under section 8.

"(3) Project-based voucher assistance provided under this subsection shall be administered under section 8(o)(13), except that—

"(A) subparagraphs (C)(ii) and (D) of such section shall not apply;

"(B)(i) any units converted to project-based voucher assistance under this subsection shall be maintained as assisted housing and provided project-based voucher assistance for the same length of time as the housing would have been required under subsection (d)(3) of this section to be operated and maintained as public housing (restricted use period), subject to the availability of sufficient appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in advance in appropriations Acts;

"(ii) notwithstanding clause (i), when dwelling units which are receiving project-based voucher assistance pursuant to a conversion under this subsection and which are not located in developments or portions of developments predominantly occupied by elderly persons or persons with disabilities, or both, become vacant, the public housing agency may rent up to one-fourth of such units to unassisted families, and for each unit so rented for the duration of such rental may use the assistance otherwise associated with that unit to provide tenant-based voucher assistance under section 8; and

"(iii)(I) notwithstanding clause (i), if the Secretary determines that such action would further the purposes of this subsection, the Secretary may provide for termination of the restricted use period set forth in clause (i) if any units converted to project-based voucher assistance under this subsection are foreclosed upon (or otherwise disposed of pursuant to an instrument in lieu of foreclosure), on the date the units are acquired by foreclosure (or instrument in lieu of foreclosure), unless—

"(aa) the Secretary determines that the foreclosure is part of an arrangement the purpose of which is to terminate the restricted use period; or

"(bb) a bona fide and reasonable contract acceptable to the Secretary to purchase such units is presented by a person who is willing to continue such use restrictions; and

"(II) if the Secretary provides for termination of the restricted use period pursuant to subclause (I) and if the contract for project-based assistance is also being terminated or is expiring, the Secretary shall make available enhanced voucher assistance under section 8(t) to any eligible family occupying an assisted unit at the time of such termination;

"(C) any units converted to project-based voucher assistance under this subsection shall remain covered by and subject to the provisions in the public housing cooperation agreement entered into between the governing body of the locality involved and the public housing agency;

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

“(D) any units converted to project-based voucher assistance under this subsection shall not be included as tenant-based assistance that is attached to a structure for the purposes of the 20 percent limitation set forth in section 8(o)(13)(B);

“(E) the rent level for a unit converted to project-based voucher assistance under this subsection may be set at a level lower than the level at which such rent would otherwise be set pursuant to section 8(o)(13)(H), provided such lower level is sufficient, in the determination of the Secretary, to cover debt service payments on obligations to finance the cost of any necessary rehabilitation, contributions to a capital reserve, amounts necessary for adequate debt service coverage, the cost of the subsequent operation of the housing as project-based voucher assistance, and any other necessary costs;

“(F) where units converted to project-based voucher assistance under this subsection are owned by the public housing agency (including an entity controlled by such agency), the Secretary may administer or make alternative arrangements to administer the obligations otherwise required of the public housing agency under the annual contributions contract; and

“(G) the Secretary may waive, or specify alternative requirements for, applicable provisions of this Act where the Secretary determines that such waiver or requirements would facilitate a successful transition from public housing to project-based voucher assistance.

“(4) **TREATMENT OF CONVERSION.**—The conversion of public housing units to project-based voucher assistance under this subsection, including any disposition of public housing units to an entity controlled by the public housing agency prior to but in furtherance of such conversion, shall not be considered a disposition under section 18 of this Act.

“(5) **FEDERAL GUARANTEES FOR FINANCING.**—

“(A) **AUTHORITY.**—Subject to the Federal Credit Reform Act of 1990, as amended, the Secretary may, upon such terms and conditions as the Secretary may prescribe regulations, make commitments to guarantee total loan principal only, not to exceed 80 percent of the principal amount of the loans, notes or other obligations issued to finance qualified, necessary acquisition or capital improvements of units converted under this subsection.

“(B) **TERMS OF LOANS.**—Loans, notes or other obligations guaranteed pursuant to this subsection shall be in such form and denominations, have such maturities not to exceed forty years, and be subject to such conditions as may be prescribed by the Secretary.

“(C) **SECURITY.**—As a condition for issuing guarantees under this subsection, the Secretary shall require the entity to furnish, at the discretion of the Secretary, such security as may be deemed appropriate by the Secretary in making such guarantees. In addition, in connection with any loan, note, or other obligation guaranteed pursuant to this subsection, the Secretary may require the payment of a premium charge, which premium charge shall be retained and used by the Secretary to offset the risk to the government associated with such guarantee.

“(D) **REMEDIES.**—In addition to other available remedies, with respect to any property securing a loan, note, or other obligation guaranteed under this subsection, or with respect to any such guarantee, the Secretary is hereby authorized to—

“(1) acquire possession of, or title to, the property by voluntary conveyance in exchange for extinguishment of the loan, note, or other obligation guaranteed under this subsection;

“(2) institute proceedings for foreclosure, including proceedings under the Multifamily Mortgage Foreclosure Act of 1981 (12 U.S.C. 3701 et seq.); or

“(3) take action the Secretary determines to be necessary to prevent or mitigate losses in connection with the guarantee under this subsection.

“The Secretary is authorized to accept assignment of any loan, note or other obligation guaranteed under this subsection and to exercise all the rights of a holder of such debt instrument, including the right to sell such loan, note, or other obligation, and to take such action and advance such sums as may be necessary to preserve or protect the lien of such loan, note or other obligation.

“(E) **AUTHORIZATION OF APPROPRIATIONS FOR CREDIT SUBSIDY AND OTHER COSTS OF CARRYING OUT THIS PARAGRAPH.**—There are authorized to be appropriated to cover the costs (as such

term is defined in section 661a of title 2, United States Code) of guarantees under this paragraph, the payment of amounts payable under such guarantees, and other costs of carrying out this paragraph, such sums as may be necessary for fiscal year 2004 and fiscal years thereafter: 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.”

(b) **USE OF CAPITAL FUND AMOUNTS FOR CONVERSION.**—Section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) is amended—

(1) in subparagraph (I), by striking “; and” at the end;

(2) in subparagraph (J), by striking the period and inserting “; and”; and

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

“(K) assistance in the financing for necessary renovations to, or other capital expenses for, any project receiving project-based voucher assistance pursuant to subsection (o) of this section, including the making of capital contributions to such projects where needed to make financing feasible and the purchase or provision of letters of credit or other credit enhancements necessary to carry out such subsection, initial contributions to any necessary reserves, and any contributions that the Secretary may require for the initial administration of such subsection (o) with respect to such project.”

SEC. 209. Repeal of Federalization of Public Housing Units.

(a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

(b) Section 226 of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.

(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.

(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.

SEC. 210. Section 8(y)(7)(A) of the United States Housing Act of 1937 is amended by striking “for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts”.

SEC. 211. Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note; P.L. 104-120) is amended in subsection (d)(2) by adding the following new paragraph after paragraph (B): “(C) LAND COSTS IN THE COLONIAS.—Paying the remaining land costs of a family in the colonias on which a dwelling will be developed.”

SEC. 212. INCREASED FLEXIBILITY FOR PAYMENT OF INTEREST ON SINGLE FAMILY CLAIMS.

Section 224 of the National Housing Act (12 U.S.C. 1735o) is amended by adding the following new sentence at the end of the first paragraph: “Notwithstanding the preceding sentence and the following paragraph, if an insurance claim is paid in cash for any mortgage that is insured under section 203 or 234 of this Act and is endorsed for mortgage insurance after the date of enactment of this sentence, the debenture interest rate for purposes of calculating such a claim shall be the monthly average yield, for the month in which the default on the mortgage occurred, on United States Treasury Securities adjusted to a constant maturity of ten years.”

SEC. 213. The McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 et seq.) is amended—

(1) in section 101(b), by striking “INTERAGENCY COUNCIL ON THE HOMELESS” and inserting “UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS”;

(2) in section 102(b)(1), by striking “an Interagency Council on the Homeless” and inserting “the United States Interagency Council on Homelessness”;

(3) in the heading for title II, by striking “INTERAGENCY COUNCIL ON THE HOMELESS” and inserting “UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS”;

(4) in sections 201, 207(1), 501(c)(2)(a), and 501(d)(3), by striking “Interagency Council on the Homeless” and inserting “United States Interagency Council on Homelessness”; and

(5) in section 204(c), by inserting after “reimbursable” the two places it appears the following: “or nonreimbursable”.

SEC. 214. FHA PAYMENT REWARDS PROGRAM.

Title II of the National Housing Act (12 U.S.C. 1707 et seq.) is amended by adding the following new section at the end:

“**PAYMENT REWARDS FOR CERTAIN SINGLE FAMILY MORTGAGES**

“**SEC. 257.** For purposes of establishing an alternative to high cost mortgages for borrowers with credit impairments, the Secretary may insure under sections 203(b) and 234(c) of this title any mortgage

that meets the requirements of such sections, except as provided in the following sentences. The Secretary may establish lower percentage of appraised value limitations than those provided in section 203(b)(2)(B). Notwithstanding section 203(c)(2)(B), the Secretary may establish and collect annual premium payments in an amount not exceeding 1.0 percent of the remaining insured principal balance and such payments may be reduced or eliminated in subsequent years based on mortgage payment performance. All mortgages insured pursuant to this section shall be obligations of the Mutual Mortgage Insurance Fund notwithstanding section 519 of this Act.”.

GENERAL FUND RECEIPT ACCOUNTS

(in millions of dollars)

| | 2002 actual | 2003 est. | 2004 est. |
|---|-------------|-----------|-----------|
| Offsetting receipts from the public: | | | |
| 86-271910 FHA-general and special risk, Negative subsidies | 451 | 352 | 263 |
| 86-271930 FHA-general and special risk, Downward re-estimates of subsidies | 1,542 | 1,102 | ..... |
| 86-274330 Indian housing loan guarantees, downward reestimates of subsidies ..... | ..... | 1 | ..... |
| 86-276230 Title VI indian loan guarantee downward re-estimate ..... | ..... | 1 | ..... |
| General Fund Offsetting receipts from the public | 1,993 | 1,456 | 263 |

